



Transforming places + Developing sustainable communities





Welcome

Construction of Canary Wharf, one of the biggest and most successful initiatives of its kind in Europe – began in 1988. It kick-started regeneration across London's Docklands. Just over two decades later, we have transformed previously derelict areas into more than 16 million square feet of office, retail and leisure space – creating a world-famous business and shopping district in central London.

Throughout this process, we have sought to enhance the environmental, social and economic well-being of the local communities in which we operate. This report outlines our 2012 progress in meeting this commitment.

We have produced this report to inform all of our stakeholders. These include local community residents and businesses, councils and central government, tenants, shareholders, employees, contractors and suppliers and partners.



Our approach to sustainability is good business as well as ethically sound.



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In line with corporate best practice, the Group's performance and the content of this report are verified by Bureau Veritas, an independent expert in environmental and social responsibility. This report has achieved a B+ level of disclosure, according to The Global Reporting Initiative's (GRI) guidelines on reporting, and is aligned with the European Public Real Estate Association's (EPRA) Best Practices Recommendations on Sustainability Reporting. Further information, including all Group documents and policies referred to in this report, can be found at www.canarywharf.com

Highlights

Having set high standards of sustainability and community engagement at Canary Wharf, we are proud of the results we have achieved in 2012.



Our approach is adaptable to a range of locations, communities and property types.

2012 highlights

87.3% of 2012 targets achieved

87.3%

100% of new relevant projects BREEAM rated

100%

838 local people found work at Canary Wharf through Skillsmatch

838

72% of all office waste recycled

72%

£111 million of business secured for local companies due to our East London Business Place scheme

£111m

90% of Canary Wharf commuters now travel by means other than private car

90%

Awards

In 2012 Canary Wharf Contractors Limited were awarded a Royal Society for the Prevention of Accidents (RoSPA) Gold Award for Occupational Health and Safety. A number of our projects were also awarded further RoSPA and Considerate Constructors Scheme awards for their commitment to health and safety performance and issues.



Chairman and Chief Executive Officer's statement

2012 was a transformational year for Canary Wharf Group – and for the global capital we call home. The successful London 2012 Olympic and Paralympic Games focused the eyes of the world on the positive changes that have happened in the areas where we do business and on the immense opportunities our great city has to offer.

Sustainability was a key theme of London 2012 and for us. The Canary Wharf Estate was the primary location for the Olympiad's planning and delivery, with over 7,000 Games workers and volunteers based here, and much of the 'Olympic Family' staying nearby. Our buildings provided the iconic backdrop for a number of the venues. Now, the challenge is to continue to build on the success of London 2012, particularly in environmental sustainability, economic development and social cohesion – all aspects of our approach to business in which we have been investing for decades.

New projects in 2012

With Games preparations going on around us in 2012, we were involved in some significant projects of our own. In January, we started construction of 25/30 Churchill Place. This is symbolic, as it is the final tower on the original Canary Wharf master plan to be built. But enormous potential remains.

The Group has London's largest property pipeline. This includes Wood Wharf, a 20-acre site immediately east of Canary Wharf, where we are creating a new master plan. The aim here is to cater for London's growing business sectors, such as the technology and creative industries, and to further integrate the local residential population. As always, we are planning to embed art, culture, community amenities and green space into the design. Away from Canary Wharf, with our partners Qatari Diar, we were recently awarded planning permission to redevelop the Shell Centre site on the South Bank. In the City of London, we made significant progress on the delivery of 20 Fenchurch Street. This building is a joint venture with Land Securities.

All of our new development work in 2012 involved extensive consultation with the local communities and stakeholders. These consultations continue. They enable the Group to understand the needs and aspirations of the local community and to deliver what we believe will be some of the greenest, most sustainable developments currently planned for London.

Meeting expectations

Such developments are in line with the increasing environmental requirements of our existing and future tenants. Against a backdrop of rising energy costs and wider climate change concerns, we must provide increasingly energy-efficient facilities through innovative new designs and effective retrofitting. Therefore it is essential to stay in the vanguard of sustainable property development. To that end, in 2012 we continued to ensure alignment with the wide range of initiatives that are changing London's landscape and skyline. These include the London Plan, the Strategic Regeneration Framework and the Mayor's Economic Development Strategy.

Measuring performance

In 2012 we achieved 87.3% of our targets for the year. This is the Group's highest score to date. Highlights of our sustainability performance included:

- Establishment of the South London Procurement Network to create opportunities for local businesses in the vicinity of the Shell Centre Redevelopment
- All relevant major projects are Building Research Establishment Environmental Assessment Method (BREEAM)-rated
- The Group was re-certified to Carbon Trust Standard
- 72% recycling of all office waste
- Improved transport at Canary Wharf, and an additional 300 Barclays Cycle Hire docking stations
- The update of our health and safety procedures to reflect legislative changes and the rolling out of relevant training programmes
- Better customer service procedures. An independent review at Canary Wharf showed that we were achieving 86% of the high standards we set ourselves

The Group has also taken a more rigorous approach to measuring sustainability performance. Our report uses the Global Reporting Initiative Guidelines, and has achieved a GRI level B+. Our report is also aligned with the EPRA Best Practices Recommendations on Sustainability Reporting.

“In 2012 we achieved 87.3% of our targets for the year. This is the Group's highest score to date.”

The way forward

Increasing transparency was a theme of 2012 that will guide our approach to sustainability in future. Having aligned our sustainability reporting to external frameworks such as GRI, we firmed up our targets to be in line with requirements. Now, we are working hard to achieve those targets.

But there is always more to be done. We are setting long-term targets for carbon, energy, water and waste management and aligning these with our longer-term strategies for sustainability and wider environment and community engagement. We will be sharing these in our reporting next year.

In closing, I would like to acknowledge all of the neighbours, employees, tenants, partners, contractors, suppliers and other stakeholders who contributed to the activities outlined in this report. Thanks to them, we are closer to achieving our vision, which is to create and nurture vibrant new communities that meet today's economic, environmental and social needs while anticipating tomorrow's.

Sir George Iacobescu CBE
Chairman and Chief Executive Officer
Canary Wharf Group plc, July 2013



About Canary Wharf Group plc

Canary Wharf Group is an integrated group of property companies working through the entire value chain, from planning and design to construction, finance, leasing and facilities management.

Who we are

What sets us apart is the accumulated in-house expertise of our 1,035 staff. Among them are planners, designers, engineers, builders, technologists, financiers, lawyers, leasing and marketing staff, security and business continuity experts, facilities managers and community relations specialists. Each has an understanding of the Group ethic as well as knowledge of his or her specific discipline and the way in which it links with those of other colleagues.

What we do

Canary Wharf Group plc (the “Group”) makes places. That involves much more than merely designing and constructing buildings, such as the 35 office buildings and shopping malls that constitute Canary Wharf. It means erecting the *right* buildings, in the right settings, with all of the appeal and amenities that make them attractive places to work and visit. But more importantly, the buildings draw local communities together.

In recent years, the Group has expanded operations beyond our original base to joint ventures in other parts of London, such as 20 Fenchurch Street and the Shell Centre Redevelopment. In these cases, we carefully select partners who share our values and commitment to long-term sustainability.

Developing

For over 20 years, the Group has been London’s leading developer of the highest quality office space. Our efforts have contributed to the city’s pre-eminent role as a global business capital and major employment centre.

In 2012, one of our investment milestones was gaining full control of the adjacent Wood Wharf site. There, following extensive community consultation, we aim to design and build London’s newest creative business, shopping and residential district, complete with private and affordable housing.

Building

Over the past two decades, we have built around 16 million square feet of office and retail space in London, on time and within budget – more than any other property company during that period. Our construction projects are diverse. Our in-house team (Canary Wharf Contractors Limited) has designed and built stations, parts of a school, residential apartments, shopping malls, event venues and green spaces alongside some of the UK’s best known and most energy-efficient office buildings.

For example, in 2012 we completed construction – five months ahead of schedule – of the two lowest levels of the Canary Wharf Crossrail Station. Work is now progressing on 115,000 square feet of retail space and a roof garden above the station. Together with the 44,000 square feet retail extension in Jubilee Place, it will provide even more amenities and local employment opportunities and better link Canary Wharf with Poplar to the north.

Office and retail space built over the last 20 years

**16m
sq ft**

Beyond Canary Wharf, our joint venture with Land Securities at 20 Fenchurch Street kept to schedule in 2012 and is due to be completed in spring 2014.

Working with the local community, our joint venture with Qatari Diar has also made significant progress on the mixed-use redevelopment of the 5.25-acre Shell Centre site on London's South Bank near Waterloo Station.

Managing

The facilities managed by another of Canary Wharf Group's subsidiaries, Canary Wharf Management Limited, comprise around 2.3 million square feet of Grade A offices and about 690,000 square feet of retail space. In Canary Wharf itself, this includes more than 240 shops, bars, cafes and restaurants. Offering some of the world's best-known brands, these facilities attract the local community as well as the Estate's office population.

But Canary Wharf is much more than offices and shops. About a fifth of the complex – some 20 acres – consists of landscaped parks, plazas and walkways. Adorning these are over 60 works of public art. These spaces welcome workers, local residents and other visitors to more than 100 cultural and sports events annually – most of which are free.

Over 60
works of
public art
adorn
landscaped
parks, plazas
and walkways

60+

The greening of Wood Wharf and Heron Quays

Visitors to Canary Wharf can enjoy two new temporary waterside green areas installed by the Group in 2012.

Just across the Montgomery Street footbridge is the 10-acre waterside greensward at Wood Wharf. The results of a design competition among landscape architecture students, it was completed in summer 2012 as a temporary amenity. It occupies the future site of the mixed-use development planned to serve as one of London's largest purpose-built creative quarters. Wood Wharf also welcomed 13 ships and super yachts, which docked there during the London 2012 Games, and was the venue for several world class events including the London Ice Sculpting Festival and Future Cinema. Lunch markets continue to be a regular attraction.

Another future development site, Heron Quays West, has also been transformed into waterside green space with views of the Canary Wharf skyline beyond. Enhanced by public sculpture, this area also offers a superb place for lunch and relaxation.



Above: Green space is integral to the planning of Wood Wharf

Below: Wood Wharf – London's largest purpose built creative quarter welcomed ships and yachts during the Olympics



Facts

Group employees:

1,035

Percentage of open,
landscaped space:

20%

Working population of
the Canary Wharf Estate:

100,000

Future development
pipeline:

9.2m sq ft

A strategic approach to sustainability

In 2012 we re-examined ways in which we work with our stakeholders to ensure the sustainability of our Company long-term.

Strategic priorities

We are aware that the world is changing rapidly. New technologies, climate change and economic pressures all have an impact on our business. We also bear in mind that in two local boroughs where we operate, Tower Hamlets and Lambeth, there are high levels of poverty. Our strategic priorities are to respond to the changes in the outside world by creating bespoke properties that incorporate new technologies and help maintain London's pre-eminence as a business capital. At the same time, we aim to engage with and alleviate poverty in our local communities and to minimise harm to the natural environment; enhancing the world in which we all live through sustainable development.

Although our approach to sustainability is driven by much more than simply operating within the law, there is a legal framework that guides our activities in all of these efforts.

Relevant legislation and regulation includes:

- The Climate Change Act 2008
- The Carbon Reduction Commitment Energy Efficiency Scheme Order 2010
- The Energy Performance of Buildings (Certificates and Inspections)(England and Wales) Regulations 2007
- The Waste Strategy (2007)
- The Waste (England and Wales) Regulations 2011
- Landfill Tax Regulations
- European Union Emissions Trading System
- Bribery Act 2010
- Building Act 1984
- Building Regulations
- Sustainable and Secure Buildings Act 2004
- Localism Act

Broader trends

Environmental pressures are coming from our tenants and occupiers, who understandably demand more energy-efficient operations. As a Group, we meet these expectations by designing and constructing more sustainable buildings and improving the environmental performance of existing facilities through effective retrofitting and facilities management.

The financial implications for failing to act sustainably are increasing. Breaching legislation can result in costly penalties. In addition to charges and taxes associated with under-performance, the cost of many natural resources is increasing over the long-term.

We take into account a range of initiatives to encourage socio-economic improvements, including the London Plan, Strategic Regeneration Framework, the Mayor's Economic Development Strategy and the 'Convergence' aims of the Mayor and Host Boroughs following the London 2012 Olympic and Paralympic Games.

Setting goals

In 2012, we re-examined our sustainability priorities and devised a range of specific goals. For example, taking into consideration different aspects of environmental performance, we have set ourselves challenging targets for the current and coming years:



Our vision

Canary Wharf Group aims to design, build and manage central London's highest quality, best value and most sustainable office, retail and residential buildings and districts. In doing this, we work with all our stakeholders to create and nurture vibrant, inclusive communities that meet today's economic, environmental and social needs while anticipating those of tomorrow.



Economic development and community

We will ensure that the economic benefits of our developments reach neighbouring communities through:

- Establishing and nurturing supply chain initiatives that help locally based small and medium sized businesses to access contracts with us as well as our tenants and occupiers
- Helping local residents to acquire new skillsets, qualifications and brokerage services that will enable them to compete for jobs within our tenants and occupiers, at Canary Wharf Group and on our construction sites
- Investing in education, sport and cultural activities in our local area in ways that enhance aspiration and opportunity, improve social cohesion and help to alleviate poverty



People

- We aim to attract, retain and train the best people to achieve our business and sustainability objectives
- It is also our objective to operate to the highest standards of legal and ethical compliance, covering issues encompassing health and safety, bribery and corruption and environmental performance
- We aim to reach and maintain a rate of zero work-related accidents on our properties and construction sites



Environment

Our vision is to:

- Manage our properties and infrastructure in ways that cut carbon emissions created by our use of energy
- Work with our clients and contractors to treat energy efficiency as a priority throughout the design, construction and management cycle
- Promote water efficiency throughout a project's life, including design, site clearance and excavation, construction and management
- Reduce the amount of general waste produced in every aspect of our operations and segregate and divert as much as possible from landfill for reuse/recycling or energy recovery
- Reduce the use of natural resources and source recycled material when available
- Monitor the environmental performance of suppliers and contractors through audits
- Reduce the number of Canary Wharf Group staff using private vehicles to commute to and from work and reduce the greenhouse gas emissions created by the use of our commercial vehicles on-site
- Support and highlight the availability of public transport to tenants and visitors to the Estate
- Improve and expand the ways in which we report our environmental performance, ensuring we report and externally verify performance on the major impacts we have on the environment



Suppliers and partners

- We aim to act in environmentally sustainable ways and enable them to assist in the economic and social development of our local area
- We also aim to scrutinise the environmental, ethical and social credentials of suppliers and trade contractors in all areas of the business, down through our supply chains
- We aim to work alongside our peers in the industry and across London to encourage our sector to act more sustainably, while maintaining London's position as a global business capital

Materiality

Every business has environmental, social and economic impacts. At Canary Wharf Group, our aim is to understand and manage those impacts so that they are not only positive but transformational.

We determine which of our impacts are of key concern to us and our stakeholders (and therefore which issues require achievement targets and performance reporting) through a materiality review process. This involves comparing key issues identified through regular engagement with our many stakeholders against those issues of strategic and commercial importance to the Group. We identify the latter via our corporate risk assessment process.

Top 2012 priorities

Developing new districts and building communities is central to everything we do. We are not just constructing and managing buildings, we are creating real neighbourhoods: places where people want to work, live and shop.

Economic uncertainty and levels of prosperity continue to be of key concern to us and many stakeholder groups. Our commercial success is directly linked to the demand for our office space, to the number of visitors enjoying our retail outlets and many other factors influenced by changes in the UK and global economies.

Financial stability of the Group is essential for us, our investors and for those people who rely on us to create jobs and deliver our vision. We need to be financially secure to meet our long-term vision for building/developing in London and providing a stable and secure place to work, live and visit for all our stakeholders.

Some of these issues, such as the national and global economies, are naturally outside our control – as is some of the legislation that is currently affecting our business or will do so in the future.

In this report, we are concentrating on the issues over which we can have a direct influence and make a real difference.

These material areas are:

Economic development and community engagement <ul style="list-style-type: none"> • Developing the Estate and building sustainable communities • Managing our reputation and creating affordable housing and jobs 	Canary Wharf Group workforce <ul style="list-style-type: none"> • Maintaining high standards • Creating safe workplaces with zero accidents • Securing and maintaining the best talent
Environment <ul style="list-style-type: none"> • Managing construction impacts • Using smart technology • Managing water use and quality • Managing waste • Decreasing energy and greenhouse gas emissions 	Our business <ul style="list-style-type: none"> • Meeting the demands of tenants/consumers • Complying with legal requirements

20 Fenchurch Street – our joint venture with Land Securities



Stakeholders: listening and learning

The Group has many stakeholders. They include tenants and occupiers, shoppers, the local community, our employees and local and central Government.

We make it our business to engage with our stakeholders on a regular basis. We do this informally during the course of routine meetings and other encounters, where we take the opportunity to learn about stakeholder concerns and listen to ideas for improvement. We also engage in more structured encounters through, for example, consultation meetings as part of the planning process for a new development, or through tenant forums or mechanisms such as the mystery shopper survey (see page 32). In 2012 for instance, we frequently met with stakeholders to discuss our plans – and their aspirations – for the development of the Wood Wharf and Shell Centre sites. These encounters enabled us to explain more fully what we are doing and why, and also provide more in-depth understanding of stakeholder issues and how we can address them through the design, construction and management of our properties.

Regular stakeholder forums hosted by the Group include:

- Community Forum, for dialogue with individuals and local community groups
- Sustainability Forum, for tenants and occupiers to discuss environmental management issues
- Health and Safety Forum, for suppliers, partners and employees
- Corporate Social Responsibility Forum, for local charities to connect with our tenants and occupiers and with each other
- Canary Wharf Group Staff Consultative Committees
- Retail Tenant Forum
- Canary Wharf PR and Communications Forum, for tenants and occupiers
- Security and Business Continuity Forum
- Regular meetings with office occupiers and tenants on a building-by-building basis

The Group's key stakeholders can be categorised into seven overall groups. Listed alphabetically, they are:

Community

For over two decades, the Group has engaged with the local residential community to help meet their needs in terms of local employment and business opportunities, reducing impact from construction and creating inclusive social, recreational and cultural facilities for the surrounding areas. We are now applying the same principles at our new developments across London.

Employees and contractors

Our success is based on the success of the people who work for us directly (our employees), and the third parties who work on our behalf (contractors). We engage with both groups on a regular basis. Our aim is to ensure safety and diversity and an abiding respect for the environment and other stakeholders.

Existing and potential tenants, occupiers and retailers

We engage on a regular basis with the many businesses that rent office or retail space from us. We listen to their views and concerns and try to ensure we are delivering the highest levels of service to them. We do this proactively, seeking to gain a better understanding of existing and prospective tenants' requirements so that we can design and refurbish space according to their needs.

Investors

We work closely with the investment community to try to understand the social, environmental and ethical information they need to make informed decisions about the Group's performance and prospects. This report is part of that effort.

Local government

The Group is Tower Hamlets' biggest private sector property owner and developer and a major developer in Lambeth and the City of London. We engage regularly with each of these local authorities and with the Greater London Authority, listening to key issues of concern and operating under their planning framework.

National government

The Government's policies on the environment, employment and taxation inevitably have an impact on our operations, just as the Group's role as a major force in the London property market has a bearing on the prosperity of the capital.

Suppliers

Our supply chain is key to us. We source as much as possible from within our local community and we encourage our supply chain to do the same. We also engage with our construction supply chain to understand their issues and to ensure that delivery of goods and services is on time, to specification and budget.



Economic development and the community

Creating new opportunities for local people



Our developments are much more than places where people work, shop and spend leisure time. We initiate education, training and brokerage programmes to maximise opportunities for local job seekers, open up the supply chain to nearby small businesses and encourage community involvement.



**Our vibrant commercial developments
become economic, social and cultural
hubs for the surrounding communities.**

Economic development and the community

Canary Wharf Group has always looked to the long term. This is evident from the quality and durability of the infrastructure we have built since 1988. Less tangible, but just as important, was the creation, from the start, of enduring relationships with the local community.

A strategy for social and economic development

The Group does not exist in isolation. With property developments in the Boroughs of Tower Hamlets and Lambeth, and the City of London, the Group operates near areas that have suffered from high rates of unemployment, particularly since the decline of the docks and related trades and industries – long before the Canary Wharf business and shopping district came into being.

With over 16 million square feet of office, retail and leisure space, Canary Wharf and our other developments continue to generate diverse new employment opportunities for local people. To do this, we are focusing on four key areas:

- Improving the transition from education to employment
- Securing opportunities for local job seekers
- Maximising the potential of the local supply chain
- Enabling community-led development

“At Canary Wharf Group, we build communities as well as buildings.”

A matter of policy

To ensure rigorous and consistent implementation of our social and economic development strategy, in 2012 we amended our corporate responsibility policy. It constitutes a key component of the Group's Integrated Management System.

In terms of social and economic development, this policy enshrines our commitment to:

- Fully understanding the social impacts of our developments and any related activities
- Integrating environmental and social issues into business strategies and corporate culture
- Liaising with local community groups, schools and other businesses to raise awareness of the opportunities provided by our presence in the neighbourhood
- Raising awareness and promoting effective management of social issues with our staff, designers, suppliers and contractors
- Working with partners, stakeholders, local communities and authorities and other parties who have an interest in our business to identify and resolve key social issues

The full policy, which also covers aspects of environmental management, is available for review at www.canarywharf.com.

A community hub

Canary Wharf is the workplace for over 100,000 people – approximately one in four of whom live in Tower Hamlets and the neighbouring East London boroughs.

It is also a primary shopping, cultural and entertainment centre for local residents, many of whom are also attracted by our parks and inviting public areas.

These public spaces offer places for contemplation of landscape and sculpture (there are over 60 major works of art on-site) as well as for group enjoyment. In 2012, we hosted over 180 events, many of which were free, including music and dance concerts, sports events, art exhibitions, comedy shows, lunch markets, street theatre, cinema and car shows.

Performing arts and events organised at Canary Wharf in 2012

180+

A structure for community engagement

At Canary Wharf Group, we build communities as well as buildings.

A core team of 30 people is dedicated to community support, including relationships with small businesses, schools, community groups, sports and cultural clubs. They also work closely with colleagues in our construction, personnel, public affairs and security functions. Community engagement is integral to every aspect of our business.

This approach delivers results. For example, in 2012 our on-going work experience/internship programme provided places for 91 East London students at Canary Wharf Group. We have also succeeded in finding permanent jobs for many local people. Through Skillsmatch and the Canary Wharf Recruitment & Training Centre, both long-term initiatives in partnership with Tower Hamlets Council, we have helped a total of 8,678 Tower Hamlets residents find work at Canary Wharf since 1997, 838 of whom found employment in 2012.

People placed into jobs through Skillsmatch

New jobs created	2012	838
for local job seekers	2011	615
	2010	673

Skillsmatch is a joint initiative with London Borough of Tower Hamlets.

The importance of the local community in the Group's culture also encourages volunteerism. In 2012, our employees devoted substantial amounts of time to projects that included repainting a local playground, restoring the garden of remembrance at a nearby children's hospice and preparing and delivering holiday food hampers for the elderly. We also developed a system for tracking and managing volunteer activities and increased our involvement with the local tenant community's voluntary efforts.

“Community engagement is integral to every aspect of our business.”

Jobs created through Skillsmatch in 2012

838

Creating a creative quarter

To get to Wood Wharf from Canary Wharf, you cross a short bridge.

To create Wood Wharf, you have to *build* bridges – dozens of them – with the local community. That engagement and consultation process gained momentum in 2012 as we planned the transformation of this 20-acre waterfront site into a mixed-use sustainable community with an emphasis on the industries and homes of the future. Plans call for a range of offices, housing, shops and community facilities. An open dialogue with local residents and groups, businesses and local politicians yielded valuable insights and ideas.

The result: we are revising Wood Wharf plans to include more housing and community and cultural amenities, better integrating businesses, open spaces and local residents.



Above: Aerial view of Wood Wharf

Below: Wood Wharf at night



A helping hand into employment

Canary Wharf is an international, regional and local employment magnet. We want the attraction to be greatest for young people who live or study within sight of the well-known skyline.

The Group has a well-established work experience programme to help our young neighbours get a foothold on the employment ladder. In 2012, we welcomed 91 young people of whom 49% were from local Tower Hamlets schools. These participants were aged between 13 and the early 20s, with assignments of between two weeks and two months, during which they gained essential insights into a wide variety of disciplines.

One participant recalled: "It was a fantastic place to work with everything on your doorstep. The Group is so diverse that I managed to get a lot of different and valuable experiences."



Above: Since its inception the Skillmatch scheme has placed an average of 600 jobseekers into jobs every year

Below: In 2012, our schemes helped 838 Tower Hamlets residents into employment at Canary Wharf



Buying locally

Targeted procurement is another way in which we aim to bolster the local economy.

In 2012, two parts of the Group, Canary Wharf Limited, which is the administration arm of the company and Canary Wharf Management Limited which is the property management arm, aimed to achieve local expenditure levels of 40% and 45% respectively.

Spending on locally based suppliers

Canary Wharf Limited	2012	30%
	2011	28%
	2010	32%
Canary Wharf Management Limited	2012	43%
	2011	41%
	2010	41%
Total (CWL+CWML)	2012	42%
	2011	41%
	2010	40%

This does not cover Canary Wharf Contractors Limited. A key focus for us for 2013 is to include targets for this part of the business.

Canary Wharf Limited fell short of its target by 10% and Canary Wharf Management Limited ended the year just 2% under target. In 2013, we aim to enhance our percentage of local expenditure by equipping key procurement personnel across the Group, including Canary Wharf Contractors Limited, with constant direct access to our database of over 4,000 suppliers based in East and South London.

As the landlord for some of the world's largest service sector businesses, we are able to influence these companies on their sustainability practices. One of the key ways we do this is to encourage the use of local suppliers. Through these efforts, our East London Business Place scheme and its predecessors have helped local companies secure £900 million worth of business since 1997 – almost £111 million of that was secured in 2012.

Also in 2012, we were part of a consortium of public and private sector organisations that succeeded in winning European Regional Development funding to run a supply chain support project called Fit for Legacy. Through this, we are working with the East London Business Alliance, Newham College, the London Legacy Development Corporation and experts from five neighbouring boroughs to provide advice and support to local small to medium enterprises (SMEs) on how best to win new contracts within larger supply chains.

In October 2012, together with our joint venture partners, Qatari Diar, the Group launched the South London Procurement Network (SLPN). This is working with SMEs in the Borough of Lambeth and across South London to help them access and bid for contracts from major businesses and projects based in the area, including our own Shell Centre redevelopment. The organisation is based at the Shell Centre with two permanent staff led by Alex Webb, Procurement Network Manager. In the first year alone, the South London Procurement Network aims to register 500 SMEs, and assist 200 of them in becoming ready and equipped to tender for contracts from major companies.

Playing our part

As the owner and developer of a strategically important business and shopping district, Canary Wharf Group takes an active interest in the local, regional and wider issues and initiatives that, when properly managed, make communities better places to live and work.

We dedicate a significant amount of monetary investment as well as staff time.

Community investment

Cash donations	2012	£677,053
	2011	£781,626
	2010	£691,856
In-kind, including use of space	2012	£164,621
	2011	£149,020
	2010	£228,433
Staff focused on community engagement	2012	£596,909
	2011	£510,948
	2010	£484,264
Total	2012	£1,438,583
	2011	£1,441,595
	2010	£1,404,553

Numbers do not include Section 106 payments or payments made from funds from Canary Wharf Contractors, various trusts or payments made towards Canary Wharf Crossrail Station.

In 2012, we played a leading role in encouraging and promoting enterprise in our immediate surroundings, across London and in the wider UK commercial environment. This commitment is Group-wide, involving the most senior executives as well as front-line employees. A list of our memberships can be found on page 39.

All of these activities are consistent with our aim of being an active corporate citizen. We feel it our duty to make our experience and expertise available to those who develop the policies that will shape the future of the urban environment. All of our engagement with Government and development of public policy positions is subject to the Political Parties, Elections and Referendums Act 2000.

Looking ahead

To encourage our supply chain to shop locally, in 2013 we are providing them with direct access to a growing database of 4,000 SMEs in the community.

As the Group becomes involved in joint ventures beyond our Canary Wharf base, we will ensure that the same levels of community engagement prevail. For example, aligned with the early planning stages of the Shell Centre redevelopment on the South Bank, we aim to help the area's SMEs secure £200,000 worth of business even before planning permission is granted. This is in addition to our target of helping our local Canary Wharf SMEs to secure business worth at least £10 million in 2013.

More widely, we are now formalising our community policy and will be publishing an updated Community Engagement Handbook.

People
dedicated to
community
support

30



Our people

In-house, outward looking

By ensuring the diversity of Canary Wharf Group's workforce in terms of background, skills and experience, we are better able to meet the needs of all of our stakeholders including tenants, local communities, contractors and suppliers – as well as our shareholders.



This approach to sustainability gives greater cohesion to our sustainability efforts throughout the Group.



Our people

It is our people who differentiate the Group from most companies in our sector. Our in-house team includes architects, designers, construction specialists, environmental experts, community liaison officers, marketers, asset managers and support staff. More than one fifth of the Group's employees live locally.

A mission in common

At Canary Wharf Group, our job is to create and maintain an outstanding environment for our people and our tenants – as well as those who visit our developments for business, shopping, leisure and cultural events.

Keeping the Group properties efficient, attractive and safe is inevitably a challenge and we depend on our people to do the right thing in all circumstances. To enable them to achieve this we introduced several human resources policies in 2012. These policies are detailed in our comprehensive employee handbook.

An introduction from Sir George Iacobescu puts these policies into context: "Our good relations", he says, "are essentially based on mutual respect and trust. Treating people with dignity ensures our reputation is protected well into the future and supports a strong team culture which integrates the various parts of our organisation and drives our success."

Ways to work

Among the policies set out in the employee handbook are those related to several key sustainability considerations. These include:

- A code of business practices and conduct, committing the Group to an open and transparent fiscal regime coupled with a steadfast approach to maintaining high ethical standards
- A diversity and equal opportunities policy, enshrining the Group's commitment to eliminating discrimination in any form and setting out a programme to make this policy fully effective
- A corporate responsibility policy that defines the Group's commitment to best practice and outlines the systems in place to meet that commitment
- An employee volunteering policy that allows and encourages Group personnel to use company time to devote their skills to voluntary community service
- An anti-bribery and corruption policy, recognising the damage that fraud, bribery and other corrupt practices can cause to reputation as well as to financial standing
- A health and safety policy

All policies are available in full online.

Total hours of employee training

2,066

Total hours of employee training on diversity etc.

Total hours of training provided	2010	623hrs
	2011	617hrs
	2012	2,066hrs
% of all staff receiving training	2010	16%
	2011	36%
	2012	63%

Policies and procedures include training on attendance management, buddy programme, disability awareness, disciplinary training, diversity training, drugs awareness, grievance training, performance management and personnel induction.

Our people in numbers

	Female			Male		
	Full time	Part time	Total	Full time	Part time	Total
Admin/Clerical/Support	121	30	151	56	3	59
Department Head	4	1	5	33	0	33
Executive	1	0	1	19	0	19
Middle Management	12	0	12	28	1	29
Operators	3	0	3	165	16	181
Security	17	3	20	224	3	227
Senior Management	3	0	3	14	0	14
Supervisors	10	3	13	89	0	89
Technical CWCL	16	3	19	139	2	141
Technical Property	1	2	3	13	0	13
Total	188	42	230	780	25	805
Total staff						1,035

Health and safety around the clock

Canary Wharf is a 24-hour operation in terms of maintenance and security. To ensure the health and safety of our own staff as well as our tenants, in 2012 we started a series of night training programmes. These cover topics that include working in a confined space, harness operation and the use of mobile work platforms. All of the courses are certified by their relevant professional bodies such as Occupational Health and Safety (OHS), Prefabricated Access Suppliers' and Manufacturers' Association (PASMA) and International Powered Access Federation (IPAF).

These courses are in addition to the more routine health and safety courses, including the induction briefings held for 132 new employees in 2012.



Above: All health and safety training is certified by professional bodies

Below: Risk assessments are mandatory, including for this stunt done for a feature film shot at Canary Wharf



Formalising good intentions

Canary Wharf Group has always set its moral and ethical standards high. In recent years, we have formalised intent with a series of written policies to be shared with employees and other stakeholders. This includes the practices and code of conduct, cited on page 18, that are equally applicable to our relationships with suppliers, contractors and others.

Specifically, the code covers conflicts of interest, bribery and corruption, relationships with co-workers and harassment, duty of care, business dealings and environmental responsibilities. It sets out expectations for the behaviour of Group employees and outlines the repercussions of non-compliance.

While recognising that no code can cover every eventuality, the overriding requirement is to act honestly, fairly and with respect towards others. If and when there are any concerns about an existing or potential breach of the code, an employee is expected to consult the relevant personnel.

Well-being, by the book

Health and safety are too important to leave to chance. That is why at Canary Wharf Group we have a formal – and stringent – health and safety policy in place. It covers employees, tenants, suppliers and visitors and forms part of our integrated management system. The policy outlines our moral and legal duties concerning health and safety standards, training, management, and liaison with suppliers, contractors and local authorities.

Overall guidance and management rest with the Group's health and safety departments. Their remit includes originating and implementing detailed procedures and systems, ensuring compliance with all relevant legislation and monitoring health and safety performance. Risk assessments are mandatory. Health and safety meetings take place at least twice a year, complemented by a comprehensive training programme.

This year saw a small increase in sick days. We are reviewing the causes of this and will set out plans to address this in 2013.

Lost days and fatalities

Working days lost through sickness	2012	6,768.5
	2011	6,567.5
Proportion of all working days lost through sickness	2012	3%
	2011	3%
Fatalities	2012	0
	2011	0

Includes all full time and part time staff. Excludes staff on Group Income and Protection Scheme. Lost days covers all sickness absence, including any lost due to work place accidents. % scores are rounded to the nearest %.

In 2012,
521 employees
benefited
from health
and safety
training

521

Accessibility assured

Who can have a better idea of the challenges facing the disabled than someone who lives with those challenges every day?

That is why in 2012 we asked Dan Biddle to assess the accessibility of Canary Wharf. A survivor of the 7/7 London bombings, Dan lost both legs and is partially sighted. Now, every month, he visits Canary Wharf and undertakes a comprehensive survey of a different route each time. Among the findings so far in his extensive 24-page reports were the need for better hearing loops at every reception desk and more empathetic signage throughout. These improvements are now in place.



Above: We have improved the accessibility at Canary Wharf through hearing loops and signage in our buildings

Below: Dan Biddle carries out our monthly survey to help us improve the accessibility in our buildings



Our people

In 2012, 521 employees – over half of the workforce – benefited from health and safety training.

But training is only one aspect of health and safety – responsibilities are to be shared by everyone in everything we do. It is therefore official policy that managers, and those who report to them, are expected to factor health and safety considerations into their daily work.

A fair deal

Our commercial and retail tenants and occupiers do business at Canary Wharf and the Group's other developments because they are among the best in London. This pre-eminence is thanks to the skill and dedication of the people who work for the Group.

Our employees, in return, have a right to expect working conditions, remuneration and benefits in accordance with their vital contribution to the Group's success. Policies and systems to ensure that the right frameworks are in place include straightforward and transparent information on an employee's relationship with the Group, such as hours worked, overtime, bonuses, holidays and other leave, jury service and other public obligations as well as clearly defined benefit plan obligations.

New starters and voluntary leavers

Age groups

20 & under	New starters	7
	Voluntary leavers	6
21 to 30	New starters	49
	Voluntary leavers	24
31 to 40	New starters	37
	Voluntary leavers	19
41 to 50	New starters	20
	Voluntary leavers	18
51 to 60	New starters	17
	Voluntary leavers	17
61 to 70	New starters	2
	Voluntary leavers	17
70 & over	New starters	0
	Voluntary leavers	2
Total	New starters	132
	Voluntary leavers	103

One way to gauge the success of an employer's relationship with staff is through turnover. Typically, in 2012, retention was high. The Group had a staff turnover rate of only 7.5%.

“The bigger the talent pool from which we can draw, the more successful we will be.”

Attracting and honing talent

Canary Wharf is a melting pot, attracting skilled men and women from around the world to work in a wide range of sectors. These include technology, marketing, communications, law, accountancy, energy and retail – as well as the banking and financial services for which the site is best known.

The range of skills and experience at Canary Wharf Group is similarly diverse – as are our people. This makes sound business sense. The bigger the talent pool from which we can draw, the more successful we will be. To track our success in achieving and maintaining a diversified workforce, we have implemented a monitoring procedure that asks every current and prospective employee to provide us, anonymously, with details about his or her nationality, sex, race, age, ethnic origin and any disabilities. Positive action helps us to achieve our diversity objectives.

Once people are part of the Group, it is in our interests – and theirs – to maximise potential. In 2012, 864 people – 83.5% of the overall 1,035 employees – received developmental and/or professional training.

Total hours of development training in 2012

Executive	36.5
Department Head	572
Senior Management	387.5
Middle Management	848
Supervisors	1,694.5
Technical CWCL	2,033
Technical Property	90
Admin/Clerical/Support	1,973.5
Security	4,173.5
Operators	3,063
Total	14,871.5 hrs

This covers all training carried out in 2012 by gender and employee category.

“Good relations are essentially based on mutual respect and trust.”

A continuing dialogue

Effective two-way communication is a core part of the Group's culture – and key to our success.

In our multi-service business, for which teamwork is essential, we have created a working environment in which everyone has a good understanding of how his or her job relates to the work of colleagues.

That being said, there are always ways to communicate better. For example, in 2012 we initiated a programme to get more structured staff feedback about our work experience programmes. We also established focus groups composed of newly hired employees. In both cases, the dialogue centred on suggestions for improvement.

Encouraging a community role

Given Canary Wharf Group's close community links, it is only natural that we should encourage our employees to establish their own volunteer connections to the neighbourhood where they work. Such volunteerism has the additional benefit of helping participants to develop their skills.

Supporting these efforts is now official Group policy through a programme that allows employees to spend up to two paid working days a year as community volunteers. To facilitate this process, the Group provides a menu of opportunities with reputable and effective organisations. Participation can be either individually or in teams.

Looking ahead

In 2013 we are continuing to improve our data collection methods. This will have a positive bearing on the recording and reporting of accident and incident data.

We are simultaneously strengthening relationships with stakeholders, with particular emphasis on relevant local authorities and communities. As part of this effort, we will ensure that in the 12 months to the end of 2013 we will enable at least 90 students – 50 from our own Borough of Tower Hamlets – to gain work experience with the Group.

Canary Wharf
Group's staff
turnover rate
in 2012

7.5%



Environment

Getting the basics right



We build and manage working environments. We aim to carry out those responsibilities in ways that are safe and sustainable with minimal negative impact on the wider world. This involves careful management of construction, energy use and carbon emissions, water use, waste disposal and recycling and transport.



The sustainability of our operations increases efficiencies and drives down costs.

Environment

Every commercial development has an impact on the environment, including ours. But our business model and approach means we are well-placed to mitigate those impacts and ensure greater consideration of our neighbours.

Understanding: the first step towards environmental sustainability

Canary Wharf Group works throughout a property's entire lifecycle. That means we have to factor in the long-term environmental considerations of everything we do. This starts with the choice of development sites and encompasses design, construction, materials sourcing, energy efficiency, greenhouse gas emissions, transport and daily management issues such as water consumption and waste disposal.

Our aim throughout is to apply environmental best practice. This involves sharing our aspirations and working closely with other stakeholders. These include the tenants whom we serve and the contractors and suppliers who serve us.

Together, it is our responsibility to ensure that the buildings and open areas under the Group's ownership or management leave a disproportionately small environmental footprint.

An integrated approach

In 2012, we amended our corporate responsibility policy as part of our Integrated Management System. This is certified to management standard ISO 14001.

This commits Canary Wharf Group to several significant actions. Some are statutory, such as complying with all environmental laws, regulations and standards relevant to our operations. Others are designed to bring environmental considerations to the forefront of everything we do. For example, the policy calls on us to integrate environmental and social issues into the Group's business strategies and corporate culture.

More widely, we are making it our mission to raise awareness and promote effective environmental management along the entire supply chain, from tenants and occupiers at one end to our own vendors and contractors at the other. Sustainability concerns are a key part of our purchasing policy.

Working with partners, local communities and authorities and other stakeholders, we are also taking the lead in working together to identify key environmental and social issues. We also place great emphasis on sharing best practice to help find the best solutions to solve these issues.

Positive construction

By its nature, the construction of contemporary office buildings and business, shopping and residential districts is a highly visible, potentially disruptive and resource-intensive process. From planning to delivery through to handover, construction raises a wide range of sustainability issues. To deal with these effectively, the Group's construction division, Canary Wharf Contractors Limited, has initiated a 'total project' approach that brings together people, policy, procedures and performance.

Equally important is our measurement of performance, which is why we participate in independent sustainability assessment programmes. Every construction project participates in the Building Research Establishment Environmental Assessment Method (BREEAM), National Considerate Constructors Scheme (CCS) and we are targeting Forest Stewardship Council (FSC) Certification on the wood used in all our major project developments.

Our supplies are composed of 100% renewable energy

100%

“It is our responsibility to ensure that the buildings and public areas under the Group's ownership or management leave a disproportionately small environmental footprint.”

Managing energy and reducing carbon

When Canary Wharf was originally planned and its first buildings opened almost a quarter of a century ago, the project demonstrated the latest thinking and technology related to energy use. Times have changed. So has Canary Wharf Group. Now, more efficient and creative management of energy and the reduction of carbon emissions are among our most important business priorities. It is what all of our stakeholders, including shareholders, tenants, local communities and employees, rightly expect of us.

Direct and indirect energy consumption CO₂e (tonnes)

2012	89,827
2011	130,304
2010	147,096

For example, our move in 2012 to 100% renewable energy for our Canary Wharf portfolio was a major step forward. Whereas previously we had relied on a mixture of renewables and fossil fuels, our supplies are now composed exclusively of renewable energy, including power from hydro, biomass and wind.

In 2012, we also achieved re-certification to the Carbon Trust Standard and initiated a range of energy-saving initiatives. These included establishing our own Energy Reduction Initiative Group, which now meets quarterly to share energy consumption data and consider long-term efficiency strategies and targets.

“We are making it our mission to raise awareness and promote effective environmental management along the entire supply chain.”

72% of waste was recycled in the office buildings we manage

72%

Good call

Our 20 Fenchurch Street development in the City of London, a joint venture between Canary Wharf Group and Land Securities, is due for completion in 2014. It is iconic, because of its distinctive shape which flares outwards from a narrow base: it is ingenious because it maximises high rise floor area from a proportionally smaller footprint. In 2012, the project distinguished itself further, receiving a City of London Considerate Contractor Scheme (CCS) ‘Highly Commended’ citation – a great achievement for one of our first major developments outside the Canary Wharf Estate.

In the National Considerate Constructors Scheme, the 38-story project scored an industry-leading 38 out of 40 points. Examples of best practice included the installation of LED temporary lighting that reduced CO₂ emissions by 800 tonnes, local engagement programmes, and neighbourhood site hire shop run by two operatives employed through the Prince’s Trust.

Overall site management was, the monitor reported, “fully committed to the aims of the CCS.”



Above: 20 Fenchurch Street, EC3 will be available for occupancy in spring 2014

Below: The building design flares outwards from a narrow base



Waste not

With over 70 restaurants, cafes and bars, Canary Wharf is as much a food destination as it is a business district. Inevitably, this has a bearing on waste as well as waists. To keep the former under control, in 2012 we decided to expand a pilot programme launched in Jubilee Place Shopping Mall in 2011 which saw an increase of overall recycling there from 16% to 60%.

Moreover, thanks to a switch in recycling technique from composting to anaerobic digestion, waste food from Canary Wharf was used to fuel generators that feed power back to the National Grid.



Above: In 2012, we recycled 72% of the waste in our office buildings

Below: We manage all the waste from the public areas, retail units and office tenants



Water: a precious resource

Canary Wharf is virtually surrounded by water. But it is not something we ever take for granted. During the first months of 2012, we worked closely with our tenants on managing one of the worst UK droughts in memory.

Although subsequent rainfall wiped out any immediate threat of running dry, water remains too important to waste. For that reason, we have put in place measures throughout our developments to minimise water use. Many of these focus on plumbing, including the use of processed grey water in toilets, non-flush urinals and showerheads with controlled flows.

The drought was the main reason why we saw an increase in our water use in 2012. To preserve water, we turned off the outside irrigation systems, but this caused a technical error where the system unfortunately lost water instead. The issue was resolved a few weeks later, and it is now repaired to prevent it from happening again.

Mains water withdrawal by area (m³)

Office Buildings	2012	220,339
	2011	231,350
Retail	2012	34,700
	2011	42,936
Infrastructure and Car Parks	2012	65,473
	2011	29,506

*The above numbers represent water withdrawal numbers by Canary Wharf Management Limited only, excluding Canary Wharf Contractors Limited. For details please refer to page 28.

**The above numbers are calculated on a like-for-like portfolio.

Improving waste management

For the office buildings we manage, 72% of waste was recycled, beating our target of 70% for 2012. One reason for the overall success of recycling in the buildings we manage is the fact that we make recycling easy and convenient for tenants, visitors and our own people. Every office and retail outlet has either a two or three bin system: one for mixed recyclable waste, one for non-recyclable waste and a third for food waste, where appropriate. Oil used in Canary Wharf restaurants is recycled as biofuel.

Waste by type and disposal method Canary Wharf Management Limited (tonnes)

Recycled	2012	3,182
	2011	3,747
	2010	3,650
Combustion Energy from Waste	2012	3,883
	2011	5,031
	2010	4,943
Anaerobic Digestion	2012	325
	2011	0
	2010	0
Compost	2012	83
	2011	271
	2010	97
Landfill	2012	0
	2011	0
	2010	0
Total	2012	7,473
	2011	9,049
	2010	8,690

Greener ways of getting about

In a design and planning decision that was considerably ahead of its time, Canary Wharf was built with the idea that workers, shoppers and other visitors would predominantly come and go by public transport. Over 90% of Canary Wharf commuters now travel by means other than private car.

The site is served by the Jubilee Line, which in 2012 saw increased capacity from 24 to 30 trains per hour at peak times; the Docklands Light Railway; several bus lines and the Thames Clipper river boat service. In 2018, the opening of the Canary Wharf Crossrail Station, which the Group is building, will add resilience and capacity to the transport network and dramatically cut transport times across the capital. Travel time to and from Heathrow will be just 39 minutes.

For many, journeys are best by bike. Ample storage facilities encourage some 4,000 people to cycle to work at Canary Wharf. Over 300 docking stations were installed at Canary Wharf in 2012 as part of the Barclays Cycle Hire Scheme.

Regarding our own vehicles, in 2012 we completed a feasibility study on replacing the Group's maintenance and security fleet with greener vehicles.

Transport

Fuel (litres)	2012	17,308.75
	2011	19,116.52
GHG Emissions (tonnes)	2012	53.78
	2011	59.5

Looking ahead

In 2013, we will keep up our momentum on engagement by holding further Environmental Representatives' Forums and providing more formal sustainability updates and training. We will maintain our Associate Member Status of the National Considerate Constructors Scheme and continue to target a high level of performance in this and other industry schemes such as the City of London Considerate Constructors Scheme. We will continue to maximise our BREEAM score on all projects, with the overall aim of delivering buildings with highest achievable ratings, to the latest version of BREEAM wherever possible.

Another priority is to expand our environmental key performance indicators to include responsible sourcing. By the end of 2013, we will have set five-year targets for carbon emissions on all areas under Group management.

Other efforts include a focus on lighting, which involves conversion of 30% of traffic crossing lights to LV and LED lamps, the replacement of all pier lighting with energy-efficient fittings and controls and a feasibility study into more efficient ground floor lighting.

We are also committed to minimising water use during the construction, demolition and excavation processes and minimising water use in managed buildings and areas. This will be a key focus for 2013.

In 2013, we aim to expand our food recycling programme. We will also aim to recycle at least 40% of our infrastructure waste and 60% of the waste generated by our retail tenants.

In 2013, things are getting even better for Canary Wharf cyclists. We aim to increase by 30% the number of people using the secure bike storage facilities and we are carrying out a feasibility study on implementing the third phase of the Barclays Cycle Hire Scheme.

To improve the fuel efficiency of our own fleet of vehicles, we are sending all of our drivers on an eco-efficient training course.

Our aim in 2013 is to recycle at least 60% of the waste generated by our retail tenants

60%

Environment in numbers

Below are our environmental numbers. These comply with The Global Reporting Initiative's G3.1 requirements as well as EPRA.

Absolute data

Canary Wharf Management Limited – Buildings and Infrastructure

	Absolute Figures		Electricity Landlord and Tenant		Electricity Landlord Influenced		Gas Landlord and Tenant	
	Total kWh	tCO ₂ e	Total kWh	tCO ₂ e	Total kWh	tCO ₂ e	Total kWh	tCO ₂ e
2012	173,319,863	89,827	162,283,494	87,795	85,302,305	46,149	11,028,774	2,029
2011	248,014,472	130,304	237,166,752	128,307	98,258,305	53,158	10,839,638	1,994
2010	278,452,171	147,096	268,512,677	145,265	106,163,993	57,435	9,938,582	1,829

	Gas Landlord Influenced		Generator Fuel Oil		Water Landlord and Tenant	Water Landlord Influenced
	Total kWh	tCO ₂ e	Total kWh	tCO ₂ e	m ³	m ³
2012	8,113,536	1,493	7,595	2	450,116	387,361
2011	8,312,145	1,529	8,082	2	617,657	386,725
2010	7,016,242	1,291	8,345	2	723,084	373,511

Direct and Indirect GHG

	Gas GHG Emissions	Generators GHG Emissions	Transport Fuel GHG Emissions	Total Direct GHG Emissions	Electricity GHG Emissions	Total Indirect GHG Emissions
	(t)	(t)	(t)	(t)	(t)	(t)
2012	2,029	2	53.78	2,082.78	87,795	87,795
2011	1,994	2	49.96	2,045.96	131,706	131,706
2010*	1,829	2	N/A	1831	145,265	145,265

*Direct emissions 2010 do not include transport fuel as data not collected then. Calculations are based on the GHG protocol.

Waste

	Office Buildings	Retail Buildings	Infrastructure
Total Waste (tonnes)	1,491	5,361	622
Disposal Methods			
Recycled (tonnes)	1,027	2,102	53
% Recycled	69%	39%	9%
Combustion (tonnes)	412	2,979	492
% Combustion	28%	56%	79%
Anaerobic Digestion (tonnes)	51	274	0
% Anaerobic Digestion	3%	5%	0%
Compost (tonnes)	0	0	83
% Compost	0%	0%	13%
Landfill (tonnes)	0	0	0
% Landfill	0%	0%	0%

Canary Wharf Contractors Limited – Construction/Demolition and Excavation Projects

	Total kWh	Electricity	Water (Mains Incoming)	Water (Dewatering – Incoming from Dock)	Water (Discharge to Foul Sewer)	Water (Discharge to Dock)
		tCO ₂ e	m ³	m ³	m ³	m ³
2012	4,167,787	2,255	15,959	259,000	15,959	259,000
2011	2,382,463	2,578	6,037	250,000	6,037	250,000
2010	2,869,051	1,552	6,993	250,000	6,993	250,000

Waste

	Construction	Demolition	Excavation
Total Waste (tonnes)	8,764	16,870	12,016
Disposal Methods			
Recycled (tonnes)	5,800	16,493	12,016
% Recycled	66%	98%	100%
Combustion (tonnes)	2,413	0	0
% Combustion	28%	0%	0%
Anaerobic Digestion (tonnes)	0	0	0
% Anaerobic Digestion	0%	0%	0%
Compost (tonnes)	170	0	0
% Compost	2%	0%	0%
Landfill (tonnes)	381	377	0
% Landfill	4%	2%	0%

Transport

	2012	2011
	Units	Units
Fuel (litres)	17,308.75	19,116.52
GHG Emissions (tonnes)	53.78	59.5

Energy, Carbon and Water Normalisation

Normalisation

Due to the changing nature of the business and the addition and/or removal of buildings from our management portfolio, a like-for-like comparison and normalisation of the data on energy and water consumption has been carried out to best reflect annual performance.

- Office buildings data covers three managed buildings and Canary Wharf Group Administrative areas – 75% of the managed buildings portfolio
- Retail includes four Retail malls – 80% of our Retail portfolio
- Infrastructure areas and Car Parks cover 100% of those areas

Normalisation was worked out on the best fit for the type of operation due to the variation of operation and control between the different areas of the business. Office intensity is shown per occupant. The most relevant method for Retail is by footfall and to make the data more readable an intensity indicator of per 1,000 visitors was found to be the best method. Infrastructure and Car Parks intensity is shown by m² based on the Gross Internal Areas (GIA).

Office Buildings	Units
Energy (kWh)	40,734,719
Energy (kWh per occupant)	2,993
GHG Emissions (tonnes)	21,635
GHG Emissions (tonnes per occupant)	1.59
Electricity (kWh)	39,559,416
Electricity (kWh per occupant)	2,906
Gas (kWh)	1,170,927
Gas (kWh per occupant)	86
Water (Mains m ³)	220,339
Water (Mains m ³ per occupant)	16
Water (Discharge to sewer m ³)	220,339
Retail	Units
Energy (kWh)	13,912,965
Energy (kWh per 1,000 visitors)	237.90
GHG Emissions (tonnes)	7,527
GHG Emissions (tonnes per 1,000 visitors)	0.54
Electricity (kWh)	13,912,173
Electricity (kWh per 1,000 visitors)	0.13
Gas (kWh)	0
Gas (kWh 1,000 visitors)	0
Water (Mains m ³)	34,700
Water (Mains m ³ per 1,000 visitors)	0.59
Water (Discharge to sewer m ³)	34,700
Infrastructure and Car Parks	Units
Energy (kWh)	17,745,758
Energy (kWh per m ²)	402.99
GHG Emissions (tonnes)	9,600
GHG Emissions (tonnes per m ²)	0.22
Electricity (kWh)	17,745,758
Electricity (kWh per m ²)	129.22
Gas (kWh)	0
Gas (kWh per m ²)	0
Water (Mains m ³)	65,473
Water (Mains m ³ per m ²)	0.50
Water (Discharge to sewer m ³)	65,473





**Tenants, suppliers
and partners**

The company we keep

Tenants are naturally at the core of what we do at Canary Wharf Group. Their needs guide the locations and designs of the structures we build. Tenants' rising expectations in terms of sustainability have a positive impact on our choice of suppliers and partners.



**Tenants buy into our reputation
as well as our buildings.**



Tenants, suppliers and partners

Commercial agreements define many of our stakeholder relationships. Leases with tenants, contracts with suppliers and joint venture agreements with partners all set out certain deliverables on both sides.

This applies to new and existing properties. At 20 Fenchurch Street, for example, our joint venture with Land Securities, we have pre-let over 350,000 square feet – over half of the building's capacity – to seven different tenants, all of which are in the insurance sector. The building will be available for occupancy in spring 2014.

Our approach to sustainability is important to our tenants and is part of their decision making process, helping the Group to retain tenants.

Retail tenants are equally attracted to our way of doing business. Every existing unit at Canary Wharf is let. A 44,000 square feet extension to the Jubilee Place Mall and the 115,000 square feet being built above the Crossrail Station are all in high demand. New tenants for Jubilee Place include Cos, Le Pain Quotidien, Rituals and Oliver Bonas.

Satisfied?

In 2012, we reviewed and updated the Customer Satisfaction element of our Integrated Management Procedure. This covers the full spectrum of stakeholders and underscores the importance of tenants, suppliers and partners.

“Our approach to sustainability is helping to retain tenants.”

While the procedure recognises that stakeholder feedback occurs as part of a wide range of company processes, it stresses the importance of monitoring and recording views and comments that can serve as the basis for service and infrastructure improvements. For this, the procedure sets out processes to record feedback from both formal and informal sources. Questionnaire and comment forms give structure to the process, as do defined roles. In particular, the involvement of senior managers and directors is seen as crucial in achieving timely implementation of any improvement suggestions.

In 2012 we implemented a 'mystery shopper' audit of the quality of the wide range of services and amenities we offer to tenants and their visitors and customers at Canary Wharf. This proved to be a useful measurement of how our facilities are working. During the course of the year, this exercise determined that we were achieving just over 86% of the standards we had set for the Group.

Looking ahead

Building on the 2012 mystery shopper experience, we are expanding the programme in 2013 to involve a monthly check of public interfaces. This covers reception desks, information points and phone handling. Signage and cleanliness are also being regularly checked.

Initial findings are encouraging in terms of the overall condition and cleanliness of the Estate and the customer service experience of tenants and visitors. However, there is still some room for improvement in securing the overall standards of service that our customers expect and that we expect our staff to deliver. To help improve performance we hold monthly meetings of the Service Excellence Group, a committee of senior managers who meet to discuss and address service issues and to implement training and systems to improve performance.

During 2012 we achieved over 86% of the standards we had set

86%

Over half of 20 Fenchurch Street's capacity has been let out

50%

“Retail tenants are attracted to our way of doing business. At Canary Wharf 100% of existing units are let.”

Getting ready for the Games

At Canary Wharf Group, planning for London 2012 started even before London won the bid in 2005. The Group hosted the bid team in One Canada Square and helped guide logistical planning for the Games, in particular with regards to transport and the functioning of Canary Wharf during the Games period.

With a 30% increase in the number of people using the transport network during the Games period, we worked closely with transport providers, emergency services and tenants to ensure safety and efficiency as well as a festive atmosphere. This involved additional trains, boats and bikes; containers for non-perishable deliveries; amended construction and delivery timetables and encouraging transport commutes outside peak times. Despite being located within three miles of 20 Olympic venues, we were determined that Canary Wharf would remain fully functional throughout the Olympic period.

As part of that effort, we organised a London-wide 'stress test' in conjunction with Deloitte. "We were not going to leave anything to chance," recalls the Group's Business Continuity Manager.

Preparation paid off. While traveller numbers to Canary Wharf were up 10% year-on-year during the Games, instead of the usual 70% of commuters travelling at peak times, only around 50% were using public transport during normal rush hours. Despite serving as the Games' nerve centre, Canary Wharf retained its role as a premier business and shopping district. Festivities notwithstanding, we remained open for business.



Above: During the Olympics we hired additional Thames Clippers services for Canary Wharf commuters

Below: In 2012, we backed Home Run to promote running as a commuting alternative for the people who work at Canary Wharf



From mini-scones to facilities management?

Bermondsey-based Catering2Order first became aware of the potential of the Shell Centre redevelopment at a networking event run by East London Business Place in 2012. Since then the company, which specialises in a menu as diverse as its workforce, has become a regular supplier for the joint venture run by Canary Wharf Group and Qatari Diar.

"At the moment we're doing finger buffets for meetings and receptions in the lead up to getting planning permission" says John Charles, the company's managing director. "But in the longer term we'd like to bid for work to feed the construction teams. And then? Who knows? Maybe we could even put together a consortium of small local companies to handle facilities management once the development is up and running. It would be a long journey, but we've already made a start," he says.



Above and below: John Charles, managing director of Catering2Order, is one of many local entrepreneurs who benefit from Canary Wharf Group's expansion



Performance summary

Below are our performance numbers, these comply with The Global Reporting Initiative's G3.1 requirements. Our full GRI indicator list can be found online at www.canarywharf.com

What we said	Status	What we did	Going forward (2013 targets)
Economic development/community			
Social and Economic Development <ul style="list-style-type: none"> Develop a social and economic development strategy for Canary Wharf Group 	100%	Developed a social and economic strategy report and discussed it with relevant stakeholders	<ul style="list-style-type: none"> Give key procurement personnel access to East London Business Place (ELBP) and South London Procurement Network (SLPN) databases Implement SLPN initiative in boroughs relevant to Shell Centre development, building database of local suppliers to 500 SMEs Encourage East/South London buyers to procure locally and assist local procurement teams to improve suppliers' competitiveness Help South London SMEs to secure £200,000 of business with Canary Wharf Contractors Limited/Qatari Diar at Shell Centre and other South London developments Help East London SMEs to secure at least £10 million of business
Community <ul style="list-style-type: none"> Monitor Canary Wharf Group staff involvement in local volunteering initiatives and opportunities 	100%	Offer all staff two days per year paid volunteering time, tracked through our internal systems	<ul style="list-style-type: none"> Produce a community policy statement Publish an updated Community Engagement Booklet

“We now offer all staff two days of paid volunteering time.”

Achievement on all targets

87.3%

What we said	Status	What we did	Going forward (2013 targets)
People			
Health and Safety <ul style="list-style-type: none"> • Develop health, safety and welfare procedures to reflect changes in practice/legislative requirements • Monitor Canary Wharf Group staff accident frequency rate and identify trends and remedial actions 	100%	Updated procedures and trained more than 50% of staff	<ul style="list-style-type: none"> • Further develop the framework for capturing and reporting data of accidents/incidents • Improve data collection methods to enhance information standards and develop reporting efficiency • Further develop and maintain close relations with internal and external stakeholders such as business units, local authorities etc
Human Resources <ul style="list-style-type: none"> • Ensure that a minimum of 40 students (66% from Tower Hamlets) gain work experience with the Group 	75%	Provided places for 91 students, but only 50% were from Tower Hamlets. Efforts to attract more Tower Hamlet students continuing in 2013	<ul style="list-style-type: none"> • Ensure that a minimum of 90 students (50 from Tower Hamlets) gain work experience with the Group in 2013
Environment			
Construction <ul style="list-style-type: none"> • Register all major projects for 'Full Project FSC Timber Certification' • Target BREEAM 'Excellent' rating on all relevant major projects. Trial BREEAM process on Jubilee Place Extension retail project • Establish target improvements on Part L 2010, towards the 2013 update, as follows: <ul style="list-style-type: none"> • 2012 – 10% improvement over 2010 • 2013 – 20% improvement over 2010 • Evaluate the implications of the update to BREEAM Part L 2013 on Canary Wharf Group major projects 	100%	Registered all major projects during relevant times during construction	<ul style="list-style-type: none"> • Develop and maintain a Canary Wharf Contractors Limited Sustainability Engagement Programme with formal training and updates to an expanded Environmental Reps Forum and project teams as required • Develop sustainable procurement KPIs and targets for major project delivery items such as goods and services • Enter selected Canary Wharf Contractors Limited projects for appropriate sustainability or environmental Awards • Achieve highest possible design phase BREEAM rating and aim for post-construction certification on all registered projects. Evaluate implications of proposed 2013 BREEAM update • Embed the requirements of 2013 Part L and define appropriate target improvements towards 2015
	100%	Achieved 'Excellent rating' on our wholly designed Jubilee Place and 'Very Good' on other projects for which Canary Wharf Group does not have full design control	
	100%	Exceeded targets and achieved 29% improvement	
	100%	Commissioned an external report and implementing recommendations during 2013	

Performance summary

What we said	Status	What we did	Going forward (2013 targets)
Environment			
Carbon <ul style="list-style-type: none"> • Calculate carbon emissions and submit to the Carbon Disclosure Project • Achieve recertification for the Carbon Trust Standard and implement carbon-saving initiatives 	50% 100%	Carbon emissions calculated for 2012 but not submitted to CDP until after reduction targets set in 2013. Will submit in 2014 Achieved re-certification in March 2012 and introduced several carbon saving initiatives throughout the year	<ul style="list-style-type: none"> • Set 5-year targets on carbon emissions for Canary Wharf Management Limited – managed areas
Energy Management <ul style="list-style-type: none"> • Establish Energy Reduction Initiative Group and investigate long-term strategy and targets 	100%	Established the Group, which now meets on a quarterly basis to discuss energy-saving ideas and initiatives	<ul style="list-style-type: none"> • Convert 30% of traffic crossing lights to LV and LED lamps • Replace all pier lighting with energy-efficient fittings/controls • Replace One Canada Square ground floor lighting with energy-efficient fittings/controls as feasible • Review 40 and 50 Bank Street M&E services and replace with energy-efficient equipment • Review energy and water consumption and set 5-year reduction targets
Waste Management <ul style="list-style-type: none"> • Recycle 70% of waste in Canary Wharf Management Limited – managed office buildings • Implement food recycling in 50 and 40 Bank Street • Implement food recycling in all retail areas and increase recycling rate to 60% 	100% 75% 75%	Recycled 72% of waste Implemented in 40 Bank Street, but not in 50 Bank Street pending Northern Trust agreement Implemented in retail areas including use of food compactors. Current recycling rate of 48%	<ul style="list-style-type: none"> • Implement food recycling in 50 Bank Street and One Canada Square Buildings • Recycle at least 40% of Infrastructure waste • Recycle at least 60% of Retail waste

Managing sustainable development

A dedicated Corporate Responsibility Group (CRG), chaired by the Group Company Secretary, meets six times a year to set relevant strategy and targets throughout the organisation and monitor performance against these targets. Participants are drawn from senior management from the Group itself as well as from its operating companies.

In addition to the core membership, the CRG regularly draws on experts from throughout the Group with focus on the community and local economy, energy and water, waste, transport, human resources and health & safety, procurement, communications and our Environmental Management System.

Reporting period

This report covers the period from 1 January 2012 to 31 December 2012. Our previous report, published in March 2012, covered the calendar year 2011.

Reporting scope

The content of this report covers those properties and activities that we directly manage and control. These include:

- The Canary Wharf Estate (outside areas)
- One Canada Square
- 40 Bank Street
- 50 Bank Street
- The retail portfolio at Canary Wharf
- 5 Churchill Place

Construction projects covered are:

- 20 Fenchurch Street (joint venture with Land Securities)
- 25/30 Churchill Place
- Canary Wharf Crossrail Station and the oversite development
- Riverside South (on behalf of J.P. Morgan)
- Jubilee Place Shopping Mall Extension
- 25 Bank Street interior fitout (on behalf of J.P. Morgan)

This report excludes development schemes and properties disposed of or acquired within the reporting period. It also excludes properties covered by fully repairing and insuring leases. The report does extend to those areas in which we have significant

influence such as: outsourced procurement arrangements, energy consumed by tenants in properties covered by operating leases and agreements with joint venture partners and co-owners.

Memberships

For example, members of our management team are active on a wide range of boards, groups and committees:

- British Museum Board of Trustees
- East End Community Foundation
- Defence Reform Unit of the Ministry of Defence
- Tech City Investment Organisation Advisory Board
- Tower Hamlets and Canary Wharf Further Education Trust
- Royal British Society of Sculptors
- Jewish Care
- Community Safety Trust
- TheCityUK
- Transport for London

Our involvement also extends to such organisations as:

- London First
- the London Chamber of Commerce and Industry
- Docklands Business Club
- the Confederation of British Industry
- the British American Chamber of Commerce
- British Property Federation
- Better Building Partnership
- Carbon Trust
- Business in the Community
- East London Business Alliance
- UK Green Building Council

Standards and verification

Bureau Veritas has independently assured all data contained in this report, which focuses on matters most relevant for our business and stakeholders. The assurance statement is on page 40.

This report complies with GRI sustainability reporting guidelines and EPRA Best Practices Recommendations for sustainability reporting.

GRI has independently verified this report, prepared to achieve a GRI level of [B+]. Our full GRI list can be found online at www.canarywharf.com

Sustainability governance structure



Statement GRI Application Level Check

GRI hereby states that **Canary Wharf Group plc** has presented its report “Canary Wharf Group plc Sustainability Report 2012” to GRI’s Report Services which have concluded that the report fulfills the requirement of Application Level B+.

GRI Application Levels communicate the extent to which the content of the G3.1 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 G3.1 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, 26 July 2013



Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The “+” has been added to this Application Level because Canary Wharf Group plc has submitted (part of) this report for external assurance. GRI accepts the reporter’s own criteria for choosing the relevant assurance provider.

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 25 June 2013. GRI explicitly excludes the statement being applied to any later changes to such material.

Independent Assurance Statement

Bureau Veritas has been commissioned by Canary Wharf Group Plc (CWG) to provide independent assurance on the content and information contained within CWG's Transforming Places & Developing Sustainable Communities Report 2012 ('The Report'). The overall aim of the assurance process is to provide reassurance to CWG's stakeholders that the information presented within the Report is free from material error or omission and covers the issues material to the business.

Based on the scope of work agreed and subject to the limitations defined, Bureau Veritas concludes that the Information is considered to be reliable, free from material misstatement or bias. We have considered the completeness of the Report to ensure that it is balanced, has no significant omissions and that it provides a true reflection of the performance of Canary Wharf Group regarding its sustainability impacts over the reporting period.

The full verification statement including methodology, limitations and exclusions can be found on the Canary Wharf website (<http://www.canarywharf.com/aboutus/Corporate-Social-Responsibility/Corporate-Responsibility-Reports/>)

Bureau Veritas Certification UK
London, June 2013



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We welcome comments on this first Canary Wharf Group sustainability report produced to GRI standards.

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