



LBG Assurance Statement: Telefónica

Corporate Citizenship has been asked to provide assurance on Telefónica's application of the LBG measurement model for the year to 31st December 2013.

The LBG model provides a robust and credible framework which measures the real value and impact of corporate community investment to both business and society. It moves beyond charitable donations to include the full range of contributions (in employee time, in-kind, and in cash) made to community causes.

Our work has been limited to assuring the correct application of the LBG model. This is the seventh year that Telefónica has used the LBG model and it continues to be an active member of the LBG España group.

In our opinion, Telefónica continues to show that it understands the LBG model and that it applies its principles to the measurement of community activities at home and abroad. Below we identify some improvements that can be made as the company develops its application of the model in the future.

Commentary

Telefónica continues to set a standard by consistently and comprehensively applying LBG methodology to calculating its total community investment. We trust that in future Telefónica will increase its use of LBG to extend the reach of its application to capturing staff paid time dedicated to volunteering fully, and to reporting it in future years.

We note that a number of changes have been made to the programmes to increase the effectiveness of the impact that they have. We believe that in due course Telefónica should report on the outputs and impacts of some of its more significant programmes to enable more complete insight into the lasting contribution that it makes through these programmes.

Corporate Citizenship

15 April 2014

www.corporate-citizenship.com