

LBG Assurance Statement

RED ELÉCTRICA DE ESPAÑA

MAS Business has been asked to provide assurance on Red Eléctrica de España, S.A.U's application of the LBG measurement model for the year to 31st December 2015.

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 more than 300 leading international businesses apply the model around the world.

In 2014 Red Eléctrica de España, S.A.U. joined LBG España (the Spanish LBG group, which is coordinated by MAS Business) which is actively driving forward the measurement of community investment in Spain.

Our assessment

MAS Business undertook a detailed assessment of Red Eléctrica de España's application of 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. The work performed did not extend to an independent audit of the data.

In our assessment, Red Eléctrica de España's community contributions data reflect the LBG measurement principles. In our commentary we identify some improvements that can be made as Red Eléctrica de España develops its application of the model in the future.

Commentary

This is the second year that Red Eléctrica de España S.A.U. has used the LBG model and has had its community contributions data assured. Red Eléctrica de España, S.A.U. has demonstrated a good understanding of the methodology and has applied the principles correctly to capture its community contributions.

So far Red Eléctrica de Spain, SAU has used the LBG methodology exclusively for reporting its contributions to social initiatives. However, during our work we have seen that it has sufficient information to report results. For this reason we recommend that it begins to use the model to provide aggregated information about the outputs and impacts of its community projects, and in so doing be recognised for its community contribution.

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John Scade

MAS Business

www.mas-business.com

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