

Atlantica

Sustainable Infrastructure

Supplement on ESG to the Integrated Annual Report 2022



About This Supplement on ESG to the Integrated Annual Report 2022

In March 2022, Atlantica issued its Integrated Annual Report 2022 which integrates our financial and non-financial information, including environment, social and governance (ESG) disclosures. This Supplement provides additional environmental, social and governance data which supplements the Integrated Annual Report 2022 and should be read in conjunction with it.

Information included in this Supplement on ESG to the Integrated Annual Report 2022 has been prepared following the same basis and principles than were used in the Integrated Annual Report. Information is as of December 31, 2022, except where otherwise noted. ESG data reported corresponds to all consolidated subsidiaries on a 100% basis, regardless of Atlantica's percentage of ownership in each of the subsidiaries. Currency amounts are expressed in U.S. Dollars unless otherwise noted.

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Environment

Net Zero Target

In 2022 our Board of Directors approved a new target to achieve Net Zero emissions by 2040. We target to reduce our Scope 1, Scope 2 and Scope 3 emissions by 90% by 2040 versus base year 2020 and we plan to neutralize the residual emissions to reach net-zero emissions and a state of no impact on the climate from GHG emissions.

Environmental Targets

For the year 2022 we set the following environmental targets:

Description	Unit	2022 Target
Total direct GHG emissions (Scope 1)	metric tonnes of CO2 equivalents	2,063,366
Total indirect GHG emissions (Scope 2) Location Based	metric tonnes of CO2 equivalents	242,572
Total indirect GHG emissions (Scope 2) Market Based	metric tonnes of CO2 equivalents	251,066
Total indirect GHG emissions (Scope 3)	metric tonnes of CO2 equivalents	883,776
Direct Nitrogen Oxide (NOx) emissions	metric tonnes	569.97
Direct Sulphur Dioxide (SOx) emissions	metric tonnes	1.0
Direct Particulate Matter (PM) / dust emissions	metric tonnes	4.2
Sulphur hexafluoride (SF6) emissions	metric tonnes	0
Total non-renewable energy consumption	MWh	8,863,196
Total waste disposed	metric tonnes	8,299
Total hazardous waste disposed	metric tonnes	998
Total net fresh Water Consumption	Million cubic meters	9.57
Total net freshwater consumption in water-stressed areas (Total water withdrawals – Total water discharges)	Million cubic meters	4.0

Biodiversity Exposure & Assessment

The table below shows a breakdown of our portfolio of assets by number of assets and by hectare.

We have identified all our assets, except for the water assets, as sites used for our own operational activities. Own operational activities include any business activity which may impact natural capital through its own operations, or by depending on critical commodities in its supply chain. Such activities may include power generation and transmission, among others.

We refer to pages 253 and 254 of our Integrated Annual Report 2022 for more detail on our portfolio.

	Number of assets	Hectares
Power generation assets (Own Operational Activities)	31	28,878
Transmission Lines (Own Operational Activities)	7	8,200
Water Assets	3	n/a
Total	41	37,078

Atlantica has assessed each site to identify those that are in proximity to critical biodiversity areas.

The table below shows a breakdown of assets that are in proximity of critical biodiversity areas. Four of our solar plants are close to protected areas, while two of our transmission lines cross some areas that are also considered protected. We refer to page 125 of our Integrated Annual Report 2022 for more detail.

	Number of assets	Hectares
Power generation assets (Own Operational Activities)	4	1,005
Transmission Lines (Own Operational Activities)	2	3,051
Water Assets	0	0
Total	6	4,056

Social

Percentage of women in non-managerial positions

Women by Category

	December 31, 2022		
	Male	Female	Total
Management	10	3	13
Middle Management ¹	109	24	133
Engineers and Graduates	166	98	264
Assistants and Professionals	14	35	49
Asset Operations Employees	486	33	519
Total	785	193	978

¹ Middle Management mainly consists of employees who: (i) manage a specific area, (ii) supervise a group of employees, or (iii) are considered key personnel within the organisation.

The percentage of women in non-managerial positions is 20%.

Executive Compensations linked to diversity, equity and inclusion

As of December 31, 2022, approximately 14% of the executives at Atlantica have compensations linked to diversity, equity and inclusion.

Paid Parental Leave

Atlantica offers to the employees based in the geography with the highest number of employees¹ a paid parental leave for the primary² and for the non-primary³ caregiver of 16 weeks. This refers to paid leave which is offered on top of normal paid vacation time in order to specifically support primary caregivers during pregnancy, after birth or for the adoption or fostering of a child. This paid leave is separate from other types of leave such as sick leave or paid time off.

(1) Refers to the employees based in the geography with the highest number of employees at Atlantica (i.e. 48% of total workforce as of December 31, 2022).

(2) The primary caregiver is the person primarily responsible for the care and upbringing of a child.

(3) A non-primary caregiver is a person with parental responsibility for a child that does not have primary responsibility for the care and upbringing of the child.

Workforce Breakdown

The table below shows a breakdown of our workforce according to racial and ethnic self-identifications as of December 31, 2022. This information follows guidance provided by the United Nations, OECD and ISS Governance.

Race/Ethnicity ⁽¹⁾	Share in total workforce (as % of total workforce)	Share in all management positions (as % of total management workforce)
Asian	4.2%	4.1%
Black or African American	4.1%	0.7%
Hispanic or Latino	20.8%	12.3%
White/ Caucasian	66.5%	73.3%
Indigenous or Native	0.8%	0.7%
Arab-Berbers	1.8%	6.8%
Two ethnicities or more	0.6%	1.4%
Unknown	1.2%	0.7%
Total	100.0%	100.0%

Training & Development Inputs

The tables below show a breakdown of the hours of training and development per age group, per race /ethnicity, per gender and per type of training for the twelve-month period ended on December 31, 2022.

Age group	% hours of training per age group	Share in total workforce (as % of total workforce)
Under 30	14.0%	15.5%
Between 30-50	75.8%	69.6%
Over 50	10.2%	14.9%
Total	100.0%	100%

Race /Ethnicity ⁽¹⁾	% hours of training per race / Ethnicity	Share in total workforce (as % of total workforce)
Asian	2.8%	4.2%
Black or African American	2.2%	4.1%
Hispanic or Latino	24.5%	20.8%
White/Caucasian	67.6%	66.5%
Indigenous or Native	0.3%	0.8%
Arab-Berbers	0.0%	1.8%
Two nationalities or more	0.6%	0.6%
Unknown	1.9%	1.2%
Total	100.0%	100.0%

⁽¹⁾ While no universal definition exists in international law, the term is used to refer to “tribal peoples whose social, cultural and economic conditions distinguish them from other sections of the national community, and whose status is regulated (wholly or partially) by their own customs or traditions or by special laws or regulations; and to peoples in independent countries who are regarded as indigenous on account of their descent from the populations which inhabited the country (or a geographical region thereof) at the time of conquest, colonization or establishment of present state, and who, irrespective of their legal status, retain some or all of their own social, economic, cultural and political institutions” (ILO, 1989)

Gender	% hours of training per gender	Share in total workforce (as % of total workforce)
Male	76.8%	80.0%
Female	23.2%	20.0%
Total	100.0%	100.0%

Type of training	% hours of training per type of training
Leadership	12.2%
Health and safety	30.9%
Technical	32.7%
Compliance	1.8%
Language	19.2%
Corporate	3.2%
Total	100.0%

Hiring Breakdown

The tables below show a breakdown of the number of employees hired per category and per race/ethnicity during the twelve-month period ended on December 31, 2022.

Category	Female	Male	Total	%
Middle management	1	6	7	3%
Senior Engineers and Graduates	13	25	38	19%
Engineers and Graduates	16	15	31	15%
Assistants and Professionals	5	6	11	5%
Operators	3	114	117	57%
Total	38	166	204	100%

Race/Ethnicity ⁽¹⁾	% of employees hired per race/ethnicity
Asian	2.5%
Black or African American	2.5%
Hispanic or Latino	28.9%
White/Caucasian	46.1%
Indigenous or Native	1.0%
Arab-Berbers	0.0%
Unknown	19.1%
Total	100%

Turnover Breakdown

The tables below show a breakdown of the employee turnover rates by category and by race/ethnicity during the twelve-month period ended on December 31, 2022.

Category	% of total turnover rate by category
Middle management	8.8%
Senior - Engineers & Graduates	6.2%
Engineers & Graduates	11.3%
Assistants and Professionals	6.2%
Operators	67.5%
Total	100%

Race/Ethnicity⁽¹⁾	% of total turnover rate by Race/ Ethnicity
Asian	0.0%
Black or African American	0.5%
Hispanic or Latino	18.6%
White/Caucasian	27.3%
Indigenous or Native	1.0%
Unknown	52.6%
Total	100%

Employee Development Program

Regarding our training program, we identify training categories to improve distinct sets of skills, integrate employees into Atlantica's team and culture, and as a measure to retain talented employees. We have 5 categories of training: Introduction to Atlantica, Management Skills, Technical Knowledge courses, Languages and Health and Safety.

The purpose of Management Skills training is to offer soft management skills courses to improve negotiation, team-work, team-building, decision-making, leadership and communication, among other skills.

Below we describe two examples of soft skills training that some employees received in 2022.

A) Name: Self-knowledge and Leadership skills training.

In 2022, 47 employees from Atlantica received this training.

The purpose of this training was to teach employees how to be a good leader. The content included: what resources do we have to connect with other employees, how to influence other people in a positive way and how to communicate effectively.

We believe that a good leader has a positive effect not only on their team but on the entire Company.

Quantitative impact: By having a good leader in our teams we may be able to motivate employees and have a better workplace. We expect these positives to translate into lower turnover rates and better performance of our employees.

B) Name: Public Speaking Communication

Description: During 2022, one employee received this training.

The program teaches how to identify personal strengths, understand non-verbal communication, increase confidence when speaking in public and provides techniques to maintain audience's attention. The methodology used during the training is "learning by doing". The participant does a real presentation and receives feedback from the teacher. This exercise is repeated as many times as needed.

The objective of this training was to provide our employee with tools and resources to speak in public with more confidence and to communicate efficiently with the audience.

Quantitative impact: We believe that by having better communication skills the employee will feel more confident and enhance their performance. Better communication skills with the team, with employees in other departments, suppliers, clients (among others) will enhance the overall performance of the employee.

Mean and Median compensation

For the year 2022, mean employee compensation for the consolidated group excluding the CEO was \$62.9 thousand and median compensation was \$41 thousand.

Customer Satisfaction

As of December 31, 2022, we have a small number of customers. In some cases, our customer is directly the electric system. At Atlantica, we have an in-house system that enables us to identify new customer necessities and update potential risks and implement appropriate mitigation actions regularly and quickly. We carry out regular face to face meetings and telephone or video calls. In addition, with some of our clients, we go through annual reviews where they verify that we comply with certain key areas. We have also made available communication channels to report any misconduct, including a whistleblower channel and a compliance email to communicate potential irregularities. We also leverage our financial and ESG disclosure, social media, press releases and website content to provide additional information to our customers.

We evaluate our customer relationships based on a rating scale of 0-10, where 0 is 'very poor' and 10 is 'excellent'.

Summary Internal Results by Geography	
Geography	2022
North America	9
South America	8
EMEA	9
Total	8.8

Social Targets

For the year 2022 we set the following target regarding our workforce breakdown per gender

	2022 Target
Share of women in all management positions, including junior, middle and top management (as % of total management positions)	18%

Human Rights Due Diligence

Atlantica's due diligence process is aimed at identifying and prioritizing any potential impact related to human rights. Our internal compliance team annually: (i) monitors that human rights are internally respected, (ii) provides human rights related training to our employees, and (iii) assesses the supply chain across the jurisdictions in which we operate to identify any potential breach regarding human rights.

Atlantica has internal policies and procedures to support and ensure human rights, including the Human Rights Policy, the Code of Conduct and the Supplier Code of Conduct (available at www.atlantica.com). In our Human Rights Policy, we state that Atlantica's principles are:

- ✓ Rejecting forced labor and child labor,
- ✓ Rejecting discrimination,
- ✓ Providing just, favorable and safe working conditions
- ✓ Freedom of association and right to collective bargaining
- ✓ Equal remuneration
- ✓ Respecting rights of local communities
- ✓ Rejecting human trafficking

We are committed to complying with international and local laws on human rights. Measures to identify, assess and mitigate potential risks relating to respecting human rights include that our new suppliers are subject to internal due diligence and, when applicable, required to confirm that their organization will comply with our corporate policies and our Supplier Code of Conduct (available at www.atlantica.com), which includes expectations with regards to sustainable development in the following areas: business integrity and ethical standards, human rights and labor standards, environmental sustainability, and reporting concerns and compliance monitoring.

In addition, at Atlantica’s Investment Committee we review that no new assets or potential investment partners have had human rights incidents or sanctions. This is part of the due diligence performed when analyzing potential investments or acquisitions. In this sense, and when appropriate, we verify that indigenous people and local communities are respected.

Governance

Key Management Share Ownership

Key management consists of a key management team with extensive experience in developing, financing, managing and operating contracted sustainable infrastructure assets. Our key management in 2022, 2021 and 2020 was:

Name	Position	Year of Birth
David Esteban	VP EMEA	1979
Emiliano Garcia	VP North America	1968
Irene M. Hernandez	General Counsel and Chief of Compliance	1980
Francisco Martinez-Davis	Chief Financial Officer	1963
Antonio Merino	VP South America	1967
Stevens C. Moore	VP Corporate Development	1973
Santiago Seage	Chief Executive Officer and Director	1969

Fixed remuneration for the Key Management excluding the CEO for the year 2022 was \$1,641 thousand. As of December 31, 2022, these executives excluding the CEO owned 152,381 shares of Atlantica, including non-vested shares units as of that date (68,526 shares and 83,855 restricted share units, convertible into shares in the future). Considering a share price of \$25.90 as of December 31, 2022, Key Management excluding the CEO owned shares representing 2.4 times their base salary. Excluding restricted share units and considering a share price of \$25.90 as of December 31, 2022, Key Management excluding the CEO owned shares representing 1.1 times their base salary.

Reporting on Breaches to Internal Policies

In 2022 we did not identify any breach to our Anti-Money Laundering policy or our Insider Trading policy. In addition, we did not identify any potential breach regarding our policies on Conflicts of Interest.

Cybersecurity

Atlantica has business continuity, contingency plans and incident response procedures in place. We intend to test these plans and procedures on a yearly basis.

Supply Chain Target

For the year 2022 we set the following target regarding our supply chain management:

	2022 Target
% of significant ⁽¹⁾ suppliers assessed	35%

(1) Significant suppliers are referred to as critical suppliers in the Integrated Annual Report 2022. We refer to such Annual Report for further information on critical suppliers.

September 1, 2023.