Atlantica Sustainable Infrastructure Plc

Renewable Power Production   United Kingdom   NAS:AY

ESG Risk Rating

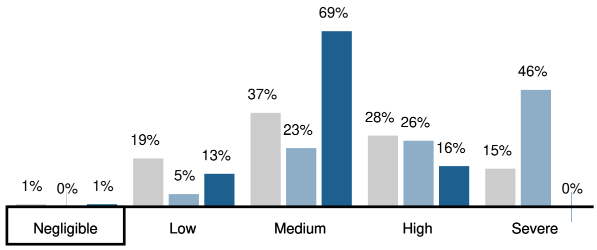
7.6
Updated Feb 22, 2021

-5.3
Momentum

Negligible Risk

NEGL	LOW	MED	HIGH	SEVERE
0-10	10-20	20-30	30-40	40+

ESG Risk Rating Distribution



ESG Risk Rating Ranking

UNIVERSE	RANK (1st = lowest risk)	PERCENTILE (1st = 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)	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**

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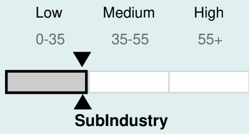
ESG Risk Analysis

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
Low
Beta = 0.97

-2.7
Momentum



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.

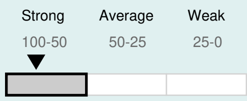
The company's overall exposure is low and is similar to subindustry average. Human Capital, Business Ethics and Community Relations are notable material ESG issues.

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
Strong

+13.6
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.

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Material ESG Issues

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

Issue Name	ESG Risk Exposure Score | Category	ESG Risk Management Score | Category	ESG Risk Rating Score | Category	Contribution to ESG Risk Rating
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)

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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

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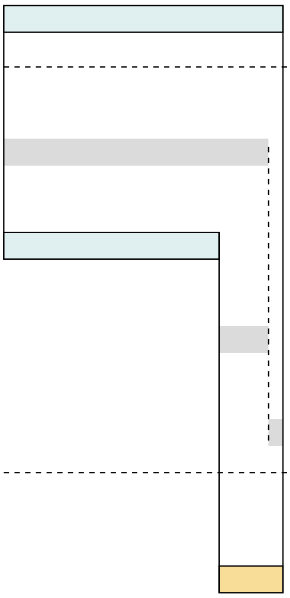
Risk Decomposition



Exposure

Company Exposure	33.1	The company's sensitivity or vulnerability to ESG risks.

Management

Manageable Risk Manageable Risk Factor	31.4 94.8 %	Material ESG risk that can be influenced and managed through suitable policies, programmes and initiatives.
Managed Risk	25.5	Material ESG risk that has been managed by a company through suitable policies, programmes or initiatives.
Management Gap	5.9	Measures the difference between material ESG risk that could be managed by the company and what the company is managing.
Unmanageable Risk	1.7	Material ESG risk inherent in the products or services of a company and/or the nature of a company's business, which cannot be managed by the company.

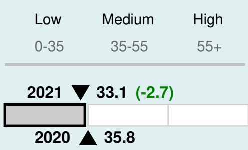
ESG Risk Rating

Overall Unmanaged Risk	7.6	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.

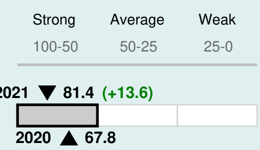
Momentum Details

Rating Momentum -5.3

Exposure Momentum -2.7



Management Momentum +13.6



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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).

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DISCLAIMER