MAS Business has been asked to provide assurance on Iberdrola’s application of the LBG community investment measurement model for the year to 31st December 2020.

The LBG model helps businesses to improve the management, measurement and reporting of their corporate community investment. It moves beyond charitable donations to include the full range of contributions (in employee time, in-kind and in cash) made to community causes, and assesses the actual results for the community and for the business.

The model was developed by a group of companies in 1994 as an internal evaluation tool and as a way to ensure greater consistency and comparability in external reporting. Today, the model is applied by leading companies internationally.

Iberdrola is a founder member of LBG España and is actively driving forward the measurement of community investment. During 2020 Iberdrola has been very active participating in the working groups created to improve the model, in relation to the capture of corporate volunteering impact data, and the treatment of Covid-19 related initiatives.

Our assessment

MAS Business undertook a detailed assessment of Iberdrola’s application of the LBG principles. Our work consisted in checking that initiatives had been correctly classified according to the LBG principles, as evidenced by supporting documentation when necessary, as well as ensuring the accuracy of the consolidation of the data reported by the Iberdrola Group. The work performed did not extend to an independent audit of the data.

In our opinion, Iberdrola’s community contributions data continues to reflect LBG measurement principles. In our commentary we review some of the developments in the data this year and identify some improvements that can be made as Iberdrola develops its application of the model in the future.
Commentary

This is the fourteenth year that assurance has been provided on Iberdrola’s community contributions data. Iberdrola has demonstrated that it continues to apply a systematic and comprehensive level of application of the LBG methodology for calculating its community investment.

For three years, Iberdrola uses a technological system to capture information regarding its community investment projects in the community, and in this way, it has managed to maximize the traceability of the reported data.

Compared to 2019, this year its community investment has increased by 60.2%, principally due to its response to the pandemic caused by Covid-19. This is reflected in a considerable increase in charitable gifts. Even so, Iberdrola has maintained its commitment with society, by continuing its community investments and commercial initiatives in the community.

Iberdrola is making an effort to go deeper into the measurement of its outputs and impacts regarding its community investment programmes, and we have noticed an improvement in the data related to volunteering. However, considering the relevance of its community commitment, we recommend that Iberdrola increase the capture of the results of the same.

Iberdrola meticulously classifies its programs, in accordance with United Nations’ Sustainable Development Goals, covering 96.3% of all its community investment. Although the SDGs are not contemplated in the LBG methodology, the LBG España group has incorporated them into its measurement tool. In this way, Iberdrola is able to have specific information of the incidence of its initiatives on the SDG.

John Scade
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