



SUSTAINABILITY REPORT 2016

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1. INSTITUTIONAL DIMENSION

INTRODUCTION TO THE PORT AUTHORITY AND ITS SUSTAINABILITY STRATEGY

Introduction

2016 may well be considered the starting point of a new global process resizing the shipping sector. The alliances have started the work to establish a new model, a new status quo for shipping companies on a world scale. It is a historical, economic and geopolitical time, and Valenciaport wants to be at the front lines. The Valencian port community companies do not want to give up being protagonists in a changing world, because only then can they meet the demands of our society. And the Port Authority of Valencia (PAV), in the hands of its port community, is dedicated to leadership and being an instrument at the service of the companies and people in its hinterland.

This 2016 PAV Report is a fully transparent showcase of the means, decisions taken and results obtained with this port strategy to serve as a tool for the permanent desire to improve competitiveness and quality that unites our suppliers and customers.

The Report details how the Valencian Port Community managed to end the year with a volume of traffic of 4,722,273 TEU, a figure that represents an increase of 2.32%, surpassing the historical record for the site's best year. Total traffic also grew 1.71% in 2016, surpassing 72.28 million tonnes, the best results ever for Valenciaport.

These good results were made possible by the import-export container traffic that increase 5.3% during the year, consolidating Valenciaport as the leading container traffic port in Spain for foreign trade. In specific terms, containerised exports grew 5.33% with a total of 1,109,389 TEU, while imports increased 5.27% to 1,108,495 TEU.

China, the United States and Algeria were the main traffic origins/destinations; these countries represent the transoceanic projection of the port into the different global economic areas. Valencia is the leading Spanish port for more than 80

countries, internationally recognized as a lead in the main sectors of the economy. Valenciaport is the reference for importing/exporting from/to Spain, redistribution to the Mediterranean and the Black Sea, or trading with the American and African continents.

The Valenciaport team is aware of its position in the spotlight of the great decision-making centres worldwide, since we are a port open to the global economy; this obliges us, the port and the companies of the Valencian Port Community, to be highly competitive in quality/price, as well as in security, service and the environment.

In 2016, we applied the modification of the SOLAS convention on container weight verification, obtained ISO 50001 certification for our energy management and were able to announce the prompt opening of a Border Inspection Post at Sagunto port. We also opened a regular line with Mostaganem; the Algerian city with which we started passenger traffic with North Africa; work that requires greater technical, human and economic endowments by the PAV.

Last year, Valenciaport grew significantly in billing and profits; and the results have helped our company in two very specific ways: leading to a reduction in the debt generated during prior years and planning for new investments in strategic enclaves for the port and its customers. The early repayment of the debt allows the port rates to be reduced, in order to be more competitive. Investments in new infrastructures (train access to the Sagunto port, rail improvements in the Valencia-Sagunto-Teruel-Zaragoza line, reorganization of the port area for trucks and trains, etc.) will put us in a more advanced position to provide better services.

The Board of Directors' decision to create the Executive Committee for the Promotion of Territorial Integration, and with it, the Advisory Committees of the Ports of Sagunto, Gandia and Valencia, is bearing its first fruits.

These Advisory Committees are chaired by the mayors; and because of their special sensitivity to the concerns or interests of their respective cities, they won't miss out on any proposal that could help the Valenciaport cities.

We have built a "Valencian collaboration model" we use to plan work for the port-city interaction areas of Gandia, Sagunto and Valencia.

In 2016, in addition to this institutional collaboration, the PAV opened the port for visits from the public, holding guided tours on Saturdays. Through these tours and the school and specialised training centre visits, the Port has been visited by more than 7,000 people.

An ambitious investment plan, a boost to competitiveness and an involvement with the urban environment. They are, in short, the returns offered by first-rate logistics infrastructures (such as the 3 ports managed by the PAV) to its citizens and companies in terms of wealth, employment and welfare.

Aurelio Martínez
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 2006 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 the three state-owned ports, Valencia, Sagunto and Gandia, in line with 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. 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."*

The Port Authorities, as public bodies related to or dependent on the General State Administration, are integrated into the state institutional public sector under the category of independent administrative authorities, all in accordance with Articles 84 and 109 of Law 40/2015, of 1st October, on the Legal Regime of the Public Sector.

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. The TRLPEMM sets out:

- The regulatory framework, in terms of both public and private law, the governs port authorities.
- 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.

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.

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".

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

In 2016, the Board of Directors was made up of the following:

Mr. Aurelio Martínez Estévez Chairman of the PAV	<i>Ex officio member</i>	Mr. Salvador Antonio Navarro Pradas Chairman of the Valencian Business Confederation (CEV)	<i>In representation of the Valencian Regional Government</i>
Mr. Felipe Cano Navarro Valencia Harbourmaster	<i>Ex officio member</i>	Hon. Mr. Josep Vicent Boira Maiques Regional Secretary of Infrastructure and Transport	<i>In representation of the Valencian Regional Government</i>
Hon. Ms. María Durá Rivas Chief Treasury Counsel	<i>Spanish Central Government representative</i>	Mr. Vicente Boluda Fos Chairman of the Valencian Business Association (AVE)	<i>In representation of the Valencian Regional Government</i>
Mr. Ignacio Arrondo Peral Director of Services and Competitiveness, State-owned Ports body	<i>Spanish Central Government representative</i>	Ms. Inmaculada Rodríguez-Piñero Fernández MEP, Progressive Alliance of Socialists and Democrats, European Parliament	<i>In representation of the Valencian Regional Government</i>
Hon. Mr. Juan Carlos Moragues Ferrer Representative of the Valencian Regional Government	<i>Spanish Central Government representative</i>	Mr. Joan Ribó i Canut Mayor of Valencia	<i>In representation of the city of Valencia</i>
		Mr. Josep Francesc Fernández Carrasco Mayor of Sagunto	<i>In representation of the city of Sagunto</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. 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. Pedro Suárez Benavente Chairman of the PAV's Works Committee	<i>In representation of the trade union organisations</i>
		Mr. Antonio García Llusar Deputy Chairman of the Valencian Shipping Association (ANV)	<i>In representation of the most important economic sectors in the port industry</i>
		Mr. Francesc Josep Sánchez Sánchez PAV General Manager	<i>PAV General Manager (non-board member)</i>
		Mr. Pilar Theureau de la Peña PAV General Secretary	<i>Board Secretary (non-board member)</i>

The Port Authority of Valencia's Board of Directors met on seven occasions in 2016.

The most important agreements reached at these board meetings in 2016 included:

- Approval of early repayment of a long-term loan with the European Investment Bank.
- Approval of the project to draw up the Port Authority of Valencia's 2017 Business Plan. Forecast for the end of the 2016 financial year.
- Authorisation to initiate the processing of the Port of Gandia's Delimitation of Port Spaces and Uses (DEUP) proposal.
- Initial approval of the "Proposal document for the assessment of land and water in the Port of Valencia Service Area".
- Approval of the Port Authority of Valencia's Environmental and Energy policy.
- Approval of the renewal of the authorisation for the management of the support service for the control tasks of the Border Facility for the Sanitary Control of Goods (IFCSM) in the Port of Valencia to the commercial company LOGITERS LOGÍSTICA, S.A.
- Renewal of the license to BALEARIA EUROLINEAS MARÍTIMAS, S.A. for the provision of goods loading and unloading, stevedoring and transhipment by Ro-ro operation service at the Port of Valencia.
- Authorisation granted to BERGÉ MARÍTIMA S.L. to provide a commercial service for the embarkation and disembarkation of unregistered motor vehicles at the ports of Valencia and Sagunto.
- Authorising VALENCIA TERMINAL EUROPA S.A. to provide commercial rail loading/unloading service at the Port of Valencia.
- Concession of 50,000 m2 granted to FORD ESPAÑA at the southern end of the Transversal East Breakwater Quay of the Port of Valencia.
- Concession on the North Extension of the Port of Valencia granted to UTE TRANS-BASE SOLER, S.L. and SPANISH DEPOT SERVICE, S.A., for a Depot.
- Concession of 100,000 m2 granted to FORD ESPAÑA, S.L., on the North Quay (Xità) of the Port of Valencia.
- Concession granted to CRUZ ROJA ESPAÑOLA for the occupation of public port land in the South Area of the Port of Valencia, for a Maritime Rescue base.
- New concession granted to LOGITERS LOGISTICA, S.A. for the construction of a warehouse to storage and handle all kinds of goods at the Port of Valencia.

- Substantial modification (extension of adjacent area, extension of constructed area and volume and extension of concession period) and non-substantial modification of the concession held by VALENCIA TERMINAL EUROPA, S.A. in the East Breakwater Quay of the Port of Valencia.
- Granting a new concession to BERSOLAZ SPAIN S.L.U. in the Fill Area of the Port of Sagunto to store equipment and other support for the fish factories on its property.
- Concession granted to CEPESA COMERCIAL PETRÓLEO, S.A., for the occupation of public port land on the Port of Sagunto Fishing Harbour, to operate the facilities of the current Diesel Supply Unit.
- Unification of the concessions for the occupation of public port land to TERMINALES PORTUARIAS, S.L..
- Substantial modification of the concession to PLANTA DE REGASIFICACIÓN DE SAGUNTO, S.A. for the rectification of the purpose of the concession and extension of the constructed area.
- Approval of the Terms and Conditions for the sale of the NAFTOCEMENT XVI vessel at public auction.
- Approval of the Terms and Conditions for the sale of the Valenciaport boat at public auction.
- Approval of a maximum subsidy to the VALENCIAPORT FOUNDATION for 2017.
- Entrusting VPI LOGÍSTICA S.A. with the "Promotion and marketing of the ports and logistics activities areas dependent on the management of the PAV" for the remainder of 2016 and 2017. Proposed agreements.
- Formalisation of the regulatory agreement to finance the investment "contribution to improvement actions on the Sagunto-Teruel-Zaragoza line" through the financial Fund for Port Terrestrial Accessibility.
- Resolution concerning the granting of a participatory loan to NOATUM RAIL TERMINAL ZARAGOZA, S.L.
- Approval of a Collaboration Agreement with the City of Valencia on the prevention and control of emergencies.
- Approval of the Memorandum of Understanding to be signed with UNCTAD and the State Ports for the 2016-2019 period, and the consequent approval of the 2016 budget.

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 July 2016, the PAV successfully passed the Quality Management System Certification Renewal 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 as its registration in compliance with the EMAS III Regulation in the Community System of Environmental Management. This is the highest recognition available in terms of environmental management. Similarly, the PAV has maintained its PERS (Port Environmental Review System) since 2003. This certificate, which is supported by the European Sea Ports Organisation (ESPO), is the only environmental certification specifically aimed at the port industry.

In addition, and 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 2014. 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.

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. The certification was renewed in 2010 and maintained in 2011 and 2012. The second renewal was passed in 2013 and maintained in 2014 and 2015. In November 2016, the third renewal of the certification was carried out, marking ten years of being certified in accordance with OHSAS 18001.

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.

International energy management system

In addition, in 2016, the PAV implemented and achieved certification of an energy management system based on the ISO 50001:2011 standard. This certification aims to continuously improve the PAV's energy performance, establishing systematic actions for the assessment, control and management of energy uses related to the PAV's activities or services. This standard allows organizations to improve efficiency, energy-related costs, and greenhouse gas emissions.

In order to integrate the environmental and energy policies, the PAV Board of Directors approved the text of the PAV's "Environmental and Energy Policy", which is currently in force.

Existence of a management committee and its structure.

The PAV has an Executive Committee composed of:

- Chairman
- General Manager
- General Secretary
- Strategic Planning Director
- Infrastructure Planning Director
- Safety, Security 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 38 occasions in 2016.

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.

At 31st December 2016, 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 Perals
In representation of the Spanish Central Government – 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-CEV

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 2016. One of these meetings was held jointly with the Executive Committee for Monitoring the Strategic Plan and the Executive Committee for the Promotion of Territorial Integration.

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's 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.

At 31st December 2016, the members of this Committee were as follows:

Mr. Aurelio Martínez Estévez (Chairman)
PAV Chairman (ex-officio)

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 2016. This meeting was held jointly with the Executive Committee for Economic and Financial Affairs and the Executive Committee for the Promotion of Territorial Integration.

Executive Committee for the Promotion of Territorial Integration

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.

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.

At 31st December 2016, the members of this committee were as follows:

Mr. Aurelio Martínez Estévez (Chairman)
PAV Chairman (ex-officio)

Mr. Josep Vicent Boira Maiques (Vice Chairman)
In representation of the Valencian Regional Government

Mr. Juan Carlos Moragues Ferrer
In representation of the Spanish Central Government

Mr. Joan Ribó Canut
In representation of the Valencia City Council

Mr. Josep Francesc Fernández 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

This Committee met on one occasion in 2016. This meeting was held jointly with the Executive Committee for Economic and Financial Affairs and the Executive Committee for Monitoring the Strategic Plan.

As envisaged in its operating regulation, an Advisory Committee for each of the ports managed by the Port Authority of Valencia has been set up within this Committee.

These Committees are constituted with the aim of streamlining the functioning of the Executive Committee for the Promotion of Territorial Integration, as well as to ensure greater accuracy and quality in the eventual diagnoses and initiatives or measures that result from the development of the work that has been given to this Executive Committee. In this sense, in 2016, the Advisory Committees of the Ports of Valencia, Sagunto and Gandia were created on a permanent basis to deal with issues related to the management of the maritime facade adjoining the services areas of the three ports managed by the PAV.

Advisory Committee of the Port of Valencia

At 31st December 2016, the members of the Advisory Committee of the Port of Valencia were as follows:

Mr. Joan Ribó Canut, Chairman
Mayor of Valencia (ex-officio member)

In representation of the Valencia City Council

Mr. Vicent Sarriá i Morell, Alternate Member
Town Planning Councillor

In representation of the Valencia City Council

Mr. Alejandro Pons i Romaní, Member
Town Planning Advisor

In representation of the Valencia City Council

Ms. Florentina Pedrero Gil, Alternate Member
Urban Planning General Manager

In representation of the Valencia City Council

Mr. Josep Vicent Boira i Maiques, Member
Regional Secretary of Housing, Public Works and Vertebration of the Territory

In representation of the Valencian Regional Government

Mr. Lluís Ferrando Calatayud, Member
Planning, Urbanism and Landscaping General Manager

In representation of the Valencian Regional Government

Mr. Enrique Martí Selva, Alternate Member
Urban Planning Deputy General Manager

In representation of the Valencian Regional Government

Mr. Francesc Josep Sánchez Sánchez, Member
General Manager (ex-officio member)

In representation of the Port Authority of Valencia

Mr. Manuel Guerra Vázquez, Member
Infrastructure Planning and Management Director

In representation of the Port Authority of Valencia

Ms. Pilar Theureau de la Peña
Committee Secretary

In 2016, the Advisory Committee of the Port of Valencia met four times.

Advisory Committee of the Port of Sagunto

At 31st December 2016, the members of the Advisory Committee of the Port of Sagunto were as follows:

Mr. Josep Francesc Fernández i Carrasco, Chairman
Mayor of Sagunto

In representation of the City Council of Sagunto

Mr. Pablo Enrique Abelleira Barreiro, Member
Councillor of the Territory and Sustainability Area

In representation of the City Council of Sagunto

Mr. Guillermo Sampeder Ruiz, Alternate Member
Councillor for the Special Delegations for Youth, Cooperation and Communications Cabinet

In representation of the City Council of Sagunto

Mr. Lluís Ferrando Calatayud, Member
Planning, Urbanism and Landscaping General Manager

In representation of the Valencian Regional Government

Mr. Enrique Martí Selva, Alternate Member
Urban Planning Deputy General Manager

In representation of the Valencian Regional Government

Ms. M^a Pilar Álvarez Montero, Member
Ports, Airports and Coasts Deputy General Manager

In representation of the Valencian Regional Government

Mr. Enrique Martí Selva, Alternate Member
Urban Planning Deputy General Manager

In representation of the Valencian Regional Government

Mr. Francesc Josep Sánchez Sánchez, Member
General Manager (ex-officio member)

In representation of the Port Authority of Valencia

Mr. Manuel Guerra Vázquez, Member
Infrastructure Planning and Management Director

In representation of the Port Authority of Valencia

Ms. Pilar Theureau de la Peña
Committee Secretary

In 2016, the Advisory Committee of the Port of Sagunto met two times.

Advisory Committee of the Port of Gandia

At 31st December 2016, the members of the Advisory Committee of the Port of Gandia were as follows:

Ms. Diana Morant Ripoll, Chairwoman
Mayor of Gandia

In representation of the City Council of Gandia

Mr. Miguel Picornell Canut, Member
Councillor of the Area of Basic Public Services and Urban Quality

In representation of the City Council of Gandia

Mr. Vicente Mascarell Tarrazona, Alternate Member
General Coordinator of Town Planning and Housing

In representation of the City Council of Gandia

Mr. Josep Vicent Boira i Maiques, Member
Regional Secretary of Housing, Public Works and Vertebration of the Territory

In representation of the Valencian Regional Government

Mr. Lluís Ferrando Calatayud, Alternate Member
Planning, Urbanism and Landscaping General Manager

In representation of the Valencian Regional Government

Ms. M^a Pilar Álvarez Montero, Member
Ports, Airports and Coasts Deputy General Manager

In representation of the Valencian Regional Government

Mr. Enrique Martí Selva, Alternate Member
Urban Planning Deputy General Manager

In representation of the Valencian Regional Government

Mr. Francesc Josep Sánchez Sánchez, Member
General Manager (ex-officio member)

In representation of the Port Authority of Valencia

Mr. Manuel Guerra Vázquez, Member
Infrastructure Planning and Management Director

In representation of the Port Authority of Valencia

Ms. Pilar Theureau de la Peña
Committee Secretary

In 2016, the Advisory Committee of the Port of Gandia met one time.

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.

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 TRLPEMM and the aforementioned regulations.

In 2016, the four-year period ended after its previous renewal, and the relevant procedures were completed for its renewal once again, culminating on 26th June 2016 with the corresponding meetings for the constitution of the three plenary sessions. A joint session was also held this year of the Port Services Committees of each of these three Shipping Councils designated within its internal structure.

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	5,626,534 m ²	2,397,800 m ²	245,000 m ²	8,269,334 m ²
Surface area available for concessions	4,225,718 m ²	2,060,440 m ²	182,571 m ²	6,468,729 m ²
Sheltered water surface area	5,746,000 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 2016:

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.

Budget: 257,000.00 €

RAIL CONTROL CENTRE

The new building will consist of two floors above ground level, with a surface area of 240 m², to house the personnel and equipment necessary for the regulation and control of railway traffic. It is located next to the South Rail Access.

Budget: 364,980.59 €

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.

Budget: 6,691,258.79 €

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

After the completion of the Nautical Services Dock in 2009, in 2011, the works needed to house the Dock users and to provide adequate access from the South Quay highway were begun. After the work stoppages imputable to the contractor, these works were finally completed in 2016.

Budget: 1,799,233 €

FILLING CORONATION IN A PLOT ON THE NORTH EXTENSION AT THE PORT OF VALENCIA

This work includes the execution of an E-2 type esplanade coronation layer, formed by 1 m of stone in a 60,500 m² plot on the North Extension of the Port of Valencia, to house a storage concession for empty containers and a future road attached to it.

Budget: 861,534.06 €

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

It consists of the enclosure through lifted barriers, sliding or swinging metal gates and fencing with New Jersey barriers in the surroundings of the Turia, South and Xitá quays for their control, with the establishment of 19 accesses gates for vehicles. Includes three control centres and the adaptation of the Emergency Control Centre, equipped with communications and video surveillance systems, automatic gate and barrier opening systems, recognition by card and number plate, etc. It also includes the development of area, three new portable buildings and the networks for the new services.

Budget: 904,463.74 €

CONDITIONING OF THE NORTH BREAKWATER AT THE PORT OF GANDIA.

Once the protective rockfill has been improved, a pedestrian promenade has been built on it, open to the public, so that it is integrated with the promenade along the beach of Gandia. The work has aimed to promote and improve accessibility to the North Breakwater. Specifically, the work has been constructed of mixed concrete with passive steel reinforcements and structural synthetic fibres, fibres that ensure the durability of the structure and are not subject to the corrosion that can occur in marine environments. The walkway has a handrail on both sides, guaranteeing

a view of the sea, enclosures in accesses and a ramp. The City Council of Gandia will be responsible for the surveillance, conservation and maintenance of the new walkway.

Budget: 1,326,675 €

Major investments for 2017.

RAIL CONTROL CENTRE

The new building will consist of two floors above ground level, with a surface area of 240 m², to house the personnel and equipment necessary for the regulation and control of railway traffic. It is located next to the South Rail Access.

Budget: 364,980.59 €

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

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Budget: 904,463.74 €

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

The enabling of a berthing at the Principe Felipe Quay at the Port of Valencia (in particular, its central section) for the operation of triple-E container ships (18,000 TEUs) requires an increase in both the quay and the access channel and manoeuvres dock (South Dock), as well as the reinforcement of the foundation of the quay without compromising its stability and the operation of new equipment, of greater magnitude than those that currently operate in the facilities.

In order to be able to handle large container ships, the dock is to be dredged to a depth of -18.00 metres with a quay length of 500 metres.

Budget: 3,159,268.77 €

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

APM Terminals Valencia plans to berth triple-E container ships (18,000 TEUs) at the Levante Quay. This new use requires an increase in the draft of both the quay and the access channel and the manoeuvres dock (Levante Dock), as well as the reinforcement of the foundation of the quay without compromising its stability and the operation of new equipment, of greater magnitude than currently operating in the facilities. In order to be able to handle large container ships, the dock is to be dredged to a depth of -17.00 metres with a quay length of 600 metres.
Budget: 4,867,100.00 €

PAVING AND INFRASTRUCTURE OF THE ESPLANE OF THE NORTHEAST QUAY AT THE PORT OF SAGUNTO.

Paving of a surface area of 20,558.91 m² located between the Northeastern Quay and North Road 2. Together with the paving work, the lighting network, the esplanade communications network and the perimeter fencing will be installed simultaneously. The update of the North Road 2 is also planned, with its connection on the north side to the Northeast Quay.
Budget: 666,218.77 €

ACCESS ROAD TO THE ESPLANE OF THE CRUISE QUAYS ON THE NORTH EXTENSION AT THE PORT OF VALENCIA

Execution of 60 ml of a two-lane road, one lane for each direction, on the esplanade of the North Extension, between the Caballeros Roundabout and the Cruise Quay. The road pavement, 9 m wide, is formed by 30 cm of hot agglomerate over 25 cm of artificial gravel. It includes a rectangular gutter and a lighting network, with fibreglass poles and LED lights along the whole path.
Budget: 392,504.19 €

PAVING AND INFRASTRUCTURE OF THE ESPLANE OF THE NORTH QUAY (XITÁ) AT THE PORT OF VALENCIA

Levelling and paving work on an esplanade of 124,000 square metres with flexible surface on the North Quay at the Port of Valencia to be used as a Vehicle Terminal. Includes its enclosure, lighting and drainage networks, infrastructure for a future communications and signalling network, etc.
Amount of the tender: 4,896,987.30 €

UPDATE OF THE FIRE PROTECTION FACILITIES OF CABIN NO. 3 AT THE PORT OF GANDIA

Work necessary for the installation of the fire protection facilities in cabin no. 3 at the Port of Gandia, in accordance with Royal Decree 2267/2004 on the fire safety regulations in industrial establishments, and Royal Decree 1942/1993 regulating fire protection facilities.
Amount of the tender: 343,400.66 €

TRANSFER OF THE PORT TERMINAL DOORS IN NOATUM C.T.V. AT THE PORT OF VALENCIA

Transfer of the current access doors of the Public Container Terminal to a new location compatible with the extension of the rail tracks of the Principe Felipe Quay to 750 m. Includes civil work, mechanical installations, electricity, electricity controls and software compatible with the current systems.
Amount of the tender: 2,735,724.71 €

RE-PAVING OF THE MANOEUVRING AREA OF THE PRINCIPE FELIPE QUAY AT THE PORT OF VALENCIA

Updating and reinforcement of the deteriorating pavement in the manoeuvring area of the Felipe Quay at the Port of Valencia, in the section between bollards no. 11 and no. 6. The surface area to be re-paved is 7,631.80 m².
Amount of the tender: 352,427.21 €

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

In 2016, 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 300,000 m² 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 seven (A1, B1, A3, A2, 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 239,000 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 2016, the VPI company drafted a new Special Plan for the Development of the Logistics Activities Area (ZAL) at the Port of Valencia, adapted to the logistical needs of a changing sector while including a series of improvements in terms of landscape integration to be agreed with the technical services of the Valencian Regional Government.

The Port of Valencia's ZAL is an interesting proposition for companies operating in shipping-related logistics.

The ZAL will have a tertiary services area: security services, supply service, 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.

Moreover, VPI Logística S.A. was awarded a tender for a 279,380 m² developed plot of land on the Parc Sagunto 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. The development of Parc Sagunto is expected to be completed in July 2017.

The Port of Sagunto's ZAL is set up 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.



Parcela Z-1 propiedad de la Autoridad Portuaria de 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 71,469,813 tonnes was handled in 2016 (including fish catches and supplies), which represented a 1.98% increase compared to figures for 2015. During the year, a total of 4,732,136 TEUs were handled, which was 2.53% up on the previous year. Passenger traffic rose 21.67% to 910,200 passengers. The number of ferry passengers went up by 35.71% and cruise traffic passengers rose by 0.42%. Traffic throughput of vehicles shipped as goods increased dramatically to 776,130 units, i.e. 12.58% up on 2015, due mainly to excellent export figures.

A breakdown of goods traffic reveals that liquid bulk went down slightly by -0.30% to 3,803,068 tonnes; solid bulk decreased -5.71% to 2,531,577 tonnes; conventional general cargo dropped -0.43% to 10,788,437 tonnes, whilst container traffic rose by 3.07% to 53,872,459 tonnes.

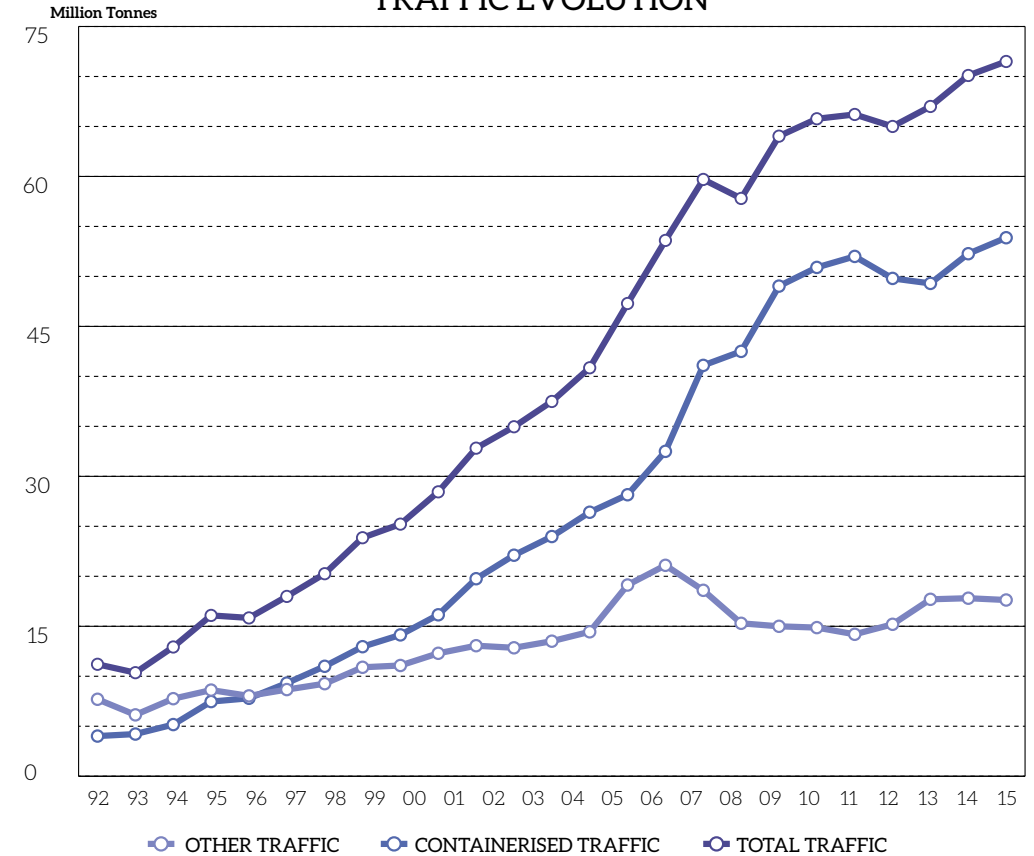
The table below shows the evolution of the three ports which make up the PAV:

THOUSAND TONNES (including fish catches and supplies)	2014	2015	2016	Difference 16/15	%
Port of Valencia	59,359	63,330	64,524	1,194	1.89%
Port of Gandia	321	385	353	-32	-8.31%
Port of Sagunto	7,340	6,369	6,593	224	3.52%
Total PAV	67,020	70,083	71,470	1,387	1.98%

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

Thousand tonnes (including container tares)	2014	2015	2016	Difference 16/15	%
General Cargo	58,728	63,102	64,660	1,558	2.47%
Containerised cargo	49,290	52,267	53,872	1,605	3.07%
Conventional cargo	9,438	10,835	10,788	-47	-0.43%
Liquid bulk	5,221	3,814	3,803	-11	-0.30%
Solid bulk	2,680	2,685	2,532	-153	-5.71%
Total	66,629	69,601	70,995	1,394	2.00%
Fish catches and supplies	391	483	475	-8	-1.66%
Total traffic	67,020	70,084	71,470	1,386	1.98%
TEUs (Units)	4,441,949	4,615,196	4,732,136	116,940	2.53%

TRAFFIC EVOLUTION



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 3,803,068 tonnes of liquid bulk in 2016. This represents a drop of -0.30% compared to the previous year. Liquid bulk accounted for 5.32% of total port traffic.

The main goods were:

(tonnes)	2014	2015	2016	Difference 16/15	%
Natural gas	3,675,427	2,240,318	2,303,508	63,190	2.82%
Diesel	366,436	477,422	480,855	3,433	0.72%
Chemical Products	360,929	347,631	336,481	-11,150	-3.21%
Fuel-oil	386,620	326,309	280,624	-45,685	-14.00%
Wine, beverages, alcohol and by-products	256,371	233,608	186,226	-47,382	-20.28%
Other liquid bulk	174,915	189,087	215,374	26,287	13.90%
Total liquid bulk	5,220,698	3,814,375	3,803,068	-11,307	-0.30%

Solid bulk

Solid bulk throughput, which represented 3.54% of total port traffic, decreased to 2,531,577 tonnes in 2016, which represented a drop of 3.54% compared to the previous year. The main types of solid bulk handled were:

(tonnes)	2014	2015	2016	Difference 16/15	%
Grin and flour	916,332	922,993	925,935	2,942	0.32%
Cement and clinker	662,274	721,923	486,844	-235,079	-32.56%
Natural and chemical fertilizers	546,862	510,976	492,438	-18,538	-3.63%
Other non-metal minerals	127,738	137,695	166,078	28,383	20.61%
Chemical products	146,651	126,053	103,121	-22,932	-18.19%
Miscellaneous	280,335	265,224	357,161	91,937	34.66%
Total	2,680,192	2,684,864	2,531,577	-153,287	-5.71%

Conventional general cargo

In 2016, conventional general cargo, which represented 15.10% of total port traffic, dropped -0.43% to 10,788,437 tonnes.

The main types of cargo handled in this category were:

(tonnes)	2014	2015	2016	Difference 16/15	%
Iron and steel products	1,718,149	1,940,551	1,862,151	-78,400	-4.04%
Vehicles and parts	1,109,276	1,515,904	1,690,529	174,625	11.52%
Machinery, tools and spare parts	858,246	859,983	691,435	-168,548	-19.60%
Other food products	564,595	717,643	621,228	-96,415	-13.43%
Miscellaneous	393,168	508,890	558,500	49,610	9.75%
Oils and fats	526,260	429,797	465,955	36,158	8.41%
Finished construction materials	361,198	401,000	299,459	-101,541	-25.32%
Wine, beverages, alcohol and by-products	327,013	335,378	202,695	-132,683	-39.56%
Paper and pulp	316,547	352,739	358,753	6,014	1.70%
Chemical products	248,835	334,727	309,057	-25,670	-7.67%
Wood and cork	118,802	190,830	176,080	-14,750	-7.73%
Cement and clinker	130,896	125,091	140,438	15,347	12.27%
Other goods in this group (including tares)	2,765,056	3,122,320	3,412,157	289,837	9.28%
Total	9,438,041	10,834,853	10,788,437	-46,416	-0.43%

Containerised general cargo

In 2016, the throughput of containerised general cargo, which represented 75.38% of total port traffic, increased by 3.07% to 53,872,459 tonnes.

The main goods handled were:

(tonnes)	2014	2015	2016	Difference 16/15	%
Finished construction materials	8,656,067	9,255,191	9,212,950	-42,241	-0.46%
Chemical products	6,579,852	6,841,766	7,163,417	321,651	4.70%
Miscellaneous	6,691,002	6,522,406	7,097,417	575,011	8.82%
Other food products	4,143,707	4,553,475	5,257,379	703,904	15.46%
Machinery, tools and spare parts	3,103,115	2,929,700	3,193,669	263,969	9.01%
Paper and pulp	2,781,607	3,093,108	2,938,066	-155,042	-5.01%
Empty container Tares	2,282,767	2,308,261	2,338,630	30,369	1.32%
Iron and steel products	1,983,507	2,040,931	2,088,487	47,556	2.33%
Fruit, vegetables and pulses	1,847,971	1,839,770	1,717,867	-121,903	-6.63%
Wine, beverages, alcohol and by-products	1,609,325	1,832,202	1,833,008	806	0.04%
Vehicles and parts	1,059,696	1,235,645	1,241,184	5,539	0.45%
Tobacco, cocoa, coffee and spices	1,033,883	1,148,114	1,132,299	-15,815	-1.38%
Other traffic (including full container tares)	7,517,233	8,666,675	8,658,086	-8,589	-0.10%
Total	49,289,732	52,267,244	53,872,459	1,605,215	3.07%

Containers (TEUs)

A total of 4,732,136 TEUs were handled in 2016. This represented a 2.53% increase compared to the previous year. 1,109,389 TEUs were loaded goods, 1,108,495 TEUs were discharged, and 2,514,252 TEUs were transit traffic.

BREAKDOWN OF CONTAINER TRAFFIC					
	2014	2015	2016	Difference 16/15	%
Domestic trade	162,306	160,386	204,362	43,976	27.42%
Full	80,706	88,550	115,123	26,573	30.01%
Empty	81,600	71,836	89,239	17,403	24.23%
Foreign	1,822,683	1,945,876	2,013,522	67,646	3.48%
Embarked	926,353	973,553	1,012,960	39,407	4.05%
Full	672,169	751,825	769,840	18,015	2.40%
Empty	254,184	221,728	243,120	21,392	9.65%
Disembarked	896,330	972,323	1,000,562	28,239	2.90%
Full	521,801	544,475	587,928	43,453	7.98%
Empty	374,529	427,848	412,634	-15,214	-3.56%
Transit	2,456,960	2,508,934	2,514,252	5,318	0.21%
Total Container Traffic (TEU)	4,441,949	4,615,196	4,732,136	116,940	2.53%

Historical series for container traffic (TEUs)

Thousand TEUs	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Domestic	153	202	177	178	153	136	151	144	144	162	160	204
Foreign	1,554	1,602	1,831	1,842	1,676	1,916	1,950	2,045	2,025	1,823	1,946	2,014
Transit	703	808	1,034	1,582	1,824	2,156	2,226	2,281	2,158	2,457	2,509	2,514
Total	2,410	2,612	3,043	3,602	3,654	4,207	4,327	4,470	4,328	4,442	4,615	4,732

Transit Traffic

In 2016, transit traffic (including equipment tares) at the Port Authority rose to 32,578,524 tonnes, representing a 1.54% increase compared to the previous year. The number of TEUs in transit went up to 2,514,252 TEUs, i.e. a rise of 0.21%.

Passenger ferries and cruise ships

Passenger transport

In 2016, 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 Eurolíneas Marítimas (Palma de Majorca, Ibiza, San Antonio, Alcudia and Ciudadela). In addition, passenger ferry service to Algeria was launched by Balearia (Mostaganem) and E.N.T.M.V. (Mostaganem and Oran).

These ferry services carried 506,936 passengers, which represented a 35.71% increase compared to the previous year.

Passengers	2014	2015	2016	Difference 16/15	%
Balearic Islands	319,454	373,544	430,730	57,186	15.31%
Algeria	0	0	76,059	76,059	-
Other	4	5	147	142	2840.00%
Total regular passenger ferries	319,458	373,549	506,936	133,387	35.71%

Cruise ships

The number of cruise passengers rose 7.66% compared to 2015 to 403,264 passengers. The Port of Valencia was the home port for 59,999 of these passengers, whilst 343,265 were transit passengers.

Passengers (number)	2014	2015	2016	Difference 16/15	%
Home port	73,943	64,207	59,999	-4,208	-6.55%
Transit	299,070	310,359	343,265	32,906	10.60%
Total	373,013	374,566	403,264	28,698	7.66%

Passenger vehicles

The number of passenger vehicles rose to 117,814 in 2016, which represented an increase of 48.64%.

Vessel traffics

A total of 7,702 vessels called at the PAV's ports in 2016, which represented a decrease of 26 ships compared to the previous year, i.e. down -0.34%. Gross tonnage (G.T.) rose to 255.9 million tonnes, i.e. 6.38% up on the previous year.

Vessels (number)	2014	2015	2016	Difference 16/15	%
Vessels	7,370	7,728	7,702	-26	-0.34%
GT (thousand tonnes)	222,098	240,530	255,888	15,358	6.38%

The following table lists the most important type of vessels:

Type of vessels (number)	2015	2016	Difference 16/15	%
Container ships	3,197	3,264	67	2.10%
General Cargo	1,168	1,192	24	2.05%
Ro-Ro	1224	1180	-44	-3.59%
Ropax and cruise ships	1,424	1,605	181	12.71%
Tankers	297	241	-56	-18.86%
Bulk carriers	392	152	-240	-61.22%
Other	26	68	42	161.54%
Total	7,728	7,702	-26	-0.34%

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

	2014	2015	2016	Difference 16/15	%
Valencia.- Number:	6,025	6,267	6,232	-35	-0.56%
G.T. (thousand tonnes):	203,946	219,136	230,808	11,672	5.33%
Gandia.- Number:	170	159	150	-9	-5.66%
G.T. (thousand tonnes):	1033	938	876	-62	-6.61%
Sagunto.- Number:	1,175	1,302	1,320	18	1.38%
G.T. (thousand tonnes):	17,119	20,456	24,205	3,749	18.33%

Of the 7,702 vessels which called at the ports managed by the Port Authority of Valencia during 2016, 1,359 did so under the Italian flag, 702 under the Panamanian flag and 695 under the Maltese flag. During the same period, 443 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 2016, export traffic decreased -0.84%. The main goods exported were as follows:

(tonnes)	2014	2015	2016	Difference 16/15	%
Finished construction materials	4,625,323	4,994,591	4,973,360	-21,231	-0.43%
Chemical products	1,283,377	1,313,945	1,292,702	-21,243	-1.62%
Vehicles and parts	743,120	987,950	1,129,596	141,646	14.34%
Wine, beverages, alcohol and by-products	826,512	936,474	861,212	-75,262	-8.04%
Machinery, tools and spare parts	795,217	882,041	815,802	-66,239	-7.51%
Paper and pulp	639,477	718,991	734,649	15,658	2.18%
Iron and steel products	610,031	677,825	704,289	26,464	3.90%
Other food products	342,217	413,047	487,930	74,883	18.13%
Oils and fats	552,069	364,402	444,024	79,622	21.85%
Miscellaneous *	1,975,816	2,362,267	2,381,258	18,991	0.80%
Total general	12,393,159	13,651,533	13,824,822	173,289	1.27%

*Fruit, vegetables and pulses, Wood and Cork, Canned food, Green and dry fodder,...

The main export destinations, by country, were:

(tonnes)	2014	2015	2016	Difference 16/15	%
Italy	1,789,351	1,643,183	1,582,082	-61,101	-3.72%
China	1,272,726	1,333,890	1,434,665	100,775	7.55%
The USA	886,041	1,112,961	915,952	-197,009	-17.70%
Saudi Arabia	683,222	875,215	962,507	87,292	9.97%
Algeria	748,486	750,623	653,186	-97,437	-12.98%
Morocco	574,259	724,414	744,812	20,398	2.82%
United Arab Emirates	447,781	547,803	520,303	-27,500	-5.02%
Mexico	277,870	342,381	397,352	54,971	16.06%
United Kingdom	286,497	353,540	348,359	-5,181	-1.47%
Canada	282,821	245,390	266,207	20,817	8.48%
Malaysia	212,358	202,761	305,632	102,871	50.74%
Belgium	280,590	217,780	198,476	-19,304	-8.86%
Turkey	274,747	256,394	137,878	-118,516	-46.22%
Israel	242,572	205,260	212,397	7,137	3.48%
Russia	203,750	235,590	178,126	-57,464	-24.39%
Other countries	3,930,088	4,604,348	4,966,888	362,540	7.87%
Total	12,393,159	13,651,533	13,824,822	173,289	1.27%

Imports

Imports increased by 4.49% to a total of 7,706,745 tonnes. The main goods imported were:

(tonnes)	2014	2015	2016	Difference 16/15	%
Iron and steel products	1,357,364	1,473,264	1,468,123	-5,141	-0.35%
Chemical products	440,467	570,496	712,513	142,017	24.89%
Vehicles and parts	516,379	652,147	690,879	38,732	5.94%
Machinery, tools and spare parts	665,097	646,707	626,026	-20,681	-3.20%
Paper and pulp	527,436	528,573	535,888	7,315	1.38%
Finished construction materials	257,909	273,008	330,385	57,377	21.02%
Fruit, vegetables and pulses	292,197	258,744	256,277	-2,467	-0.95%
Wood and Cork	137,635	213,105	222,657	9,552	4.48%
Wine, beverages, alcohol and by-products	125,386	133,236	146,275	13,039	9.79%
Miscellaneous *	2,345,673	2,626,510	2,717,722	91,212	3.47%
Total general	6,665,543	7,375,790	7,706,745	330,955	4.49%

*Other food products, Oils and fats, Canned food, Green and dry fodder,...

The most important countries of origin were:

(tonnes)	2014	2015	2016	Difference 16/15	%
China	1,639,533	1,661,684	1,649,750	-11,934	-0.72%
Italy	1,046,708	1,280,244	1,213,737	-66,507	-5.19%
Algeria	621,213	614,375	627,552	13,177	2.14%
France	446,897	453,784	490,930	37,146	8.19%
Nigeria	280,041	317,797	412,045	94,248	29.66%
The Ukraine	269,788	331,660	377,042	45,382	13.68%
The USA	127,173	171,466	218,423	46,957	27.39%
Turkey	117,366	185,147	150,985	-34,162	-18.45%
India	132,998	137,265	121,913	-15,352	-11.18%
Peru	95,913	103,936	127,844	23,908	23.00%
South Korea	100,813	90,515	106,903	16,388	18.11%
Portugal	81,983	82,767	106,999	24,232	29.28%
The Netherlands	65,386	88,557	75,739	-12,818	-14.47%
Brazil	54,061	73,053	91,370	18,317	25.07%
United Kingdom	69,619	71,578	73,802	2,224	3.11%
Other countries	1,516,051	1,711,962	1,861,711	149,749	8.75%
Total	6,665,543	7,375,790	7,706,745	330,955	4.49%

Solid bulk cargo has increased by 10.52%, especially in "Cement and clinker" and "Artificial fertilisers", while discharges have decreased by 15.16%, notably in "Grain and flour" and "Natural and Chemical Fertilisers".

Liquid bulk cargo operations have decreased by 64.64%, especially in "Wine, beverage, alcohols and by-products", "Diesel" and "Biofuels", while Liquid bulk cargo discharge operations have increased by 13.87%, notably in "Natural Gas", Diesel, "Chemical Products" and "Fuel-Oil".

Domestic traffic

Domestic traffic (excluding transit traffic) rose by 3.01% during 2016. A total of

3,379,181 tonnes (excluding equipment tares) were loaded and discharged. Traffic to and from the Balearic Islands stood at 63.43%, whilst 18.93% 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 2016 under concession, authorisation or licence are shown in the tables below:

Service providers offering port services in 2016	
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	14

Service providers offering commercial services in 2016

Tipo de servicio	Número de empresas
Ship supplies	16
Water supply service for vessels	2
Fuel supply service for vessels	12
Technical assistance services for vessels	13
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 of vehicles off trains	1
Other	8

Companies that operated in the ports under concession or authorisation in 2016

	Port of Valencia	Port of Sagunto	Port of Gandia	Total
No. authorised companies	35	21	20	76
No. concession companies	28	20	6	54
Total per port	63	41	26	130

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

Surface area available for concessions (m ²)	6,468,729.00 m ²
Surface area under concession (m ²)	4,720,887.50 m ²
RATIO (%)	72.98%

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

In 2016, 98.92% 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 Promotional Portal, 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 Promotional Portal (www.valenciaport.com). 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 reasons 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 2016, the working groups implemented specific measures to respond to the different challenges that arose during the year. These included:

- Coordination and development of a system that provides daily information to companies and public bodies on the containers ready for inspection at the terminals.
- An update of the 2016 working calendar for the various groups in the port community, including holidays and the dates on which the working day is different from a standard day.
- Implementation of a system of internal audits via the web to assess, online and real-time, the degree of compliance with the QM system in relation to the commitments assumed by the System.

- Update the Annexes of the Billing Guides for the Port of Valencia and the Port of Sagunto.
- 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.
- Proposal and approval of the implementation the automatic container exit facilities at the Port of Sagunto.

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 147 member companies; 121 of these at the Port of Valencia, and the other 26 at the Port of Sagunto.

Promoting the Quality Mark Quality System abroad

The Quality Mark Quality System (QMQS) is recognised at the 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 (Columbia) 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
- Tub 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 2016, a total of nine companies applies 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 customer's 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 guarantee included in the Procedures and User Rules are as follows:

Quality Mark

Contact person: Emilio Aliaga

Tel: (34) 96 393 95 42

E-Mail: marcadegarantia@valenciaport.com

In 2016, one complaint was received about the Mark's commitment to Transparent Invoicing, and another about the Safety Cargo Commitment, 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 987 seal control incidents at container terminals in 2016.

In addition, a total of 22 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.: 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.

In addition, in 2016, the 2012 data was updated in the *"Satisfaction Survey to the Port Community on the services provided in the ports managed by the Port Authority of Valencia and Public Perception"*.

This survey's **target groups**, differentiated by the 3 ports managed by the PAV (Valencia, Sagunto and Gandia) are the following:

- 1) Port Community: Shipping agents/shipping companies, freight forwarders/ Customs, hauliers, concessionaires/stevedoring companies, carriers and Port Industry Associations.
- 2) Vessel Captains.
- 3) Citizens.

The **aspects analysed** differ according to the target group considered:

- In the case of the Port Community, aspects related to port operations were analysed (management of the PAV, port services, infrastructures, organization of land traffic and the way other administrations work)
- The satisfaction of the vessel captains regarding the technical-nautical services was studied.
- Regarding the public, the degree of interest towards the port and its overall assessment of the port, its environmental management and issues such as innovation and safety and security.

The sample **size of the survey** is indicated below, with the number of actual responses obtained in each of the target groups:

- Port Community:
 - ▲ Total sample: 357 interviews
 - » Shipping agents/shipping companies: 42 interviews
 - » Freight Forwarders/Customs: 131 interviews
 - » Hauliers: 113 interviews
 - » Concessionaires/Stevedoring companies: 8 interviews
 - » Carriers/import-exporters: 60 interviews
 - » Port industry Associations: 3 interviews

If broken down by Port, the sample would be divided as follows:

- » Port of Valencia: 352 interviews
- » Port of Sagunto: 12 interviews
- » Port of Gandia: 3 interviews

- Vessel Captains
 - ▲ Total sample: A total of 208 interviews divided as follows:
 - » Port of Valencia: 154 interviews
 - » Port of Sagunto: 49 interviews
 - » Port of Gandia: 5 interviews
- Citizens
 - ▲ Total sample: 1,107 interviews divided among:
 - » Primary area (nearer to the port): 653 interviews
 - » Secondary area (farther from the port): 454 interviews

If broken down by Port, the sample would be divided as follows:

- Port of Valencia:
 - ▲ Primary area: 303 surveys
 - ▲ Secondary area: 200 surveys
- Port of Sagunto:
 - ▲ Primary area: 200 surveys
 - ▲ Secondary area: 150 surveys
- Port of Gandia:
 - ▲ Primary area: 150 surveys
 - ▲ Secondary area: 104 surveys

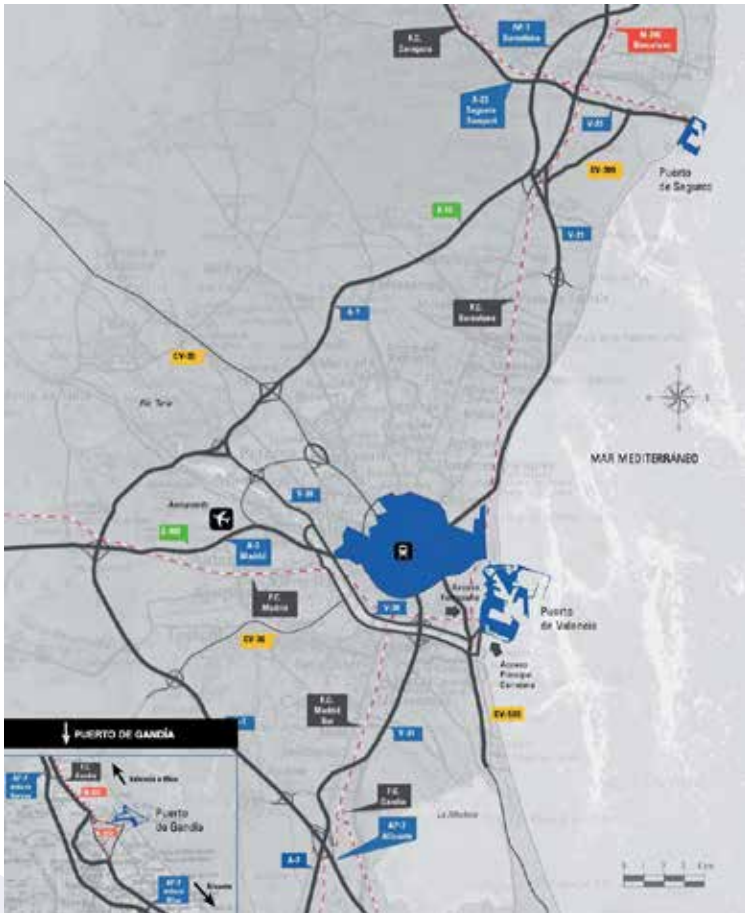
The assessments obtained as a result of the survey, differentiating the different target groups is provided below:

- Port Community assessment: 2016 Satisfaction Index (scale from 1 to 10)
 - ▲ Port of Valencia:7,1
 - ▲ Port of Sagunto:.....6,8
 - ▲ Port of Gandia:.....5,3
- Citizens assessment: 2016 Satisfaction Index (scale from 1 to 5)
 - ▲ Port of Valencia:3,49
 - ▲ Port of Sagunto:.....3,48
 - ▲ Port of Gandia:3,53

The improvement measures adopted as a result of the survey are set out in the PAV Action Plans and specifically in the 2017 and 2018 Objectives Plan.

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/E15 motorway from Barcelona-Algeciras, which provides access to:
 - ▲ The regions of Aragon, Castile-Leon and the north of Spain via the A-23 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 2016, the Port Authority of Valencia continue 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 container 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 2016, 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.

It should be noted that the Port Authority is to invest 53.6 million euros to improve the Sagunto-Teruel-Zaragoza line, which is essential for connections to its hinterland. This investment will be funded by the Port Land Accessibility Financial Fund.

The PAV also plans to invest 20 million euros in the New Rail Access to the Port of Sagunto, to which the ADIF will provide 11 million euros from the European Regional Development Fund (FEDER).

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 the Peninsula.

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.

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

In 2016, Ro-ro traffic reached 8.9 million tonnes, increasing by 4.3% over 2015, with a total of 329,137 ITUs, of which 106,948 ITUs were shipped via Motorways of the Sea.

Main facts and figures:

- In 2016, a total of 774,708 vehicles were handled, representing a rise of 12.37% compared to 2015. The largest increases came from higher Ford vehicle exports and Fiat and Toyota imports.
- The PAV rose from 11th place to 8th in the ranking of European ports in the handling of new unlicensed vehicles.
- Consolidation of the traffic of new unlicensed vehicles at the Port of Sagunto, with more than 190,000 units handled for Ford and Toyota.
- Making new spaces available for vehicle traffic. In December 2016, the PAV's Board of Directors approved the concession of 100,000 m² of extra space on the Xitá Quay to cater to the increase in traffic at Ford's request.
- Rebates on the vessel charge and goods charge (platforms) were established for Ro-ro traffic to increase calls and 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 in Madrid, Salamanca, and Extremadura.
- Consolidation of traffic on the Motorways of the Sea from Valencia to Italy thanks to the high frequency of the services operated by Grimaldi, with 6 weekly calls to the ports of Livorno and Savona and 3 weekly calls to the ports of Cagliari and Salerno.
- The PAV approved a commercial rebate of 30% to the T3 for those vehicles that arrive/leave the port by rail, in order to promote port-rail intermodality.
- Increase in traffic to North Africa with the commissioning of the line connecting the Port of Valencia with Algeria, with two weekly departures between Valencia and Mostaganem.

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 terms of port-rail traffic, it should be noted that in 2016, 2,547,258 tonnes of goods were transported by rail, of which 1,362,037 were discharged from vessels, whilst 1,185,221 tonnes were loaded onto vessels. If we take into account that total land traffic rose to 35,533,038 tonnes (excluding shipping transit and goods transported

by pipeline), rail freight accounted for 7.17% of total traffic. A total of 151,346 TEUs were transported by rail, which represented 6.82% of the total number of containers transported by land, which stood at 2,217,884 TEUs in 2016.

In 2016, 8,780,392 tonnes of Ro-ro traffic were loaded or discharged (excluding transit). This represented 27.37% of the total amount of general cargo that was loaded and discharged.

Type of traffic	2014	2015	2016	Difference 16/15	%
Rail (t)	2,189,175	2,520,405	2,520,539	134	0.01%
Road (t)	31,246,616	32,979,081	33,424,674	445,593	1.35%
Total land traffic (t)	33,435,791	35,499,486	35,945,213	445,727	1.26%
Rail traffic as a percentage of total land traffic	6.55	7.1	7.01	-	-
Rail (TEUs)	136,386	146,668	151,346	4,678	3.19%
Road (TEUs)	1,848,603	1,959,594	2,066,538	106,944	5.46%
Total land traffic (TEUs)	1,984,989	2,106,262	2,217,884	111,622	5.30%
Rail traffic as a percentage of total land traffic	6.87	6.96	6.82	-	-
Ro-ro (tonnes) excluding transit	7,535,291	8,419,473	8,780,392	360,919	4.29%
General cargo loaded/discharged (t)	28,131,195	31,022,775	32,082,672	1,059,897	3.42%
Ro-ro traffic as a percentage of general cargo loaded/discharged	26.79	27.14	27.37	-	-

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	<ul style="list-style-type: none"> Works Committee Equality Standing Committee Local Competence-based Management Committee Occupational Health and Safety Committee Pension Plan Monitoring Committee Loans and Advances Committee Quadrants Committee Work Wear Committee Social Purposes Committee Sports Committee Cultural Committee Executive Committee Steering Committee Business Plan Committee Strategic Monitoring Committee (BSC) Budget Committee Information Systems Strategic Committee Marketing Committee Quality Committee Area/departamental 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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.

The following are the agreements and protocols that the Port Authority of Valencia has signed with other authorities, agencies or institutions and were in force during 2016:

AGREEMENTS IN FORCE IN 2016	CO-SIGNING AUTHORITIES	YEAR SIGNED
Cooperation Framework Agreement between the University of Valencia (Estudi General) and the Port Authority of Valencia	University of Valencia (Estudi General) Port Authority of Valencia	1991
Cooperation agreement to develop an educational cooperation programme	University of Valencia (Estudi General) 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 (Estudi General), the PAV and the Valencia University-Business Foundation to organise internships for university students	Valencia University-Business Foundation ADEIT University of Valencia (Estudi General) Port Authority of Valencia	1997
Cooperation Framework Agreement between the PAV and the universities of Valencia (Estudi General), Alicante, Jaime I and Miguel Hernández	University of Valencia (Estudi General) 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 City Council of Valencia 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

AGREEMENTS IN FORCE IN 2016	CO-SIGNING AUTHORITIES	YEAR SIGNED
Cooperation Framework Agreement between the Universidad Cardenal Herrera-CEU and the PAV	Universidad Cardenal Herrera-CEU Port Authority of Valencia	2001
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	Valencia Regional Foundation Región-Europea Port Authority of Valencia	2004
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
Agreement between the Spanish Railway Infrastructure Management Body (ADIF) and the PAV to manage railway operations within the Port of Valencia (Delegation of Management)	Spanish Railway Infrastructure Management body (ADIF) 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

AGREEMENTS IN FORCE IN 2016	CO-SIGNING AUTHORITIES	YEAR SIGNED
Appendix to the Cooperation Agreement of 26th 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 17th 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
Cooperation agreement between Gandia Town Council and the Port Authority of Valencia	Gandia City Council Port Authority of Valencia	2012
Agreement for the free transfer of specific port authority assets to the Valencia City Council	Valencia City Council Port Authority of Valencia	2013
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 2016	Valenciaport Foundation Port Authority of Valencia	2015
Collaboration agreement between the city council of Gandia and the Port Authority of Valencia to celebrate the "Havaneras Port de Gandia" contest	Gandia City Council Port Authority of Valencia	2016
Legal assistance agreement between the Spanish Central Government (Ministry of Justice, State Attorney General-Directorate of the State Legal Service) and the Port Authority of Valencia	Ministry of Justice – Directorate of the State Legal Service – State Attorney General Port Authority of Valencia	2016
Memorandum of Understanding between the State-owned Ports Body, the Port Authority of Valencia and the United Nations Conference on Trade and Development (UNCTAD)	State-owned Ports Body UNCTAD Port Authority of Valencia	2016
Collaboration Agreement between the City Council of Valencia and the Port Authority of Valencia in matters of fire prevention and extinction in the port area	Valencia City Council Port Authority of Valencia	2016
Seventh Additional Protocol signed with the Port Authority of Valencia to manage operations on the Internal Railway Network at the Port of Valencia	ADIF Port Authority of Valencia	2016

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:

- 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)
- International Harbour Masters' Association (IHMA).
- The International Port Law Association.
- International Port Community Systems Association (IPCSA)
- Cruise Lines International Association (CLIA)
- Association of European Vehicle Logistics (ECG).

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)
- The Association of Directors of Communication (DIRCOM)
- The Spanish Institute of Internal Auditors.

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 2016, 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.

Specifically, in 2016, the Port Authority of Valencia had its own stand at eight fairs: CEVISAMA, SEATRADE CRUISE FORT LAUDERDALE, INTERMODAL SOUTH AMERICA, BREAK BULK, TRANSPORT LOGISTICS SHANGHAI, ECOFIRA and SEATRADE MED.

In 2016, to promote cruise traffic, the PAV produced a specific video in collaboration with the Valencian Tourism Board, edited in 7 languages (Valencian, Spanish, English, Italian, German, French and Chinese). The video, aimed at cruise lines, was presented to the Port Community and the press at the end of the year. It was used to take stock of the activities carried out throughout the year in terms of cruise traffic.

In 2016, 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 Containerisation International, Lloyds List, Container Shipping and Trade, International Transport Journal or Port Strategy. The PAV also increased one-off advertisements placed in specialised cruise industry media, such as Cruise Industry News or Cruises & Ferries. 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.

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

Sales promotion expenses	
Expenses	1,356,312.46
Operating Expenses	99,459,778.42
Sales promotion expenses as a percentage of total operating expenses	1.36 %

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
- Verifications
- List of port service providers

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:** the 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 2.3 million individual electronic documents per year. The issuing of electronic orders has enabled several of Valencia port'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.

- **VGM Service (Verification of Gross Weight):** With the ValenciaportPCS VGM Service, Carriers, Freight Forwarders, Shipping Agents, Shipping Companies, and Terminals have the fastest and most efficient way of notifying, receiving and consulting the Verified Gross Weight (a mandatory requirement as of 1st July 2016)

Some numbers that reflect the activity on the platform in 2016:

- **4,697,151** containers (TEUs) loaded or discharged through ValenciaportPCS, i.e. 99.3% of total traffic.
- **1,983,588** containers collected or delivered at the Valencia and Sagunto terminals, transport for which was managed through ValenciaportPCS.
- **174,503** dangerous goods shipments handled through ValenciaportPCS using dangerous goods notifications.
- **10,374** electronic berthing authorisations in ValenciaportPCS.
- **52,244,038** 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 ongoing improvement process at the heart of the PAV's management model, a total of 32 improvement packages were implemented in 2016, enhancing the services currently offered.

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, expresses 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:

CONNECT VALENCIAPORT - IMPROVEMENT OF THE HINTERLAND RAIL CONNECTION AND THE MARITIME ACCESSIBILITY TO THE PORT OF VALENCIA



(CEF Programme, January 2014 – December 2019)

The purpose of this project is to improve the Port of Valencia's connectivity and rail accessibility. The project includes a set of actions for the renewal of the rail infrastructure of the Port of Valencia through the construction of UIC gauge tracks connected to the Mediterranean Corridor as well as to increase capacity to operate trains of up to 750 m in length in the Container Terminals. In addition to the work on the infrastructure, the project includes the improvement of the information systems used in the management of railway operations (improvement of the ValenciaportPCS rail transport service and the TOS rail module of the Public Container Terminal-Noatum Container Terminal Valencia).

STM VALIDATION PROJECT



(CEF Programme, January 2015 – December 2018)

This project aims to validate the concept of Sea Traffic Management, defined in the Monalisa 2.0 project (TEN-T Program). This validation will be performed through a series of tests in the Baltic Sea and the Mediterranean Sea, where the management of the trip, the flow of traffic and arrivals to port will be tested and validated by large scale pilots. This project will refine and develop existing analyses of charter contracts, legal aspects of commercial liability, and provide a cost-benefit analysis with convincing commercial arguments for affected parties.

GAINN4SHIP INNOVATION - LNG TECHNOLOGIES AND INNOVATION FOR MARITIME TRANSPORT FOR THE PROMOTION OF SUSTAINABILITY, MULTIMODALITY AND THE EFFICIENCY OF THE NETWORK



(CEF Programme, January 2015 – December 2018)

The main objective of the GAINN4SHIP INNOVATION project is to carry out the first adaptation in the world of a high-speed Ropax ship, the Bencomo Express, so that it can operate with natural gas (LNG) starting in 2018.

The technical solution to be applied to this vessel will demonstrate the feasibility of the use of LNG to comply with the regulations established by the International Maritime Organization on the limit of sulphur content in marine fuels starting in 2020.

GAINN4MOS - SUSTAINABLE LNG OPERATIONS FOR PORTS AND SHIPPING - INNOVATIVE PILOT ACTIONS



(CEF Programme, January 2015 – September 2019)

The GAINN4MOS project is an initiative integrated within the GAINN Global Project. The GAINN Global Project is intended to support policy makers in EU Member States, ports, and shipowners operating in the Atlantic area of the EU and Mediterranean countries to comply with the MARPOL Annex VI Directive and 2012/33/EU in the most efficient way, promoting the use of Liquefied Natural Gas (LNG) as a fuel in the maritime and port-logistics industries.

CORE LNGas HIVE - CORE NETWORK CORRIDORS AND LIQUEFIED NATURAL GAS



The objective of the project is the development of an integrated, safe and efficient logistics chain for the supply of liquefied natural gas (small scale and bunkering) as fuel in the maritime transport sector, especially in the Iberian Peninsula. CORE LNGas Hive contributes to the decarbonisation of the European Mediterranean and Atlantic Corridors and is a step further in the race to reduce emissions, the promotion of clean energies for transport and the care of the environment promoted by the European Union.

CAPACITY4RAIL - INCREASING CAPACITY 4 RAIL NETWORKS THROUGH ENHANCED INFRASTRUCTURE AND OPTIMISED OPERATIONS



(European Commission, 7th Framework Programme, October 2013 – September 2017)

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.

MEDUSA - MULTI-ORDER DEPENDENCY APPROACHES FOR MANAGING CASCADING EFFECTS IN PORTS' GLOBAL SUPPLY CHAIN AND THEIR INTEGRATION IN RISK ASSESSMENT FRAMEWORKS



(CIPS PROGRAMME DG HOME, July 2014 – June 2016)

The main objective of the MEDUSA project is to introduce and validate multi-dependency approaches to risk assessment and the use of information and communication technologies in ports.

In this sense, MEDUSA opens horizons in the field of port security, through the production and exchange of knowledge associated with the identification and evaluation of cascading effects in the supply chain of ports, which will allow potential risks to be identified and minimized.

PICASSO - PREVENTING INCIDENT AND ACCIDENT BY SAFER SHIPS ON THE OCEANS



(CEF Programme, May 2016 – November 2018)

PICASSO contributes to the overall framework of European maritime transport policy, among other things: improving safety of equipment and work practices to make operations safer, creating new tools for more efficient evacuation procedures, and improving the responses to these intelligent and efficient procedures, especially with respect to accidents or incidents of large ships; training the human element, thus promoting a shared culture of maritime safety.

SUSPORTS - DELIVERING SUSTAINABLE ENERGY SOLUTIONS FOR PORTS

(Climate KIC, October 2013 – December 2016)

The overall objective of the project is to identify energy solutions that allow the ports to manage their energy flows, maintaining the quality of energy but reducing consumption substantially, as well as greenhouse gas emissions, without affecting the port logistics supply. The project monitors and models the energy flows associated with container traffic in two ports, Felixstowe and Valencia. In Valencia, work has been carried out to monitor the Noatum Container Terminal Valencia machinery and the electrification of RTGs in the MSC Terminal Valencia.

The following table shows expenses corresponding to R&D&I projects in 2016:

R&D&I expenses	
Innovation expenses (thousand €)	1,203
Operating expenses (thousand €)	99,460
Innovation expenses as a percentage of total operating expenses	1.21%

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 2016 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 24th 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.

In addition, different actions have been carried out with other public administrations and other types of professional entities and institutions to develop R&D&I projects in matters of security, environment, port training or new technologies, among other things, as well as to expand the port's functions.

In line with the dissemination of the port's activity, the PAV maintains a programme of guided visits to the port facilities aimed at schools and specialized training centres, in addition to visits from citizen's groups.

In 2016, there were 200 visits to the Port of Valencia facilities, which were attended by a total of 7,440 people.

Type of visitors	Number of visits	Number of visitors
Schools	31	1,903
High Schools	29	1,228
Trade schools	78	2,252
Institutions	47	870
RSC	15	1,187
Total	200	7,440

Another activity carried out in recent years is the celebration of Maritime Day, consisting of a guided tour by sea to the Port of Valencia facilities with workers and their families. The PAV invited the APOTEM project entities to join these visits to generate a space for rapprochement to enjoy the meeting between the PAV staff and the Port Community staff and their families.

The PAV cooperates with various associations and social initiatives in its area of influence in line with its Corporate Social Responsibility policy. In 2016, it took part in and/or sponsored the following initiatives:

With business associations related to ports and the economy:

- 15th ACER Ceramic Awards
- 15th Camp del Morvedre Business Meeting - ASECAM
- King James I Awards – Economy category
- 9th FETEIA Congress
- Business Conference on Strategic Innovation: Building Ideas, Transforming Realities.

Sporting and cultural events in the port environment:

- 31st Port of Sagunto Half Marathon
- 29th “Pas Ras” race at the Port of Valencia
- 4th “A different gaze” Charity race in Sagunto

- 27th Shipping Industry’s International Paella Competition
- Maritime Fallas Association
- Christ of the Grao district religious brotherhood association – Festival of the Cross
- Nazaret Music and Dance Centre
- Maritime Holy Week
- 18th Sagunto Classical Culture Workshops
- Festivity of Our Lady of Mount Carmel - Valencia Naval Command
- 26th Citizens Week Neighbourhood Associations Federation
- Camp de Morvedre Micro-Story Competition
- Port of Gandia Habaneras Festival

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

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.

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 programmes and projects aimed at improving the port-city interface are listed below, distinguishing the port to which they refer:

Port of Valencia

According to the Agreement signed between the PAV and the Valencia City Council in 2013, both entities established certain commitments referring to, among others, the area adjacent to the Nazareth district, for which it proposed to formalise a specific agreement on its development. This commitment was reflected in the processing of the Port of Valencia’s Delimitation of Port Spaces and Uses (DEUP) itself, assuming some of the allegations presented (including those of the City of Valencia itself).

The forecast that the scope of this area, which has been assigned a mixed-use “complementary commercial and port-city interaction” was incorporated into the text of the Ministerial Order approving the current DEUP, whose delimiting line may be adjusted. This adjustment was associated, precisely with a possible variation of the definitive road and railway routes, which necessarily had to operate as determinants of this delimiting line with respect to the rest of the port spaces adjoining it to the east.

Since then, together with the City Council, numerous meetings and working sessions have been held with Entities in the area. To emphasize the work carried out by the Port of Valencia’s Advisory Committee, chaired by the Mayor of Valencia and held on 13th January 2016 under the auspices of the Executive Committee for the Promotion of Territorial Integration, with advisory functions and capacity to propose to the Board and its Chairman “as many initiatives and measures as considered suitable for the sustainable and competitive development of the ports under the Port Authority”.

Since its creation, the Advisory Committee has met four times and has dealt comprehensively with the various aspects for which the port and its activities have a direct or indirect impact on land management, with special attention also to the North Area of the current Service Area, to the Logistics Activities Area or to the initiative to create a Maritime Museum,

Port of Sagunto

On 8 March 2016, the Port of Sagunto Advisory Committee was created under the auspices of the Board’s Executive Committee for the Promotion of Territorial Integration, chaired by the Mayor of Sagunto.

In 2016, this Committee met on two occasions in which the issues related to the revision of the Agreement between the Sagunto City Council and the Port Authority of Valencia were discussed, along with the opening of certain spaces to the public or the possibility of undertaking certain cultural projects.

Port of Gandia

As in Valencia and Sagunto, on 14 April 2016, the Port of Gandia Advisory Committee was created under the auspices of the Executive Committee for the Promotion of Territorial Integration, chaired by the Mayor of Gandia.

Since its creation, the Advisory Committee has met once, paying special attention to matters related to the possible uses of the Fruit Dock Buildings, the conditions for the management and monitoring of the future elevated walk on the outer breakwater, etc.

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.

The following table shows the expenditures and investments in Security and Safety in 2016:

Safety and security expenses and investments	
Safety and security expenses (thousand €)	5,027
Operating expenses (thousand €)	99,460
% of safety and security expenses as a percentage of total operating expenses	5.05%
Safety and security investment (thousand €)	88
Total investment	10,345
% of safety and security investment as a percentage of total investment	0.85%

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.

The following table shows the expenditures and investments in environmental issues in 2016:

Environmental expenses and investments	
Environmental expenses (thousand €)	3,804
Operating expenses (thousand €)	99,460
% of environmental expenses as a percentage of total operating expenses	3.82%
Environmental investment (thousand €)	4
Total investment (thousand €)	10,345
% of environmental investment as a percentage of total investment	0.04%

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.

	2016
Adjusted profit (loss) for the year (thousand €):	34,201
Average of net non-current assets (thousand €)	1,156,274
RATIO	
(Adjusted profit (loss) for the year/Average net non-current assets)*100	2.96%

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.

	2014	2015	2016
EBITDA (thousand €)	75,058	64,433	83,997
EBITDA % difference	10.90%	-14.16%	30.36%
Throughput in tonnes	67,019,770	70,083,977	71,482,457
RATIO (EBITDA/tonne) (€/tonnes)	1.12	0.92	1.18

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

	2016
Depreciation and amortisation (thousand €)	56,569
Interest (thousand €)	10,167
Total	66,736
Cash flow before interest (thousand €)	82,450
RATIO (%)	80.94%

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.

	2016
Land which has not been used (thousand €)	52,782
Average net non-current assets (thousand €)	1,156,274
RATIO (%)	4.56%

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

	2014	2015	2016
Operating expenses (thousand €)	97,895	99,187	99,460
Operating revenue (thousand €)	128,327	130,193	141,044
RATIO (%)	76.29%	76.18%	70.52%

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.

	2014	2015	2016
Total public investment (thousand €)	11,527	13,863	10,345
Cash Flow (thousand €)	59,840	53,491	72,283
RATIO (%)	19.26%	25.92%	14.31%

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

	2014	2015	2016
Private investment (thousand €)	33,326	46,489	134,876
Public investment (thousand €)	11,527	13,863	10,345
RATIO (%)	289.11%	335.35%	1,303.78%

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).

	2014	2015	2016
Public investment (thousand €)	11,527	13,863	10,345
Average of net non-current assets (thousand €)	1,148,034	1,146,007	1,156,274
RATIO (%)	1.00%	1.21%	0.89%

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.

	2014	2015	2016
Net revenue (thousand €)	120,934	127,277	135,131
Occupancy charge (thousand €)	23,916	24,092	26,974
100 x (occupancy charge/net revenue)	19.78%	18.93%	19.96%
Activity charge (thousand €)	12,187	12,934	12,954
100 x (activity charge/net revenue)	10.08%	10.16%	9.59%

Added value generated and productivity

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

	2014	2015	2016
Net revenue (thousands €)	120,934	127,277	135,131
Average annual workforce	403	409	428
Net revenue / No. employees	300	311	316

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

	2014	2015	2016
EBITDA (thousands €)	75,058	64,433	83,997
Average annual workforce	403	409	428
EBITDA/No. employees	186	158	196

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” 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

Taking into account the changes that have taken place since the above study, it is essential that the PAV have an updated assessment of the importance of the ports managed by the PAV as generators of income and employment.

Therefore, work began in 2016 on a new “Economic Impact Study” which will quantify the economic impact of the ports of Valencia, Sagunto and Gandia in terms of production, income and employment in the Valencian Regional economy, putting the general perception of the port relevance for the economy and society in concrete terms.

Likewise, and considering the boom and expectations generated by cruise traffic in the city of Valencia, the “Economic Impact Study” will specifically consider the assessment of the economic impact of this type of traffic on the surrounding environment.



3. SOCIAL DIMENSION

THE PORT AUTHORITY'S HUMAN RESOURCES

Description of the port authority's human resource policy

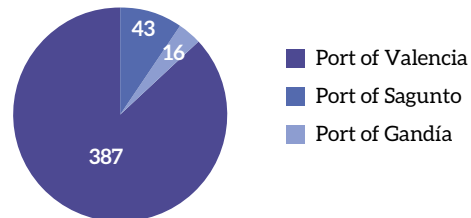
Human resources are one of the keys to competitiveness. The Port Authority of Valencia's Human Resources Department focuses on three main areas to achieve its objectives: employee training, in-house communication, and internal and external recruitment processes.

Employment at the port authority

Total number of port authority employees.

Changes in the total number of Port Authority employees ¹			
	2014	2015	2016
Average annual workforce	403	409	428

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 ports is shown in the following table:²



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/2016. This may differ from the average annual workforce.

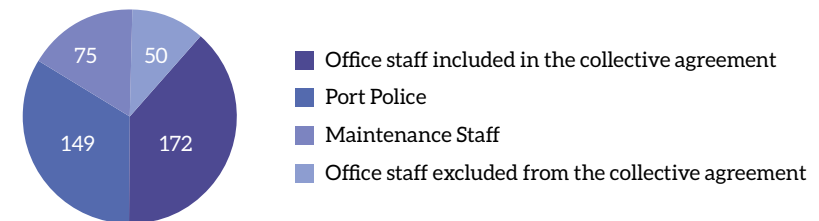
Number of temporary staff as a percentage of the total number of permanent staff. In order to calculate this indicator, temporary contracts to cover excess production have been excluded from the total number of temporary employees³.

Changes in the percentage of temporary port authority staff			
	2014	2015	2016
Percentage of temporary staff	15.47%	20%	22.53%

The PAV has a stable working environment. 81.61% of staff members had permanent contracts whilst the remaining 18.39% 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, 88.79% of PAV staff were included in the collective agreement, whilst 11.21% were excluded from it.

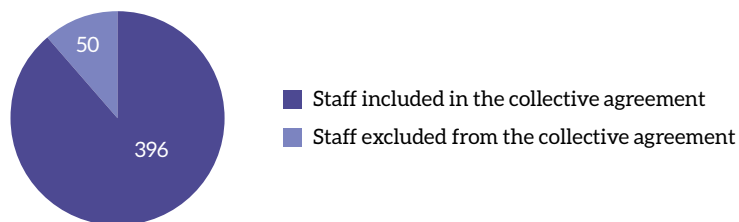
³ This graph and the following graphs refer to the workforce at 31st December/2016. This may differ from the average annual workforce

Breakdown of staff by area in 2016

Area	Percentage of average annual workforce
Office staff excluded from the collective agreement	11.21%
Office staff included in the collective agreement	38.57%
Maintenance staff	16.82%
Port Police	33.41%

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.

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

Human resources 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 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/departmental** 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.

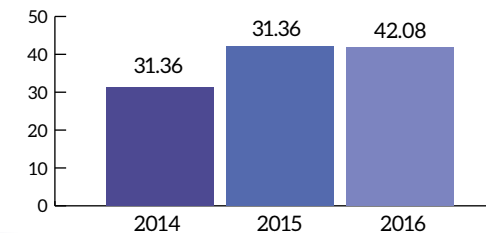
Training⁴

Percentage of workers who follow training programmes. Differentiate between staff included in the collective agreement and those excluded from it.

	Number of workers who follow training programmes	Average workforce	Percentage of workers who follow training programmes
Included in the collective agreement	268	378	70.90%
Excluded from the collective agreement	24	50	48%

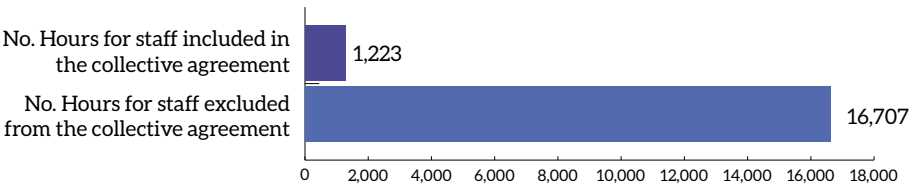
Changes in the average number of training hours per employee. Differentiate between staff included in the collective agreement and those excluded from it.

In 2016, the average number of training hours per employee was 41.85. A total of €125,131.30 was spent on training courses, which represents an average investment of €292.36 per employee. The following graph shows changes in the average number of training hours per employee over the last three years:



⁴ All indicators related to Training are calculated based on the PAV's average workforce.

This graph shows the number of hours spent on training courses by staff included in the collective agreement and those excluded from it: In 2016, there were a total of 17,916 hours spent training, broken down according to the following graph:



In 2016, 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	16,625	378	43.98
Staff excluded from the collective agreement	1,291	50	25.82

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 2016 are shown below and differentiate between general online training and competence-based management online training:

Competence-based online training 2016						
Training Courses	Women	Men	Total hours women	Total hours men	Total people	Total no. hours
Sales and marketing Level 1	-	6	-	60	6	60
Sales and marketing Level 2	2	3	40	60	5	100
Accounting and auditing Level 1	2	4	30	60	6	90
Fishing activity management Level 1	14	13	210	195	27	405
Fishing activity management Level 2	3	20	135	900	23	1,035
Goods management Level 1	6	10	90	150	16	240
Goods management Level 2	1	6	50	300	7	350
Financial, economic, and budget management Level 1	1	4	10	40	5	50
Financial, economic, and budget management Level 2	1	-	20	-	1	20
Logistics and intermodality Level 1	-	1	-	15	1	15
Logistics and intermodality Level 2	1	6	50	300	7	350
Environment Level 1	4	8	60	120	12	180
Environment Level 2	3	3	150	150	6	300
Navigation Level 1	2	4	20	40	6	60
Port Regulations Level 1	2	4	30	60	6	90
Port Services and Operations Level 1	6	9	90	135	15	225
Port Services and Operations Level 2	3	10	150	500	13	650
Occupational Health and Safety Level 1	1	6	15	90	7	105
Occupational Health and Safety Level 2	2	5	100	250	7	350
Labour relations Level 1	1	8	20	160	9	180
Labour relations Level 2	-	2	-	80	2	80
Port sector and strategy Level 1	9	16	135	240	25	375
Port sector and strategy Level 2	2	6	80	240	8	320
Industrial safety Level 1	2	9	30	135	11	165
Industrial safety Level 2	2	12	100	600	14	700
Navigational aid systems Level 1	3	12	60	240	15	300
Navigational aid systems Level 2	4	20	160	800	24	960

Competence-based online training 2016						
Training Courses	Women	Men	Total hours women	Total hours men	Total people	Total no. hours
Passenger traffic Level 1	1	7	15	105	8	120
Passenger traffic Level 2	1	1	50	50	2	100
Databases Level 1	-	1	-	14	1	14
Databases Level 2	-	1	-	30	1	30
Spreadsheets Level 1	1	1	15	15	2	30
Spreadsheets Level 2	1	1	25	25	2	50
Internet Level 1	-	4	-	40	4	40
Internet Level 2	-	2	-	40	2	40
Word processing Level 1	2	1	20	10	3	30
Word processing Level 2	-	1	-	25	1	25
Total	83	227	1,960	6,274	310	8,234

General Training 2016								
Training courses	Women	Men	Total hours women	Total 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
English for business & management	-	6	-	258	-	6	-	258
English A1	-	4	-	97	4	-	97	-
English A2	2	11	51	512	13	-	563	-
English B1	2	6	91	187	8	-	278	-
English B1+A2	1	7	67	469	8	-	536	-
English B1	5	8	174	260	8	5	226	208
English C1	3	4	147	196	-	7	-	343
English - Seaspeak	2	11	80	440	13	-	520	-
ISO 9001 Training	-	1	-	8	-	1	-	8
SCRUM Methodology IT Projects	1	-	16	-	-	1	-	16
Account Auditing specialisation	1	-	194	-	1	-	194	-
Internal Control and Risk management	1	-	4	-	-	1	-	4
Master's degree in Compliance	-	1	-	96	-	1	-	96
Training of Quality Management System Managers	1	-	150	-	-	1	-	150

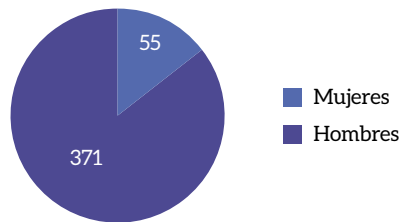
General Training 2016								
Training courses	Women	Men	Total hours women	Total hours men	Staff included in the collective agreement	Staff excluded from the collective agreement	Hours for staff included in the collective agreement	Hours for staff excluded from the collective agreement
Port Police Continued Training	5	122	100	2440	127	-	2,540	-
Aging of plastics	-	1	-	12	-	1	-	12
Auditing small departments	2	1	16	8	1	2	8	16
MIKROTIK-MTCNA networks	-	1	-	40	1	-	40	-
Port Facility Security Officer	-	1	-	30	1	-	30	-
Cyberdefence	-	1	-	450	1	-	450	-
Advanced Course for Safety Managers	-	3	-	1,500	3	-	1,500	-
100 first days Internal Audit	1	-	13	-	-	1	-	13
ETHERNET and TCP/IP networks	-	1	-	66	1	-	66	-
Salary, hiring and quotas	1	1	100	100	2	-	200	-
Master's degree in Port Management and Inter-modal Transport	1	1	354	165	1	1	354	165
Intermodal Transport	-	1	-	361	1	-	361	-
Totals	29	193	1,557	7,695	194	28	7,963	1,289

Occupational Health and Safety Training 2016								
Training courses	Women	Men	Total hours women	Total 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
VDU	1	2	2	4	3	-	6	-
Road safety risks	3	2	6	4	5	-	10	-
Noise exposure risks	-	4	-	12	4	-	12	-
Ergonomics	-	5	-	15	5	-	15	-
Confined spaces	-	3	-	9	3	-	9	-
Welding	-	3	-	9	3	-	9	-
Electromagnetic fields	-	13	-	26	12	1	24	2
Basic CPR and automatic external defibrillator	-	49	-	196	49	-	196	-
Basic CPR and semi-automatic external defibrillator Non-medical personnel	4	17	28	119	21	-	147	-
Total	8	98	36	394	105	1	428	2

Staff structure and breakdown

Number of women as a percentage of the total number of employees.⁵

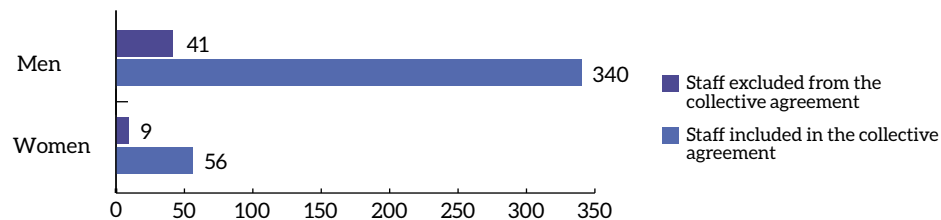
The number of men and women working at the PAV is shown below:



Thus, in 2016, the number of women as a percentage of the total number of employees was 14.57%.

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:

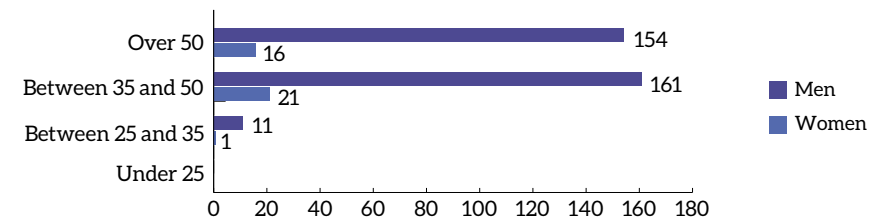


Female staff excluded from the collective agreement	18.00%
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⁵ This graph and the following graphs refer to the workforce at 31st December/2016. This may differ from the average annual workforce

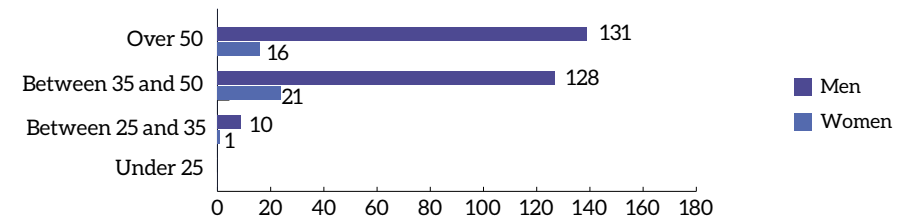
Percentage of permanent staff over 50 years of age.

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

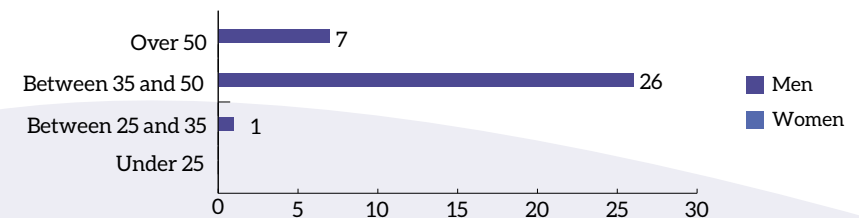


The following graphs provide the same information by port: Valencia, Sagunto and Gandia:

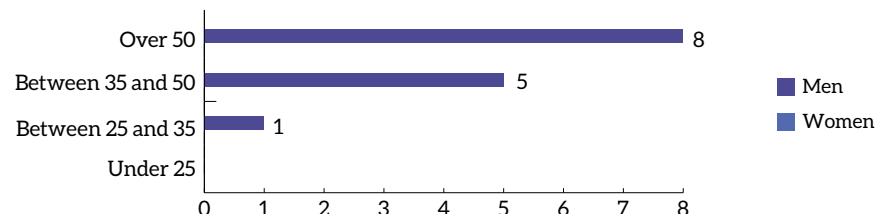
Port of Valencia



Port of Sagunto



Port of Gandia



Thus, in 2016, the percentage of permanent staff over 50 years of age was as follows:

Permanent staff > 50 years of age	46.70%
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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	0.82%
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Occupational health and safety

The Port Authority of Valencia has an occupational health and safety policy. In 2016, 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. In November 2016, the third renewal of the certification was passed, marking ten years of being certified in accordance with OHSAS 18001.



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)			
	2014	2015	2016
No. accidents involving sick leave per million hours worked	11.32	9.05	7.82

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)			
	2014	2015	2016
No. working days lost per thousand hours worked	0.55	0.01	0.11

Control of accident rates

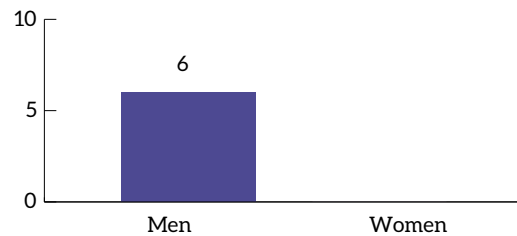
In addition to the corresponding investigation of each accident, quarterly and annual statistical analyses are carried out in order to track changes in accident rates over the years. The Spanish Occupational Health and Safety Institute's Technical Health and Safety Note No. 236 sets out the methods for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

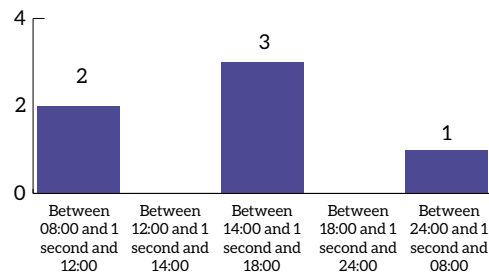
In 2016, there were six work accidents at the PAV, of which, all six resulted in sick leave.

Statistical study of accidents:

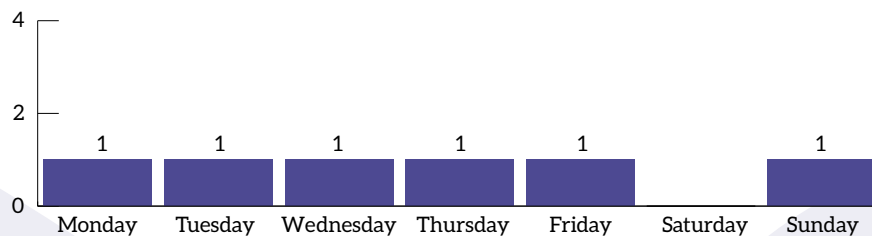
Accidents at work with sick leave (by gender):



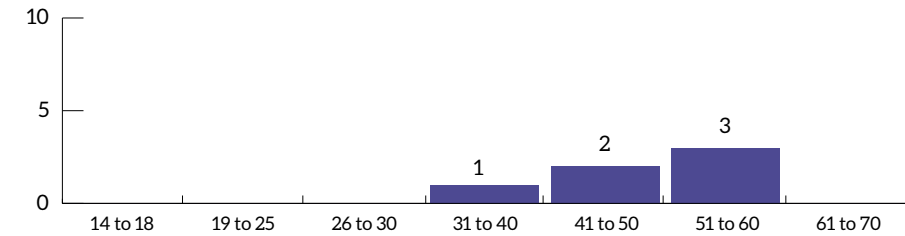
Accidents at work with sick leave (by times of day)



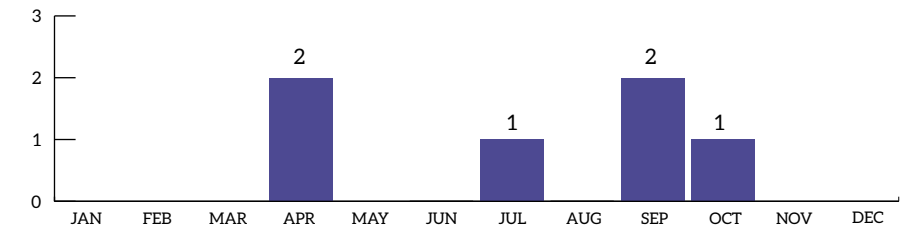
Accidents at work with sick leave (by day of the week)



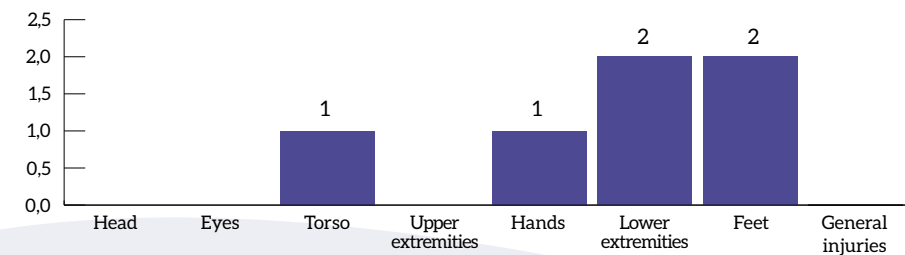
Accidents at work with sick leave (by age)



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 2016.

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)			
	2014	2015	2016
Percentage of days lost through sick leave	1.85%	1.70%	1.61%

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 2016		
Total no. training hours	Total no. employees (average annual workforce)	Average no. hours per employee
430	428	1.00

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 2016:

- Risks associated with confined spaces. 3 employees.
- Risks associated with welding. 3 employees.
- Ergonomics/Manual handling of loads. 5 employees.
- Road safety risks. 5 employees.
- Risks associated with working in offices and with VDUs. 3 employees.
- Basic CPR and automatic external defibrillator handling course for non-medical personnel. 70 employees.
- Electromagnetic field technical prevention training course. 13 employees.

In addition, members of the Occupational Health and Safety Department are encouraged to update and build on their skills and knowledge.

In 2016, staff from the PAV's Occupational Health and Safety Department took part in:

- Occupational Nursing and Medicine Conference, 11th and 12th February in Madrid. 3 members of staff attended.
- "Healthy Living – Tiger Mosquito and Health" Conference. General Directorate of Public Health, 31st March. 1 member of staff attended.
- "Scaffolding Campaign" Technical Seminar. INVASSAT, 14th April 2016. 1 member of staff attended.
- Repetitive movements. Practical application of UNU-EN 1005-5 standard. INVASSAT, 1st April 2016. 1 member of staff attended.
- "First Meeting with the Spanish Network of Health Companies" Technical Seminar. INSHT Madrid, 10th May 2016. 3 members of staff attended.
- "Red Eye (Prevention, Diagnosis and Treatment) Actions in occupational medicine", School of Physicians of Valencia, 19th May 2016. 2 members of staff attended.
- "Promoting Occupational Health on the road to the Occupational Wellbeing", INVASSAT, 26th May 2016. 2 members of staff attended.
- Seminar on Tiger Mosquitos and Health. School of Physicians. 31st May 2016. 2 members of staff attended.
- "Healthy Work for All Ages" Seminar as part of the European Occupational Health and Safety week. INVASSAT, 27th October 2016. 2 members of staff attended.

- “Methodology of Health Advise on Lifestyle” on-line course. Part of the SNS Health Promotion and Prevention strategy. Ministry of Health, December 2016. Duration: 20 hours. 3 members of staff attended.
- Basic Life Support Course. Occupational Health and Safety Department of the Port of Valencia, 7th June 2016. 5 members of staff attended.
- Preven information systems conference, 29/11/2016. Occupational Health and Safety Department of the Port of Valencia. 29th November 2016. 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, intended 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 2016, 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 2016, four 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 2016, 6 accident investigations were carried out and appropriate, specific measures were implemented in each case.

The number of security and safety emergency drills and exercises carried out in 2016 is shown in the table below:

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

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 for bomb threat
- Port Emergency Plan activation drill for fire at the South Warehouse (general emergency) at the Port of Gandia.
- Port Emergency Plan activation drills at the Management Complex (Phase I, Phase II, Phase III and Phase IV). Fire exercise in the underground gallery of the Port of Valencia.
- Port Emergency Plan activation drill, antisocial act in a building annexed to the Occupational Health and Safety building. Proceeded to confinement.
- Port Emergency Plan activation drill with large container fire, workshop buildings evacuation at the Port of Valencia.
- Port Emergency Plan activation drill, fire in the clock building with evacuation.

In addition, a series of safety drills was carried out in 2016, in conjunction with port community companies. These included:

- A fire drill onboard the Lioba barge.
- Hydrocarbon spill on the Galp jetty.

- Accidental marine pollution drill. Regional exercise.
- A fire drill in the Workshop buildings of APM Terminals Valencia.
- Hydrocarbon spill in the Cepsa asphalt terminal at Port of Valencia.
- Large-scale marine pollution drill organized by the Ministry of Agriculture.

Security drills carried out in 2016 included:

Practices:

- Collaboration with the Army in the Double Key exercise (Helicopter landing, confrontation with hostile group with hostages, removal of hostages).

Exercises:

- Transfer to the Back-up Emergency Control Centre.
- Transfer to the Back-up Emergency Control Centre.
- Start-up of the container scanner truck.
- Checking OPIP data.
- Red alert activation drill.

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 suggest global changes in aspects which can enhance working conditions and reduce psychosocial risk factors.

The following ergonomic evaluations were carried out in 2016:

- Ergonomic study of workstations at the Cullera lighthouse.
- Study of lighting levels and thermohygrometric conditions at the Cullera lighthouse.
- Study of lighting levels and thermohygrometric conditions at the Valencia lighthouse.

- Study of lighting levels and thermohygrometric conditions at the Canet 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.
- Ergonomic study of the Port Police Cruise Control Post.
- Ergonomic study of the booth at the Port of Gandia.

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, seven 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 2016, the Occupational Health and Safety Department carried out numerous industrial hygiene actions::

Port of Valencia:

- 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.
- Regular checks for Legionnaires' disease to detect and, if appropriate, apply corrective measures (Valencia, and Valencia and Cullera lighthouses) in the months of June 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.
- 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 the pump rooms of the Port of Valencia.
- Evaluation of noise levels in the HVAC room at the Port of Valencia.
- Evaluation of noise levels in the mechanical facilities workshop.
- Evaluation of dust levels in booths A1, A2.
- Evaluation of gas levels in booths A1, A2.
- Evaluation of noise levels in booths A1, A2.
- Evaluation of noise levels at the Cullera lighthouse.
- Evaluation of noise levels at the Valencia lighthouse.
- Evaluation of noise levels at the Port Police Cruise Control post.
- Measurement of electromagnetic fields at the Port of Valencia.
- Evaluation of noise levels at E.C.C.

Port of Sagunto:

- Evaluation of noise levels in the pump rooms of the Port of Sagunto.
- Evaluation of noise levels at the Canet lighthouse.
- Evaluation of noise levels at the Port Police Cabin at the Port of Sagunto.
- Evaluation of gas levels at the Port Police Cabin at the Port of Sagunto
- Evaluation of dust levels at the Port Police Cabin at the Port of Sagunto.
- Regular controls of the working conditions of the booth at the Puerto de Sagunto.

Port of Gandia:

- Evaluation of noise levels in the pump rooms of 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 employee's 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 throughout the year 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 2016:

- Regular annual check-ups: 379 (86.14% of the total PAV workforce).
- Initial check-ups: 113
- Check-up after lengthy absence: 27
- Check-up due to change in job: 0
- Proposed by the Medical Service: 0

A total of 519 medical check-ups were carried out in 2016, each specifically tailored to the risks inherent to each employee's particular job.

Health campaigns

Their goal is to promote workers' health by encouraging improvement 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.
- 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.
- Preventing dry eye pathology.
- 2016 blood donation campaign.
- Helicobacter Pylori Campaign.
- Cardio-protected area campaign.

Epidemiological studies:

In 2016, the first phase of the epidemiological study of the Helicobacter Pylori preventive campaign was completed with the PAV staff. The results will be available in 2017.

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.

YIn 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.

Therefore, aware of the growing sensitivity and interest in the integration of the Port Community with its territorial and social environment, the Port Authority of Valencia decide to create a space in which to build a nucleus of collaboration to jointly advance the implementation of Social Responsibility in the Port of Valencia business environment.

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 group has agreed on the main topics of interest to mark common objectives and a road map. Within this group, two simultaneous lines of work have been identified: a line of guidance in management, learning and discussion forum, and a second line of collaboration for shared social action for the benefit of the environment.

As of the end of 2016, the following entities were participants in the APOSTEM-Valencia Solidarity Port project: Amarradores of the Port of Valencia, Valencian Shippers Association, Atea-Extra Valencia, Port Authority of Valencia, Balearia, Boluda Corporación Marítima, S.L., Official Association of Commissioners and Customs Agents, Docks Logistics Spain S.A., Valenciaport Foundation, Grupo Diario, Infoport, MSC Terminal Valencia S.A.U., Noatum Ports Valenciana S.A.U., Propeller Club of Valencia, Sociedad de Estiba y Desestiba S.A.G.E.P., TCV Stevedoring Company, S.A., Tiba Internacional, S.A. and Urbamar Levante UTE.

After four years of shared work to promote social responsibility in the Valencian Port Community, the project has acquired sufficient solvency to consolidate itself autonomously. For this reason, in December 2016, the APOSTEM association was created to regularise the legal form of the project and optimise the resources made available to the area.

The work will focus on:

- Ensure basic and balance nutrition for minors in the nearest and most degraded neighbourhoods, as well as access to basic necessities of the most vulnerable groups.
- Promote awareness among the staff of our organizations through solidarity campaigns (in summer and at the end of the year, recycling and donations) and generating cohesion in the Port Community (visits by sea, for example).
- Generate alliances that enhance the social dimension of the Port Community through the inclusion of a solidarity side, as done in PAS RAS AL PORT, the Valencia Propeller Club Benefit Dinner, or the Shipping Industry's International Paella Competition.

These lines are reflected in the twenty actions that constitute the APOSTEM plan of action. These actions provide regular support to the twenty entities that serve more than 700 people annually, with a potential of involving 5,000 workers in the group through the entities that participate in the Association.

In 2016, the project's most operational actions carried out were the following:

- Eight general working meetings on the progress of the work, presenting results, launching and coordinating new proposals and regular operational meetings of the Actions Committee for the selection of projects and the organization of shared actions.
- Follow-up meetings and visits to the headquarters of the main entities that make up the APOSTEM.
- Meetings and contacts with about twenty non-profit organizations to assess possible social partnerships focused on the integration of the Valencian Port Community with its territorial and social environment.
- The Shipping Industry's 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 several routes on the streets of Valencia every Sunday.

In addition, in the weeks before the event, neckerchiefs and sunglasses 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.

Coffee vending machines were also set up, with the proceeds collected by the Tareca company going to buy food for breakfasts and afternoon snacks for the children in schools supported by APOSTEM.

Donations have been used to purchase breakfast and snacks for the Santiago Apóstol School in the Cabanyal district, Ausías March school in Nazaret and Juan Manuel Montoya school in the La Punta district.

- Promotion and collaboration in the organisation of the 2016 "Cross Escolar" race, organised by the Poblat Marítims Athletics Club on 30th April on the Malvarrosa beach.
- Organization of the APOSTEM campaigns promoted by the Port Community in May-June and December to benefit children and other vulnerable groups. The donations of clothing, food, toys, household goods, hygiene products and school

supplies were distributed among the entities that care for minors and other people without resources in the vicinity of the Port of Valencia, depending on their need.

- Selection of the organisations and projects to benefit from the money collected at the Propeller Club's Charity Dinner.
- Collaboration in the coordination and management of the sector company's contributions to the organization of the XXIX PAS RAS at the Port of Valencia; helping to promote the race and managing the charity aspect of the event, held on 11th December 2016. After the race, the Poblat Marítims Athletic Club donated a significant amount of food, which was given to the Juan Manuel Montoya school in the La Punta district.
- Coordination of the APOSTEM companies to purchase toys, deliver them, and participate in the Christmas party for the students of the Ausías March school in Nazaret.

The overall assessment of the achievements of this initiative in 2016 has been very positive in terms of identification with the project, recognition and reinforcement of the cohesion of the Port Community, improving perception and social impact, as the activity stabilize and consolidates participation.

In 2016, APOSTEM has worked steadily with the following social organisations:

- 3 Singular Educational Action Centres (CAES) that assists children from more than 20 countries and Romanian ethnicity, living in socially deprived circumstances who are at risk of dropping out of basic schooling. With the support of the volunteers, the school's teaching staff organizes activities to help and encourage this group to create healthy habits.

These centres are:

- ▲ Santiago Apóstol School: <http://www.santiagoapostolcabanyal.es>.
- ▲ Juan Manuel Montoya School: <http://juanmanuelmontoya.edu.gva.es>.
- ▲ Ausías March School: <http://www.cpausiasmarch.org>.

- A fourth CAES, Nuestra Señora de los Desamparados, began working with APOSTEM in 2016. Located in Nataret and attended by 350 students between kindergarten, primary and secondary education. With external supports and volunteering, they provide breakfast to the children with greater need and organize extracurricular activities until ten p.m. daily. They are continuing the education of the elementary

students from Ausias March and Santiago Apóstol. They are picked up daily by van and taken to the Santiago Apóstol school to prevent them from dropping their studies.

- 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.
- 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 run with the support of the Labour Social Institute and the Nazaret Neighbourhood Association.
- 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.

In short, long-term objectives such as the search for sustainable growth or the improvement of our environment form the basis of our plans and proposals on which our work rests.

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.

