



UNITED ARAB EMIRATES NISTRY OF INFRASTRUCTURE DEVELOPMENT

الإمارات العربية المتحدة وزارة تنظرويس البننسيسية التسحيتييية

# **ENABLING ROADS**

## LUIS CASTILLA CEO INFRASTRUCTURE ACCIONA



BUSINESS AS UNUSUAL

### Roads, a historic inheritance



1

"How 2,000-year-old roads predict modern-day prosperity" The Washington Post



### Today we live a life in the road





"The road was new to me, as roads always are, going back" Sarah Orne Jewett

### And heir relevance has only increased through time





1.33 US\$ trillions / year x2 return for each \$ spent in road infrastructure

17,6% Global GHGs

But roads impact on economy and society can be even greater through its enabler capacity



Imagine roads not only as a transport infrastructure, but as a **link** that connects **people** and helps communities thrive, respects the **environment** during its construction, during its operation and maintenance, minimizes the impact on workers and peoples' lives and has long-term goals in mind during all the project's phases.



### Signals from investors



Investors are looking for something but can't seem to find it. What is it?

What does the dreamed investment look like?

- 1. Sustainable investments with high enough returns;
- 2. Experienced companies in the area that can deliver to expectations;
- 3. Clear regulatory frameworks; and
- 4. Net worth for society, economy and the environment.

Can roads be an option?

#### YES

They stimulate the economy and enable society's progress.

But their **SUSTAINABLE POTENTIAL** is yet to be tapped into.





The EU Taxonomy is a list of economic activities with performance criteria for their contribution to six environmental objectives

- 1. Climate change mitigation
- 2. Climate change adaptation
- 3. Sustainable use and protection of water and marine resources
- 4. Transition to a circular economy, waste prevention and recycling
- 5. **Pollution** prevention and control
- 6. Protection of healthy ecosystems





Taxonomy is one such powerful tool that will provide the following benefits

- 1. Paris Agreement commitment: bringing international targets closer to real investment
- 2. Save time and money: helping risk and returns in investments better
- 3. Environmental data in context: helping identify which companies contribute towards the objectives.
- 4. Avoid reputational risks: helping avoid economic practices that may hamper objectives achievement.
- 5. Deepen the conversation: focusing on economic activities and objectifying decision making.
- 6. Reward companies: Creating a scientific-based regulatory framework that classifies companies on their activities

Calculated effect by the E.U.





#### What does the taxonomy considers in our sector

Do no significant narm criteria identified:						
TRANSPORT	Can climate change mitigation criteria change in the future?	Adaptation	Water	Circular Economy	Pollution	Ecosystems
Passenger Rail Transport (Interurban)	$\checkmark$	$\checkmark$	$\checkmark$	$\checkmark$	$\checkmark$	
Freight Rail Transport	$\checkmark$	$\checkmark$	$\checkmark$	✓	$\checkmark$	
Public transport	$\checkmark$	$\checkmark$	=	$\checkmark$	$\checkmark$	-
Infrastructure for low carbon transport	$\checkmark$	$\checkmark$	$\checkmark$	$\checkmark$	$\checkmark$	$\checkmark$
Passenger cars and commercial vehicles	$\checkmark$	$\checkmark$		$\checkmark$	$\checkmark$	
Freight transport services by road	$\checkmark$	$\checkmark$		$\checkmark$	$\checkmark$	-
Interurban scheduled road transport	$\checkmark$	$\checkmark$	-	$\checkmark$	$\checkmark$	-
Inland passenger water transport	$\checkmark$	$\checkmark$	$\checkmark$	$\checkmark$	$\checkmark$	-
Inland freight water transport	$\checkmark$	$\checkmark$	$\checkmark$		$\checkmark$	
Construction of water projects	$\checkmark$	$\checkmark$	$\checkmark$	$\checkmark$	$\checkmark$	$\checkmark$

#### Do no cignificant barm critoria identified?



How the taxonomy will be used, in five steps

- 1. Identify the activities conducted by the company that could be eligible.
- 2. For each activity, assess whether it meets the relevant criteria for a substantial contribution (e.g. emissions levels).
- 3. Verify that the <u>Substantial Contribution and Doing No Significant Harm</u> (SCDNS) criteria are being met by the issuer.
- 4. Conduct due diligence to avoid any violation to the social minimum safeguards stipulated in the Taxonomy regulation.
- 5. Calculate alignment of investments with the Taxonomy and prepare disclosures at the investment product level.



### European Union-Taxonomy and portfolios



10

How to apply the taxonomy to an equity portfolio





#### Most of ACCIONA's activities have already been considered by the EU Taxonomy





This new reality means that ACCIONA is no longer...

... a construction company that has diversified into the energy business,

nor, is it an energy company with a construction legacy.

**acciona** is the **first company of a new sector** that focuses on the development needs and opportunities provided by the world's transformation towards a **low carbon economy** and the sustainable agenda defined by the **SDGs** 

### Experts in designing a better planet – E6 Project (Norway)





23 km long
8 km underground
4-lane highway
1 to 4 km tunnels...

Technically, a very impressive and demanding project, but...

...the real innovation lies in the heart of the project, the 5 Goals



The **5** Goals bring together all the stakeholders (users, local community, investors, client, suppliers, ...) interests:

- 1. Zero accidents and injuries during construction and operation phases
- 2. Minimize construction and life cycle costs b through interaction and digitalization
- 3. Minimize disadvantages for all road users
- 4. Minimize greenhouse gas emissions and othe strains to the environment
- 5. Minimize temporary and permanent occupation of agricultural zones





Goal 1. Zero accidents and injuries during construction and operation phases





Goal 2. Minimize the construction and life time cost by the means of integrated collaboration and digitalization.

Some examples are:

- Integrated Web Collaborative Hub
- BIM and VDC
- ICE sessions
- Users access
- Features (Doc. Management, 4D, 5D, 6D, 7D, HSEQ, Survey...)
- Inputs and Databases





#### Goal 3. Minimize the inconvenience of all road users during construction



- ✓ Optimized Layouts Design
- ✓ Minimum disruption of road accesses
- ✓ O&M teams quarters strategically placed
- ✓ Emergency points thought out.

**RESULT.** User comfortability is maximized while service and utility remain



Goal 4. Minimize greenhouse gas emissions and other environmental strains



- ✓ Path modification to avoid the execution of two tunnels;
- Adjusting the layout to take advantage of existing structures.
- ✓ Recycled sustainable pavements;
- ✓ Natural light underground;
- ✓ Renewable energy.

 Conveyor belts for waste material extraction – fuel saving and emission reduction.



#### Goal 5. Minimize temporary and permanent seizure of agricultural zones



Global stakeholder management with the collaboration of farmers and other local agents participants on the decision making process

**RESULT.** Minimization of local economic, social and environmental impact



Sustainability factors as part of a contract are a step forward, but companies can also be proactive in incorporating them to their way-of-doing, since they also have a positive impact on the development cycle and overall project results.





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**ABU DHABI WORLD ROAD CONGRESS 2019**