

B4SI Assurance Statement 2021

Overview

Corporate Citizenship has been asked by Iberdrola to review its use of the Business for Societal Impact (B4SI) Framework for measuring corporate community investment activity occurring between January and December 2021.

The B4SI measurement Frameworks help businesses to improve the management, measurement and reporting of their social impact. A combination of three Frameworks cover Community Investment, Social Innovation & Social Procurement for Social Impact. Iberdrola is an active member of the B4SI global network. (See <https://b4si.net> for more information).

Corporate Citizenship, as global managers of B4SI, have worked with Iberdrola to assure community investment data gathered over the period of 1 January 2021 to 31 December 2021 and application of the B4SI Community Investment Framework across its global operations, in accordance with current Guidance. The scope of assurance covers the inputs contributed through Iberdrola's corporate community investment. Having conducted our assessment we are satisfied that the data reflects the B4SI principles. Our work has not extended to an independent audit of the data.

In our commentary we identify the main findings of the Assurance process, including strengths to Iberdrola's data collection and reporting as well as some improvements that can be made as the company deepens its application of the framework in the future. We have further explained our observations in a separate management note to Iberdrola, including considerations on community investment outputs and impacts.

Commentary

Iberdrola has had its community investment data independently assured for 15 years, as part of its commitment to apply the B4SI Framework globally and systematically. B4SI, as global managers of the Framework, are pleased to have carried out the Assurance for the first time this year.

The data shows total community contributions decreasing by 30% in year ending 2021, mainly accounted for by extraordinary charitable gifts in 2020 as a response to the COVID-19 pandemic. Charitable gifts were not replicated to the same extent in 2021, which shifted motivations away from responding to urgent needs. As a consequence, strategic and longer-term community investment increased from 40% in of Iberdrola's total contributions in 2020 to 73% in 2021, in line with the trend in years prior to the pandemic.

Iberdrola uses an online platform built in line with the B4SI Framework, to gather data from the contributions of the group as well as the associated Foundations in the countries it operates. The platform allows for local reporting leads to log input, output and impact data in real time throughout the year. The platform also allows for activities not aligned with the B4SI framework to be logged and flagged or to reclassify when necessary.

To ensure a consistent approach is applied across the business, extensive notes and definitions are provided to those responsible for reporting the data based on B4SI Global Guidance. Training and clarifications from the global corporate Directorate allowed for a better reflection of the types of contributions in 2021, especially management costs and in-kind contributions. It is worth highlighting that the number of hours in paid working time spent by employees engaging in community activities increased 6% compared to last year.

Our review of the 2021 data showed an overall consistent application of the B4SI framework. Potential areas of improvement identified include further global alignment on the definition of projects and initiatives, and deepening training on the classification of contributions by type and motivation. The data available for assurance was extensive and detailed in most cases, showing good use of the portal as a reporting tool by those responsible for community activities.



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Directora Global B4SI

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The scope of the statement is limited to the reporting period

4th February 2022