

STRENGTHENING COMMUNITIES

SUSTAINABILITY REPORT

2013



Editor's note

This has been a pivotal year for Transurban's sustainability program. We've challenged ourselves to take a fresh look at how we invest in our communities, manage our impacts and build roads for the future.

We have revised our Sustainability Strategy which you'll read more about in the report. We believe this strategy provides us with the best framework for managing our sustainability performance not only in the design and construction of roads but throughout the operating life of our assets.

We've set ourselves some challenging goals—achieving them all won't be easy. The next 12 months will be critical for harnessing the exceptional skills, knowledge and dedication within our business to deliver better outcomes for our communities, employees, government clients and construction partners.

We hope you enjoy reading the report and we look forward to sharing our progress.

Clare Baldwin
Manager, Sustainability

CONTACT US

Your feedback on this report is valuable, and helps us improve our reporting. For questions or comments contact our sustainability team.

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GRI INDEX

To view our GRI Index please visit
transurban.com/sr13/GRI_Index_2013.pdf

Transurban's Sustainability Strategy

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Transurban's Board and management are committed to taking a sustainable approach to all our operations, projects and business practices to create the best outcomes for our government clients and the communities which we serve.



In FY13, the Board endorsed a revised Sustainability Strategy, which underpins Transurban's corporate strategy and reinforces our vision to 'strengthen communities through transport'.

The Sustainability Strategy highlights three focus areas:

- Be good neighbours — anticipating, listening and responding to community needs
- Use less — reducing the impacts of our operations on the community and environment, and
- Think long term — improving transport networks to help people, goods and services move more efficiently and safely across our cities both now and into the future.

Under the focus areas, we have three business-wide initiatives. They are:

- A community investment strategy
- An energy reduction target for operations of our management-controlled assets, and
- Sustainability objectives for new road or upgrade projects.

The principles inherent in these focus areas enhance our ability to deliver efficient and integrated transport networks that support productivity and the wellbeing of our communities.

FY13

During the year, we made significant progress on our agenda within the sustainability strategy's focus areas:

Be good neighbours

- We began revising our approach to community investment, with a new strategy to be completed in FY14.
- Along with our construction partner Fluor, we provided grants to nonprofit organisations that sustain, enhance or protect the local

environment and neighbourhoods in the 495 Express Lanes corridor. This program was also extended to the 95 Express Lanes in FY13.

- We contributed seed funding to a partnership addressing long-term social disadvantage and promoting economic development in Woolloomooloo, an inner-city area of Sydney near our Eastern Distributor motorway offices.

Use less

- For assets under our management control, we adopted a new energy reduction target — a ten per cent reduction in ten years using a 2013 baseline.
- We established a partnership with Victoria's Regional Rail Link City to Maribyrnong Alliance that will allow the project to use stormwater captured in rainwater tanks below CityLink's Bolte Bridge.
- We reduced electricity consumption at our corporate offices by 30 per cent with the introduction of more energy efficient IT hardware and printers.

Think long term

- We reached the final stage of the New South Wales Government's unsolicited bid process on our proposal for a new link between the F3 and M2 motorways in Sydney.
- We opened one of the most technologically advanced toll roads in the world — the 495 Express Lanes in Virginia, USA, which uses dynamic tolling. Toll prices are based on demand and ensure traffic can maintain a minimum speed of 45mph.
- We added a customer safety measure to our corporate Key Performance Indicators, with the measure coming into effect in FY14.



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CEO message

01

As a long-term owner and operator of toll roads in major cities both in Australia and the United States, it is our role, and our responsibility, to make sure that our roads help make those cities great places to live and work—both now and in the future.

Our cities need efficient, well-run roads and public transport networks that move people and goods from A to B as safely and quickly as possible. They are critical to a city's productivity and, ultimately, the strength of its communities.

This year employees across our business worked together to develop a new vision statement that reflects what we want Transurban to achieve. We agreed on "to strengthen communities through transport" because it recognises that what we do and how we do it has a real impact on the daily lives of our cities and their residents.

To realise this vision we need to take a big picture view of transportation—recognising our roads are just one piece of the puzzle in a city's transport network. We have to actively manage those roads to ensure they work well within that puzzle, and we have to plan for the future so our transport solutions can predict and meet the needs of tomorrow.

It is not always easy. In cities around the world road and public transport networks are under enormous pressure in the face of growing populations, expanding urban development and, at the same time, declining public funding for infrastructure.

We have to face these issues alongside our partners in government. We must find solutions that make sense for everyone.

As part of a review of our capabilities and management responsibilities at Transurban, we appointed a head of strategy this year to lead a team whose mandate is to focus on the long-term—and look at how we can work with our partners to deliver sustainable transportation solutions for our cities.

The team has revised our approach to sustainability, which harnesses all that we do into three pragmatic areas of focus—be good neighbours, use less and think long term.

If we do those things, we will go a long way toward achieving our vision to strengthen communities through transport.



Scott Charlton
CEO



UNITED NATIONS GLOBAL COMPACT

In 2009, Transurban signed the UN Global Compact, a voluntary framework which encourages companies to align their operations to 10 universal principles on human rights, labour practices, the environment and anti-corruption. Since signing the compact, we have been applying these principles across our business, and we will continue to do this in FY14. To find out more about the UN Global Compact, visit unglobalcompact.org

02 About Transurban

Transurban manages and develops networks of urban toll roads in Australia and the United States of America.

We are a Top 50 company on the Australian Securities Exchange (ASX) and have been in business since 1996.

Our portfolio

We have nine roads across three markets:

Australia

Melbourne

→ CityLink: 100 per cent ownership

Sydney

→ Hills M2: 100 per cent ownership

→ Lane Cove Tunnel: 100 per cent ownership

→ Eastern Distributor: 75.1 per cent ownership

→ Westlink M7: 50 per cent ownership

→ M5 South West Motorway: 50 per cent ownership

United States of America

Northern Virginia

→ 495 Express Lanes: 67.5 per cent ownership¹

→ 95 Express Lanes: 67.5 per cent ownership¹
(under development)

→ Pocahontas 895: 75 per cent ownership

Together, these roads serve more than 1.4 million retail account customers in Australia². In FY13 5.3 million unique users drove on our assets.

Our business framework and strategy

In FY13, we reviewed and confirmed Transurban's business strategy. At the heart of this strategy is our desire to be a 'partner of choice' for our government clients, which means we have to provide effective, innovative transport solutions to support the growth and well-being of our cities. We do this through smart management of our existing road networks, active involvement in the transport policy debate, and the application of our skills to the infrastructure challenges in our markets.

We have defined our primary capabilities as:

- Network planning and forecasting
- Operations and customer management
- Project development and delivery
- Application of technology, and
- Community engagement.

As part of our FY13 business strategy review, we have also clearly defined our target markets as the eastern seaboard of Australia and Northern Virginia in the US.

Finally, the business continues to focus on distribution growth as part of our overall strategy.

¹ DRiVe is Transurban's Group's road investment vehicle in the US. The Group holds 75 per cent of DRiVe, which owns 90 per cent of both the 495 and 95 Express Lanes projects. The 67.5 per cent therefore reflects Transurban's proportional ownership.

² Retail account customers represent actual tag and video accounts held with Transurban entities. Non-account customers include an estimate for tag account customers with EastLink, QML, RTA, FLOW, E-way and VDOT who use Transurban roads plus an estimated number of individual customers who use either video passes, or receive deferred toll notices in New South Wales or late toll invoices in Victoria.



Our vision and values

During the year, we refreshed our vision and values to ensure they align with the refined business strategy. This process involved employees from across our markets helping us to articulate our shared aspirations and the behaviours that underpin the way we work together to achieve them.

The new vision is 'to strengthen communities through transport', and the values are:

- Integrity
- Collaboration
- Accountability
- Respect, and
- Ingenuity.

Our investment proposition

Investing in Transurban gives security holders access to long-term, predictable and growing cash flows over the life of our toll road concessions (contracts) with governments. We help deliver those cash flows by effectively managing and developing the road corridors and networks under these concessions.

Organic growth in our business comes from traffic growth and inflation-protected toll price increases across our portfolio. This growth is further supported through successful operations, maintenance and customer management.

We generate value for investors through:

- The effective application of technology in key areas including traffic management and tolling, and
- Further development of our portfolio through asset enhancements such as Sydney's Hills M2 Upgrade and M5 West Widening, and through new projects negotiated with governments such as the 495 and 95 Express Lanes projects in the US.

04 Transurban's approach to reporting

Our Sustainability Report is aimed at all internal and external stakeholders with an interest in Transurban's sustainability performance and strategy. This includes employees, investors, customers, the community, governments, suppliers, contractors, financial analysts, non-government organisations and industry leaders.

The report addresses issues relevant to Transurban and others in our sector.

Sustainability reporting

We choose to publicly report our sustainability performance to our stakeholders in the interests of accountability and transparency.

We evaluate our performance against the sustainability goals and targets we set for our programs and projects.

During FY13 the Transurban Board approved an internal review and consolidation of our sustainability reporting.

This year, we decided to align all sustainability reporting to a financial year schedule.

As a result, shifting from calendar year for our annual response to the Carbon Disclosure Project meant only an additional six months of data and commentary would have been included. Given this short timeframe would not have made a material impact to our submission, we chose not to submit a response for 2013.

Determining priority issues

EY and Transurban employees with knowledge of the subject matter have checked the content of this report against the findings of our formal materiality review. The annual review determines the most important and relevant issues for both Transurban and our stakeholders.

Each of our markets—Victoria and New South Wales in Australia and Virginia in the US—and our corporate offices compiled a comprehensive list of issues using the 5 Part Materiality Test.¹

The test covers:

- Direct, short-term financial performance
- Transurban's ability to deliver on its strategies and policies
- Best practice norms exhibited by peers
- Stakeholder behaviour and concerns, and/or
- Societal norms, particularly where these are linked to possible future regulation.

Issues were then prioritised through the process outlined in our Stakeholder Engagement Framework, which rates issues on the basis of potential impact on Transurban and the significance to stakeholders. Based on this process, we determined material issues for inclusion in the Sustainability Report.

In addition, we consulted with 'data owners' across the business to identify, collect and interpret data relevant to this year's report.

¹ Described in AccountAbility's AA1000 Stakeholder Engagement Standard (AA1000SES)

Scope

The report contains information on activities in FY13 (1 July 2012 to 30 June 2013), unless otherwise stated. We report our sustainability performance annually, and have done so for eight years.

Most of the information and data presented in this year's report comes from our Australian roads as the majority of our operations are based in Australia. The report also covers Transurban's corporate offices in Australia.

For the roads Transurban manages — CityLink, Hills M2, Lane Cove Tunnel, Eastern Distributor and Pocahontas 895 — we have reported relevant sustainability information.

For roads we co-own with partners — Westlink M7, M5 South West, and the 495 Express Lanes — we are still able to report some aspects of sustainability performance.

This report also contains data provided by our road operations and maintenance (O&M) contractors and construction project contractors. We believe the work they carry out for our assets forms part of our social and environmental footprint.

These contractors include:

- TransLink Operations Pty Ltd (TLO) for CityLink
- Lend Lease Pty Ltd and EGIS Australia for Hills M2 (up to 30 March 2013)
- Tollast/ Transfield Services Limited for Hills M2 (from 1 April 2013)
- Interlink Roads for the widening of the M5 South West
- Leighton Contractors for the Hills M2 Upgrade and the Eastern Distributor
- Transfield Services for the Lane Cove Tunnel, and
- Fluor-Lane, AECOM and Roy Jorgensen Associates for the 495 Express Lanes.

Accuracy

Through this report, we aim to present an accurate picture of Transurban's social, economic and environmental performance, and our governance landscape.

To provide stakeholders with a greater level of confidence in the company's sustainability reporting, we appointed EY to provide limited assurance over certain information within this report.

Transurban has identified the following as key issues for assurance over the period of our assurance services:

- Customer safety
- Diversity
- Pay equity
- Greenhouse Gas (GHG) emissions data, and
- Water data.

EY's Limited Assurance Statement is on [page 40](#).

GRI accordance

This report is produced in accordance with the G3 Guidelines published by the Global Reporting Initiative (GRI). GRI is a multi-stakeholder network that is considered to set the most globally recognised framework for reporting on sustainability.

The GRI G3 provides us with a comprehensive framework that helps us assess and track our economic, social and environmental performance. It also provides us with a useful benchmark against other global companies.

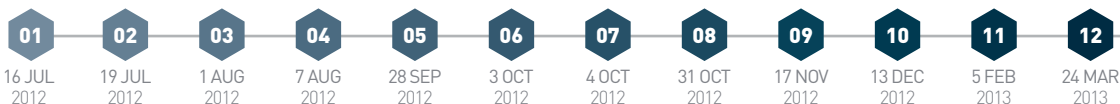
GRI has verified that the report is prepared according to the GRI Guidelines, at application level A+. The GRI's statement is on [page 43](#).

We also review our reporting against other sustainability performance indicators such as the Dow Jones Sustainability Indexes (DJSI) and the FTSE4Good Index.



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Transurban in FY13



01 NEW CEO STARTS TENURE

After his appointment late in FY12, Scott Charlton stepped into the Chief Executive Officer role at Transurban at the start of FY13.

02 DISCUSSIONS START ON F3-M2

The NSW Government announced that it would conduct an exclusive assessment on our proposal for a tunnel joining the F3 and M2 motorways in Sydney.

03 FINANCIAL CLOSE FOR 95 EXPRESS LANES

Transurban announced it reached financial close on this \$750 million project, which will link to our other Express Lanes in Northern Virginia on I-495.

04 FY12 FULL-YEAR RESULTS

Our underlying proportional EBITDA increased by 9.1 per cent over the previous year, and proportional toll revenue rose 5.9 per cent.

05 WESTLINK M7 RE-FINANCING

Westlink M7 reached financial close on the re-financing of \$505 million of debt due to mature in December 2012.

06 CLOSURE OF CITYLINK TUNNELS

Due to a systems issue that affected our ability to respond to incidents, we closed both the eastbound and westbound tunnels on CityLink for most of the day, which had a severe impact on Melbourne traffic. Our business issued a public apology and refunded all tolls incurred by customers during the period.

07 ANNUAL GENERAL MEETING

Transurban's AGM was held in Melbourne, where two new directors were elected and the remuneration report was adopted.

08 SUSTAINABILITY REPORT

We released our eighth sustainability report detailing our overall approach and our performance in areas including environment, community and customer engagement.

09 495 EXPRESS LANES OPEN

Our dynamically-priced lanes on the Capital Beltway (I-495) in Washington, DC opened to tolled traffic more than one month ahead of schedule.

10 CHANGES TO EXECUTIVE TEAM

CEO Scott Charlton outlined a restructure at the executive level to balance the range of skills and experience and help take Transurban to the next stage in development.

11 HALF-YEAR RESULTS

We announced our financial results for the six months ended 31 December 2012. Our proportional EBITDA increased 6.9 per cent on the prior corresponding period to \$416.9 million.

12 RUN FOR THE KIDS

Transurban's CityLink asset co-sponsored Melbourne's biggest fun run for the eighth straight year. Run for the Kids raised a record \$2 million for the Royal Children's Hospital Good Friday Appeal, with \$1.95 million from the event and a further \$50,000 from the CityLink business.

13 FINAL DISTRIBUTION

We announced that a distribution of 15.5 cents per stapled security would be paid for the second half of FY13, bringing the final, full year distribution to 31.0 cents.

14 F3-M2 PROJECT GOES TO STAGE 3

Our proposal for a tunnel linking the F3 and Hills M2 progressed to the third and final stage of the New South Wales Government's unsolicited bid proposal process.



15 POCAHONTAS 895 TRANSFER

Transurban began discussions with lenders on the 895 project, with plans to transfer the asset to them by October 2013.

16 LANE COVE TUNNEL RE-FINANCING

We reached financial close on the re-financing of \$260 million of debt due to mature in August 2013.

17 M5 GOES CASHLESS

The last manual tolling booths closed on the M5 South West at the end of the financial year, and the motorway featured fully electronic tolling from 1 July 2013.

ONGOING

Australia

Hills M2 Upgrade — construction of this \$600 million upgrade in Sydney was completed in August 2013.

M5 West Widening — preliminary work started in July 2012 and construction on the Sydney motorway widening is expected to be completed in late 2014.

United States

95 Express Lanes — construction started in August 2012 and is expected to be completed within two and a half years.

AWARDS & ACHIEVEMENTS

Dow Jones Sustainability Indices (DJSI):

→ Included on DJSI 'Asia Pacific' list for performance in specific economic, environmental and social criteria

Intelligent Transportation Society of America (ITS) 'Best of ITS' awards:

→ 'Best new product, service or application' for 495 Express Lanes

American Business Awards (the Stevie awards):

→ Bronze Stevie award for 'Best Brand Experience Event — All Other Industries' for 495 Express Lanes opening

→ Bronze Stevie award for 'Marketing Campaign of the Year — Transportation' for 495 Express Lanes

Public Relations Society of America (Virginia chapter) Awards

→ Capital Award of Merit for the 495 Express Lanes Media Relations Campaign

→ Commonwealth Award of Merit for the 495 Express Lanes Opening Event

→ Commonwealth Award of Excellence for the 495 Express Lanes Educational Marketing Program

→ Commonwealth Best in Show for the 495 Express Lanes Educational Marketing Program

Environment

Transurban is focused on minimising our impacts on the environment while operating our roads, tunnels and offices, and while undertaking our construction projects.

Environmental governance

Transurban's approach to managing our environmental risks is guided by an Environment Management System (EMS) that helps us improve our environmental performance.

In FY13, our EMS was extended to incorporate our Pocahontas 895 and 495 Express Lanes roads in the US. This change was part of our overall effort to achieve a consistent standard across the assets over which we have management control.

A key focus during FY13 has been developing or reviewing Environment Management Plans (EMP) for our assets.

In preparation for the completion of the Hills M2 Upgrade, the operating, maintenance and overarching EMPs for Hills M2 were reviewed and finalised in FY13. The Tollaust operating EMP and sub plans were reviewed by the Department of Planning and Infrastructure (DoPI) and met the requirements set under the Minister's Conditions of Approval for the Hills M2 Upgrade project. This includes obligations to monitor and report on the environmental performance of the motorway, traffic and compliance tracking.

New EMPs will be finalised for Eastern Distributor, Lane Cove Tunnel and Tollaust during FY14, and the EMP review for CityLink will also be completed in FY14.

In FY13 we completed all outstanding (non-mandatory) recommendations raised in an environmental compliance and sustainability review conducted by consultants in FY11 on Eastern Distributor. The review had identified environmental risks, liabilities and sustainability issues for the motorway.

The EMS maintained by Interlink Roads for M5 South West, which is part-owned by Transurban, was externally audited in FY13 and maintained its accreditation to the international standard ISO14001.

Climate change

We recognise that the expected increase in extreme climatic events may place additional pressures on our assets.

An effective way for Transurban to mitigate climate change risks is through the design and construction of climate resilient assets. Therefore, we have established a process to work with our construction partners to assess climate change risks in the design phase of major projects.

While there is less capacity to retrofit our existing assets, we will consider doing climate change risk assessments for our NSW assets to evaluate our exposure.

Energy and greenhouse gases

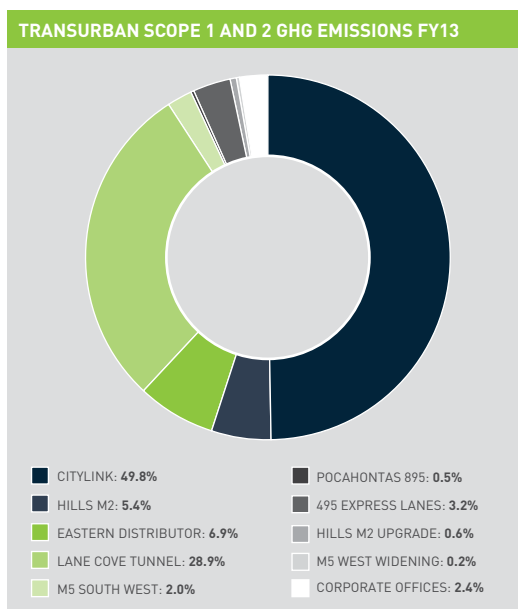
10 in 10

In June 2013 Transurban endorsed an energy reduction target for assets under management control. The target is a 10 per cent reduction in 10 years from a 2013 baseline.

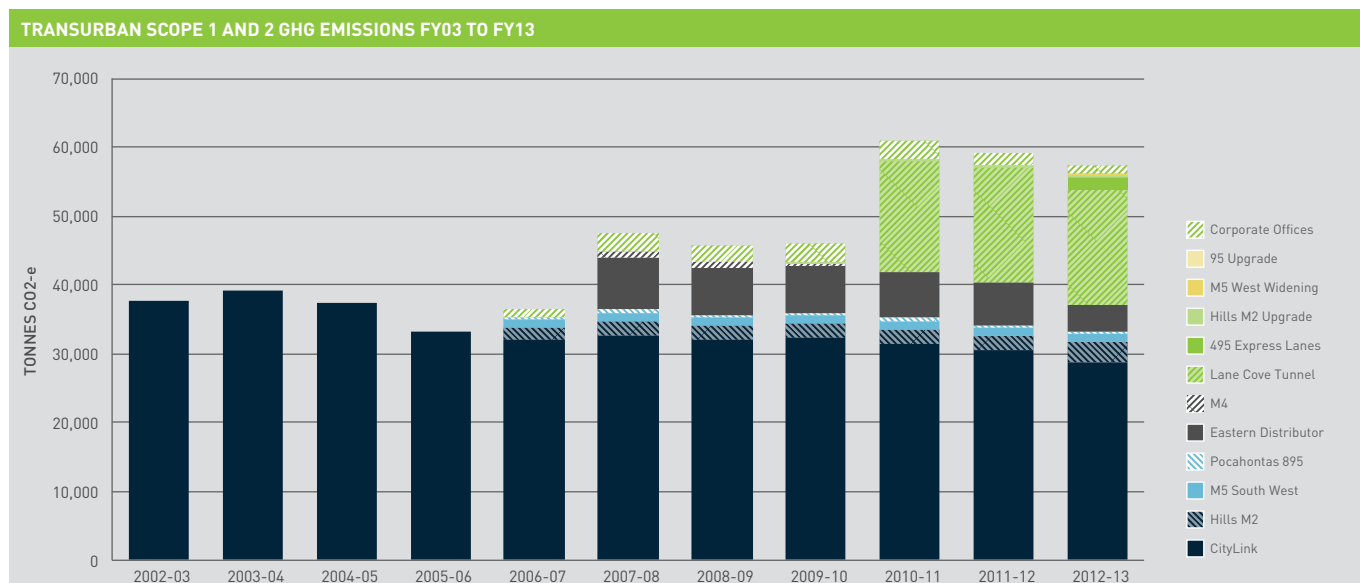
This presents a challenge for our business, with our success depending on regulatory factors and the emergence of low energy technologies. In FY14 we will be developing specific targets for the individual assets.

In FY13 we commenced reporting on a new US asset—the 495 Express Lanes—and two new upgrade projects—the 95 Express Lanes in the US and M5 West Widening in NSW. Despite this, our total Scope 1, 2 and 3¹ GHG emissions have decreased.

Scope 1 and 2 emissions are associated with Transurban's use of electricity and fuel. Our Scope 3 emissions are associated with energy embedded in construction materials, fuel usage by our contractors and emissions associated with waste sent to landfill.



Transurban records other relevant Scope 3 emissions associated with corporate air travel and customer vehicle travel separately. Both of these have increased during FY13 as a result of business growth.



¹ Excluding Scope 3 GHG emissions associated with customer vehicle and corporate air travel.

Energy reduction

In FY13 our combined Scope 1 and GHG emissions decreased at CityLink, Eastern Distribator, Lane Cove Tunnel and in our corporate offices as a result of implementing energy saving initiatives.

Tunnel operations

Lane Cove Tunnel—Current regulatory restrictions mandate zero portal emissions from Lane Cove Tunnel (except in emergencies). This requires high use of our ventilation systems and energy.

In FY13 we conducted trials in the tunnel to assess the potential to reduce ventilation during low traffic periods overnight while still maintaining our approval conditions of zero portal emissions.

These trials have provided valuable information on the optimal ventilation configuration to achieve lower power consumption, good air quality and healthy air flow through the tunnel and exhaust stack.

Operational trials on this configuration continue. Potential savings of 3,000kWh per day have been identified.

In addition, we have to periodically carry out ventilation flushing—a high energy process to blow dust and particulates out of the ventilation systems. This process ensures that, in the event of a traffic incident with smoke or an air quality incident with increased emissions, there is less likelihood of triggering a particulate (PM10) exceedance. We are reviewing the effectiveness of these flushes to assess whether we can continue to achieve optimal performance with lower energy usage.

Motorway lighting

Feature lights on the International Gateway on CityLink were changed to low energy LED during FY13.

LED lights have several advantages associated with their low energy use, long life, improved light quality and reduced toxicity given they do not contain mercury. Additional benefits include reduced risk associated with replacing globes, less waste and savings on maintenance costs. However, they have a higher capital cost.

On the Gateway, the new lights are estimated to cut electricity use for feature lighting by up to 83 per cent (261MWh per year). They will also significantly reduce our maintenance costs, providing a return-on-investment in about three years.

Due to this project, we now have the ability to change the lighting colours on the Gateway to support community campaigns such as Blue Ribbon Day, and we can more easily turn the lights off for specific events such as Earth Hour.

We successfully trialed LED lights on the architectural lights of the Bolte Bridge towers, and a business case for a permanent change will be prepared in FY14. CityLink proposes to progressively replace other non essential lighting with LED or other energy efficient lighting technologies as lifecycle replacements become due.

During the Hills M2 Upgrade, incandescent globes on the toll gantries were replaced with high efficiency LED lights. In FY14, LEDs will be trialed on one gantry at CityLink with a view to installing them on all gantries if the trial is successful.

Building energy efficiency

Corporate offices—Electricity consumption in our corporate offices in Australia has declined by over 30 per cent in FY13 due to the introduction of new IT hardware and printers with enhanced energy efficiency. The saving equates to an annual reduction of over 45 per cent. The initiative commenced roll out in November 2012.

Sustainable building

Last year Transurban and our project partner Fluor applied for LEED (Leadership in Energy and Environmental Design) Silver certification for our new, state-of-the-art operations centre for the 495 Express Lanes.

Our application to achieve LEED Silver certification is still being assessed by the US Green Building Council (USGBC). The target for finalisation is now FY14.

Waste

Reuse and recycling

In June 2013 Transurban was recognised by the Australian Federal Government for our commitment to keeping harmful mercury out of our environment by participating in FluoroCycle, a fluoro light recycling program. As a facilitator for the scheme, our role is to promote FluoroCycle to our suppliers, customers, operators and landlords, encouraging them to recycle as many lamps as possible and to sign up to FluoroCycle.

Transurban has also developed an action plan to raise awareness throughout our own organisation. Our aim is to reduce the number of mercury containing globes being used by assessing the potential for alternatives without mercury (e.g. LED) or installing longer life globes.

Waste reduction

CityLink — CityLink has been using long life fluorescent globes in the Domain Tunnel since FY11, and this switch helped to reduce the use of replacements by around 90 per cent. In FY14, CityLink will replace all Domain and Burnley Tunnel lighting with these longer life and more energy efficient globes.

Hills M2 — Longer life, high-pressure sodium lights were installed in the underpasses at Windsor Road as part of the Hills M2 Upgrade. The performance of these lights will be assessed to determine if we should install them beyond the upgrade area in FY14.

During the upgrade noise walls constructed of noise-absorbing Hebel panels were removed and replaced with new panels. Approximately two thirds (over 2000 cubic metres) of these panels were re-used by the local community to construct agricultural sheds and stables.

A SMART PARTNERSHIP

In May FY13 CityLink established a partnership with Victoria's Regional Rail Link City to Maribyrnong Alliance (RRLCMR) that will allow the rail project to use stormwater captured in our rainwater tanks below the Bolte Bridge. Runoff from the Bolte Bridge is diverted to two steel rainwater tanks under the bridge at Turner Street in Port Melbourne. The tanks have a combined capacity of approximately 137KL. Water is then transported via a water cart to the RRLCMR site for use for dust suppression, soil and fill compaction and embankment formation. Making use of this local source of water avoids significant water transport costs and associated GHG emissions.



12

Water

Protecting local waterways

CityLink— In FY13 local waterways were further protected by the restoration of sediment control ponds on the Westgate Freeway under the Bolte Bridge. This work included new planting.

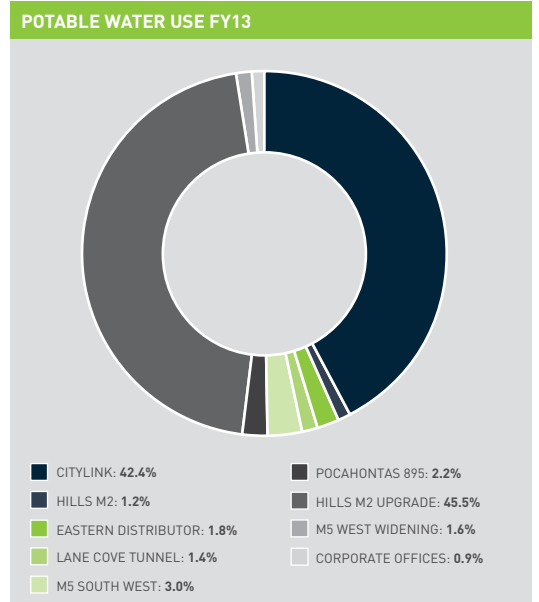
Hills M2 — During the Hills M2 Upgrade, sandbag dams were established in sloping areas. In addition, surfaces prone to erosion were covered with geofabric to reduce soil erosion and prevent the pollution of waterways from sediment run off during rainfall.

Monthly waterway monitoring during the upgrade was carried out both up- and down-stream at local creeks that intersect with work zones to ensure there were no adverse impacts from construction.

The monitoring included Darling Mills Creek, Devlins Creek, Terrys Creek, Porters Creek and Shrimptons Creek.

We have also expanded and upgraded stormwater retention ponds in the motorway corridor as part of the Hills M2 Upgrade and the new Lane Cove Road Eastbound On-Ramp.

If contaminated sediment is identified in areas outside of the upgrade, it is removed and treated through bioremediation (allowing the sun to burn off contaminants). This work will continue as required after the upgrade is completed.



An ongoing monitoring regime for the stormwater ponds has been integrated into the operational Environment Management Plan for Hills M2. The responsibility for monitoring has been allocated to Tollaust as manager of the operation and maintenance contractor.

Spill management

In FY13 we made improvements to our spill management procedures for all assets and projects over which we have management control. This has resulted in a decrease in the number of spills on or near these motorways. There were no infringements for spill events during the year.



Biodiversity

Hills M2 — The upgrade project team has made the environment surrounding the project corridor one of its top priorities.

After consultation with stakeholders including local governments, an Ecological Management Plan and a Landscaping and Weed Management sub plan were developed as part of the operational EMP.

In FY13 ecologists monitored the 110 nest boxes installed at the start of the upgrade project and found that a wide variety of native animals — including ringtail possums and lorikeets — are now using the boxes.

CityLink — Following a significant loss of landscaping vegetation due to drought, CityLink is undertaking a review to select replacement species that are more drought tolerant.

In FY13, about 2,500 plants were planted in the motorway corridor.

95 and 495 Express Lanes — In the US, Transurban and its project partner Fluor are working to offset impacts from the removal of trees and brush due to the construction of Express Lanes on I-95. We have offered local communities a number of opportunities for landscaping under a program aimed at planting 1,000 trees in 1,000 days.

Transurban has also worked with the state government, the community and the Fairfax County Restoration Project to finalise a landscaping and re-forestation plan for the 495 Express Lanes corridor. All plantings will occur in the right of way controlled by the Virginia Department of Transportation. The Virginia General Assembly and the Fairfax County Board of Supervisors are providing US\$5 million in funding to prepare and implement a corridor-wide plan.

Air quality

Tunnel air quality

CityLink — All in-tunnel air quality monitors in the Burnley and Domain Tunnels were replaced in FY13 as part of our life-cycle replacement program.

In FY13 CityLink's incident response crews raised concerns about their exposure to diesel particulates while working in the CityLink tunnels. An investigation undertaken by environmental consultants concluded diesel particulate concentrations varied with traffic volumes but exposure of incident response workers in the tunnels was 40 times less than the Occupational Exposure Limit for mining.

Lane Cove Tunnel — In FY13 we completed regular six monthly air quality audits (as required under the project's approvals) of the in-tunnel ventilation, stack ventilation and air quality processes for Lane Cove Tunnel.

Eastern Distributor — In FY13 we continued to address recommendations made by consultants in their FY12 review of the in-tunnel air quality and velocity system on the Eastern Distributor. One of these recommendations involved replacing an air quality visibility sensor to address faulty PM10 readings. During the year we checked the condition of all air quality and velocity sensors in the tunnel, and a refurbishment and improvement plan is under way.

Hills M2 — As part of the Hills M2 Upgrade, a new air velocity sensor was installed in each tube of the Norfolk Tunnel and air quality sensors were removed and reinstalled.

New software for tunnel operations will allow the number of ventilation fans to automatically adjust according to carbon monoxide (CO) levels in the Norfolk Tunnel. This will benefit air quality, but the increased ventilation and enhanced lighting are likely to increase energy consumption in the tunnel.

In FY13, there were no air quality exceedances in the tunnels on Hills M2, CityLink or Eastern Distributor.

Road corridor air quality

95 Express Lanes — Communities in the vicinity of one of the new ramps that needs to be constructed for the 95 Express Lanes project had expressed concern about potential health hazards from exposure to vehicle exhaust. During the year, the Virginia Department of Transportation reviewed the air quality studies that formed part of the project's environmental assessment. The department determined that the studies were done properly and air quality impacts are within acceptable limits.

Hills M2 — To ensure that the air quality impacts from construction of the Hills M2 Upgrade were minimised, we identified a suite of control measures under the project's Air Quality Management Plan. To reduce dust associated with the upgrade works, rock-milling equipment was modified to incorporate spray heads to limit dust in the air. This supplemented use of water carts that used recycled water (rainwater), hoses and gurneys.

Two dedicated weather stations installed at either end of the project provided wind speed and direction, allowing work to be stopped during excessive conditions.

At the end of a work shift, excavated material was stockpiled and watered down. Two water carts were also kept on standby for use after-hours to spray exposed areas when there was the possibility of strong winds.

Noise management

CityLink — Following some community complaints to VicRoads about noisy truck brakes near the entrance to the Burnley Tunnel, VicRoads has been liaising with CityLink to install a noise monitoring system at the entry to the Burnley Tunnel. The system will identify noisy trucks, allowing VicRoads to contact owners requesting the trucks be inspected by a technician.

Trials to prove the technology for detecting noisy truck brakes have now been completed.

Hills M2 — On the upgrade, construction activities were conducted during the daytime wherever possible. However, some works needed to be undertaken at night during low traffic periods.

We took a proactive approach to community consultations for any noisy night-time works, including face-to-face visits with the residents and businesses most affected, targeted letterbox deliveries, website updates and a 24-hour phone line for complaints.

In FY13 a number of residents most affected by nearby night-time works were offered temporary respite relocations. Movie tickets were offered to others as a goodwill gesture to recognise the inconvenience of the works.

Nearly 7km of temporary noise walls were installed along the motorway during construction to protect adjoining residents from excessive operational and construction noise. All these temporary noise walls were removed once new and relocated noise walls were installed.

During the Environmental Assessment phase of the upgrade, a number of properties were identified where operations noise was expected to exceed the operational noise criteria set out for the project. These properties were then eligible to be assessed for architectural treatments to mitigate this noise. In all, 92 property inspections were completed and 70 properties were offered treatments.

The installation of a new, low noise road pavement for the entire length of the motorway will help reduce traffic noise. Noise levels along the motorway will be measured during FY14 and FY19 to ensure predicted noise levels are not exceeded.

495 Express Lanes — In the US, the 495 corridor has extensive noise walls to mitigate vehicle noise. Sound protection was tripled as a result of the improvements completed during project construction.



Employees

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Transurban is focused on providing a safe, supportive and stimulating workplace for our employees. In FY13 we worked on a range of initiatives to fulfill our commitment, including the launch of our new vision and values, work on leadership development and gender diversity within the business, and safety and security programs.

Vision and values

In FY13 Transurban reviewed the Group's vision and values to ensure they align with the refined business strategy.

During this process, we involved employees in a range of activities in our Australian and US offices to help define the vision and values and to ensure the outcome reflected Transurban's culture.

The new vision is 'to strengthen communities through transport', and the values are integrity, collaboration, accountability, respect and ingenuity.

During the year, the company promoted the vision and values through activities and visual displays in our offices to help embed them within the business. This work will continue in FY14, and will primarily focus on targeted activities within teams.

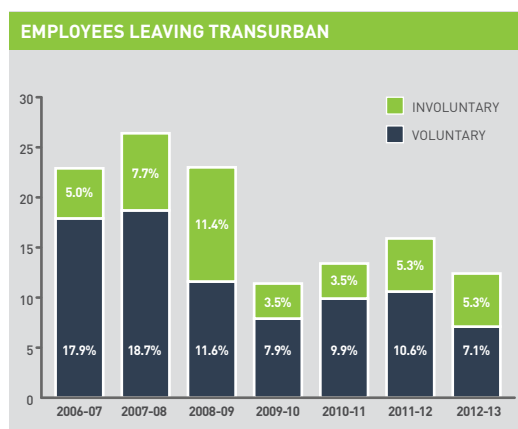
Workforce changes

In FY13 the arrival of our new CEO and the confirmation of the Group's strategy led to structural changes in our workforce that continued for the duration of the year.

Following new appointments to the Executive Committee in the first half of the year, the Technology, Delivery & Operations, Strategy, Victorian and US areas of the business reviewed and reshaped their teams.

Under changes to our operating model, Transurban will bring operations for Lane Cove Tunnel and Hills M2 in-house. Preparation for this is continuing, with the transition due to be completed on 1 April 2014.

Employee turnover decreased in FY13, with voluntary turnover down 3.5 per cent from the prior year (see [Employee Turnover table](#)).



As the [Analysis of Employee Turnover by Age table](#) shows, the age composition of employees leaving the business is spread evenly across our age groups, with the only increase in the 'up to 25 years' group.

In FY13 unplanned absenteeism decreased by 0.77 of a day per employee on the previous year, as indicated in the [Work Health and Safety table](#). Our average of 6.52 days per employee per year is well below the industry benchmark of 9.7 days.

In FY14 and beyond, we will continue to monitor unplanned absenteeism and educate employees about flexible work arrangements.

The gender balance of leavers in FY13 has shifted by 8 per cent, with a higher proportion of males departing.

The most common reasons cited for leaving Transurban were 'a new job opportunity', followed by 'personal/family reasons' then 'limited opportunities at Transurban'.

In FY13 we promoted a number of people into senior roles, including executive positions. We will continue to identify opportunities to support the development of employees wanting to advance their careers at Transurban.

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Employee safety

Most safety incidents involving our employees are caused by common hazards, with repetitive movement at workstations (36 per cent) our most frequent incident type.

In FY12 we reported an increase in our repetitive movement injuries that coincided with the introduction of a new customer management IT system. This past year, the rate came back down in line with our FY11 levels.

The four recordable injuries in FY13 comprised three repetitive movement injuries within our customer service area and a fall on the stairs by a contractor.

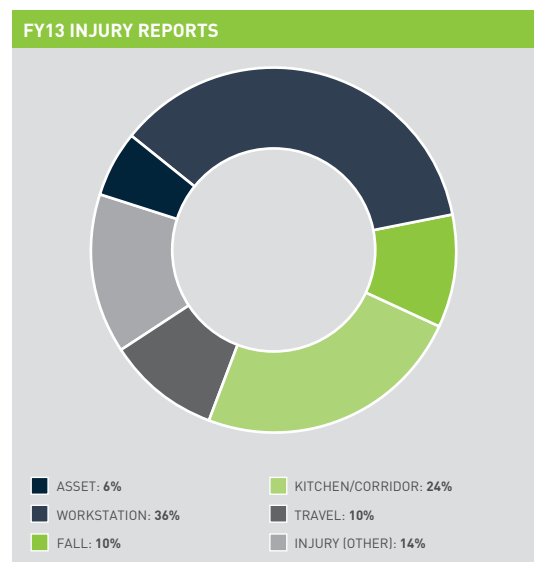
We have taken the following measures to minimise or eliminate the repetitive movement hazard which causes the majority of our employee injuries:

- We have changed and redesigned some activities that may be repetitive by automating tasks within the credit and customer areas of the business. This reduces mouse usage and the number of screens required for processing transactions.
- We electronically measure the repetitive movement of individuals and teams to determine the level and distribution of this hazard across teams. This allows team leaders to respond to particular high activity periods.
- We have increased our focus on well-being, including exercise and core strength to ensure employees remain fit for work. Our most successfully evaluated program involves whole teams working on core strength with an occupational physiotherapist.

'Pulse' survey

Transurban regularly surveys employees to identify strengths and weaknesses in our business and working environment.

In FY13 we conducted a spot survey to get a reading of our workforce's 'pulse' and to review our progress on key items identified in the full FY12 Employee Opinion Survey.



The results showed that respondents believed there had been positive changes since the last survey.

The company will conduct another full Employee Opinion Survey in FY14.

Diversity and pay equity

In FY13 we established a Diversity Committee in Australia and North America. We surveyed employees on diversity topics, and we introduced a formal coaching and mentoring program for female middle managers.

Our ongoing work on diversity has made a positive impact on several metrics.

During the reporting period, the percentage of females in executive positions increased from 40 per cent to 50 per cent. In addition, the average remuneration ratio at the senior executive level changed from 32:68 (female:male) in FY10 to 50:50² in FY13. This was impacted by the addition of three new senior executive positions in FY13.

The increased emphasis on the Hay Job Evaluation methodology¹ has ensured remuneration both at the time of recruitment and at the time of review is aligned to the market.

¹ Hay Job Evaluation is a methodology used to map out job roles in the context of the organisational structure. The general purpose for carrying out job evaluations using this or similar methods is to enable organisations to map all their roles in a manner that (i) recognises equivalent levels for the purposes of salary and benefit grading/banding (ii) improves succession planning, and (iii) assists in the creation of more useful and focussed job descriptions.

² Reflective of contracted remuneration as at 30 June 2013.

In FY13 our Women in Leadership program continued into its third year. The program supports the development of women at Transurban and aims to improve the proportion of women in senior and middle management positions. Over the past year the focus has been on coaching and mentoring.

After completing the Diversity Survey during the year, we identified the following focus areas for FY14:

- gender diversity
- flexible work practices, and
- cultural diversity.

We have developed action plans to advance in these areas over the next three years.

Flexible work arrangements

Transurban supports flexible work arrangements such as flexible hours, part-time work, job-share arrangements, working from home, phased retirement and lifestyle leave.

At 30 June 2013, 26 per cent of our employees were working under a flexible arrangement, which was consistent with previous years. The takeup of our lifestyle leave program — which allows eligible employees to purchase leave over and above their annual leave — increased slightly from the previous year to 6.6 per cent.

Learning and development

The number of training hours per employee increased slightly from the previous year, as reflected in the [Average Hours of Training per Employee by Employee Category table](#).

Transurban continues to deliver a large number of its learning and development programs internally, particularly those related to compliance.

Some of the key programs in FY13 included training on information and security, the vision and values initiative and a pilot customer service program that will be rolled out to our Victorian and New South Wales operations in FY14.

During the year, 51 executive and senior managers participated in a Leadership Development Program that covered planning for challenges, giving feedback and supporting employee development, and team effectiveness. In addition, a 'Leading Teams' refresher course was piloted and will be rolled out to previous participants in FY14.

Transurban is also focused on succession management in the business and believes that this is crucial to our success. Successors who have been identified for executive roles have started a formal assessment process that evaluates their leadership style and reasoning skills. The outcomes of these assessments will be used to determine development plans for these individuals.

Twice a year we conduct succession planning activities across the business where managers of business units are asked to identify their high-performing employees and successors for leadership or other critical roles. This information is presented to the Board and used for planning and development purposes.

Code of Conduct

In FY13 the number of incidents involving employees breaching our code decreased from the previous year, as shown in the [Breaches of Code of Conduct table](#).

More than half of the FY13 incidents were related to inappropriate use of technology. To help address this, we conducted refresher training on information security during the year and will continue to provide this in coming years.

Employee systems

A project to consolidate our payroll and HR system was undertaken in FY13. This consolidation will improve our HR reporting capability, data integrity and processes.

During the year we also launched the Group's intranet, with a new look and feel and an increased emphasis on communicating with employees. We are now working to build in document management features that will increase collaboration across teams.



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Marketplace

Our Marketplace section looks at our key activities with external stakeholders. This includes our customers, suppliers, contractors and joint venture partners, government, industry and investors.

Customer safety

Safety is a top priority for Transurban, with various programs and initiatives aimed at ensuring we offer the safest possible roads for drivers.

Our roads have a number of key safety features including electronic speed and lane control signage, automatic detection of incidents on the road to ensure rapid response as well as specialist tunnel safety systems.

We conduct reviews to determine trends such as the impact of increasing peak-hour traffic or changing patterns of heavy vehicle use. We share what we learn—and our risk-reduction measures—across our assets to ensure the best safety outcomes.

We also monitor collisions on our roads to further understand our risks and identify areas for improvement.

Our collision index tracks the number of collisions on a three-year rolling average for our 100 per cent owned roads¹ — CityLink and Hills M2 and the Eastern Distributor (75 per cent owned).

In FY13, the number of collisions involving injury declined on all those roads.

No fatalities occurred on Transurban’s Australian roads during FY13. One fatality occurred on our US roads. A motorist died as a result of injuries received in a single-car crash on a ramp off the 495 Express Lanes in Virginia.

Incidents on our roads are indicative of hazards that may lead to more serious incidents. The chart below provides an overview of the 9,000 incidents recorded on our roads during FY13, showing that breakdowns or drivers stopped on the toll road account for almost three-quarters of incidents. Information such as this helps us determine our priorities for implementing safety initiatives.

LANE COVE TUNNEL^a COLLISION^b INDEX

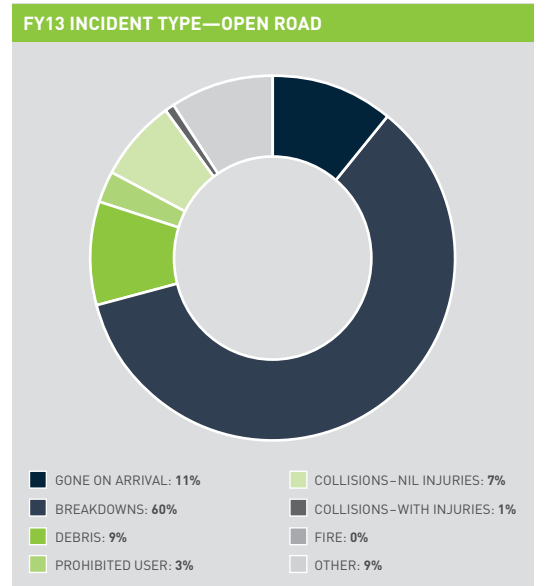
All collisions per 100 million kilometres

2010		2011		2012		2013	
July	n/a	January	0	January	0	January	0
August	0	February	0	February	0	February	17
September	16	March	15	March	0	March	0
October	16	April	18	April	0	April	0
November	31	May	0	May	31	May	29
December	16	June	0	June	0	June	0
		July	0	July	16		
		August	0	August	0		
		September	15	September	0		
		October	0	October	0		
		November	15	November	15		
		December	17	December	0		

¹ We expect to include data from Lane Cove Tunnel, which we acquired in August 2010, when a longer history of data is available.

^a Transurban acquired the Lane Cove Tunnel in August 2010. This is the third year of reporting the collision index. Our aim is to report a rolling average in the future when we have a longer history of collision reporting data for the Lane Cove Tunnel.

^b Collision data based on collisions occurring within the tunnel only.



CityLink safety

During FY13 we continued to implement road improvements and raise driver awareness on CityLink in response to a rise in the number of low-speed nose-to-tail collisions.

New electronic speed limits signs were installed on the Bolte Bridge and its approach in October 2012 after an investigation highlighted an issue with varying speeds across lanes, which is known to increase the risk of collisions. New line marking was also undertaken to discourage drivers from making late lane changes.

In December 2012, we launched a campaign, Look Up Stay Back, to encourage drivers to look ahead and leave a two-second gap from the vehicle in front.

Run in conjunction with road safety organisation Murcotts Driving Excellence and radio station 3AW, the campaign included radio and web advertising as well as on-road signage reminding drivers that nose-to-tail accidents were a major cause of congestion and delays.

The campaign's key plank was to reward safe drivers. A Victoria police officer and 3AW representative travelled along CityLink daily and selected motorists driving safely, rewarding them with toll credit vouchers and defensive driver training courses.

In May 2013, our Road Operations Team completed a report which identified trends and locations for collisions on CityLink.

The CityLink Collision Analysis Report, which analysed data from July 2009 to June 2012, confirmed most collisions on CityLink were nose-to-tail. It also pinpointed eight investigation areas — seven on CityLink's western section and one on the southern link.

The report has recommended specific actions in relation to each investigation area. These actions include checking skid resistance and lighting and line marking.

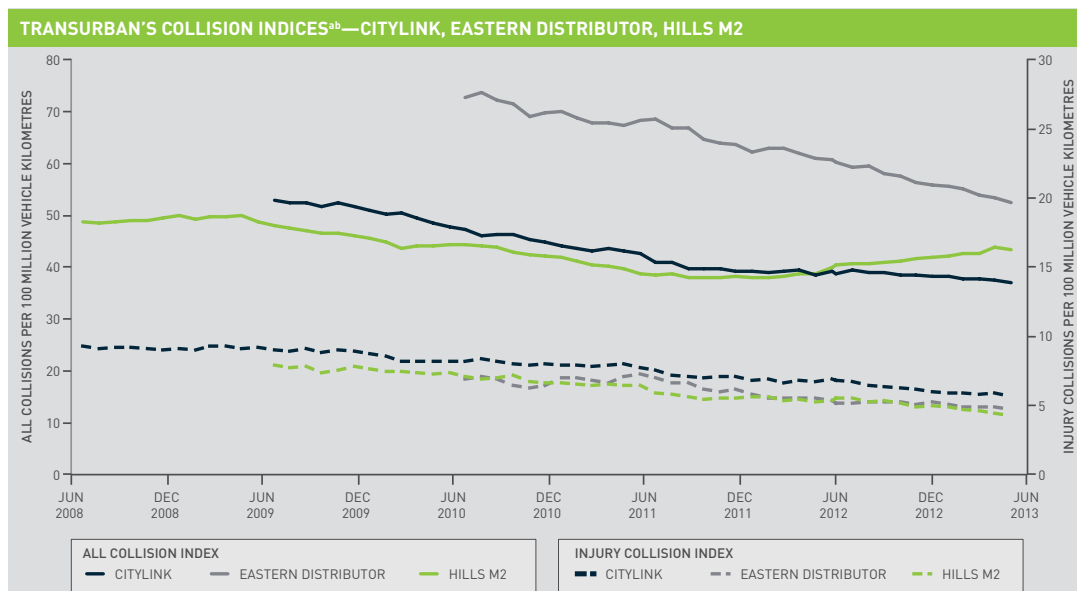
Over-height vehicles

Incidents involving over-height vehicles entering the CityLink tunnels have also led to a review of systems and processes.

Over-height vehicles set off sensors as they approach the tunnels and the driver is alerted through our vehicle message system. Despite this, 10 incidents have occurred from January 2012 to June 2013, with seven causing damage to the tunnels.

In FY13 we engaged ARRB Group to recommend improvements based on best practice both in Australia and overseas.

As a result, we are investigating improved detection of overheight vehicles. This would allow us to develop a procedure to close the tunnel entrance and prevent overheight vehicles from entering.



a A three-year rolling average is used given the variability in collision occurrences

b In some instances, Transurban contractors provide assistance with incidents that take place outside our lease boundaries in New South Wales. In order to determine whether these incidents have occurred within Transurban's lease boundaries and should be included in the collision indices, incident report data is scrutinised by specialist personnel in our Health and Safety teams.

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Burnley Tunnel incident Coroner's report

On 23 March 2007, three people died as a result of a multi-vehicle accident and subsequent fire in CityLink's Burnley Tunnel.

In the wake of the incident, CityLink held discussions with a range of agencies and implemented changes including traffic lights and physical barriers at tunnel entrances which can be used in an emergency and further electronic speed limit signs on the tunnel approaches.

The Coroner's report on the 2007 Burnley Tunnel fatalities was released publicly on 30 January 2013 and included 14 recommendations.

Ten were addressed to VicRoads on future tunnel design, one to CityLink on computer control of emergencies, one to CityLink/Metropolitan Fire Brigade (MFB) on water deluge for fire suppression performance, one to MFB on emergency tunnel communications and one to VicRoads/CityLink on tunnel emergency messages.

In response, CityLink and all relevant agencies regularly assess CityLink emergency control computer systems to ensure they would be effective in an emergency. In addition CityLink and the MFB are working together to develop response plans for multiple deluge incidents.

A review of emergency messages is expected to be finalised before the end of 2013.

Hills M2 safety

The number of significant collisions on Hills M2 declined during the year.

As construction sites scaled down, breakdown lanes and breakdown bays were opened for use. The lanes and bays had been used temporarily during construction, which potentially led to additional congestion on the motorway during any incidents.

The upgrade project also included substantial improvements to Hills M2's tunnel safety system. Boom gates, traffic signals and an automated video incident detection system were installed, while the control and deluge sprinkler systems were improved.

Other safety improvements as part of the upgrade included additional breakdown bays and repositioned CCTV to provide better overall coverage and incident response. Variable speed signs were installed on approaches to the tunnel and additional message systems will provide better advanced notification of incidents/traffic conditions.

Emergency telephones were also updated to a more durable, weather-resistant model to ensure improved reliability for motorists involved in a breakdown or minor collision.

Cyclists returned to the motorway following the completion in August 2013. We displayed safety messages and ran Australian Traffic Network advertisements in the lead up to completion to remind drivers that cyclists would be returning to the motorway.

Eastern Distributor, LCT safety

A new Operations Management and Control System (OMCS) has been approved for the Eastern Distributor. The new system will improve camera coverage in the tunnels as well as our incident detection and response times. It is expected to be operating by early FY15.

We also expect to improve our incident detection times in the Lane Cove Tunnel in FY14, with plans to install an automated video incident detection system.

On the Eastern Distributor, we use a vehicle to highlight the regular closure and opening of the Cleveland Street ramps in peak hour. In FY13, we introduced a larger and more prominent vehicle equipped with warning lights and reflective strips to alert motorists to ramp closures and other works.

M5 West Widening

Work to widen the M5 West motorway in Sydney started in September, focusing on widening the median, drainage and noise walls.

During construction, our contractors AbiGroup are responsible for traffic and incident management and have a temporary traffic management control room. Traffic response crews are on-site around the clock.

Safety in the US

Our major project in the US, the 495 Express Lanes in Virginia, opened to traffic in November 2012, marking one of the most significant changes to the area's transport network in several decades.

In the first week of operations, we introduced extra lane marking and updated digital messages reminding drivers about the new traffic patterns. This followed some driver confusion and swerving which caused a handful of incidents at the southern entrance of the Express Lanes near the Springfield Interchange.

The incidents and customer confusion diminished significantly almost immediately following these changes.

495 Express Assist Crews patrol the lanes for any safety and motorist issues and since opening have helped 272 drivers. They also monitor the lanes for any debris or hazard that may pose a safety issue. Express Assist’s average time of response has been seven minutes.

The 495 Express Lanes team also works closely with the Virginia State Police, Virginia Department of Transportation and Fairfax County Fire and Rescue squads to ensure a timely response to any incidents.

In June the speed limit on the 495 Express Lanes was increased from 55mph to 65mph after extensive safety study by the Virginia Department of Transportation (VDOT) and the Express Lanes team.

Based on the results, VDOT determined that a 65mph speed limit was safe and allowed for safe merging and lane changing.

Contractor safety

In FY13 we recorded one lost time injury in 1.2 million construction hours on our upgrade project on the Hills M2 in Sydney. This follows three lost time injuries in FY12 in more than 1.8 million construction hours. Work on the project was completed on 1 August 2013. Since the project started in January 2011 until 30 June 2013 we have achieved;

- Over 3.8 million construction hours
- 6,247 inductions
- 679 toolbox briefings
- 40,212 toolbox attendees (average of 59 per briefing)
- LTIFR¹ 3.8
- RIFR² 17.5

In FY13, we completed our 495 Express Lanes project in Virginia achieving an outstanding safety record, far exceeding the national industry safety standards.

We recorded 9.15 million job hours with two lost time injuries for the duration of the project.

The recordable injury frequency rate of 2.65 per 1 million hours worked was less than one fifth of US national average for the construction industry.

Construction on our other project in Virginia — the 95 Express Lanes — is 40 per cent complete, with no lost work day incidents.

We have achieved 1,129,481 recorded hours with a recordable injury frequency rate of 2.65 per 1 million hours.

In March 2013, Transurban began a safety audit program to review work and customer safety including activities such as ramp closures, maintenance of critical tunnel safety systems and work permits.

The audit program is led by a single team to improve consistency across the network and distribute examples of good practice.

Transurban has also produced the first of its Minimum Safety Standards. The aim is to ensure that where there may be variation in the control of a hazard in our industry then a minimum standard is produced, that includes contractors, to reduce the possibility of incidents. The first standard included was Excavation, Break In and Tunnel Penetrations. This standard outlines what must be done by anyone working on our assets to assess the hazards before commencing works involving digging, breaking into vertical services (walls, embankments) and penetrating into tunnel walls.

PROJECT	FY13 CONSTRUCTION HRS (1000'S)	FY13 LOST TIME INJURIES	FY13 LTIFR ¹	TOTAL PROJECT HOURS	PROJECT LTIFR ¹	PROJECT RIFR ²
Capital Beltway Upgrade ³	997	0	0	9,150	0.22	3.5
Hills M2 Upgrade	1,207	1	.83	3,805	3.8	17.5
95 Express Lanes	1,129	0	0	1,129	0	2.65
M5 West Widening	382	0	0	382	0	0.07
TOTAL	1,379	1				

1 LTIFR — Lost Time Injury Frequency rate (per 1 million hours worked)
 2 RIFR — Recordable Injury Frequency Rate (per 1 million hours worked)
 3 Capital Beltway Upgrade refers to the 495 Express Lanes project construction period

Customer Service

Transurban's Australian tolling brands, CityLink in Melbourne and Roam Express in Sydney met or exceeded their customer service targets and results in FY13.

Roam, our other Sydney tolling brand, did not meet one of its Key Performance Indicators (KPIs)—to respond to email communications within two days. The methodology to measure this KPI changed due to system and process changes.

For full year scorecard results please visit transurban.com/sr13/Scorecards.htm

Further information regarding targets and results for CityLink, Roam and Roam Express is available on their websites: citylink.com.au, roam.com.au and roamexpress.com.au.

Customer self-service options

We are continuing our efforts to improve self-service options for our CityLink customers through enhancements to our web and mobile sites.

Customers can now manage their vehicle details, make payments and check account balances, while further improvements are planned for the coming year.

A self-service web station has been set up at our Customer Service Centre at Lorimer Street to further promote the new online facilities.

The website improvements have seen general enquiry customer phone calls decrease by 9 per cent.

Commercial customers' phone enquiries decreased by 21 per cent following one-on-one tutorials to familiarise those customers with the online services.

In January 2013, CityLink expanded its email notification system to include low balance and account alerts for customers. This has led to a reduction of approximately 50,000 letters to customers per month.

495 Customer Service Centre

Our 495 Express Lanes Customer Service Centre has exceeded service and quality levels goals and objectives every month since opening. The Customer Service Centre received more than 26,000 calls since opening in January 2013 to June 30, delivering a Service Level of 94 per cent against the performance measure of 80 per cent. Other KPIs satisfied during the period were Average Speed of Answer (less than 30 seconds) and First Call Resolution (more than 90 per cent).

The Customer Service Centre opened in October 2012, a month before the lanes, with extended hours of operation during November and December to deal with inquiries. A Customer Care web page was also launched to provide customers with several communication channel options.

We are also promoting customer self-service with a discount for those who pay toll invoices online.

495 Express Lanes Driver Survey

In December 2012 and January 2013 we engaged an independent research firm Povaddo to survey 1,760 frequent Capital Beltway drivers in the Greater Washington, DC area.

The research gauged drivers' overall impressions, experiences and opinions of travelling on the Beltway and the 495 Express Lanes in its first two months of operations.

The survey found that 64 per cent of frequent Beltway drivers regarded traffic congestion to be the biggest issue in the Greater Washington DC area. Traffic congestion was more concerning than the economy (11 per cent), the housing market (7 per cent) and unemployment (4 per cent).

More than 80 per cent of 495 Express Lanes customers found a real time savings on their trip on the Express Lanes.

Working with Government

New South Wales Government

F3-M2 proposal

In FY13 we continued to progress our negotiations with the New South Wales Government to develop one of Sydney's "missing links"—a connection between the F3 freeway and Hills M2. This has long been seen as an essential project to ease heavy congestion and improve the link between Sydney and the central coast and beyond.

Transurban submitted an Unsolicited Proposal for the F3-M2 Link Project early in 2012 in accordance with the Government's three stage process. In July 2012 the decision was made to proceed to Stage 2 (detailed proposal) and in June 2013 Stage 3 of the process commenced.

In June we reached the final stage of the Government's Unsolicited Proposal process, which involves development of the scope of works and functional requirements, specialist investigations, environmental assessment and the tendering process for the selection of a design and construct contractor.

Community engagement has started on the project, and financial close is targeted for late 2014.

Hills M2 Upgrade

Work to upgrade Hills M2—the major transport corridor in north-western Sydney—was completed on 1 August 2013.

The upgrade included additional lanes in both directions along a 14.5km section of the motorway, to ease congestion and improve access to the motorway.

Transurban and its contractors were extremely mindful of the disruption that work on this scale created and worked closely with the NSW Government to minimise the impacts of construction work and roadwork speed limits on the community.

An extensive communications program was put in place to ensure motorists and the community were kept informed about progress and construction activities.

Unfortunately, the upgrade was completed later than we had expected due to wet weather delays, the significantly worse than anticipated condition of the M2, scope increases and enhancements. These factors added to the works schedule and increased costs by approximately 10 to 15 per cent against the original cost estimate of \$550 million.

However, with the agreement of all parties, completed sections of the upgraded motorway were opened in advance of the revised final completion enabling motorists to benefit from the extra lanes and reinstatements of the breakdown lanes earlier.

Some toll increases were deferred until completion of the project in light of the traffic impacts.

M5 West Widening

In August 2012, work started on a \$400 million project to widen the M5 West, a key route between the city and Sydney's south-western suburbs.

Transurban reached agreement with the NSW Government in FY12 for the project which will add an extra lane in each direction over the 21kms of the M5 South West Motorway.

The Government is contributing \$50 million and the project is expected to be completed in late calendar 2014.

As at 30 June 2013, the project was 40 per cent complete.

CityLink

In May 2013, the Victorian Government declared its commitment to the first stage of the East-West Link project, which includes a tunnel connecting the Eastern Freeway to CityLink.

While Transurban supports the project as a critical missing link for Melbourne, we have announced that we will not be participating in the Expression of Interest process.

The Government has proposed the structure of the East-West Link as an Availability Public Private Partnership, which is not consistent with our strategic approach to development—and to taking revenue and patronage risk on projects.

Under an availability payment model, the Government will contract a private company to design, build and finance the tunnel with the Government providing payment for completion on-time and budget.

The Government will initially retain tolling and traffic risk.

We will, however, continue to foster open dialogue with the Victorian Government on the project and if, in the future, the Government identifies the need to look at alternate funding approaches, we would support them in exploring those options.

We are continuing to work with the Victorian Government on improvements to traffic flow on the Bolte Bridge, CityLink, and to address some of the congestion points on the Western Link. Congestion is particularly evident in the morning peak and we are focused on finding a solution.

95 Express Lanes

Work on our other project in Virginia — the 95 Express Lanes — is progressing well after we reached financial close on 1 August 2012. The project is a partnership with Virginia Department of Transportation.

The project involves extending, widening and improving the existing High Occupancy Vehicle lanes system and converting it into a 29 mile (46km) high occupancy or toll lane facility along I-95.

Advocacy

In the US, we worked with lawmakers to influence changes to the Public-Private Transportation Act to promote increased transparency and public engagement in the development of projects, as well as clarify user requirements for High Occupancy Toll lanes. The team also joined a broader coalition to successfully advocate for increased revenue for transportation, including a portion allocated to support future public-private partnerships.

At the federal level, advocacy efforts focused on promoting best practices for public-private partnerships, tolling and innovative finance.

In Australia, CEO Scott Charlton spoke at a number of events to outline Transurban's views on topics that impact our business.

In September, he spoke at Infrastructure Partnerships Australia's 2012 and advocated more efficient use of transport networks to manage demand, promote public transport and fund the upgrading of transport infrastructure.

Mr Charlton also spoke at the Roads Australia conference in June 2013 where he and our then US Vice President Public Affairs Jennifer Aument discussed ways to manage our existing assets and create more efficient transport networks for our cities.

We also responded to the Victorian Government's Metropolitan Planning Strategy Discussion Paper, contributing potential solutions for current and future congestion affecting the productivity and liveability of Melbourne.

Political donations

Maintaining strong relationships with governments at both the political and bureaucratic level is critical to our business. We have separate policies for political donations in the US and Australia in line with jurisdictional laws and we report our contributions accordingly.

In line with our policies we do not make donations either directly or via fundraising organisations.

In the US, we paid US\$60,000 in FY13 to attend political events. In Australia, Transurban paid \$1,700 to attend political fundraising events through the year.

Working with our suppliers

Hills M2 and Lane Cove Tunnel

In April we consolidated our operations and maintenance contracts for Sydney's Hills M2 and Lane Cove Tunnel as part of a move towards bringing our operations in-house for the LCT and Hills M2 motorway in FY14.

Transfield Services (TSL) was appointed the sub-contractor for both operations and maintenance for the M2 and LCT rather than the previous arrangement with two separate contracts by different contractors.

Under the new model we expect to have more consistency around service provision, while it will allow us to ensure a smooth transition to in-house operations, which will be run by Tollaustr (a wholly owned Transurban subsidiary).

The recruitment of a new operations team, which will take control on 1 April 2014, has been a major focus of both Tollaustr and TSL. Many staff from the previous contractors have transferred to TSL or Tollaustr so the expertise and capability is retained. Over the coming year, Transurban will continue to build the capacity of Tollaustr, expanding Transurban's operational capacity as a long-term operator and a partner in management of the network.

F3-M2 proposal

On the F3-M2, project sponsors Transurban and the Westlink M7 shareholders are working with contractors to embed sustainability early in the project. This will help support strong sustainability outcomes across all stages of the F3-M2, from design to construction to operation.

We are asking the contractors to:

- Demonstrate leadership by achieving an excellent 'as built' rating using the Infrastructure Sustainability Council of Australia tool
- Better manage resources by cutting down on waste, reusing materials and incorporating materials with a lower environmental footprint
- Consider new approaches, including smart technologies, to reduce energy use during design, construction and operations, and
- Support economic development in the local community by purchasing from businesses in the area, and training and hiring labour within the project corridor.

The principal contractor will be responsible for achieving F3-M2 sustainability targets in collaboration with the project sponsors.

Board and management

Scott Charlton joined Transurban as Chief Executive Officer and a Board member in July 2012.

Professor Bob Officer resigned as a Non-Executive Director on 7 August 2012. Professor Officer, who was on the Board for two years, was the nominee of CP2 Limited, Transurban's largest security holder at that time. As CP2 Limited was no longer a substantial holder, Professor Officer stepped down.

Our Board once again received a 'green light' in the Women on Boards assessment of ASX200 companies, recognising that we had 'good' representation of women on boards and in senior management and had been seeking to improve gender diversity at all levels for some years.

We have two women on our Board — Samantha Mostyn and Christine O'Reilly, while our nine-member Executive Committee includes four women.

Executive team

A major restructure of our Executive Committee was announced in December 2012 following the appointment of Scott Charlton as the new Chief Executive Officer.

Mr Charlton, from Lend Lease, replaced Chris Lynch who left the business in July 2012.

The new executive team reflects the focus on delivering and enhancing Transurban's core competencies, providing a balance between regional accountability and core Group-wide capabilities.

The structure includes four newly created Group-wide roles — strategy, technology, human resources and delivery and operations.

Wes Ballantine, previously our General Manager of Investor Relations, Media and Government Relations, heads up Strategy, while Tim Steinhilber, previously our Vice President, Major Projects US, has moved to the role of Group General Manager Delivery and Operations.

Sue Johnson, who leads our Human Resources team, was appointed to the Executive team in August 2012.

The other new appointee was Lisa Tobin, who joined Transurban in February 2013 from Australia Post, to head up Technology.

The Chief Financial Officer, Samantha Hogg, is the other Group-wide role, while other roles are market focused — US, Victoria and NSW.

Elizabeth Mildwater resigned as Group General Manager, Victoria, and left the Group in March 2013. This role was filled by Vin Vassallo, who commenced in February 2013.

Andrew Head continues in his role as Group General Manager NSW.

In the US, Ken Daley resigned as President, International Development, in February 2013. This role was not replaced. Michael Kulper (President, North America) will leave the Group in September 2013. Jennifer Aument, previously Vice President of Public Affairs, was appointed Group General Manager, North America in June 2013.

Profiles of the Executive Committee are available at transurban.com.

In June 2013, we closed our New York office to consolidate our operations in northern Virginia.

Industry involvement

In Australia, we continue to be involved with groups in the transport and infrastructure sector.

We are members of infrastructure peak body Infrastructure Partnerships Australia where CEO Scott Charlton joined the Board in 2012.

We are also a member of the Business Council of Australia (BCA), Roads Australia and Committee for Economic Development of Australia (CEDA), the Transport Reform Network and the Tourism and Transport Forum. Mr Charlton also sits on the BCA Infrastructure and Sustainable Growth Committee.

In NSW, we are members of the Sydney Business Chamber and Sydney First, while in Victoria, we are members of the Victorian Transport Association.

Our team in the US belongs to a number of industry bodies. They are included in our [Stakeholder Engagement section](#).

In FY11 we joined the Australian Green Infrastructure Council, now known as Infrastructure Sustainability Council of Australia (ISCA). As part of our Sustainability Strategy, Transurban has committed to applying the ISCA rating tool on the F3-M2 project. The lessons from this will be applied to future projects.

Communities

Community investment

A new approach

Transurban is taking a new approach to community investment.

Since the development of our revised corporate strategy in FY13, we are aligning our approach to social investment with the strategy and its related objectives.

In FY13 we started work on the revised Community Investment Strategy which will focus on three main areas:

- Advance transport solutions — by contributing to the development of transport infrastructure
- Connect people — by enhancing social inclusion through improved mobility, and
- Develop communities adjacent to our assets — by addressing social needs for communities supporting our roads.

We expect to roll out our new Community Investment Strategy and report on it in FY14.

This year, in line with the previous two years, we used the London Benchmarking Group (LBG) methodology to measure our social investment. However in FY13 we discontinued our LBG membership. This means the information we gather annually for LBG will no longer be assured by them.

Our total FY13 contribution to community investment — measuring both time and money — was \$469,827.

TransGiving

Transurban has a workplace giving program — TransGiving — that allows employees to support a range of nominated charities. In FY13, employees donated \$24,070 to these charities and Transurban matched the amount dollar for dollar.

Due to contributors to the program leaving the company, participation in the TransGiving program this past year was down 4 per cent (to 12 per cent) compared to FY12.

Express Lanes grants

Transurban and our construction partner Fluor are partners in the 495 Express Lanes Community Grant Program.

Through the program, we support non-profit and grassroots organisations that sustain, enhance or protect the local environment and neighbourhoods in the project's corridor — a section of I-495 in Northern Virginia.

The grants are up to US\$5,000 each, and, on average, between five and 10 are awarded each quarter. More than US\$300,000 has been distributed since the program's inception.

In FY13 some of the projects we supported in the 495 corridor included planting activities for a homeowners association, a community jazz festival, neighbourhood street lights and restoration of local parks.

During the year, the grants program was also extended to our adjoining project, the 95 Express Lanes.

In the program's first quarter, six organisations in that corridor received grants worth more than US\$22,000. Some of these initiatives included neighbourhood clean-up activities and a program on storm water management.

Run for the Kids

In FY13 CityLink co-sponsored the Run for the Kids with the Herald Sun newspaper for the eighth straight year. In FY13, the event generated \$1.95 million, and CityLink contributed an additional \$50,000 to take the total to \$2 million. Since its start, the fun run has attracted more than 160,000 participants and raised more than \$8.5 million for the Royal Children's Hospital in Melbourne. More than 280 Transurban employees and their families and friends were involved in Run for the Kids, either as participants or volunteers on the day. They joined 35,000 others to break the previous attendance record for the event.

Run For the Hills

Hills M2 was a major sponsor of Run for the Hills, an eight-kilometre fun run held in October 2012 within the M2 corridor in Sydney.

The event, which is co-sponsored by Fairfax Community Newspapers, attracted more than 400 athletes. Through their participation, they raised \$30,000 for Reach for the Rainbow, a charity supporting early intervention services for children in the Hills District. In addition, Hills M2 made a \$25,000 cash donation toward the cause.



Community education

RoadSTART

CityLink has joined government, local businesses and community organisations as a major partner, providing financial support to RoadSTART, a driver education program for migrants and refugees training for their Victorian driver's licence.

The program — based in the Flemington-Kensington area within the CityLink corridor — is an 18-month pilot project largely funded by the State Government.

It matches adult learner-drivers with mentors who help them gain 120 hours of supervised driving practice before taking their licence test.

Project managers—Flemington Neighbourhood Renewal and Moonee Valley City Council—have estimated that more than 3,000 people within the catchment area would directly benefit from RoadSTART. In particular, the program helps women over 21 years who are often the sole supporting parent in a family.

Without the opportunity for driver education to prepare for the exam, learner-drivers can resort to unlicensed driving, which is unsafe and illegal.

The mobility that comes with getting their licence can help participants gain employment and become more active members of the community, according to the program.

bstreetsmart

In August 2012, Transurban and Lane Cove Tunnel participated in the bstreetsmart Youth and Road Trauma Forum in Sydney — Australia's largest road safety education event.

The initiative helps secondary school students understand their roles as both responsible drivers and passengers. Through this, the program aims to reduce risk taking behaviour by raising awareness of the consequences of distracted driving, inattention, speeding, driver fatigue and driving under the influence of drugs or alcohol.

Westmead Hospital's Trauma Department organised the three-day forum, which gave Transurban an opportunity to work together with State Government, health professionals and the emergency services to promote safe driving.

Transurban contributed \$17,000 to support bstreetsmart and worked with contractor Transfield Services on an interactive display featuring one of Lane Cove Tunnel's tow trucks.

Orange Cones. No Phones.

In May 2013 Transurban extended its 'Orange Cones. No Phones' driver safety campaign to the 95 Express Lanes project corridor in Northern Virginia, US.

The initiative, first introduced on the adjoining 495 Express Lanes during that project's development, raises awareness of the dangers of distracted driving in a construction zone. Since it started, it has received widespread recognition both in the region and nationally, and has earned several awards.

To launch the campaign on the 95 Express Lanes, Transurban held a joint press conference with the Virginia Secretary of Transportation, the Virginia State Police and motoring body AAA Mid-Atlantic. Regional and local law enforcement also attended to support the campaign, which was covered by television, radio and newspaper outlets in the region.

The campaign urged drivers to prepare for the busy construction season and regularly reminds them to slow down and avoid using cell phones when travelling through the work zone.

Community engagement

495 Express promotion and information

In FY13, 495 Express Lanes staff attended some of largest community festivals and events in the corridor to share information on the Express Lanes and hear from motorists. These events included Viva Vienna, Celebrate Fairfax and McLean Day.

495 Express Lanes representatives also interacted with customers on Bike to Work Day, an annual event in the Washington, DC, area which we were sponsoring for the fifth year.

The event — which attracted more than 14,000 cycling commuters from Virginia, Maryland, and the District of Columbia — featured more than 70 'pit stops' run by area organisations and sponsors along the route.

The 495 Express Lanes pit stop was located on the Washington and Old Dominion Trail, a popular walking and cycle path. Cyclists stopped to pick up their Bike to Work and 495 Express Lanes giveaways, and Transurban employees answered customer questions and passed out information.

Sydney community partnership

Transurban is contributing seed funding to a partnership addressing long-term social disadvantage and promoting economic development in Woolloomooloo, an inner-city area of Sydney near the company's Eastern Distributor motorway offices.

The partnership involves the City of Sydney and other organisations with interests in the area, where homelessness is an ongoing issue. It grew out of discussions with the city's Homelessness Unit, and has developed into a broader, more holistic approach to supporting existing services. Transurban will contribute \$50,000 in funding and provide mentoring and training to help people in the local community become more employable. Some of the other organisations may provide funding, corporate volunteers or project support.

This collaborative approach to a social issue in a location where Transurban is active could be applied to some of the Group's future projects and assets.

Sydney street count

In FY13, Transurban staff joined other volunteers and the City of Sydney to help conduct the city's bi-annual homelessness street count.

Volunteers visited parks, streets and other public places in the city to determine the number of people sleeping rough within Sydney's Local Government Area. The street count results are used to raise awareness of homelessness in the inner city and to campaign for ongoing services and policies to address the issue.

Community and the environment

1,000 Trees in 1,000 Days

Transurban is working with residents near the 95 Express Lanes to improve the project's corridor by planting '1,000 Trees in 1,000 Days'.

Residents or organisations can apply for trees to plant throughout the project's 29-month construction schedule.

Over 25 per cent of the trees have been planted in communities near the project corridor and over one half have been committed to other local areas. At the end of FY13, the project was ahead of schedule to meet the overall target.

In FY13, the program's flagship planting initiative took place at one of the 95 Express Lanes exit ramps in Stafford County, Virginia. Local elected officials who had applied for the trees joined media outlets and the local Boy Scouts, who were enlisted to help with the landscaping effort.



Engaging with our stakeholders

With nine assets in two countries, Transurban has a wide range of stakeholders – with a wide range of interests. Our success in understanding and responding to these interests can influence our ability to do business, our reputation and, ultimately, our long-term sustainability.

Our Approach

Our Stakeholder Engagement Framework helps ensure a consistent approach across all of our markets and business activities. It has tools that support the development of stakeholder engagement processes at a corporate level and on our operating assets and development projects.

The Stakeholder Engagement Framework also has a step-by-step process for determining and prioritising material issues for our business. We go through this process each year to ensure we have a clear understanding of the issues that are important to stakeholders such as customers, communities and governments.

The materiality process is linked to our Risk Management Framework, which helps us identify opportunities and risks stemming from engagement activities.

Each year we also ‘map’ all our stakeholders. This occurs as part of the formal business planning process and feeds into the corporate and asset stakeholder engagement plans. Mapping also happens during any planning for new projects.

A list of our stakeholders, their main issues and our response to those issues can be found in the [Key Issues and Engagement Activities in FY13 table](#).



Memberships

Transurban participates in the following sustainability-related initiatives:

- Dow Jones Sustainability Indices
- Global Reporting Initiative
- Infrastructure Sustainability Council of Australia, and
- United Nations Global Compact.

In Australia we are corporate members of the following industry, business, transport and other groups:

- Tourism and Transport Forum
- Infrastructure Partnerships Australia
- Roads Australia
- ITS [Intelligent Transport Systems] Australia
- Business Council of Australia, and
- Sydney First / Sydney Chamber of Commerce.

In the US we were members of the following industry, business, transport and other groups during FY13:

- Intelligent Transportation Society of Virginia
- Jefferson Davis Association
- Fairfax County Chamber of Commerce
- Greater Springfield Chamber of Commerce
- Prince William Chamber of Commerce
- Greater Richmond Chamber of Commerce
- Chesterfield County Chamber of Commerce

- Eastern Henrico Business Association
- Greater Washington Board of Trade
- Quantico/Belvoir Regional Business Alliance
- Northern Virginia Transportation Alliance
- Virginia Chamber of Commerce
- Greater McLean Chamber of Commerce
- Greater Reston Chamber of Commerce
- Dulles Chamber of Commerce
- Dulles Area Transportation Association
- Tysons Regional Chamber of Commerce
- Alexandria Chamber of Commerce
- Transportation Association of Greater Springfield
- American Road and Transportation Builders Association
- Better Business Bureau, and
- The Reason Foundation.

ISSUE	STAKEHOLDER	KEY ENGAGEMENT ACTIVITIES IN FY3	FREQUENCY OF ENGAGEMENT
CONGESTION AND TRAFFIC MANAGEMENT	Customers	Opened our dynamically-priced 495 Express Lanes on the Capital Beltway in Washington, DC	Ad hoc
		Transitioned to full cashless tolling on the M5 South West motorway from 1 July 2013	Ad hoc
	Government	Reached Stage 3 for our proposal to the New South Wales Government to develop one of Sydney's missing links, the F3-M2 project	Ongoing
		Continued with the M5 West Widening project in New South Wales	Ongoing
	Alliance partners/contractors	Communicated regularly with communities and motorists on our roads via electronic messaging, direct mail, face-to-face visits with residents, print and radio advertisements, community safety days and through our websites	Ongoing
ROAD SAFETY AND EMERGENCY RESPONSE	Customers	Extended our 'Orange Cones. No Phones' campaign to the 95 Express Lanes project in Washington, DC	Ongoing
		Launched 'Look Up Stay Back' campaign in Victoria in December 2012	Ongoing
	Industry	Completed safety improvements on the Hills M2 Upgrade, including tunnel safety systems enhancements, additional breakdown bays, new variable speed signs and improved CCTV camera coverage	Ad hoc
	Contractors	Installed new electronic speed limit signs on the Bolte Bridge in Victoria	Ad hoc
		Continued our extensive campaign to educate drivers on using the new 495 Express Lanes	Ongoing
CONTRIBUTING TO COMMUNITIES ALONG OUR CORRIDORS	Communities	Started work on a revised community investment strategy to be rolled out in FY14	Ongoing
		Co-sponsored Run for the Kids event in Melbourne for the eighth consecutive year, helping to raise A\$2 million for the Royal Children's Hospital	Ongoing
		Provided grants (along with project partner Fluor) to nonprofit groups along the 495 and 95 Express Lanes corridors	Ongoing
		Contributed seed funding to a partnership addressing long-term social disadvantage and promoting economic development in Sydney's Woolloomooloo area (near our Eastern Distributor offices)	Ongoing
NOISE, VISUAL AND TRAFFIC IMPACTS ON LOCAL RESIDENTS DURING CONSTRUCTION	Communities	Upgraded existing noise walls on the 495 Express Lanes as part of the project	Ad hoc
		Installed new low noise pavement on the entire length of the Hills M2 motorway as part of its upgrade	Ad hoc
	Government	Offered architectural treatments to properties expected to be affected by operational noise exceeding set criteria on the Hills M2 Upgrade	Ad hoc
EMPLOYEE ENGAGEMENT	Employees	Revised and rolled out our new company vision and values	Ad hoc
		Conducted 'Pulse' survey, following on from the full Employee Opinion Survey in FY12	Ad hoc
		Established a Diversity Committee in North America and Australia	Ongoing
		Launched the company's new Sustainability Strategy centred on being good neighbours, using less and thinking long-term	Ongoing
WORKPLACE SAFETY	Employees	Achieved our company-wide safety Key Performance Indicator (KPI)	Ongoing
		Changed and redesigned activities that may be repetitive through automation of tasks within credit and customer service areas of our business	Ongoing
		Began an internal safety audit program to review work and customer safety	Ongoing
ENVIRONMENTAL IMPACTS FROM CONSTRUCTION	Communities	Teamed up with project partner Fluor to run the '1,000 Trees in 1,000 Days' campaign within both the 495 and 95 Express Lanes corridors in Washington, DC	Ongoing
	Contractors/partners	Expanded and upgraded stormwater ponds in the motorway corridor as part of the Hills M2 Upgrade and Lane Cove Road on ramp (eastbound) construction	Ongoing
REDUCING ENERGY USE AND WASTE IN OPERATIONS	Alliance partners / contractors	Adopted a new energy reduction target for assets under our management control (10 percent reduction in 10 years on a 2013 baseline)	Ongoing
		Reduced electricity consumption in our corporate offices in FY13 by over 30 per cent	Ongoing
		Installed low energy LED feature lights on CityLink's International Gateway in FY13—expected to cut electricity use by up to 83 per cent	Ad hoc
		Expanded CityLink's email notification system to include low balance and account alerts for customers, leading to a saving of approximately 50,000 letters being sent to customers per month.	Ad hoc

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Commitments

Progress on commitments from FY13

In FY13 we completed 62 per cent of the commitments that we set in FY12 (which includes ongoing commitments). 19 per cent are currently in progress and 19 per cent were not started but are planned for FY14.

FY13 COMMITMENT	LOCATION	SUSTAINABILITY PILLAR	STATUS	COMMENTS
Review Transurban Environmental Management System to improve alignment with ISO14001	Australia	Environment	Ongoing	Review focused on extending our EMS to new assets in the US and EMP development for Australian assets.
Conduct infrastructure climate change risk assessment for NSW assets (Hills M2, Eastern Distributor, Lane Cove Tunnel)	Australia	Environment	On hold	We have re-assessed the business case for these risk assessments. Our focus is to assess climate change risks during the design of new assets to ensure our roads are built to be resilient to climate change impacts. While there is less capacity to retrofit our existing assets, we will consider doing climate change risk assessments for our NSW assets to evaluate our exposure.
Introduce new IT hardware with enhanced energy efficiency into corporate offices	Global	Environment	Completed	Electricity consumption in our corporate offices in Australia has declined by over 30 per cent in FY13.
Install a bypass valve in Hills M2's Norfolk Tunnel so water used for deluge testing can be stored in tanks and potentially reused	Australia	Environment	Completed	
Initiate a trial on CityLink's Burnley Tunnel to evaluate potential to reduce ventilation during low usage periods to save energy and reduce carbon emissions	Australia	Environment	On hold	Trials have been placed on hold pending further discussions with EPA and timing around other road projects.
Complete LEED certification process for Express Lanes Operations Centre	US	Environment	In progress	Certification is still being assessed by the US Green Building Council (USGBC), with review of technical data on 28 of the 52 elements still pending. Target for finalisation is now FY14.
Implement an integrated Human Resource Information System to replace Transurban's existing payroll, HR and other satellite systems	Global	Employees	Completed	The new system gives the Group better people reporting capability, data integrity and process improvements.
Implement a new company-wide intranet	Global	Employees	Completed	The new intranet was successfully implemented with an emphasis on improving communication.
As part of our diversity objectives, establish a Diversity Committee, implement a mentoring program and provide further education for managers on importance and benefits of diversity	Australia	Employees	Completed	Areas of focus for FY14 will be gender diversity, flexible work practices and cultural diversity.
Continue to roll out the Manager's Essentials training program for Transurban managers to develop future leadership capabilities	Australia	Employees	Ongoing	
Conduct a Group-wide 'pulse' survey of employees in FY12 followed by another full employee opinion survey in FY14	Australia	Employees	Completed	We will conduct a full employee opinion survey during FY14.
Introduce new variable speed limit signs on CityLink's Bolte Bridge to improve safety	Australia	Marketplace	Completed	

FY13 COMMITMENT	LOCATION	SUSTAINABILITY PILLAR	STATUS	COMMENTS
Expand email notification system for CityLink customers to include low balance and account alerts	Australia	Marketplace	Completed	
Extend 'Orange Cones. No Phones' and community grant program from the 495 Express Lanes to our 95 Express Lanes project	US	Marketplace/ Communities	Ongoing	This will continue throughout construction on the project.
Finalise and roll out company-wide Community Investment Strategy	Global	Communities	In progress	Our Community Investment Strategy will be completed during FY14.
Implement initiatives to increase employee participation in our workplace giving program, TransGiving	Australia	Communities	On hold	We plan to incorporate TransGiving into our Community Investment Strategy which will be finalised and communicated in FY14.

Commitments for FY14

FY14 COMMITMENT	LOCATION	SUSTAINABILITY PILLAR	BE GOOD NEIGHBOURS	USE LESS	THINK LONG-TERM
Promote the Group's flexible work practices and increase employee participation	Global	Employees	✓		✓
Implement an electronic document management system on the company intranet	Global	Employees			✓
Continue to roll-out the Manager's Essentials training program for Transurban managers with a new coaching and feedback module	Global	Employees	✓		✓
Conduct a Group-wide employee opinion survey in FY14	Global	Employees	✓		✓
Register the Turner St water tanks under the Bolte Bridge as an alternative water source on the VicRoads registry	Australia	Environment	✓	✓	✓
Complete LEED certification process for Express Lanes Operations Centre	US	Environment		✓	✓
Endorse an Environment Policy for Transurban and further align our Environment Management System to ISO 14001	Global	Environment	✓	✓	✓
Develop specific energy reduction targets for assets under Transurban management control as part of our '10 in 10' target	Global	Environment		✓	✓
Install over height vehicle sensors in both Burnley and Domain tunnels	Australia	Marketplace	✓		✓
Install Operations Management and Control System on the Eastern Distributor to improve safety and incident detection times	Australia	Marketplace	✓		✓
Install automated incident detection system in the Lane Cove Tunnel	Australia	Marketplace	✓		✓
Introduce new technology in customer service area to reduce repetitive movement activities	Australia	Marketplace			✓
Finalise and roll out company-wide Community Investment Strategy	Global	Communities	✓		✓
Extend 'Orange Cones. No Phones' and community grant program from the 495 Express Lanes to our 95 Express Lanes project	US	Marketplace/ Communities	✓		✓

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Appendix 1

Currency inclusion

All financial amounts are reported in Australian dollars unless otherwise stated.

UN Global Compact

Throughout this report we have communicated our progress against the ten principles of the United Nations Global Compact focusing on human rights, labor practices, the environment and anti-corruption.

The Global Compact is the largest corporate responsibility initiative in the world, with more than 10,000 participants from more than 130 countries. Transurban became a signatory to the Compact in 2009.

Environmental data

This year our Sustainability Report is being released earlier in October than the previous year to coincide with Transurban's Annual General Meeting for security holders. To achieve this, some data for the fourth quarter of FY13 has been estimated based on previously reported data for that quarter.

The actual figures will be updated in our report for FY14, and if there are material changes to any figures, this will be declared in that report.

Data methodologies

GHG emissions

Transurban uses The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) to draw boundaries around emission sources when quantifying our Scope 1, Scope 2 and Scope 3 GHG emissions.

Emission factors and calculation methodologies outlined in the Australian Government Department of Climate Change - National Greenhouse Accounts (NGA) Factors July 2012 are then applied to each data source.

For our US operations, we calculate Scope 1 GHG emissions using emission factors and calculation methodologies outlined by the US Environmental Protection Agency (EPA) for the calculation of GHG emissions from transportation and mobile sources. The EPA's eGRID2010 Version 1.1 (May 2011) Year 2007 Summary Tables are used to calculate Scope 2 GHG emissions.

Transurban applies the GHG Protocol's air travel method and emission factors to individual flight details to generate our Scope 3 emissions associated with corporate air travel.

Australian Government NGA Factors July 2012 have been used to calculate Transurban's Scope 3 emissions from waste, fuel use (for incident response and operations and maintenance vehicles), fuel refining and transport and electricity transmission and distribution losses. Emission factors for embodied energy in construction materials are sourced from SimaPro and the Australian LCA Dataset 2010.

Customer travel

We have calculated the Scope 3 emissions produced by customer vehicles travelling on CityLink, Hills M2, Lane Cove Tunnel, Eastern Distributor and the M5 South West. GHG emissions from these roadways were calculated using our traffic model developed in-house.

The model uses traffic data that is extracted from our tolling system and represents actual trips along the roadway. The tolling system records information such as vehicle class and entry and exit points of vehicles, giving an accurate representation of vehicle types and trip lengths.

Travel speeds are an additional contributing factor to calculating GHG emissions. Our tolling systems on some of these roads time stamp each transaction, so it is possible to estimate average travel speeds for each individual trip. For roads with only single toll points — such as the Eastern Distributor — we have used surveyed average travel speeds.

Fuel type is also important in the calculation of GHG emissions. Vehicle fuel type is estimated from information on fleet mix and fuel type for each state and city documented in the 2012 motor vehicle census.

Transurban's in-house traffic model uses the above information and applies emission factors sourced from the University of South Australia that are sensitive to average travel speeds to calculate the GHG emissions from customer vehicles on the specified Australian roads.

We have also calculated the Scope 3 emissions produced by customer vehicles travelling on Pocahontas 895 and the new 495 Express Lanes in the US.

Customer vehicle miles travelled and vehicle class are derived from tolling system information on those roads, and relevant emissions factors from US EPA Highway Vehicle Emission Factor Models are applied to calculate the associated Scope 3 emissions.

Safety

Lost Time Injury Frequency Rate

Lost Time Injury Frequency Rate (LTIFR) is a generally accepted way of measuring the safety performance of many companies in Australia. In the interest of consistency, we have adopted this approach to present US safety data in this report.

LTIFR is defined as the number of Lost Time Injuries per million working hours for FY13. A Lost Time Injury is a work injury or illness where the injured party has at least one complete day or shift off work. It extends to contractors working under Transurban's safety management system.

Recordable Injury Frequency Rate

The Recordable Injury Frequency Rate (RFIR) is the LTIFR plus medical treatment regardless of lost time. It also extends to contractors working under Transurban's safety management system.

Lost Work Day Case

In the US our contractors monitor the number of man hours worked without a Lost Work Day Case. The term Lost Work Day Case means a non-fatal, traumatic injury causing any loss of time from work beyond the day or shift in which it occurred — or a job-related non-fatal, non-traumatic illness/disease that causes disability at any time. Our contractors also track their safety performance against industry peers through the nationally accepted Occupational Safety and Health Administration Recordable Incidence Rate benchmarks.

Collision index

We use an internationally recognised index¹ to report collision information on roads where we have management control — CityLink, Hills M2, Eastern Distributor and Lane Cove Tunnel.

The collision index shows the number of collisions per 100 million vehicle kilometres travelled.

How we operate

Sustainability governance

For internal reporting purposes, sustainability is a regular agenda item at Executive Committee meetings. Every six months, sustainability issues are reviewed by the full Transurban Board.

The Chief Executive Officer and Group General Manager of Strategy both have Key Performance Indicators (KPIs) regarding the delivery of Transurban's Sustainability Strategy.

Safety at Transurban

In FY13, Transurban set an 'aspirational' goal to become a safety leader and innovator in the Australian transport sector and to reduce and ultimately eliminate injuries in our workplace.

As part of our overall effort to reach this goal, we have added a customer safety measure to our business-wide KPIs. This measure will come into effect in FY14.

Our Executive Committee is also accountable for safety plans within their areas of responsibility. The committee members are evaluated annually on their success in meeting safety targets related to those plans.

In addition, our approach to safety involves:

- **Work safety** — we use accredited safety systems in Australia and the US, and safety is also incorporated into our project and customer processes. In FY13, the US office was accredited to OHSAS 18001, which is broadly equivalent to the Australian AS/NZS4801 safety standard.
- **Risk profile** — we ensure that our safety initiatives and KPIs on improvement reflect our risk profile, including the risks for customers and contractors.
- **Customer safety** — we are considering extending our safety system to include ISO 39001 Road Traffic Safety Management Systems, which were released in 2012.

¹ Our index uses a methodology consistent with the International Traffic Safety Data and Analysis Group, a permanent working group of the Joint Transport Research Centre of the OECD and the International Transport Forum.

Risk management

Transurban has a company-wide risk framework to ensure we have a consistent, rigorous approach to identifying, analysing and evaluating risks to our business. This framework has various policies, standards and guidelines attached to it, including the Risk Management Policy which can be found at transurban.com/37.htm.

The framework is overseen by the Audit and Risk Committee of the Board and is actively managed by the Executive Committee. It is consistent with the AS/NZ31000:2009 and is subject to regular review by internal audit. Our Audit and Risk Committee Charter is available at transurban.com/37.htm.

In FY13, we started an internal audit of our risk management infrastructure to determine our 'maturity' within this area and to look at where we might need to increase our risk management capabilities across the business.

At the time of this report, the audit was in its final stages. The results and subsequent activities will be reviewed by the Audit and Risk Committee.

Transurban will continue to build on its capability and capacity in risk management during FY14.

Emergency, threat and crisis response

In FY13 Transurban's majority-owned assets continued to work on their capability to respond to emergencies or crises. This involved additional training, emergency exercises and the review and refinement of emergency management processes.

Key activities during the year included:

Eastern Distributor

The Eastern Distributor held a desktop exercise simulating a major collision that resulted in serious injuries, damage to the motorway, a full closure of one carriageway and an extended period of disruption to operations. The exercise helped strengthen the link between incident response and business continuity plans and increased awareness of critical needs when managing incidents of this magnitude.

Lane Cove Tunnel

The Lane Cove Tunnel conducted an exercise involving three simulated fire scenarios. One of the primary objectives of the exercise was to test the Operations Management Control System's automated response to activate fire safety systems in the tunnel. The exercise also gave the tunnel's operators additional experience in deploying critical safety systems and gave the emergency services an opportunity to see those systems in operation.

Hills M2

The scenario for Hill M2's exercise involved extreme storms causing extensive flooding and multiple collisions on the motorway. The desktop exercise allowed Hills M2 management and the emergency services to test the latest version of their business continuity plan and to familiarise employees with procedures for incident management and recovery.

CityLink

Every three years CityLink undertakes a full field exercise involving management and employees, key operations and maintenance contractors and emergency services. In the FY13 scenario, CityLink was notified of a credible terror threat following the detection of an abandoned truck and nearby load of dumped material in the tunnel. An electronic device was identified in the vicinity of the dumped load. Key management plans were activated and teams were formed to provide a tactical and strategic response to the incident. New plans and processes will incorporate what was learned during the exercise.

In FY13, emergency teams within Transurban were called on for two actual incidents on CityLink — the 3 October 2012 systems issue that forced the closure of both CityLink tunnels and a collision on 17 May 2013 that resulted in a truck suspended over the edge of the Western Link's elevated roadway. Both incidents were handled through our emergency management framework.

495 Express Lanes

To prepare for the start of operations, the 495 Express Lanes team coordinated a desktop exercise to test emergency response planning, coordination, familiarisation and training. The exercise simulated a variety of likely incidents, including an accident blocking the Express Lanes, an accident blocking the adjacent general purpose lanes, a hazardous materials spill, and a regional evacuation event. Participants included the Virginia Department of Transportation, Virginia State Police, Fairfax Police, Fairfax Fire & Rescue, and our control room operator and incident response contractor.

The 495 Express Lanes also worked with an external consultant to develop business continuity and disaster recovery plans prior to opening. Business continuity training was rolled out to the operations management team, which was followed by a formal desktop exercise simulating an evacuation of the operations facility and subsequent recovery.

Operating our assets

Transurban's Project Delivery System for running our roads has been accredited under ISO 9001:2008.

In FY13, this delivery system passed a third-party surveillance audit reconfirming it met this international standard. Each year the system also undergoes an internal review to ensure it still meets our requirements and is aligned to best practice.

The next three-yearly re-accreditation audit of the system will occur in FY14.

Governance and Code of Conduct

In FY13 our corporate governance framework and main governance practices complied with the Australian Securities Exchange (ASX) Corporate Governance Council's Corporate Governance Principles and Recommendations.

Transurban has a Code of Conduct that guides employees, consultants and contractors in making decisions that are consistent with our values and the way we want to conduct business.

Any alleged or reported breaches of this code are investigated by Human Resources. If they determine that a breach has occurred, the issue and any disciplinary actions are recorded.

As indicated in the [Breaches of Code of Conduct table](#), there was a reduction in the number of breaches in FY13. Five of the eight breaches during the year were related to inappropriate use of technology. To help address this we ran refresher training related to information security and this program will be offered annually.

Our investigations into breaches in FY13 resulted in verbal and written warnings.

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Appendix 2

Transurban's key figures for 2013

FINANCIAL

STATUTORY	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Toll revenue (\$million)	384.2	467.3	626.2	678.3	684.4	724.1	765.4	801.2
Total revenue (\$million)	437.1	506.9	770.5	834.0	817.2	1,036.5	1,154.5	1,195.1
Profit before depreciation and amortisation, net finance costs, equity accounted investments and income taxes (\$million)	266.4	327.4	407.0	479.4	527.5	603.9	636.9	676.2
Net profit (\$million)	(60.9)	(152.2)	(105.3)	(16.1)	59.6	118.2	58.6	174.5
Distribution paid per security (cents)	50.0	54.0	57.0	22.0	24.0	27.0	29.5	31.0

ENVIRONMENT

	2005-06 ^a	2006-07 ^b	2007-08 ^c	2008-09 ^d	2009-10 ^e	2010-11 ^f	2011-12 ^g	2012-13
Total direct and indirect GHG emissions (tonnes CO2-e), of which:	35,802	41,081	53,949	54,519	65,631	113,597	160,216	142,159
Scope 1 (tonnes CO2-e) ^h	6	117	212	231	201	160	143	147
Scope 2 (tonnes CO2-e) ⁱ	33,200	36,477	47,301	45,459	45,871	60,726	59,111	57,348
Scope 3 (tonnes CO2-e) ^j	2,595	4,487	6,436	8,828	19,559	52,711	100,961	84,664
Customer travel emissions (tonnes CO2-e)	N/D	369,735	392,842	412,569	428,467	659,321	661,280	677,082
Transurban's potable water use (m ³ '000)	35.7	24.3	27.3	23.9	23.4	44.6	35.5	42.5
CityLink total water withdrawal of which:	347.2	286.9	292.9	267.9	263.7	297.4	257.6	237.5
Groundwater from tunnels (m ³ '000)	311.5	265.7	275.5	251.9	243.2	258.5	242.4	222.3
Potable water use (m ³ '000)	35.7	21.2	17.4	16	20.5	38.9	15.2	18.0
CityLink volume of water recycled/ reused (m ³ '000)	223.5	170.2	190.7	192.5	183.9	183.4	149.5	193.8
CityLink percentage of water recycled/ reused (%)	64	59	65	72	70	62	58	81
Compliance with EPA Victoria waste discharge licence for CityLink tunnels (%)	100	100	100	100	100	100	100	100
e-TAGS issued — CityLink, Roam and Roam Express	–	305,487	318,388	327,594	292,179	292,836	290,205	286,939
e-TAGS recycled — CityLink, Roam and Roam Express	207,741	86,700	98,649	126,079	97,193	88,829	140,233 ^k	94,884

a FY06 data for CityLink only.

b FY07 data — GHG includes CityLink, Hills M2, M5 South West Motorway, Pocahontas 895 and Corporate Office; Customer travel emissions includes CityLink, Hills M2 and Pocahontas 895; Potable water includes CityLink, Hills M2, M5 South West Motorway and Pocahontas 895.

c FY08 data — GHG includes CityLink, Hills M2, Eastern Distributor, M4 Motorway, M5 South West Motorway, Pocahontas 895 and Corporate Office; Customer travel emissions includes CityLink, Hills M2 and Pocahontas 895; potable water includes CityLink, Hills M2, Eastern Distributor, M4 Motorway, M5 South West Motorway and Pocahontas 895.

d FY09 data — as per FY08 for GHG and potable water. Customer travel emissions includes CityLink, Hills M2, Eastern Distributor and Pocahontas 895.

e FY10 data — as per FY09 for potable water and for customer travel emissions. GHG includes CityLink, Hills M2, Hills M2 Upgrade, Eastern Distributor, M4, M5 South West Motorway, Pocahontas 895, Capital Beltway Upgrade and corporate offices. M4 Motorway data up to Feb 10 only.

f FY11 data — GHG includes CityLink, Hills M2, Hills M2 Upgrade, Eastern Distributor, Lane Cove Tunnel, M5 South West Motorway, Pocahontas 895, Capital Beltway Upgrade and Corporate Offices; Customer Travel emissions include CityLink, Hills M2, Eastern Distributor, Lane Cove Tunnel, M5 South West Motorway and Pocahontas 895; Potable water data includes CityLink, Hills M2, Eastern Distributor, Lane Cove Tunnel, M5 South West Motorway and Pocahontas 895. Lane Cove Tunnel data from August 2010.

g FY12 data — GHG & customer travel as per FY11, except a full year reported for Lane Cove Tunnel. Potable water data includes CityLink, Hills M2, Eastern Distributor, Lane Cove Tunnel, M5 South West Motorway, Pocahontas 895 and Hills M2 Upgrade.

h Scope 1 emissions are direct emissions from sources that are owned or controlled by the business. For Transurban, this includes the fuel used in our maintenance and emergency vehicles.

i Scope 2 emissions are indirect emissions associated with the generation of purchased electricity. For Transurban, this includes electricity used on our roads and tunnels, and in our offices and other facilities.

j Scope 3 emissions are indirect emissions that arise as a consequence of the activities of the business but occur from sources not owned or controlled by the business. For Transurban, these are associated with air travel, fuel refining and transport, electricity transmission and distribution loss and GHG emissions produced by contractor vehicles used on our roads for operations, maintenance and incident response purposes, waste to landfill and embedded energy in construction materials.

k This figure includes 15,500 of CML & ROAM tags from FY11 which were not recycled until 1/7/2011.

EMPLOYEES

	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Total number of employees ^l	706	798	712	605	640	643	628	644
Employees leaving Transurban — voluntary (%) ^m	N/A	18	19	12	8	10	11	7
Employees leaving Transurban — involuntary (%) ^m	N/A	5	8	11	3	4	5	5
Australian employees Lost Time Injury Frequency Rate (LTIFR) ⁿ	N/A	N/A	7.37	6.94	3.64	1.17	5.63	3.49
Australian employees and contractor Recordable Injury Frequency Rate (RIFR) ^o	N/A	N/A	N/A	N/A	N/A	3.96	5.46	3.49
US employees incidence rate ^p	N/D	N/D	N/D	N/D	0	0	0	0
Employee fatalities	0	0	0	0	0	0	0	0
Employee engagement score (%)	83	N/A	79	81	80	N/A	66	N/A
Number of unplanned absences (days)	N/D	N/D	7.7	8.1	6.2	7.2	7.3	6.5
Average training hours per employee (hours) ^q	18.8	15.5	16.5	11.1	11.7	10.78	10.1	12.5
Women in leadership (%) ^r	N/D	6	10	22	27	29	33	40
Employees covered by collective bargaining agreements (%)	N/D	38.7	37.1	37	37.2	33.3	29.6	28.7
Breaches of Transurban's Code of Conduct (number of incidents) ^s	7	8	4	6	15	12	11	8

MARKETPLACE

	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Transurban Customer Resolution Group — number of enquires	5,787	6,900	5,300	5,764	4,564	4,984	10,474 ^t	7,671
Number of complaints escalated to Ombudsman	81	150	154	178	178	234 ^u	341 ^v	454
Fatalities on Transurban's roads — CityLink	1	4	1	2	0	2	0	0
Fatalities on Transurban's roads — Hills M2	0	1	0	0	0	0	0	0
Fatalities on Transurban's roads — Eastern Distributor	N/A	0	0	10	0	0	0	0
Fatalities on Transurban's roads — Pochontas 895	N/D	0	0	0	0	0	0	0
Fatalities on Transurban's roads — 495 Express Lanes	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1
Fatalities on Transurban's roads — Lane Cove Tunnel	N/D	N/D	N/D	N/D	N/D	0	0	0
Customer satisfaction — CityLink Service Centres (%)	N/D	N/D	86.6	86.1	83.7	85	82.6	83
CityLink Incident Response time — traffic lane (mins:secs)	4:07	4:11	4:39	4:27	4:44	4:46	4:37	4:38
CityLink Incident Response time — emergency lane (mins:secs)	6:40	6:55	7:52	7:00	7:46	7:29	7:00	7:05

COMMUNITY

	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Total community contributions (\$ thousands approx)	N/D	800,000	600,000	560,000	450,000	750,000	495,260	469,827
Total employee contributions matched by Transurban through Transgiving (\$)	37,815	41,831	45,982	31,584	26,099	36,432	30,457	24,070
Number of employees participating in Transgiving (% as at June 30)	29	28	22	20	18	18	16	12

^l Excludes Non-Executive Directors, maternity leave employees and employees on salary continuance for more than 12 months. Non-Executive Directors excluded as they do not fit into defined employee types; this is consistent with reporting in prior years. Maternity leave positions are usually backfilled and are excluded to avoid double counting. Total workforce is a snapshot in time (as at 30 June) rather than the maximum workforce number over the financial year due to system limitations. Contractor total excludes Master Vendor contractors and subcontractors working on site at Transurban. Transurban definition of 'Position of Leadership' refers to employees within CEO, senior executive and senior management roles.

^m Includes all permanent full-time and part-time employees.

ⁿ LTIFR = (number of lost time injuries/number of hours worked) x 1,000,000 hours over a 12 month period on a rolling basis.

^o In FY12 Transurban adopted Recordable Injury Frequency Rate (RIFR) as its method to record and monitor injuries. RIFR = (number of medical treatment and lost-time injuries / number of hours worked) x 1,000,000 hours shown over a 12 month period on a rolling basis. Hours worked includes Transurban's Australian full-time and part-time permanent and fixed term employees and direct contractors. It excludes US personnel.

^p Incidence rate = (total number of lost time injuries x 200,000) / number of hours worked.

^q These figures represent hours spent on in-house training courses offered by our Learning and Development team. It does not capture hours spent on external training courses.

^r Transurban definition of 'Position of Leadership' refers to employees within CEO, senior executive and senior management roles. The Seniority Level definitions has been revised for FY11 and the figures for 2010-11 reflect the FY11 classification. By applying the 2009-10 definition to 2010-11 data, the figures are 9 females (27.3%) and 24 males (72.7%).

^s Represents breaches reported and investigated by Human Resources.

^t There was an increase in the number of CityLink enquiries following the implementation of a new customer management system in mid-December 2011. CityLink experienced a higher than usual volume of enquiries during the initial period post implementation. In addition, the way in which some enquiries were categorised led to enquiries escalating to the Customer Resolutions Group rather than going to other teams, as they would have in the previous system.

^u Transurban's dispute resolution process continues to be available to all customers. Of note, it appears a larger number of customers are taking their enquiry directly to the Tolling Customer Ombudsman as evidenced by the increase in escalations compared to previous years.

^v The increase in Ombudsman cases reflects the increase in the number of CityLink customers who raised their concerns with the Ombudsman's office post the implementation of CityLink's new system.



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Independent Limited Assurance Report in relation to Transurban Limited's 2013 Sustainability Report

To the Management and Directors of Transurban Limited

Scope

We have carried out a limited assurance engagement in order to state whether anything has come to our attention that causes us to believe that:

- Transurban has not adhered to the AA1000 AccountAbility principles of inclusivity, materiality and responsiveness in the preparation of the 2013 Sustainability Report ('the Report'), and
- Transurban has not met the requirements of an application A+ level as detailed in the Global Reporting Initiative ('GRI') Content Index referenced in the Sustainability Report, and
- the sustainability priorities and disclosures, as detailed below, have not been reported and presented fairly, in all material respects, in accordance with the criteria

The sustainability priorities and disclosures for the year ended 30 June 2013 comprised:

- Greenhouse gas emissions, including:
 - Scope 1, Scope 2 and certain Scope 3 greenhouse gas emissions, which include emissions from employee air travel, fuel refining and transport, electricity transmission and distribution losses, contractor vehicle use for operations, maintenance and incident response, and waste, and
 - Scope 3 greenhouse gas emissions from customer travel on Transurban's roads
- Potable water use on road assets
- Customer safety, specifically collision indices
- Gender diversity, specifically women in leadership
- Gender pay equity

The five sustainability priorities were selected by Transurban. Its process for identifying the priorities selected for review is recorded in the 'Accuracy' section of the Report.

The subject matter did not include:

- Assessing the accuracy, fairness or balance of data sets, statements, information, systems or approaches relating to areas other than the five sustainability priorities.
- Management's forward looking statements.
- Sustainability priorities and disclosures as reported in the hardcopy summary document ('2013 Sustainability Highlights')

Criteria

The following criteria have been applied to the subject matter described above:

1. The Principles of Inclusivity, Materiality and Responsiveness, as defined in the AA1000 AccountAbility Principles Standard 2008
2. Transurban's reported criteria as detailed in the 'Data methodologies' section of the Report
3. Global Reporting Initiative G3 Guidelines

Management's responsibility

The management of Transurban is responsible for the preparation and presentation of the Subject Matter in the Report in accordance with the above Criteria, and is also responsible for the selection of methods used in the Criteria. No conclusion is expressed as to whether the selected methods used are appropriate for the purpose



described above. Further, Transurban's management is responsible for establishing and maintaining internal controls relevant to the preparation and presentation of the Subject Matter that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate criteria; maintaining adequate records and making estimates that are reasonable in the circumstances.

Assurance Practitioner's Responsibility

Our responsibility is to express a limited assurance conclusion on the Subject Matter based on our assurance engagement in accordance with the International Federation of Accountants' International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000') and in accordance with the terms of reference for this engagement as agreed with Transurban. Our procedures were designed with regard to 'Type 2 - AccountAbility Principles and Performance Information' assurance engagement.

Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and, as such, do not provide all the evidence that would be required to provide a reasonable level of assurance. The procedures performed depend on the assurance practitioner's judgement including the risk of material misstatement of the subject matter, whether due to fraud or error. While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls.

Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems, which would have been performed under a reasonable assurance engagement.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Inherent limitations

There are inherent limitations in performing assurance - for example, assurance engagements are based on selective testing of the information being examined - it is possible that fraud, error or non-compliance may occur and not be detected. An assurance engagement is not designed to detect all instances of non-compliance with the criteria, as an assurance engagement is not performed continuously throughout the period and the procedures performed in respect of compliance with the criteria are undertaken on a test basis. The opinion expressed in this report has been formed on the above basis. Additionally, non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating and sampling or estimating such data.

Work Performed

In order for us to provide a conclusion in relation to the above scope of work, we have considered the criteria specified in AA1000 AccountAbility Principles Standard 2008, and considered the following questions:

- **Inclusivity:** Has Transurban demonstrated a commitment to be accountable to stakeholders on whom it has an impact or to those stakeholders who have an impact on it?
- **Materiality:** Does Transurban have in place a process for determining material issues that results in a balanced understanding and prioritisation of its material sustainability issues?
- **Responsiveness:** Does Transurban have a process in place that enables it to respond to stakeholders in a way that addresses their needs, concerns and expectations in a comprehensive, balanced and timely way?

Our assurance procedures included, but were not limited to:

- Gaining an understanding of Transurban's business and approach to sustainability.
- Conducting interviews with key personnel and collating evidence to understand:
 - The process for stakeholder engagement across the organisation
 - The process for determining material issues and reporting against them, and
 - The activities relating to the five sustainability priorities during the reporting period.



- Performing a gap analysis between Transurban's implementation of the principles of materiality, inclusivity and responsiveness based on the evidence gathered, and the guidance outlined in the AccountAbility AA1000 Principles standard 2008.
- Conducting limited assurance procedures for the five sustainability priorities:
 - Checking that methodologies have been correctly applied as per the methodologies outlined in the 'Data methodologies' section of the Report
 - Undertaking analytical review procedures to support the reasonableness of the data
 - Identifying and testing assumptions supporting calculations
 - Testing on a limited sample basis underlying source information to check accuracy of the data, and
 - Assessing the reliability of specific sustainability performance information.
- Checking the Report to determine whether material risks and opportunities and performance issues identified during our procedures on the five sustainability priorities had been adequately disclosed.
- Checking that Transurban's reported compliance as detailed in the GRI Content Index reflects disclosures included in the Report.

Use of our Report

Our limited assurance report has been prepared for distribution to the management and directors of Transurban. We disclaim any assumption of responsibility for any reliance on this assurance statement or on the subject matter to which it relates, to any person other than management and directors of Transurban, or for any purpose other than that for which it was prepared.

Independence, Competence and Experience

In conducting our assurance engagement we have met the independence requirements of the APES 110 Code of Ethics for Professional Accountants. We have the required competencies and experience to conduct this assurance engagement.

Limited Assurance Conclusion

Based on our limited assurance procedures, nothing has come to our attention that causes us to believe that:

- Transurban has not adhered to the AA1000 AccountAbility principles of inclusivity, materiality and responsiveness in the preparation of the 2013 Sustainability Report ('the Report'), and
- Transurban has not met the requirements of an application A+ level as detailed in the Global Reporting Initiative ('GRI') Content Index referenced in the Sustainability Report, and
- the sustainability priorities and disclosures, as detailed above, have not been reported and presented fairly, in all material respects, in accordance with the criteria above.

Matters Relating to Electronic Presentation of 2013 Sustainability Report

Our review was of the web-based information that was available via web links as at the date of this statement. We provide no assurance over changes to the content of this web-based information after the date of this assurance statement.

Ernst & Young
Melbourne, Australia
8 October 2013

GRI Application Level Check Statement

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Statement GRI Application Level Check

GRI hereby states that **Transurban Group** has presented its report "2013 Sustainability Report" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A+.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 7 October 2013

A handwritten signature in blue ink, appearing to read "Nelmara Arbex", is written over a large, faint watermark of the GRI globe logo.

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The "+" has been added to this Application Level because Transurban Group has submitted (part of) this report for external assurance. GRI accepts the reporter's own criteria for choosing the relevant assurance

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 1 October 2013. GRI explicitly excludes the statement being applied to any later changes to such material.



