

Atlantica Sustainable Infrastructure Plc

Renewable Power Production United Kingdom NAS:AY

ESG Risk Rating

7.6

Updated Feb 22, 2021

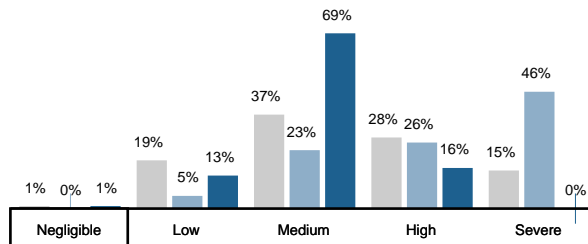
-5.3

Momentum

Negligible Risk



ESG Risk Rating Distribution



ESG Risk Rating Ranking

UNIVERSE	RANK	PERCENTILE
	(1 st = lowest risk)	(1 st = lowest risk)
Global Universe	21/13568	1st
Utilities INDUSTRY	1/574	1st
Renewable Power Production SUBINDUSTRY	1/67	1st

Peers Table

Peers (Market cap \$4.4 - \$5.9bn)

Peers (Market cap \$4.4 - \$5.9bn)	Exposure	Management	ESG Risk Rating
1. Atlantica Sustainable Infrastructure Plc	33.1 Low	81.4 Strong	7.6 Negligible
2. Ormat Technologies, Inc.	35.3 Medium	44.7 Average	20.5 Medium
3. Boralex Inc.	34.9 Low	34.8 Average	23.4 Medium
4. TransAlta Renewables Inc	32.1 Low	27.4 Average	23.7 Medium
5. Vivint Solar Inc	37.8 Medium	10.7 Weak	34.0 High

Atlantica Sustainable Infrastructure Plc

Renewable Power Production United Kingdom NAS:AY

ESG Risk Analysis

Exposure refers to the extent to which a company is exposed to different material ESG Issues. Our exposure score takes into consideration subindustry and company-specific factors such as its business model.

ESG Risk Exposure

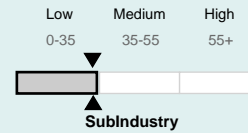
33.1

-2.7

Low

Momentum

Beta = 0.97



Atlantica owns solar and wind power plants, as well as electric transmission lines that traverse large tracts of land. As the operation or expansion of such assets can impact local residents, failure to achieve community approval might lead to protests and negative publicity. Moreover, the company's number of employees almost doubled in 2019 as a result of the acquisition of ASI Operations, the company which provides operation and maintenance services for the Solana and Mojave plants. Failure to successfully integrate new employees might expose Atlantica to skill shortage and operational disruptions. Additionally, the company's success relies on winning governmental bids for transmission line concessions. Potential acts of bribery or corruption meant to facilitate the winning of such bids, expose Atlantica to regulatory sanctions and scrutiny.

The company's overall exposure is low and is similar to subindustry average. Human Capital, Business Ethics and Community Relations are notable material ESG issues.

Management refers to how well a company is managing its relevant ESG issues. Our management score assesses the robustness of a company's ESG programs, practices, and policies.

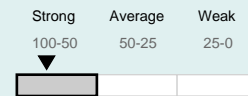
ESG Risk Management

81.4

+13.6

Strong

Momentum



Atlantica's 2019 ESG Report has been prepared in accordance with the GRI Standards: Core option which follows best practice, signalling strong accountability to investors and the public. In addition, the company's board of directors is responsible for the oversight of environmental risks and opportunities, as well as of the implementation of specific ESG initiatives. This level of oversight suggests ESG issues are integrated in core business strategy.

The company's overall management of material ESG issues is strong.

Atlantica Sustainable Infrastructure Plc

Renewable Power Production United Kingdom NAS:AY

Material ESG Issues

These are the Material ESG Issues driving the ESG Risk Rating.

Issue Name	ESG Risk Exposure	ESG Risk Management	ESG Risk Rating	Contribution to ESG Risk Rating
	Score Category	Score Category	Score Category	
Corporate Governance	9.0 High	64.1 Strong	3.2 Low	42.8%
Human Capital	4.0 Medium	60.6 Strong	1.7 Negligible	22.4%
Community Relations	5.7 Medium	87.5 Strong	1.2 Negligible	16.0%
Product Governance	3.6 Low	96.0 Strong	0.5 Negligible	6.5%
Business Ethics	4.0 Medium	93.8 Strong	0.4 Negligible	5.8%
Occupational Health and Safety	3.8 Low	100.0 Strong	0.4 Negligible	5.0%
Land Use and Biodiversity	3.0 Low	96.3 Strong	0.1 Negligible	1.5%
Overall	33.1 Low	81.4 Strong	7.6 Negligible	100.0%

Events Overview

Identify events that may negatively impact stakeholders, the environment, or the company's operations.

Category (Events)

 **Severe (0)**

 **High (0)**

 **Significant (0)**

 **Moderate (0)**

 **Low (0)**

Atlantica Sustainable Infrastructure Plc

Renewable Power Production United Kingdom NAS:AY

Events Overview

Identify events that may negatively impact stakeholders, the environment, or the company's operations.

Category (Events)

None (16)

Access to Basic Services

Accounting and Taxation

Anti-Competitive Practices

Bribery and Corruption

Business Ethics

Community Relations

Data Privacy and Security

Intellectual Property

Labour Relations

Land Use and Biodiversity

Lobbying and Public Policy

Marketing Practices

Occupational Health and Safety

Quality and Safety

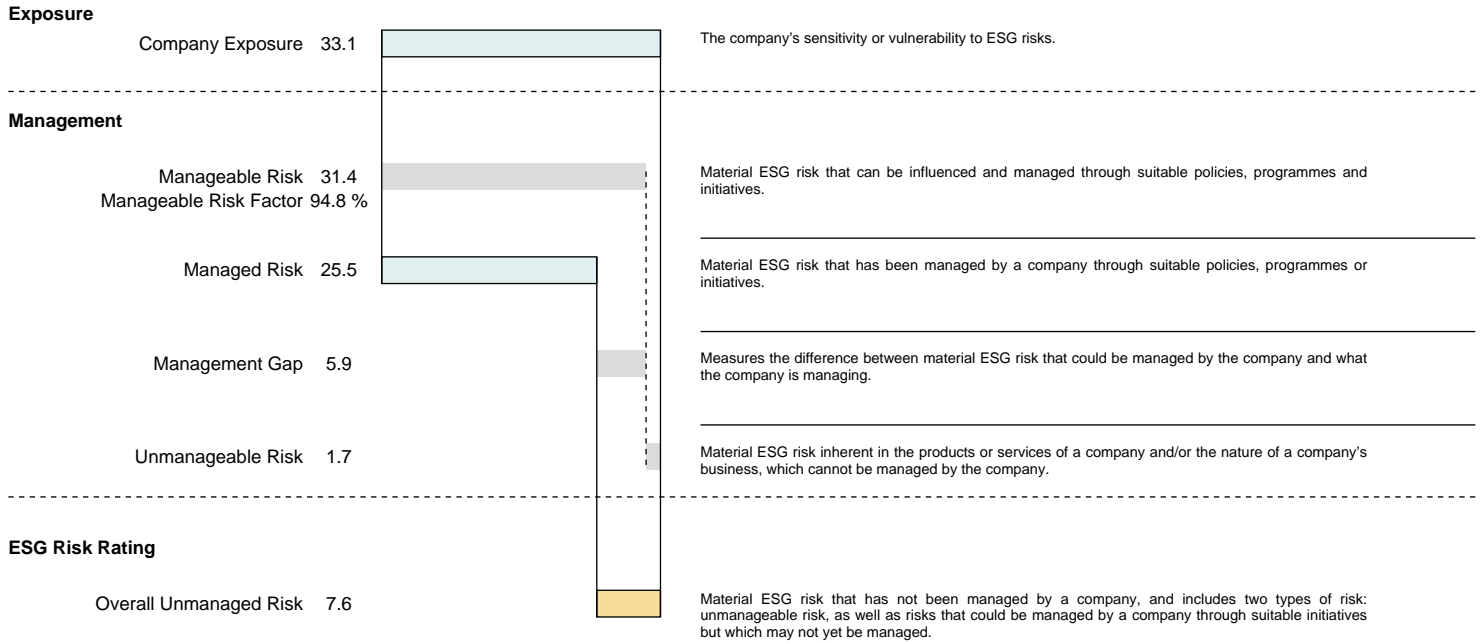
Sanctions

Society - Human Rights

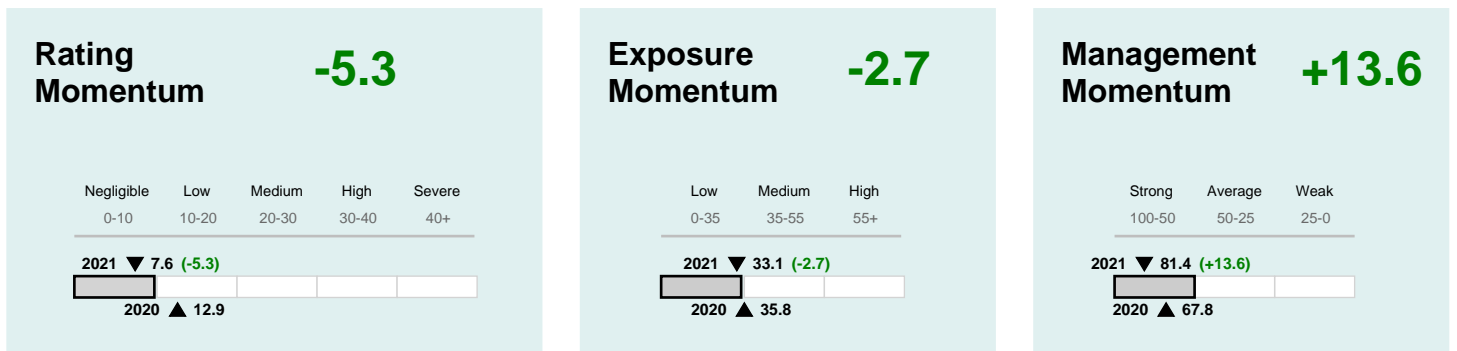
Atlantica Sustainable Infrastructure Plc

Renewable Power Production United Kingdom NAS:AY

Risk Decomposition



Momentum Details



Atlantica Sustainable Infrastructure Plc

Renewable Power Production United Kingdom NAS:AY

GLOSSARY OF TERMS

Beta (Beta, β)

A factor that assesses the degree to which a company's exposure deviates from its **subindustry's** exposure on a **material ESG issue**. It is used to derive a company-specific issue exposure score for a material ESG issue. It ranges from 0 to 10, with 0 indicating no exposure, 1 indicating the subindustry average, and 10 indicating exposure that is ten times the subindustry average.

Corporate Governance Pillar

A pillar provides a signal about a company's management of a specific Corporate Governance issue.

ESG Risk Category

Companies' **ESG Risk Rating scores** are assigned to five ESG risk categories in the **ESG Risk Rating**:

-  **Negligible risk:** enterprise value is considered to have a negligible risk of material financial impacts driven by ESG factors
-  **Low risk:** enterprise value is considered to have a low risk of material financial impacts driven by ESG factors
-  **Medium risk:** enterprise value is considered to have a medium risk of material financial impacts driven by ESG factors
-  **High risk:** enterprise value is considered to have a high risk of material financial impacts driven by ESG factors
-  **Severe risk:** enterprise value is considered to have a severe risk of material financial impacts driven by ESG factors

Note that because ESG risks materialize at an unknown time in the future and depend on a variety of unpredictable conditions, no predictions on financial or share price impacts, or on the time horizon of such impacts, are intended or implied by these risk categories.

ESG Risk Rating Score (Unmanaged Risk Score)

The company's final score in the **ESG Risk Rating**; it applies the concept of **risk decomposition** to derive the level of **unmanaged risk** for a company.

Event Category

Sustainalytics categorizes events that have resulted in negative ESG impacts into five event categories: Category 1 (low impact); Category 2 (moderate impact); Category 3 (significant impact); Category 4 (high impact); and Category 5 (severe impact).

Event Indicator

An indicator that provides a signal about a potential failure of management through involvement in controversies.

Excess Exposure

The difference between the company's **exposure** and its **subindustry** exposure.

Exposure

A company or **subindustry's** sensitivity or vulnerability to ESG risks.

Idiosyncratic Issue

An issue that was not deemed material at the **subindustry** level during the **consultation process** but becomes a **material ESG issue** for a company based on the occurrence of a Category 4 or 5 event.

Manageable Risk

Material ESG risk that can be influenced and managed through suitable policies, programmes and initiatives.

Managed Risk

Material ESG Risk that has been managed by a company through suitable policies, programmes and initiatives.

Management

A company's handling of ESG risks.

Management Gap

Refers to the difference between what a company has managed and what a company could possibly manage. It indicates how far the company's performance is from best practice.

Management Indicator

An indicator that provides a signal about a company's management of an ESG issue through policies, programmes or quantitative performance.

Material ESG Issue

A core building block of the **ESG Risk Rating**. An ESG issue is considered to be material within the rating if it is likely to have a significant effect on the enterprise value of a typical company within a given **subindustry**.

Subindustry

Subindustries are defined as part of Sustainalytics' own classification system.

Unmanageable Risk

Material ESG Risk inherent from the intrinsic nature of the products or services of a company and/or the nature of a company's business, which cannot be managed by the company if the company continues to offer the same type of products or services and remains in the same line of business.

Unmanaged Risk

Material ESG risk that has not been managed by a company, and includes two types of risk: **unmanageable risk**, as well as risks that could be managed by a company through suitable initiatives, but which may not yet be managed (**management gap**).

Atlantica Sustainable Infrastructure Plc

Renewable Power Production United Kingdom NAS:AY

DISCLAIMER

Copyright © 2021 Sustainalytics. All rights reserved.

The ownership and all intellectual property rights to this publication/report and the information contained herein are vested exclusively in Sustainalytics and/or its suppliers. Unless otherwise expressly agreed in writing between you and Sustainalytics, you will not be permitted to use this information otherwise than for internal use, nor will you be permitted to reproduce, disseminate, comingle, create derivative works, furnish in any manner, make available to third parties or publish this publication/report, parts hereof or the information contained herein in any form or in any manner, be it electronically, mechanically, through photocopies, recordings. The information on which this publication/report is based on reflects the situation as on the date of its elaboration. Such information has – fully or partially – been derived from third parties and is therefore subject to continuous modification. THE INFORMATION HEREIN IS PROVIDED SOLELY FOR INFORMATIONAL PURPOSES AND THEREFORE ARE NOT AN OFFER TO BUY OR SELL A SECURITY. NEITHER SUSTAINALYTICS NOR ALL ITS THIRD-PARTY SUPPLIERS PROVIDE INVESTMENT ADVICE (AS DEFINED IN THE APPLICABLE JURISDICTION) OR ANY OTHER FORM OF (FINANCIAL) ADVICE AND NOTHING WITHIN THIS PUBLICATION/REPORT CONSTITUTES SUCH ADVICE. SUSTAINALYTICS OBSERVES THE GREATEST POSSIBLE CARE IN USING INFORMATION, HOWEVER THE INFORMATION IS PROVIDED "AS IS" AND NEITHER SUSTAINALYTICS NOR ITS SUPPLIERS ACCEPT ANY LIABILITY FOR DAMAGE ARISING FROM THE USE OF THIS PUBLICATION/REPORT OR INFORMATION CONTAINED HEREIN IN ANY MANNER WHATSOEVER. MOREOVER, SUSTAINALYTICS AND ALL ITS THIRD-PARTY SUPPLIERS DISCLAIM ANY AND ALL WARRANTIES AND REPRESENTATIONS, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY, COMPLETENESS, ACCURACY OR FITNESS FOR A PARTICULAR PURPOSE.

This publication/report may contain proprietary information from third parties (Third Party Data) and here you can find additional terms and conditions imposed by the following Third Party Data providers regarding the use of their data:

www.sustainalytics.com/legal-disclaimers