

# Atlantica

## Sustainable Infrastructure



# 2020 ESG Report



TASK FORCE ON  
CLIMATE-RELATED  
FINANCIAL  
DISCLOSURES



UNITED NATIONS  
**GLOBAL  
COMPACT**



**SUSTAINALYTICS**  
a Morningstar company



**CDP**  
DISCLOSURE INSIGHT ACTION

The Voice for Clean Capitalism

**Corporate Knights**



In support of

**WOMEN'S  
EMPOWERMENT  
PRINCIPLES**

Established by UN Women and the  
UN Global Compact Office

## Letter from the CEO

As we publish our 2020 Environmental, Social and Governance (ESG) report there is an ever-growing focus on the importance of renewable energy in the global energy mix and the increasing relevance of ESG and climate-change commitments for companies to reduce their GHG emissions.

Our strategy focuses on climate change solutions in the power and water sectors. We intend to continue to play an important role in the solution to climate change and our long-term strategy reflects this. Following a thorough analysis in 2021, the Board of Directors approved a new ambitious GHG emissions target, setting out to achieve a 70% reduction in Atlantica's emission rate per unit of energy generated by 2035 versus the 2020 base year. This is a particularly aggressive target for a company like Atlantica, where renewable energy production – an activity which already has a very low rate of emissions per unit of energy produced and is well below the average power production activities in traditional utilities – accounts for approximately 75% of our business. In 2020, our activities allowed us to avoid over 5 million tons of CO<sub>2</sub> emissions, and as part of our commitment to sustainability, we implemented a new GHG emissions offset mechanism that reduced our Scope 1 GHG emissions by 12%. We are also committed to ensuring that over 80% of our adjusted EBITDA, including unconsolidated affiliates, continue to be generated from low-carbon footprint assets such as renewable energy, storage, transmission infrastructure and water assets.

We also have an ambitious plan to continue growing our renewable energy business. In 2020, we invested approximately \$300 million in clean energy assets, and in 2021 we have already agreed acquisitions and investments amounting to more than \$350 million – including a renewable energy asset in California and a 49% stake in a portfolio of wind assets in the United States.

However, climate change and the environment is not our only area of focus. At Atlantica, safety remains at the forefront of everything we do – and this year is no exception. With this in mind, in February 2020, the company established a COVID-19 Committee aimed at monitoring the situation at each of our locations in order to ensure all necessary action was taken to minimize the risks affecting our employees, operations and stakeholders. We held 142 COVID-19 Committee meetings and implemented extensive health and safety measures at all our assets. In 2020, we also saw how the crisis caused by the COVID-19 pandemic took the digitalization of society to the next level, highlighting the dependence on a reliable energy supply. Throughout the pandemic, all our assets remained operational and provided a reliable service across all the geographies where we operate, with no disruptions in availability or production due to COVID-19.

In terms of the Social dimension, last year we improved our key health and safety indicators for a sixth consecutive year, achieving “Lost Time Injury” and “Total-Record Incident” rates well below the average across all our geographies. Additionally, considering that some communities where we operate are suffering and will continue to suffer the consequences of COVID-19, we donated PPE and basic supplies to these local communities. In 2020, we also launched an employee climate survey designed to actively listen to our employees. Participation was high and the general engagement with the Company was 77%, above the average for similar companies.

In terms of Governance, our Board has reviewed and approved all our ESG policies. In addition, as of December 31, 2020, all Board Committees only comprise independent members, two of

four Board Committees are chaired by women, and 25% of ethnic minorities are represented at Board level.

The good progress we have made in terms of our ESG commitments has been reflected by ESG rating entities. In February 2021, Atlantica was rated by Sustainalytics on its ESG Risk Rating assessment as having the lowest ESG risk within both the renewable power production and the broader utilities industry. Based on its score, Atlantica sits in the top 1% of companies in Sustainalytics' global ratings universe. In January 2021, we were also rated with an "A-" by CDP. January 2021 also saw us included in the Global 100 Most Sustainable Companies Index by Corporate Knights, where we were ranked 12<sup>th</sup> (2<sup>nd</sup> in the power sector). Finally, Atlantica was listed in the Bloomberg Gender-Equality Index for the first time.

Last, but not least, we are happy to report that over the past twelve months we have been able to leverage our positioning in ESG by closing over \$1 billion in new Green Financing. This includes project and corporate debt – from the banking sector and capital markets – that complies with all Green Bond and Loan Principles. We are pleased to see that the financial industry is actively promoting ESG development by allocating credits to sustainable projects and companies.

In summary, sustainability is a core part of our DNA and we are confident that we will keep on leading the transition to a sustainable, resilient and low-carbon economy, while continuing to protect our employees in the current COVID-19 pandemic.

Santiago Seage  
Chief Executive Officer

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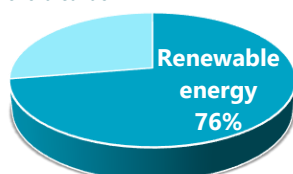
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# 1. Overview

## 1.1. Atlantica in Two Minutes

### Our Sustainable Infrastructure Businesses

Portfolio breakdown<sup>1</sup>



- Renewable energy
- Other sustainable infrastructure assets including storage, natural gas, transmission lines and water assets

**31 Assets**

100% contracted or regulated revenue<sup>2</sup>

**16 Years**

Weighted average years contracted life remaining<sup>3</sup>

**~\$10 Billion**

Total Assets

**>\$1 Billion**

Revenue

**Core Geographies: North America, South America and certain EMEA regions**

### Our Purpose

Our purpose is to support the transition towards a more sustainable world by investing in and managing sustainable infrastructure, while creating long-term value for our shareholders, employees, suppliers, customers, business partners, local communities and debt investors.

### 2020 Selected Key Financial and Operational Metrics

#### Financial Performance

**\$1,013 Million**

▲ 0.2% vs 2019

Revenue

**\$796 Million**

▼ 3.1% vs 2019

Adjusted EBITDA inc. unc. Aff.<sup>1</sup>

**\$201 Million**

▲ 5.5% vs 2019

Cash available for distribution<sup>4</sup>

**\$1.67**

▲ 6.4% vs 2019

Dividends per share paid (in \$)<sup>5</sup>

#### Operational Performance

**3,244 GWh produced<sup>6</sup>**

▲ 0.2% vs 2019

Renewable energy

**≥ 100%** Availability (%)<sup>7</sup>

Other sustainable infrastructure assets

<sup>1</sup> Portfolio breakdown calculated based on the average Adjusted EBITDA including unconsolidated affiliates for the years ended December 31, 2020, 2019 and 2018. Adjusted EBITDA including unconsolidated affiliates is calculated as profit/(loss) for the period attributable to the parent company, after adding back loss/(profit) attributable to non-controlling interest from continued operations, income tax, share of profit/(loss) of associates carried under the equity method, finance expense net, depreciation, amortization and impairment charges of entities included in the Annual Consolidated Financial Statements and the Consolidated Condensed Interim Financial Statements.

<sup>2</sup> Regulated in the case of the Spanish solar assets and Chile TL3 and non-contracted nor regulated in the case of Chile PV 1.

<sup>3</sup> Represents weighted average years remaining as of March 31, 2021 including announced acquisitions some of which have not closed yet.

<sup>4</sup> Cash Available for Distribution (CAFD): refer to cash distribution received by Atlantica Sustainable Infrastructure plc from its subsidiaries minus cash expenses of the Company, including debt service and general and administrative expenses.

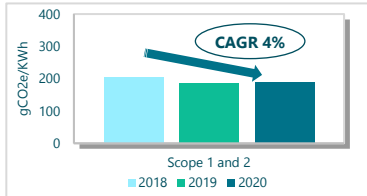
<sup>5</sup> Sum of the dividends per share paid to shareholders in each quarter of the year.

<sup>6</sup> Includes curtailment in wind assets for which we receive compensation.

<sup>7</sup> Availability refers to the time during which the asset was available to our client totally or partially, divided by contracted or budgeted availability, as applicable.

## Environment

### GHG Emissions



- Verified 100% of Scope 1, 2 and 3
- Increased CO<sub>2</sub> emissions avoided vs. 2019 ▲ 15%
- Implemented GHG offset mechanism

**NEW Climate change target: Reduce our GHG emission rate per unit of energy generated by 70% by 2035 (vs. 2020 base)**

- ✓ **Reduced hazardous waste** vs. 2019 ▼ 75%
- ✓ **Reused or recycled hazardous waste** vs 2019 ▲ 16%
- ✓ **3<sup>rd</sup> consecutive year withdrawing 50% or less of water available** under existing permits
- ✓ **Carbon pricing** to evaluate investments

**Climate change commitment: Maintain over 80% of our adjusted EBITDA including unconsolidated affiliates generated from low-carbon footprint assets<sup>8</sup>**

## Social

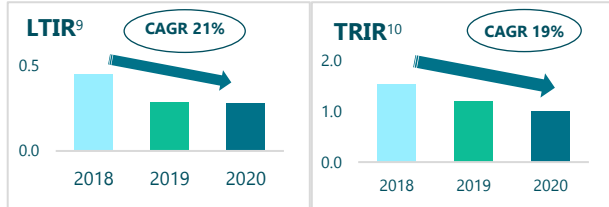
### Our Employees

Men **73%** **456** **27%** Women  
 333 men ▲ 5% vs. 2019 ▲ 7% vs. 2019 123 women ▲ 13% vs. 2019  
 - **24% of women at the management level** vs 21% in 2019  
 - **Employee voluntary turnover rate** ▼ 1% vs 2019

#### Other Key Facts

- ✓ **Community investments to mitigate COVID-19** pandemic consequences
- ✓ **Supply Chain Management** verification **100% internally, and >51% externally**

### Health and Safety Metrics



**Commitment: maintain a zero-accident culture**

- ✓ **6<sup>th</sup> consecutive year improving key health and safety indicators**

## Governance

Only **one class of shares.**  
**No Special rights**

**Independent Board** with diverse perspectives and expertise

**Board committees** only comprised of **independent members**

**25% women at Board Level**  
**25% ethnic minority**

**2 out of 4 Board committees**  
**chaired by women**

**All Compliance Documents**  
**updated in 2020**

## ESG Ratings

**SUSTAINALYTICS** "Negligible Risk"<sup>11</sup>  
a Morningstar company **7.6 ESG Risk Score**

**#1 Globally in Renewable Power and Utilities**

Renewable Power Production **#1** out of 67

Utilities **#1** out of 574

Global Universe **#21** out of 13,568

**CDP**  
DISCLOSURE INSIGHT ACTION

**"A-" rating**<sup>11</sup>

Risk score improved versus last year

The Voice for Clean Capitalism  
**Corporate Knights**

**12<sup>th</sup> Globally**  
**2<sup>nd</sup> in Power**

**Bloomberg**  
Gender Equality Index 2021

- ✓ **Selected in Bloomberg Gender Index Equality**

<sup>8</sup> Low-carbon footprint assets including renewable energy, storage, transmission infrastructure and water assets.

<sup>9</sup> Lost Time Injury Rate (LTIR) represents the total number of recordable accidents with leave (lost time injury) recorded in the last 12 months per two hundred thousand worked hours.

<sup>10</sup> Total Recordable Incident Rate (TRIR) represents the total number of recordable accidents with and without leave (lost time injury) recorded in the last 12 months per two hundred thousand worked hours.

<sup>11</sup> According to Sustainalytics ESG Risk Rating Summary Report dated February 22, 2021 and CDP Score Report – Climate Change 2020. For further information please see both reports on our website.



## 1.2 About This Report

### ***Standards and Reporting Framework***

This report has been prepared in accordance with the GRI Standards: Core option. The Global Reporting Initiative (GRI) was designed to help businesses, governments and other organizations understand and communicate the impact of business on critical sustainability issues. GRI standards are issued by the Global Sustainability Standards Board (GSSB) and are the most widely adopted global standards for sustainability reporting. Our 2020 ESG report qualifies at GRI's core level. We also provide information on additional standard disclosure where data is available. Use of GRI Standards is voluntary.

In addition, this report has been prepared following the guidance provided by the Sustainability Accounting Standards issued by the Sustainability Accounting Standards Board (SASB) for Electric Utilities classified as IF0101 under the Sustainable Industry Classification System (SICS). We have also followed Solar Energy SASB Standards for those aspects which are material to our business. The Sustainability Accounting Standards are intended for use in communications to investors regarding sustainability issues that are likely to impact corporate ability to create value over the long term. Use of SASB standards is voluntary.

We have also followed the disclosure recommendations issued by the Task Force on Climate-related Financial Disclosures (TCFD).

Data in this report is as of December 31, 2020, except where otherwise noted. Comparative data for the last two years ended December 31, 2019, and 2018 is also provided. Our 2019 ESG Report, available at [www.atlantica.com](http://www.atlantica.com), provides additional disclosure for the years ended in 2019 and 2018.

Data reported corresponds to all consolidated subsidiaries on a 100% basis, regardless of Atlantica's percentage of ownership in each of the subsidiaries. In addition, associates recorded under the equity method are included for certain indicators.

A multi-disciplinary team consisting of corporate and business units participated in the preparation of this report to guarantee the completeness, accuracy and reliability of the information included.

Currency amounts are expressed in U.S. Dollars unless otherwise noted.

This 2020 ESG report is available for download in pdf on our website.

### ***Reporting Principles for Defining Report Content***

The 2020 Sustainability Report is addressed to Atlantica's stakeholders and is designed to present the actions following the Company's sustainability strategy and to respond to the expectations of all stakeholders. In contrast to previous years, the structure of the document has been revised to include new chapters on sustainability governance, digital transformation and data security, and supply chain management. The report also contains enhanced disclosures based on GRI requirements, international best practices and peer and sector frameworks.

To ensure an understanding of Atlantica's activities, performance, results and impact, this document covers environmental, social and governance topics that are material to the Company, in line with the process described below.

## A. Stakeholder Inclusiveness

Our stakeholders have a broad range of interests and viewpoints. We believe that collaboration with them is key to our success. As such, we listen and do our best to gain stakeholders' trust, thus leading to a more stable and long-term relationship. Across the Company, we engage with our stakeholders to obtain input that can be helpful as we execute on our strategy.

We believe that systematic stakeholder engagement, executed properly, is likely to result in ongoing learning within the Company, as well as increased accountability to a range of stakeholders.

In 2020, our Board of Directors approved a new Stakeholder Policy to emphasize the importance of collaboration with our shareholders, employees, suppliers, customers, business partners, local communities and debt investors to generate a stable and predictable business environment.

We have made a two-way engagement channel available for our stakeholders to build trusting long-term relationships:

Key stakeholders	Face-to-face meetings, video or phone calls <sup>1</sup>	ESG Report <sup>2</sup>	Social Media <sup>1</sup>	Materiality Assessment Survey <sup>2</sup>	Press Releases <sup>1</sup>	Website Content <sup>1</sup>	Whistleblower Channel <sup>3</sup>	Annual General Meeting (AGM) <sup>2</sup>	Earnings Presentations <sup>4</sup>	Roadshows <sup>4</sup>	Intranet <sup>1</sup>	Employee Climate Survey <sup>5</sup>	Training <sup>1</sup>
Shareholders	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			
Employees	✓	✓	✓	✓	✓	✓	✓				✓	✓	✓
Suppliers	✓	✓	✓	✓	✓	✓	✓						✓
Customers	✓	✓	✓	✓	✓	✓	✓						
Business Partners	✓	✓	✓	✓	✓	✓	✓						
Local Communities	✓	✓	✓		✓	✓	✓						
Debt Investors	✓	✓	✓	✓	✓	✓	✓		✓	✓			

<sup>(1)</sup> Regular or on an as-needed basis; <sup>(2)</sup> On an annual basis; <sup>(3)</sup> Always available; <sup>(4)</sup> On a quarterly basis; <sup>(5)</sup> At least every three years and intend to increase its frequency moving forward.

## B. Sustainability Governance

At Atlantica, we are determined to be part of the solution to climate change as a key pillar of our long-term strategy.

The Board of Directors is the highest level of responsibility for ESG and climate change as it is the definitive decision-making body. The CEO, in his executive role and as Director of the Board, has a leading position and responsibility over ESG and climate-related issues.

ESG encompasses many of Atlantica's key daily and long-term activities. It is a cross-functional activity that involves multiple internal departments. At the management level, we have undertaken a holistic approach to ESG. We have assembled committees with different responsibilities based on Atlantica's priorities. These committees are led by senior management members with diverse perspectives and experience to efficiently and effectively address ESG related issues, risks and opportunities.

Please read our Sustainability Governance section for further details on the integration of ESG functions in the Company.



### C. Materiality Assessment

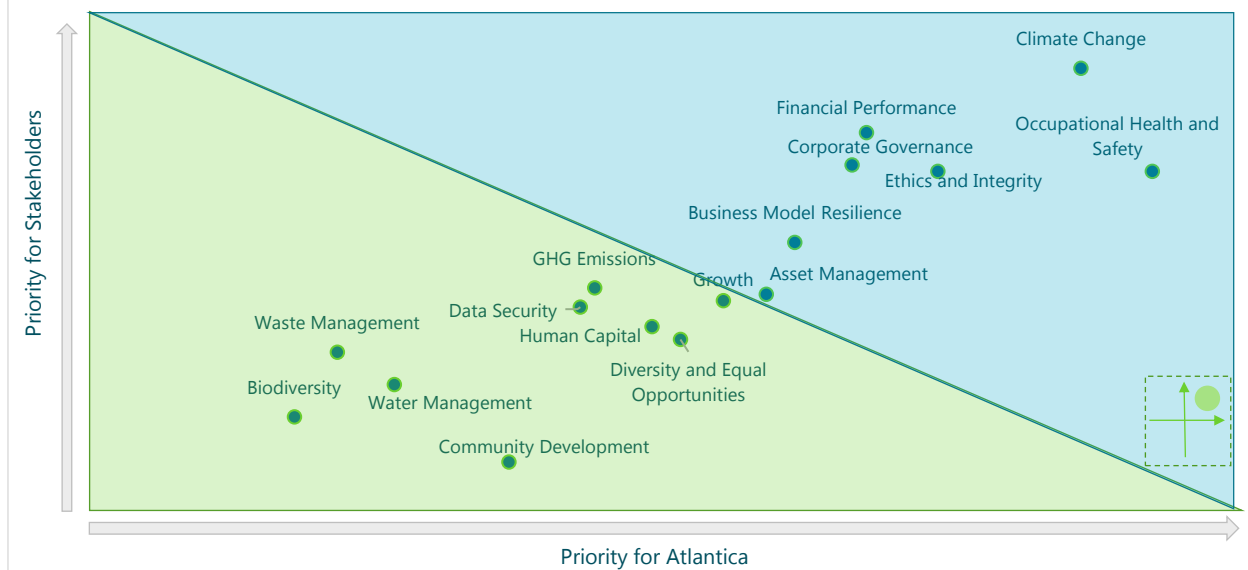
We consider an issue to be material when it influences a decision, an action or the performance of an organization, as well as any aspects that substantially influence the evaluations and decisions of stakeholders. Our materiality assessment is based on international sustainability standards GRI and SASB, ESG rating entity assessments, and peer and industry frameworks.

The materiality assessment is one of the most important tools Atlantica has to set its priorities. It provides critical information on economic, environmental, social and corporate governance impacts, as well as any aspects that may substantially influence our decision making-process. In particular, it enables us to identify and manage potential risks and opportunities, focus on key ESG priorities that our stakeholders care about most, and communicate on their progress.

In 2020 we undertook a comprehensive analysis of our material key issues. We gained input on key priorities through a survey sent to 50 internal and external stakeholders, as well as through the two-way stakeholder engagement channel previously described. The materiality process was divided into four main stages, as shown in the table below:

<b>Stages of the Process</b>	<b>ESG-issue identification</b>	<b>Stakeholder identification</b>	<b>Assessment of the priorities assigned by the stakeholders to the issues</b>	<b>Assessment of the priorities to the issues in corporate strategies</b>
<b>Objectives</b>	Identification of issues potentially significant for stakeholders and the Company	Identification of stakeholder categories significant for the Company	Stakeholder results analysis. Evaluate priorities assigned to ESG topics	Assessment of the Company's strategic positioning on each ESG issue
<b>Results</b>	ESG issues mapping	Stakeholder mapping	Stakeholder priorities placed along the vertical axis (y) of the materiality matrix	Atlantica's priorities placed along the horizontal axis (x) of the materiality matrix

## Atlantica's Materiality Matrix



Note: Atlantica's Management considers all topics disclosed in the Materiality Matrix when planning and executing business activities, independently to their priority level as shown in the Matrix.

The contents of this report have been selected based on this materiality analysis. Atlantica's management determined while reviewing 2020's materiality assessment process, and after analyzing international best practices, ESG rating entities assessments, and peer frameworks, that it was important to disclose our approach to Sustainability Governance and Supply Chain Management in this report.

### **Data Verification**

Atlantica's management is responsible for the completeness, accuracy and validity of the information contained in this report. The data presented is based on the input received from internal data collection, management systems and external stakeholders. Certain parts of this report have been subject to external and/or internal assurance. We conduct regular internal audits to review our management system, including the procedures to collect information from our assets and the main data reported.

In 2020, Atlantica's complete greenhouse gases inventory was externally verified. In Mexico, our Scope 1 and 2 greenhouse emissions were verified by ANCE, a leading certification association across industries in Mexico. In Spain, our Scope 1 greenhouse emissions were verified by AENOR, a not-for-profit entity that fosters standardization and certification across industrial and service sectors. The rest of our greenhouse gases inventory was verified by DNV GL, an independent expert in assurance and risk management. In addition, our data related to water withdrawals and water returned to the source is obtained from water meters controlled by local water authorities.

Although the ESG report has not been subject to a full process of independent external assurance, a portion of the information contained herein relating to the 2020 financial year and to previous years comes from the U.K. Annual Report, which has been subject to an external auditor's review.

Atlantica's Board of Directors approved this report prior to its publication.

To provide feedback on our Sustainability Report, please contact us at [sustainability@atlantica.com](mailto:sustainability@atlantica.com) or [ir@atlantica.com](mailto:ir@atlantica.com).

## 1.3 Our Sustainable Business Model and Strategy

Atlantica Sustainable Infrastructure plc (hereinafter “we”, “our”, the “Company” or “Atlantica”), a Company registered in England and Wales and incorporated in the United Kingdom, is a sustainable infrastructure company with a majority of our business in renewable energy assets. In 2020, our renewable sector represented approximately 74% of our revenue with solar energy representing approximately 70% and we helped to avoid up to 5.4 million tons of CO<sub>2</sub> compared with a 100% fossil fuel-based generation plant. We complement our renewable energy assets portfolio with storage, efficient natural gas and transmission infrastructure assets, as enablers of the transition towards a clean energy mix. We are also present in water infrastructure assets, a sector at the core of sustainable development. Our purpose is to support the transition towards a more sustainable world by investing in and managing sustainable infrastructure, while creating long-term value for our investors and the rest of our stakeholders.

As of December 31, 2020, we own or have an interest in a portfolio of diversified assets in terms of business sector and geographic footprint. Our portfolio consists of 27 assets with 1,551 MW of aggregate renewable energy installed generation capacity (of which approximately 90% is solar), 343 MW of efficient natural gas-fired power generation capacity, 1,166 miles of electric transmission lines and 17.5 M ft<sup>3</sup> per day of water desalination.

We currently own and manage operating facilities in North America (United States, Canada and Mexico), South America (Peru, Chile and Uruguay) and EMEA (Spain, Algeria and South Africa). We intend to expand our portfolio, while maintaining North America, South America and Europe as our core geographies.

Our assets generally have contracted revenue (regulated revenue in the case of our Spanish assets and one transmission line in Chile). We focus on long-life facilities, as well as long-term agreements that we expect to produce stable, long-term cash flows. As of December 31, 2020, our assets had a weighted average remaining contract life of approximately 17 years. Most of the assets we own, or which we hold an interest in, have project-finance agreements in place.

At Atlantica, we follow a simple business model:

1. Invest in sustainable assets preferably with contracted or regulated revenue considering climate change commitments and targets
2. Manage our assets sustainably to create long-term value to our stakeholders, including complying with all internal and external rules and regulations and proactively managing ESG risks
3. Maintain a balanced portfolio diversified by geography and sector, ensuring that a very high percentage of our business relates to renewable energy production
4. Hold assets in “self-sustained” subsidiaries with non-recourse ring-fenced amortizing project debt
5. Strong human capital focus, with teams with local presence focused on asset management, health and safety, and operation and maintenance
6. Prudent financial policy with limited leverage at corporate level and leveraging on our positioning in ESG to raise green financing

### ***Our Strategy***

We intend to grow our business by investing in sustainable infrastructure, with a focus on high-quality, long-term agreements. We believe that we can create more value over time by investing mostly in assets that avoid greenhouse gas emissions, including energy efficiency and renewable energy assets.

We intend to take advantage of and leverage our growth strategy on favorable trends in clean power generation, energy scarcity and the focus on reducing carbon emissions. Our portfolio of operating assets and our strategy focus on sustainable technology including renewable energy, storage, efficient natural gas, and transmission networks as enablers of a sustainable power generation mix, as well as water infrastructure.

According to Bloomberg New Energy Finance 2020, in most markets renewable energy is expected to represent the majority of new investments in the power sector:

### Renewable Energy and Storage

- Approximately 68% of the world's power generation by 2050 is expected to come from renewable energy sources, which indicates that renewable energy is becoming mainstream.
- Global installed capacity is expected to shift from 56% fossil fuels today, to approximately two-thirds renewables by 2050.
- A 14-terawatt expansion of generating capacity is estimated to require approximately \$15.1 trillion of new investment between now and 2050, of which approximately 73% is expected to go to renewables. Another approximately \$1 trillion of investment is expected in batteries.

### Efficient Natural Gas

- Support wind and solar in the mid-term.

### Transmission and Distribution Networks

- \$14 trillion in expected investment globally between now and 2050 in transmission and distribution to support renewable energy.

Source: Bloomberg New Energy Finance 2020

We believe that regions will need to complement investments in renewable energy with investments in storage, efficient natural gas and transmission networks. We believe that Atlantica is well positioned to benefit from the expected transition towards a more sustainable power generation mix. In addition, we believe that water is going to be the next frontier in a transition towards a more sustainable world. New sources of water are needed worldwide, and thus water desalination and transportation infrastructure should help make that possible. Atlantica currently has interests in three water plants with a total capacity of 17.5 million cubic feet per day.

Investing in sustainable infrastructure is only one part of our strategy. Managing those assets in a sustainable way is key to creating long-term value. In this regard, we have launched several initiatives to ensure that we efficiently and sustainably manage key areas of our Company:

- 1. Zero-accident culture.** Health and Safety is our number one priority and we want our employees, partners and contractors to apply the highest standards to ensure safe and sustainable operations. In 2020 we improved our main health and safety metrics compared to 2019. "Total Recordable Incident Rate" decreased by 16% and we maintained our "Lost Time Injury Rate" compared to 2019. Both indicators are well below sector averages in all our geographies. In 2020, 65% of our assets achieved more than 1,000 days without lost time accidents and 80% over 500 days without lost-time accidents. As the only acceptable objective is no accidents of any kind, we will continue to focus all of our efforts on continuing to improve.

**2. Improved our Ethics and Corporate Governance culture.** In 2020 the Board updated and issued several key documents following our long-term strategy:

- Compliance documents, for example, Code of Conduct and Supplier Code of Conduct.
- Health and Safety Policy.
- Environmental Policy.
- Biodiversity Policy.
- Community Development and Involvement Policy.
- Asset Management Policy.
- Board Diversity and Inclusion Policy (new)
- Stakeholder Policy (new).

These policies are available on our website ([www.atlantica.com](http://www.atlantica.com)).

### **3. Very good progress on our ESG credentials**

- a. In February 2021, **Sustainalytics** updated its rating on Atlantica's ESG factors. Atlantica was rated in the ESG Risk Rating assessment as the **top company within both the renewable power production and the broader utility industry**, and in **the top 1% in the global rating universe**, improving its score versus last year.

Sustainalytics, a Morningstar company, is a leading global ESG research, ratings and data firm which rates more than 12,000 companies. Sustainalytics' ESG Risk Ratings measure a company's exposure to industry-specific material ESG risks and how well a company is managing those risks. Sustainalytics' ESG Risk Ratings provide a quantitative measure of unmanaged ESG risk.

- b. In January 2021, Atlantica was recognized as **one of the World's 100 Most Sustainable Corporations** in the 17<sup>th</sup> edition of the Global 100 Most Sustainable Companies Index, issued annually by Corporate Knights. Atlantica ranked #12 in the Global 100 index and #2 in Power Generation.

Corporate Knights, the Toronto-based sustainable-business magazine and research company assessed 8,080 companies with revenue over US\$ 1 billion before releasing its world's 100 most sustainable corporations ranking. The list includes 100 companies from 26 countries, mainly from North America and Europe, from 37 business sectors.

- c. Bloomberg updated Atlantica's ESG evaluation and issued a 69-point scoring, thereby ranking Atlantica among the best in its sector.

Bloomberg also included Atlantica in its Gender-Equality Index (GEI). The GEI includes 380 companies across 11 sectors and 44 countries and regions. It measures disclosure and gender equality using indicators across five areas: female leadership and talent pipeline, equal pay and gender pay parity, inclusive culture, sexual harassment policies, and pro-women brand.

- d. In December 2020, the **Carbon Disclosure Project (CDP)** issued Atlantica's 2020 climate change rating. It rated us "**A-**", a score which corresponds to leading companies on environmental transparency and action.

CDP is a leading provider of environmental management and transparency and rates more than 9,600 companies with assets of US\$106 trillion and representing over 50% of global market capitalization.

- e. In January 2018, Atlantica joined the **United Nations Global Compact** (UNGC) the world's largest corporate sustainability initiative. Atlantica annually confirms its support for the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Anti-Corruption. We are committed to aligning our actions to 7 of the 17 Sustainable Development Goals, including Affordable and Clean Energy and Climate Action.

#### 4. **Reporting our activities under the European Taxonomy**

The European Union (EU) Taxonomy defines economic activities that can be considered environmentally sustainable. It is aimed at investors, companies and financial institutions, covers a wide range of industries and is expected to create security from greenwashing, and help companies to plan the transition to a decarbonized economic model. Reporting based on the EU taxonomy is not mandatory for Atlantica, but we have decided to report those business sectors compliant to the EU taxonomy.

	Revenue	EBITDA	New Investments
Taxonomy aligned: Renewable energy (solar, wind and hydro) and transmission lines contributing to climate change mitigation	85%	83%	99%
Under analysis	4%*	4%*	1%*
<b>Total</b>	<b>\$1,013.3 million</b>	<b>\$796.1 million</b>	<b>\$302 million</b>

(\*) We are analyzing if our water desalination plants are compliant with the EU taxonomy.

#### 5. **Closed green financing transactions at corporate and asset level**

In 2020, we developed a Green Finance Framework to issue green finance instruments to finance or refinance renewable energy infrastructure, as well as transmission lines dedicated to bringing renewable energy to the grid. The Framework is aligned with our strategy and the use of proceeds will contribute to the advancement of the UN Sustainable Development Goals (SDGs) of Affordable and Clean Energy. The framework has a Second Party Opinion (SPO) delivered by Sustainalytics.

a. Corporate debt agreements.

- In July 2020, we issued **Green Exchangeable Notes of \$115 million** with the aggregate principal amount due in 2025.

The proceeds from the Green Exchangeable Notes were primarily used to finance the acquisition of new or ongoing assets or projects which meet certain eligibility criteria in accordance with our Green Finance Framework. The Green Exchangeable Notes comply with the Green Bond Principles.

- In April 2020, we **closed a Green Private Placement** of approximately \$354 million (€300 million) in Senior Secured Notes in Euros and due in 2026. The proceeds were primarily used to fully repay and cancel all series of notes issued under the Note Issuance Facility 2017. The 2020 Green Private Placement complies with the Green Bond Principles.

b. Project debt refinancing.

- In April 2020, we **closed a Green Project Financing** that resulted in a net recap of approximately \$143 million that we used to finance new investments in renewable

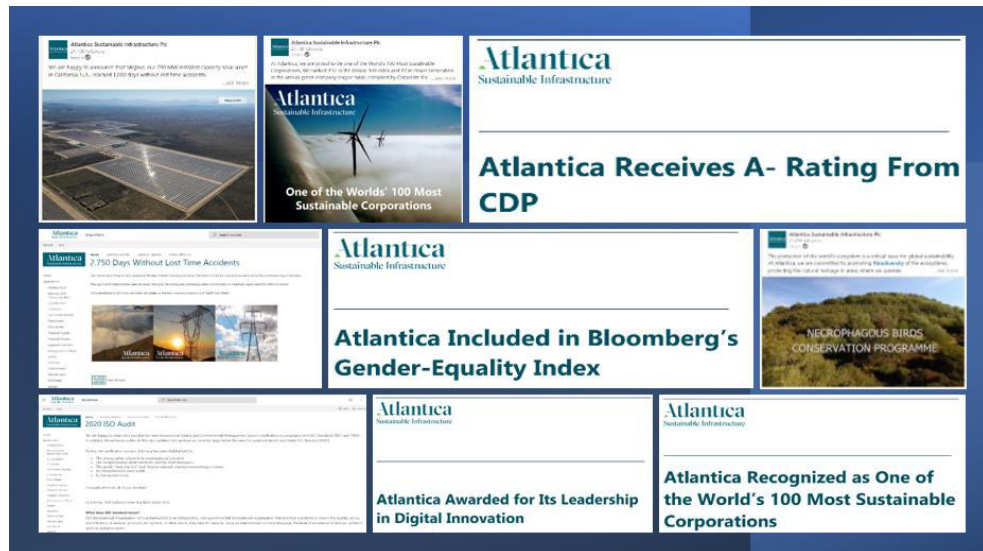


energy assets. The green non-recourse financing was issued in compliance with the Green Loan Principles.

In April 2021, following the Green Finance Framework reporting requirements, we published a Green Finance Report on our website with a list of the green projects to which the green bond and loan proceeds have been allocated.

## 6. Improved our environment and social awareness

In 2020, we undertook a proactive approach on social media to increase ESG awareness among our stakeholders.



Source: In-house

## 7. Implemented a mechanism to offset GHG emissions

Global warming is a challenge that requires the active participation of public and private organizations. As part of our commitment to sustainability, we regularly analyze initiatives to mitigate our GHG emissions. As a result, in 2020 we offset 200,000 tons of Scope 1 CO<sub>2</sub> emissions through Voluntary Carbon Credits, reducing our total GHG emissions by 7%, and our scope 1 GHG emissions by 12%.

We encourage you to continue reading our GHG Emissions section for more detailed information on our emissions.

## **Growth Strategy**

Our sustainable growth strategy is backed by several sources, all of them with a clear focus on clean energy and water infrastructure assets.

We believe Atlantica can achieve organic growth through the optimization of the existing portfolio, escalation factors at many of our assets and the expansion of current assets, particularly our transmission lines, to which new assets can be connected. The Company currently owns three transmission lines in Peru and four in Chile. We believe that current regulations in Peru and Chile should provide an opportunity for growth via the expansion of transmission lines to connect new clients. Additionally, we should have repowering opportunities in certain existing renewable energy assets.

We also expect to acquire assets from third parties leveraging the local presence and network we

have in geographies and sectors in which we operate. We have also entered into and intend to enter into agreements or partnerships with developers and asset owners to acquire assets. We also invest directly and through investment vehicles with partners in assets under development or construction. Additionally, we have a ROFO agreement with AAGES, a joint venture created by Algonquin. Algonquin owns a 44.2% stake in our capital stock.

With this business model we expect to distribute a significant percentage of our cash available for distribution (CAFD)<sup>12</sup> as cash dividends. We will seek to increase such cash dividends over time through organic growth and through the acquisition of assets. Pursuant to our Cash Dividend Policy, we intend to pay a cash dividend each quarter to holders of our shares.

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<sup>12</sup> Cash Available for Distribution: refer to cash distribution received by Atlantica Sustainable Infrastructure plc from its subsidiaries minus cash expenses of the Company, including debt service and general and administrative expenses.

## Our Purpose and Values

### Our Purpose

Our purpose is to support the transition towards a more sustainable world by investing in and managing sustainable infrastructure, while creating long-term value for our stakeholders.

### Our Values

Our values define who we are and how we behave both as individuals and as a Company. These values, described below in order of importance, serve as a compass for our day-to-day decisions and guide our relationships with stakeholders.



**Integrity, Compliance and Safety.** We will always do what is right. We continuously strive for the highest standards of business conduct, safety and professionalism, even if it means making difficult choices. We are strongly committed to complying with all rules and regulations.



**Value creation.** We pursue a proactive approach to creating long-term value for our shareholders. Our core corporate policies are supported by a solid commitment to risk management that guides all our decisions.



**Sustainability.** We invest in assets that are environmentally sustainable and we manage them sustainably. We follow policies that analyze, evaluate and propose measures aimed at minimizing the environmental impacts of our business activity.



**Excellence and Efficiency.** We believe in outstanding and disciplined asset management of our operations to be the best-in-class operator, while seeking excellence on a cost-efficient basis.



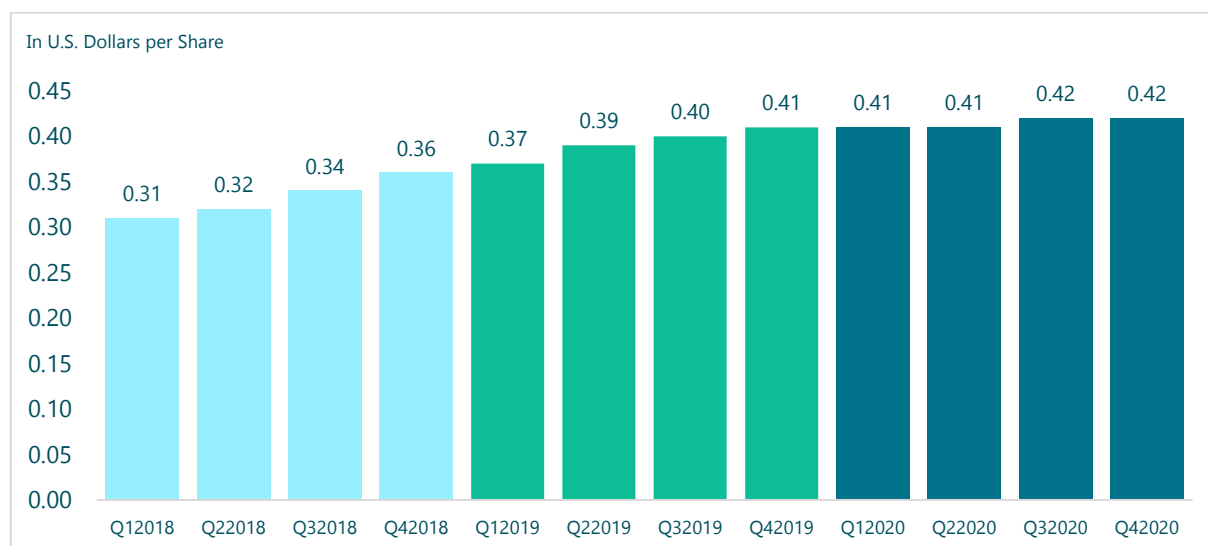
**Collaborative Environment.** Respect and Teamwork are key to achieving our goals. We treat others as we would like to be treated ourselves and we put the team ahead of personal success. To build strong teams, we recruit, train and promote the best people.

## 1.4 Key Business Highlights

### Revenue, EBITDA, Cash Available for Distribution and Dividend

\$ in million	2018	2019	2020
<b>Revenue</b>	<b>1,044</b>	<b>1,011</b>	<b>1,013</b>
Adjusted <b>EBITDA</b> including unconsolidated affiliates <sup>13</sup>	<b>859</b>	<b>821</b>	<b>796</b>
<b>Cash Available for Distribution (CAFD)</b>	<b>172</b>	<b>190</b>	<b>201</b>
<b>Dividends per share paid</b> (amount in dollars)	<b>1.33</b>	<b>1.57</b>	<b>1.67</b>

### Atlantica's Quarterly Dividend



<sup>13</sup> Adjusted EBITDA including unconsolidated affiliates includes our share in EBITDA of unconsolidated affiliates.

## Selected Operational Performance Metrics

	2018	2019	2020
<b>Renewable energy</b>			
MW in operation <sup>14</sup>	1,496	1,496	1,551
GWh produced <sup>15</sup>	3,058	3,236	3,244
<b>Efficient natural gas</b>			
MW in operation <sup>16</sup>	300	343	343
GWh produced <sup>17</sup>	2,318	2,090	2,574
Electric Availability (%) <sup>16/17</sup>	99.8%	95.0%	102.1%
<b>Electric transmission lines</b>			
Miles in operation	1,152	1,166	1,166
Availability (%) <sup>18</sup>	99.9%	100.0%	100.0%
<b>Water</b>			
Mft <sup>3</sup> in operation <sup>14</sup>	10.5	10.5	17.5
Availability (%) <sup>18</sup>	102.0%	101.2%	100.1%

## Selected Environmental Metrics: CO<sub>2</sub> Emissions Avoided

	2018	2019	2020
Sector (in million tons)	GHG Emissions Avoided <sup>19</sup>	GHG Emissions Avoided <sup>19</sup>	GHG Emissions Avoided <sup>19</sup>
Solar	1.8	1.9	1.9
Wind	0.3	0.3	0.4
<b>Renewable Energy</b>	<b>2.1</b>	<b>2.2</b>	<b>2.3</b>
<b>Efficient Natural Gas</b>	<b>2.9</b>	<b>2.5</b>	<b>3.1</b>
<b>Total Atlantica</b>	<b>5.0</b>	<b>4.7</b>	<b>5.4</b>

<sup>14</sup> Represents total installed capacity in assets owned at the end of the period, regardless of our percentage of ownership in each of the assets.

<sup>15</sup> Includes curtailment production in wind assets for which we receive compensation.

<sup>16</sup> Includes 30% share of the investment in Monterrey since August 2, 2019.

<sup>17</sup> Major maintenance overhaul in ACT held in 2019, as scheduled, which reduced production and electric availability as per contract. GWh produced in 2019 also includes 30% production from Monterrey since August 2019. Electric availability refers to operational MW over contracted MW.

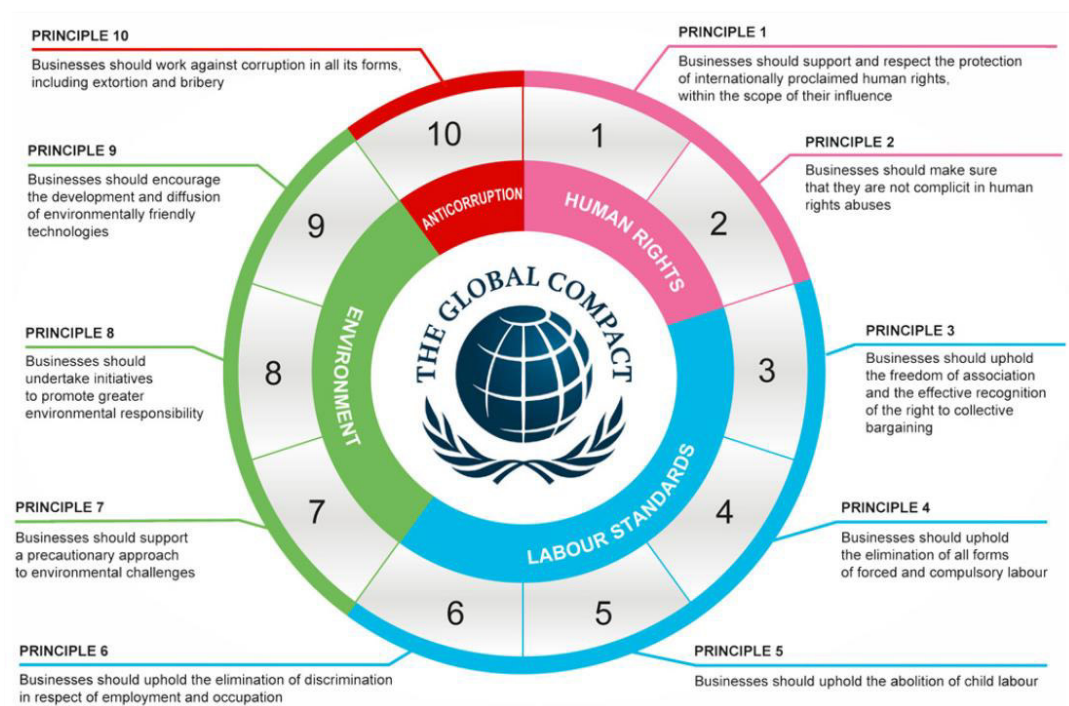
<sup>18</sup> Availability refers to the time during which the asset was available to our client totally or partially divided by contracted or budgeted availability, as applicable.

<sup>19</sup> Calculated considering GHG emissions Scope 1 and 2 and energy generation of our power generation assets, both electric and thermal energy. The GHG Equivalences Calculator uses the Avoided Emissions and Generation Tool (AVERT) U.S. national weighted average CO<sub>2</sub> marginal emissions rate to convert reductions of Kilowatt-hours into avoided units of carbon dioxide emissions.

## United Nations Global Compact (UNGC)

Atlantica is a signatory to the UNGC, the world’s largest corporate sustainability initiative with more than 12,000 signatories in over 160 countries. The UNGC is an initiative which encourages companies and organizations worldwide to adopt sustainable and socially-responsible policies. Participation in the UNGC is voluntary and those entities that sign it pledge to uphold and disseminate the principles and report on their progress once they apply them in their management. By joining the UNGC, businesses, as primary drivers of globalization, can help ensure that markets, commerce, technology and finance advance in ways that benefit economies and societies everywhere.

As part of its commitment to sustainability, Atlantica has formally adopted the UNGC ten fundamental principles in the fields of human rights, labor, environment and anticorruption. We have made the UNGC and its principles an integral part of our strategy, culture and day-to-day operations.



Atlantica is committed to aligning its actions to 7 of the 17 Sustainable Development Goals: Climate action, Affordable and clean energy, Clean water and sanitation, Decent work and economic growth, Gender equality, Life on land, and Industry, innovation and infrastructure.






We invest in three water desalination plants located in regions with limited access to fresh water. These plants have a capacity to filter 17.5 million cubic feet a day to provide potable water for local communities.

In May 2020 we made an additional investment in Tenes and obtained some additional rights, which have allowed us to take control of the asset since then. This asset provides drinking water to approximately 1 million people in an extremely high water stress area.

In 2020, Atlantica generated purified seawater to meet the water needs of approximately 3 million people (vs. 2 million in 2019 and 2018). We encourage you to read our water management section for more detailed information.

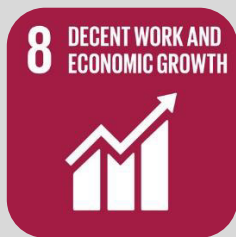


74% of our revenue was generated by solar and wind assets in 2020. We intend to invest in additional clean energy assets to help substantially increase the share of renewable energy in the global energy mix.

In August, 2020, we closed the acquisition of the tax equity investor equity interest in Solana, a 280 MW solar plant in Arizona, in which we already owned a controlling equity interest. Liberty was the tax equity investor in Solana.

In April 2020 Atlantica invested in the creation of a renewable energy platform in Chile, together with financial partners, in which we own approximately a 35% stake and have a strategic investor role. The first investment was the acquisition of a 55 MW solar PV plant in an area with excellent solar resource (Chile PV 1). In January 2021 we also closed our second investment through the platform with the acquisition of Chile PV 2, a 40 MW PV plant.

In December 2020 we reached an agreement with Algonquin to acquire La Sierpe, a 20 MW solar asset in Colombia. Also in December 2020, we reached an agreement to acquire Coso, a 135 MW renewable energy asset in California. Coso is the third largest geothermal plant in the United States and provides base load renewable energy to the California ISO. This acquisition was closed in April 2021.



We protect labor rights and are committed to promoting safe and secure working environments for all workers. We are committed to providing decent work for all women and men, young people and persons with disabilities and equal pay for work of equal value.

At Atlantica, we have always prioritized the health and safety of all our employees, contractors and partners working at our premises. In 2020, due to the COVID-19 outbreak, we reinforced our health and safety measures. In February 2020, we established a COVID-19 Committee which aims to monitor the situation at each location and take all necessary actions to manage the risks affecting our employees, operations and stakeholders. As a result, we implemented health and safety measures at all our assets, which enabled us to operate and provide a reliable service to all our clients, with no disruptions to availability or production due to COVID-19.

In 2020, we improved our Total Recordable Incident Rate and our Near Misses, Unsafe Acts and Unsafe Conditions Frequency Rate and maintained our Lost Time Injury Rate with respect to 2019. Our key Health and Safety indicators remain below the sector average in all our geographies. We encourage you to read our Social section for details on our Commitment to Human and Labor Rights and Occupational Health and Safety.



Our activity has a positive impact on mitigating climate change. We are committed to the reduction of CO<sub>2</sub> emissions by investing in renewable energy assets.

In 2021, following a thorough analysis, the Board of Directors has approved a new ambitious GHG emissions reduction target, consisting of reducing Atlantica's emission rate per unit of energy generated by 70% by 2035 vs. the 2020 base. In addition, we are committed to maintaining over 80% of our adjusted EBITDA, including unconsolidated affiliates, being generated from a low-carbon footprint such as renewable energy, storage, transmission infrastructure and water assets.

In 2020, we helped avoid up to 5.4 million tons of CO<sub>2</sub> compared to a 100% fossil fuel-based generation plant, (vs. 4.7 million tons of CO<sub>2</sub> in 2019).

Please read our Environment section for further details on our climate change related activities.

Atlantica also supports other SDGs, as outlined below:

 <p>We promote equal opportunities for our employees and stakeholders.</p> <p>Atlantica stands for greater equality for women. At Atlantica we work hard to ensure that men and women are treated equally and have the same work opportunities.</p> <p>Considering that our company operates in a sector that has historically employed a majority of men, we are working on removing any barriers we might have and ensuring women develop with the same opportunities as men.</p> <p>As part of Atlantica's continuing commitment to gender equality, in early 2021 we were included in the Bloomberg Gender-Equality Index.</p> <p>We are one of 380 companies committed to nurturing an equal and inclusive culture in the workplace.</p> <p>In 2020, a Board Diversity and Inclusion policy was approved aimed at promoting equality at Board level. Women represent 25% of Atlantica's Board of Directors. Also in 2020 we increased the number of women in our workforce and at the management level by 13% and 3% respectively compared to 2019.</p> <p>We encourage you to read the Social and Governance sections for further details on gender equality.</p>	 <p>We work to protect flora and fauna in and around our assets and have "no net loss" on biodiversity conservation in the areas where we operate.</p> <p>In 2020, our Board of Directors updated the Biodiversity Policy, our Asset Management Policy and implemented different initiatives to protect our flora and fauna in the regions where we operate. For example, in 2020 we implemented an enhanced monitoring system to manage and mitigate the mortality of endangered species, including an alarm protocol to shutdown selective turbines on demand to minimize the black-chested buzzard eagle's risk of collision with spinning blades. We have also implemented other initiatives in the United States and Spain.</p> <p>We recommend reading the Environment Section for further details on our biodiversity initiatives.</p>	 <p>Infrastructure is a key driver of economic growth and social value creation. Economic development depends on reliable infrastructure and sustainable infrastructure can help lifting communities out of poverty. With our assets, we produce and transport electricity and we provide drinking water to local communities. Our water assets provide drinking water to approximately 3 million people living in high or extremely high water stress areas. Our solar asset in South Africa contributes to providing clean electricity in a country that requires additional power capacity. In South America, our transmission lines help transport electricity to remote areas. In addition, we foster communities' economic prosperity through local purchasing and hiring local employees.</p> <p>In 2020, we invested in renewable energy infrastructure in Chile, Colombia and in the U.S. We also invested in a district heating asset in Canada.</p> <p>Ensuring reliability in our sustainable infrastructure is also key. In 2020 we invested in monitoring and predictive capabilities to improve our assets performance and avoid outages. We have monthly KPIs on operation and maintenance and overall plant performance. We also monitor health and safety and environmental metrics. We perform annual audits of our assets to ensure compliance with our best practices and to promote continuous improvement.</p>
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### Communication on Progress (COP)

This sustainability report constitutes Atlantica's "Communication on Progress" under the UNGC.



# Environment



## 2.1 Environment

As scientists continue to warn about a shifting climate, extreme weather events make global headlines and new regulation is implemented to transition towards a decarbonized economic model, companies face increasing pressure to manage climate change risks and opportunities.

Climate change and ESG have become more important to shareholders and investors. Many investors have already incorporated climate change into their investment analysis. Passively managed funds (ETFs) investing in clean energy and climate change thematic have seen large inflows of money in 2020 and 2021. Companies are selecting suppliers taking into consideration the environmental impact of their products or services, employees also pay close attention to ESG engagement when selecting a company, and customers are proactively and voluntarily looking to improve their ESG and climate change commitments and targets.

Atlantica's strategy focuses on climate change solutions in the power and water sectors. We intend to be part of the solution to climate change. Our long-term strategy reflects this. We are committed to investing in renewable energy assets, storage, transmission infrastructure and natural gas as enablers of the energy transition.

In 2021, following a thorough analysis, the Board of Directors has approved a new ambitious GHG emissions reduction target, consisting of reducing Atlantica's emission rate per unit of energy generated by 70% by 2035 vs. the 2020 base year.

This objective is particularly aggressive for a company like Atlantica, where approximately 75% of the business consists of renewable energy production, an activity which already has a very low rate of emissions per unit of energy produced, well below the average power production activities in traditional utilities.

In addition, we have a goal to maintain over 80% of our adjusted EBITDA including unconsolidated affiliates generated from low-carbon footprint assets such as renewable energy, storage, transmission infrastructure and water assets.

In December 2020, the Board of Directors of Atlantica approved the updated environmental policy following our long-term strategy. The policy is available at [www.atlantica.com](http://www.atlantica.com).

### **Environmental Awareness**

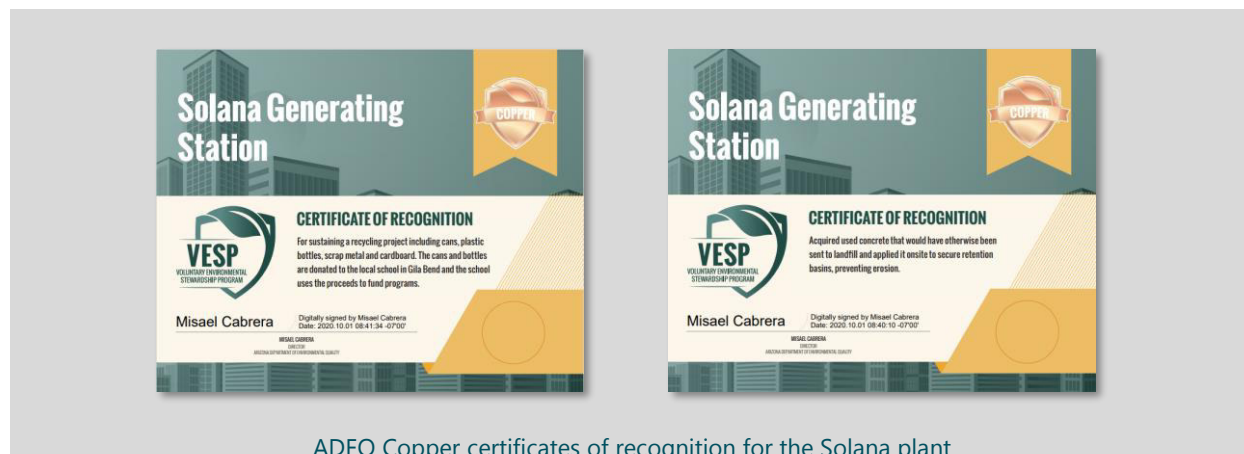
In 2020 we continued to improve our environmental awareness among our stakeholders. We also improved our social media and intranet content to increase environmental awareness. As an example, we shared CDP and Sustainalytics ESG Risk Rating assessments in order to promote enhanced sustainability disclosure.

In August 2020, our Environmental Manager at our Solana plant located in Arizona, U.S.A., participated in a pollution prevention webinar with other industrial leaders, regulators, consultants, and community members across the Arizona state to educate local communities and other stakeholders on the importance of reducing resource use and waste generation. The conference was organized by the Southern Arizona Environmental Management Society (SAEMS).

In early 2021, our CEO took part in an online conference hosted by RBC Capital Markets on leveraging sustainability as a competitive advantage. Our CEO discussed how sustainability factors are impacting business and global markets, renewable energy investment opportunities and risks, and the importance of ESG and climate change disclosure.

## Environmental Recognition

In 2020, Solana received two Copper recognitions from the Arizona Department of Environmental Quality (ADEQ) within the Voluntary Environmental Stewardship Program (VESP). The Copper category is a one-time level of recognition that is issued annually. We received these awards for implementing initiatives that resulted in measurable improvements to the environment.



## 2.2 Task Force on Climate-Related Financial Disclosures

Mitigating climate change forms a key element of our strategy. In this report, we are following the disclosure recommendations issued by the Task Force on Climate-related Financial Disclosures (TCFD).

We believe it is important for all companies to follow TCFD recommendations as it provides stakeholders with a clear, comparable and consistent comparison framework on risks and opportunities presented by climate change. The recommendations of the TCFD are focused on four thematic areas that represent core operational elements, including: Governance, Strategy, Risk Management and Metrics and Targets.

### A. Governance

TCFD recommended disclosure:

- Describe the board's oversight of climate-related risks and opportunities.
- Describe management's role in assessing and managing climate-related risks and opportunities.

The Board of Directors of Atlantica considers climate change to be a priority element for the Company. The Board is responsible for setting goals, overseeing climate-related risks and opportunities as well as supervising the implementation of our environmental initiatives. The Audit Committee supports the Board in this function by performing regular reviews on its risks, related frameworks, controls and processes, including potential ESG and climate change factors as risk drivers. The Nominating and Corporate Governance committee assists the Board in fulfilling its oversight responsibilities concerning compliance issues, including ESG-related policy approvals. Please refer to the Section 4.2. Sustainability Governance of this report.

The Board of Directors has integrated climate change into its decision-making process. In 2020, the Board approved the update of our: (i) Environmental Policy (including climate-change related



topics) in line with our long-term strategy, and (ii) Supplier Code of Conduct to promote working with third parties who operate under principles that are similar to those set out in our Environmental Policy. The Board regularly reviews material ESG aspects.

During 2021, we carried out a thorough analysis of our sustainability and climate-change targets in line with our long-term strategy. As a result, we have revised our goals and have set ambitious targets, especially for a company that is focused on renewable energy like ours. The Board of Directors approved a new target to reduce our emission rate per unit of energy generated by 70% by 2035 vs. the 2020-year base.

In addition, we have maintained the target to have over 80% of our adjusted EBITDA including unconsolidated affiliates generated from low-carbon footprint assets including renewable energy, storage, transmission infrastructure and water assets.

At the management level, we have established an ESG Committee which meets monthly. The Committee members include our CEO, geographic VPs, our Head of Operations and our Head of ESG. The Committee is represented by the most senior level of management due to the importance of the matters under its responsibility. It allows visibility, prioritization and immediate action on environmental and climate change issues. The Committee provides geographic VPs with an opportunity to address, discuss and agree on solutions in their geographies directly with the CEO.

We encourage you to read more about the role of the Board and Management in terms of ESG and climate-change in the Sustainability Governance section of this report.

## **B. Strategy**

TCFD recommended disclosure:

- Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.
- Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.
- Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Mitigating climate change is a key element of our strategy. Atlantica has developed a risk analysis methodology to identify, assess and manage climate related risks. This analysis includes potential scenarios that Atlantica may face going forward including rising mean temperatures, changes to existing regulation, changes in precipitation patterns and extreme variability in weather patterns and increased severity and frequency of extreme weather events.

### **Risks**

Top 7 risks related to climate change:

- 1. Acute physical.** Climate change is causing an increasing number of severe and extreme weather events that are a risk to our facilities, including days of severe winds and rains, hail, hurricanes, cyclones, droughts, as well as the risk of fire and flooding, among others. Any of these extreme weather events could cause damage to our assets and/or business interruption.

Our assets were designed and built by third parties complying with technical codes, local regulations and environmental impact studies. Technical codes should consider extreme weather events based on historical information and should include design safety margins. However, an increased severity of extreme weather events could have an impact on our assets.

- Severe floods could damage our transmission lines or our solar generation assets.
- Severe winds could cause damage the solar fields at our solar assets.
- Storms with intense lightning activity could damage our plants, especially our wind farms.
- Severe droughts could result in water restrictions or cause deterioration at our water assets. A deterioration of the quality of the water would have an impact on chemical costs in our water treatment plants at our generating facilities.
- If our transmission assets caused a fire, we could be found liable for the damage caused by that fire.
- Severe winter weather, like the storm in February 2021 in Texas, could cause supply from wind farms to decline due to wind turbine equipment freezing. Also natural gas assets could trip offline due to operational issues caused by freezing conditions.
- Rising temperatures and droughts could cause wildfires like the ones that broke out in California in 2017 and 2018. California wildfires have been especially catastrophic, causing human fatalities and significant material losses. Our assets in California are located in areas without trees and vegetation, but wildfires affected in the past one of our clients. One of our off-takers is PG&E, a large utility in California which filed for bankruptcy protection under Chapter 11 due to large liabilities caused by its potential involvement in wildfires in California in 2017 and 2018. On July 1, 2020, PG&E emerged from Chapter 11. (We refer to Risk number 7 "Downstream" described on page 31 for more information).

Furthermore, components of our equipment and systems, such as structures, mirrors, absorber tubes, blades, PV panels or transformers are susceptible to being damaged by severe weather, including for example hail. In addition, replacement and spare parts for key components may be difficult or costly to acquire or may be unavailable and may have long lead times.

#### Risk mitigation

Our personnel at asset level and our Corporate Operations Department monitor weather conditions in real-time in each of the assets to adopt the required protection measures wherever necessary. As a result of the 2016 severe wind event at Solana, we updated our risk management process and procedures including:

- i. Development of a new automated wind trigger based on local weather forecasting and,
- ii. Modification of the stow position and the control logic to reduce stow times.

To mitigate this risk, we also have:

- i. An insurance policy covering: (i) physical damage and, (ii) operational business interruption.
- ii. A crisis management procedure defining specific action plans for all our assets.
- iii. An automatic alert system using information from U.S. National Agencies.
- iv. A specific procedure for extreme weather.
- v. Atlantica does not have any hedge contract in place with an obligation to deliver electricity with the potential risk of having to purchase it at market price.

- 2. Chronic physical.** An increase in temperatures can reduce efficiency and increase operating costs at our plants.

The Emissions Gaps Report issued by the United Nations Environment Program in November (UNEP) 2019 states that even if all unconditional Nationally Determined Contributions (NDCs) under the Paris Agreement are implemented, we are on course for a 3.0-3.5 degree Celsius rise during the 21<sup>st</sup> century. This means an average increase of 0.033°C/year.

The main impacts of rising temperatures include:

- Lower turbine efficiency in our efficient natural gas asset.
- Reduced efficiency at our solar photovoltaic generation assets.
- Lower air density at our wind facilities.
- Higher consumption of chemicals used for operational purposes at our water plants.

We believe rising temperatures could cause a materially adverse effect on our business, financial condition, results of operations and/or cash flows.

#### Risk mitigation

Our Corporate Operations Department closely monitors the performance of each of our assets to identify any potential measures that could improve efficiency. We believe that by improving efficiency, we could potentially offset the potential negative impacts of rising temperatures. The Corporate Operations Department audits all of our assets at least every two years. The purpose of these audits is to review operational, maintenance, engineering, health and safety and environmental indicators and their compliance with our best practices in order to promote constant improvement. We have designed specific checklists for our asset managers to complete on a regular basis. These checklists include analyzing initiatives to improve efficiency, reduce costs and minimize our environmental footprint. Due to COVID-19 restrictions most of 2020 audits were performed remotely and/or partially compared with the annual audit planning.

In addition, we have put an advanced analytics team in place to improve the performance of our existing technologies. A timely identification of potential maintenance issues allows us to address them quickly and control potentially negative impacts. This advanced analytics team consider chronic physical issues as part of their plan to improve the performance of our existing technologies.

- 3. Chronic physical.** A reduction of mean precipitations may result in a reduction of availability of water from aquifers and could also modify the main water properties at our generation facilities.

#### Risk mitigation

We have historically only withdrawn approximately 50% of the total regulatory limit of water permitted at our solar assets. We believe, that even if the water limits were to be reduced, we still have margin to withdraw enough water to keep our plants working properly. For example, to mitigate this risk we have water basins and water storage tanks at many of our facilities.

Our local asset management teams systematically track and monitor water availability as a key asset KPI. Our internal corporate operations team performs annual audits at our assets aimed at reviewing compliance with our best practices, identifying and mitigating risks, and promoting constant improvement. These audits cover a broad range of areas, including water management.

- 4. Current Regulation.** Non-compliance with current regulation could represent a critical risk for the company, including potential fines and penalties.

Atlantica is directly affected by environmental regulation at all our assets. This includes climate-related risks driven by laws, regulation, taxation, disclosure of emissions and other practices. As an example, we are subject to the requirements of the U.K. Climate Change Act 2008 on GHG emissions reporting, and the Commission Regulation (EU) No 601/2012. Two U.S. solar plants are also subject to the permits under the Clean Air Act.

#### Risk mitigation

We regularly and systematically review risks at various internal working group and Management Committee meetings in order to monitor their development and potential impact. At each of the assets, we have designated teams that monitor operations at the plant, conduct prevention activities and manage and react quickly to any environmental incidents under the emergency plans rehearsed at the facilities. The equipment is subject to preventive and corrective maintenance to avoid any environmental spills and abnormal emissions into the atmosphere. We estimate that the risk of violations resulting in fines to be manageable, but we need to maintain our high control standards to ensure this potential risk is kept under control.

Asset managers at each of the geographies where we operate in, are responsible for monitoring asset activities in line with local regulation and contractual requirements (environmental, permits, servitudes, etc.). Atlantica's Compliance Committee has also delegated some of its duties to local compliance managers. These managers are responsible for managing and solving the day-to-day compliance issues in those geographies under their responsibility, including the supervision of current regulation.

- 5. Emerging regulation.** Changes in regulation could have a negative impact on Atlantica's growth or cause an increase in costs. Renewable energy projects currently benefit from various U.S. federal, state and local governmental incentives. These policies have had a significant impact on the development of renewable energy and they could change. These incentives make the development of renewable energy projects more competitive by providing tax credits, accelerated depreciation and expensing for a portion of the development costs. A reduction in such incentives could decrease the attractiveness of renewable energy to developers, utilities, retailers and customers.

In addition, there may be additional taxes on GHG emissions. Some governments in certain geographies already have mechanisms in place and some other geographies are considering them for the future.

#### Risk mitigation

Given the cost reduction we have seen in renewable energies it is highly likely that renewable energy will continue growing even if incentives were limited.

We have several teams in-place trying to anticipate and/or monitoring new regulation. This includes internal compliance and legal teams as well as asset managers.

When we analyze potential acquisitions of assets with emissions, we always use carbon pricing for emissions and we make very conservative assumptions regarding the useful life.

- 6. Reputation.** Decreased access to capital.

Climate change and ESG are becoming important criteria for shareholders and investors. In 2020 and in the first quarter of 2021, we have seen an increased number of funds investing in renewable energy companies and a significant increase in the number of ETFs with a focus on

clean energy and ESG investment. While a significant part of our business portfolio consists of renewable energy assets, we also own assets that can be considered less environmentally friendly, currently consisting of a 300 MW cogeneration plant in Mexico which uses natural gas and a non-controlling stake in a gas-fired engine facility also in Mexico. This may have a negative reputational impact on Atlantica as a renewable energy company and affect our access to capital.

In particular, considering that our growth initiatives are generally financed accessing the capital markets issuing either debt or equity, access to capital is a vital part of our growth strategy and our plan of investments. If our reputation worsened, our cost of capital could increase and our access to capital may become more difficult. In addition, some potential employees and /or suppliers could perceive Atlantica as a less appealing company due to a deterioration in our reputation.

#### Risk mitigation

We aim to reduce our emission rate per unit of energy generated by 70% by 2035. In addition, we intend to grow our portfolio maintaining over 80% of our adjusted EBITDA including unconsolidated affiliates generated from low-carbon footprint assets including renewable energy, storage, transmission infrastructure and water assets. When we analyze potential investments in natural gas, we make very conservative assumptions regarding the useful life and we always use carbon pricing for emissions. As long as we maintain this proportion and the aforementioned investment criteria, we could invest in efficient natural gas assets.

We maintain very low levels of CO<sub>2</sub> emissions per MWh of energy generated. In 2020, our good progress on our ESG commitments was corroborated by top-tier ESG rating entities. CDP rated us with A-, and Sustainalytics, in its ESG Risk Rating, ranked us as the best company within both the renewable power production and the broader utility industry, and in the top 1% within the global rating universe. Also in 2020 we leveraged on our positioning in ESG to close approximately \$600 million in new green financing. In May 2021 we also issued a \$400 million green bond.

We encourage you to read our sustainable business model and strategy to find out more on our ESG ratings and green financing issuances.

- 7. Downstream.** Some of our clients are large utilities or industrial corporations. These are also exposed to significant climate change related risks, including heavy regulation, acute and chronic physical risks. A negative climate-related risk impact on our clients could lead to their inability to comply with their obligations under our existing contract.

#### Risk mitigation

Like us, large utilities and industrial corporations generally comply with the highest ESG and climate change standards. Regulation also requires additional investment.

For example, one of our off-takers, PG&E, a large utility company in California, filed for bankruptcy protection under Chapter 11 due to liabilities related to its potential involvement in wildfires in California in 2017 and 2018. PG&E is the off-taker for our Mojave asset and emerged from Chapter 11 on July 1, 2020. During this process, California Legislature approved Assembly Bill 1054 which among other reforms created a Wildfire Fund, which would be available for eligible electric utility companies to pay eligible claims for liabilities arising from wildfires.

## Opportunities

Given that a large majority of our business is in renewable energy assets, climate change represents a significant opportunity for growth.

Top 4 opportunities related to climate change:

- 1. Development and acquisitions of renewable energy assets** can increase revenue through demand for lower emissions products and services.

According to Bloomberg New Energy Finance 2020, approximately 68% of the world's power generation by 2050 is expected to come from renewable energy sources. Global installed capacity is expected to shift from 56% fossil fuels today to approximately two-thirds renewables by 2050. To do so, regions will need to complement investments in renewable energy with investments in storage, efficient natural gas and in transmission networks.

We intend to benefit from this opportunity, by growing through several sources, all of them with a clear focus on clean energy and water infrastructure assets.

Our main sources of growth are: (i) organic growth, which we believe can be achieved through the optimization of the existing portfolio, escalation factors at many of our assets and the expansion of current assets, particularly our transmission lines, to which new assets can be connected. Additionally, we should have repowering opportunities in certain existing renewable energy assets; (ii) acquisition of assets from third parties leveraging the local presence and network we have in geographies and sectors in which we operate; (iii) we have also entered into and intend to enter into agreements or partnerships with developers and asset owners to acquire assets. We also invest directly and through investment vehicles with partners in assets under development or construction.

Some of our key competitive advantages to ensure this opportunity transpires include: (i) we invest in a highly diversified portfolio by geography and technology with strong presence in key markets where renewables are expected to see significant growth, (ii) we have stable and predictable long-term cash flows and a clear sustainable growth strategy and, (iii) senior executive experience in the sector.

In 2020, we invested close to \$300 million, mostly in renewable energy assets.

In December 2020 we reached an agreement with Algonquin to acquire La Sierpe, a 20 MW solar asset in Colombia for a total equity investment of approximately \$20 million. Closing is expected to occur after the asset reaches commercial operation, currently expected to occur by mid-2021. Closing is subject to conditions precedent and regulatory approvals. Additionally, we agreed to potentially co-invest in additional solar plants in Colombia with a combined capacity of approximately 30 MW.

In April 2021, we closed the acquisition of Coso, a 135 MW renewable energy asset in California. Coso is the third largest geothermal plant in the United States and provides base load renewable energy to the California Independent System Operator (California ISO). It has PPAs signed with three investment grade off-takers, with a 19-year average contract life. The total equity investment was approximately \$130 million, and we expect to make an additional investment of approximately \$40 million to reduce project debt.

In April 2021 we reached an agreement to acquire a 49% interest in a 596 MW portfolio of wind assets in the U.S. The total equity investment is expected to be approximately \$196.5



million. Closing is expected to occur in the third quarter of 2021 subject to customary conditions precedent and regulatory approvals.

**2. Public-sector incentives** could benefit our growth opportunities.

Most countries base their commitments on the development and expansion of renewable energy and intend to reach the Paris Agreement goals via different types of incentives to support renewable energy. For example, in Europe, the Green Deal has set measures ranging from ambitiously cutting greenhouse gas emissions, to investing in cutting-edge research and innovation, and to preserving Europe's natural environment in order to cut GHG emissions by at least 55% by 2030 (vs. 1990 levels) and to achieve carbon neutrality by 2050. Similar measures have been adopted in many geographies.

**3. Access to new markets** can contribute to increasing revenue.

We intend to take advantage of favorable trends in the power generation and electric transmission sectors globally, including energy scarcity and a focus on the reduction of carbon emissions.

We are currently focused on North America, South America and certain EMEA regions. We have identified new market opportunities in different countries within these regions, and in sectors where we have a smaller presence today. In some cases, we expect to capture opportunities by acquiring operational assets, by investing in assets or by partnering in new assets.

Our Corporate Development team is actively analyzing growth and investment opportunities. By way of example, in 2020, we reached an agreement to acquire a 20MW solar plant with a 15 year PPA in place in Colombia. The project was developed and is being constructed by AAGES, Algonquin's international joint venture. This represents Atlantica's first investment in Colombia, an OECD member country.

We are also pursuing opportunities in new sectors. We are seeking opportunities to increase our exposure to storage and to invest in hydrogen, both of which are examples of high growth potential sectors.

**4. Access to Capital Markets.**

We believe stakeholders prefer sustainable products and services such as low-carbon and renewable energy rather than fossil fuel based energy. We are already seeing how climate change and ESG are becoming important criteria for shareholders and investors. Many investors have integrated climate change in their investment analysis.

Atlantica relies on debt and equity capital markets to fund its growth strategy. Having access to a larger number of investors is key for our business development. In 2020, we closed approximately \$600 million in new Green Financing and in May 2021 we issued a \$400 million green bond. We believe our access to green financing will continue to help us expand our financing options to execute on our growth strategy.

We encourage you to read our Sustainable Business Model and Strategy to find out more about our green financing issuances.

## C. Risk Management

TCFD recommended disclosure:

- Describe the organization's processes for identifying and assessing climate-related risks.
- Describe the organization's processes for managing climate-related risks.
- Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.

Atlantica's Board of Directors is responsible for supervising the climate change risk analysis. Risk management day-to-day activities are led by the Head of Internal Audit and Risk. Climate change risks and opportunities are also discussed, whenever considered, in the ESG Committee and in the geographic committees. In addition, when we evaluate potential investments, the Investment Committee evaluates all potential risks related to the potential investment, including ESG and climate change risks.

Atlantica has developed a risk analysis methodology based on ISO 31000 and on common market practices. The risk analysis comprises the following steps:

- Risk Identification (ex-ante): identify causes that may turn into a risk situation, classifying those potential causes as natural, human, intentioned, accidental and technological.
- Risk Assessment: evaluate the risk considering its likelihood and potential impact.
- Risk Management Plan: focused on mitigating risk effects. To prevent unexpected events, Atlantica's corporate team in collaboration with geographic VPs, analyze unexpected risks in each of our geographies and define a Prevention and Mitigation Plan for each risk.

Atlantica has a risk map in place that adopts a multidisciplinary approach to identify risks in different areas, assigning probability distributions and measuring economic impact in order to propose action plans to further mitigate the main risks. The risk map contains a questionnaire regarding risk indicators and economic impact. Once all of the information is compiled, key conclusions are outlined in a report. This report includes the risk assessment, mitigation strategies, deadlines and responsible parties.

Climate related risks and opportunities are analyzed as part of the risk management analysis previously described, particularly through working groups between our Operations, Environmental and Quality Department and asset managers.

## D. Metrics and Targets

TCFD recommended disclosure:

- Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.
- Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.
- Describe the targets used by the organization to manage climate related risks and opportunities and performance against targets.

Atlantica's ESG Report discloses our annual performance across in many climate-change related areas. This information is disclosed in section 2.3.

## 2.3 Greenhouse Gas Emissions

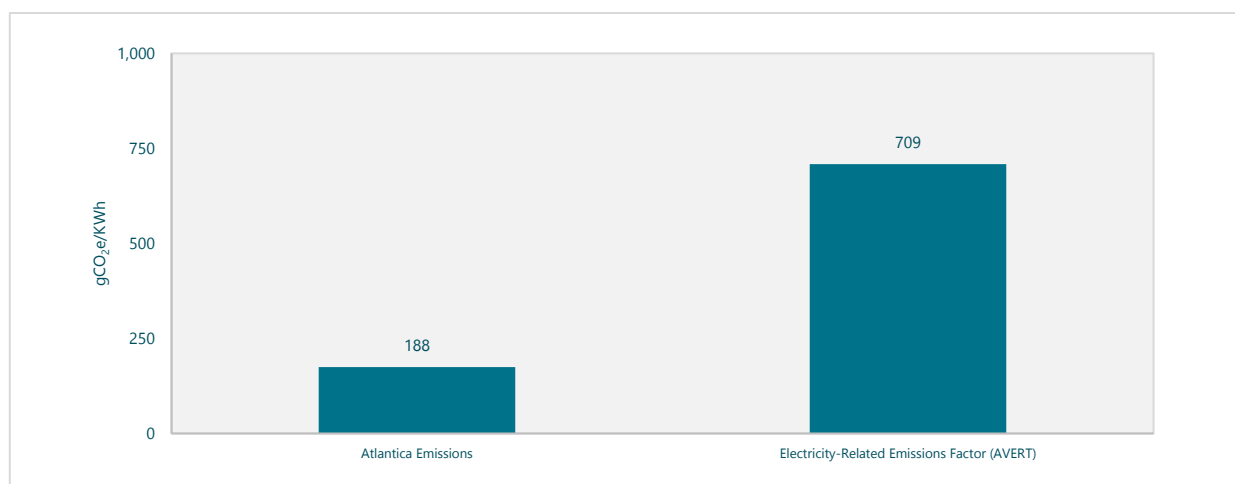
### Key facts:

- ✓ Set new target to reduce emissions: **Reduce emission rate per unit of energy generated by 70% by 2035 versus the 2020 base year**
- ✓ **Increased CO<sub>2</sub> emissions avoided** vs. 2019 ▲ 15%
- ✓ Maintained **very low levels of GHG emission rate** per unit of energy generated (188 gCO<sub>2</sub>e/KWh)
- ✓ **Verified 100% of Scope 1, 2 and 3**
- ✓ Implemented a **GHG emissions offsetting mechanism**
- ✓ **Carbon price** of \$15-\$25 per ton of CO<sub>2</sub> to evaluate investment opportunities

We have set a new target to reduce the emission rate per unit of energy generated by 70% by 2035 versus the 2020 base year. Our Board of Directors is also committed to maintaining over 80% of our Adjusted EBITDA including unconsolidated affiliates, generated from low-carbon footprint assets. This includes renewable energy, storage, transmission infrastructure and water assets.

Given that our largest business sector since Atlantica's incorporation is renewable energy, our GHG emissions have always been significantly lower than those of a company generating electricity from fossil fuel sources. In 2020, scope 1 and 2 emissions were 188 grams of CO<sub>2</sub>e per KWh of energy produced, compared to approximately 709 grams of CO<sub>2</sub> per KWh from 100% fossil fuel-based generation.

### Atlantica's GHG Emission Ratio vs. Fossil Fuel-Based Generation GHG Emissions Ratio in 2020

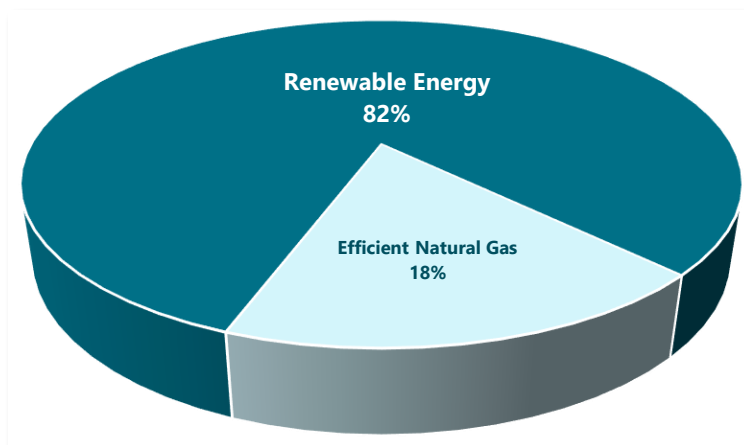


Note: no significant changes compared to 2019 and 2018

Atlantica complies with the 2008 U.K. Climate Change Act on GHG reporting, with the Commission Regulation (EU) No 601/2012, and with the GHG Protocol on GHG quantification.

As of December 31, 2020 approximately 82% of our installed capacity relates to renewable energy assets and 18% refers to ACT and Monterrey, our efficient natural gas plants in Mexico.

### Installed Capacity at Generation Assets, MW



Note: no significant changes compared to 2019 and 2018

ACT achieved “efficient cogeneration facility” status according to the Mexican energy regulator. The Mexican regulator categorizes facilities that deliver energy above a defined efficiency threshold as “efficient plants”. This status allows ACT to benefit from certain favorable conditions regarding interconnection and transmission.

In 2020, Atlantica’s complete greenhouse gas inventory was externally verified, including Scope 3 emissions for the first time. In Mexico, our Scope 1 and 2 greenhouse emissions were verified by ANCE, a leading certification association across industries in Mexico. In Spain, our Scope 1 greenhouse emissions were verified by AENOR, a not-for-profit entity that fosters standardization and certification across industrial and service sectors. The rest of our greenhouse gas inventory was verified by DNV GL, an independent expert in assurance and risk management.

### % of Verified GHG Emissions in 2018, 2019 and 2020

	2018	2019	2020
Scope 1	99%	99%	100%
Scope 2	-	78%	100%
Scope 3	-	-	100%
<b>Total GHG verified emissions</b>	<b>66%</b>	<b>68%</b>	<b>100%</b>

In 2020 we avoided emissions of approximately 5.4 million tons of equivalent CO<sub>2</sub>, compared with a 100% fossil fuel-based generation. We base these calculations on the “Greenhouse Gas Equivalencies Calculator”, and the Avoided Emissions and Generation Tool (AVERT) U.S. national weighted average CO<sub>2</sub> marginal emission rate, to convert reductions of kilowatt-hours into avoided units of CO<sub>2</sub> emissions.

## GHG Emissions Avoided in 2018, 2019 and 2020

In millions of tons/CO <sub>2</sub>	2018	2019	2020
Avoided GHG Emissions	5.0	4.7	5.4

We have quantified and reported on the GHG emissions figures following the GHG Protocol:

- Scope 1: Direct emissions of GHG from sources that are owned or controlled by the Company.
- Scope 2: Indirect emissions of GHG from consumption of purchased electricity, heat or steam.
- Scope 3: Indirect emissions of GHG not included in Scope 2 that occur in the Company’s value chain, including both upstream and downstream emissions, and the emissions of our non-consolidated affiliates.

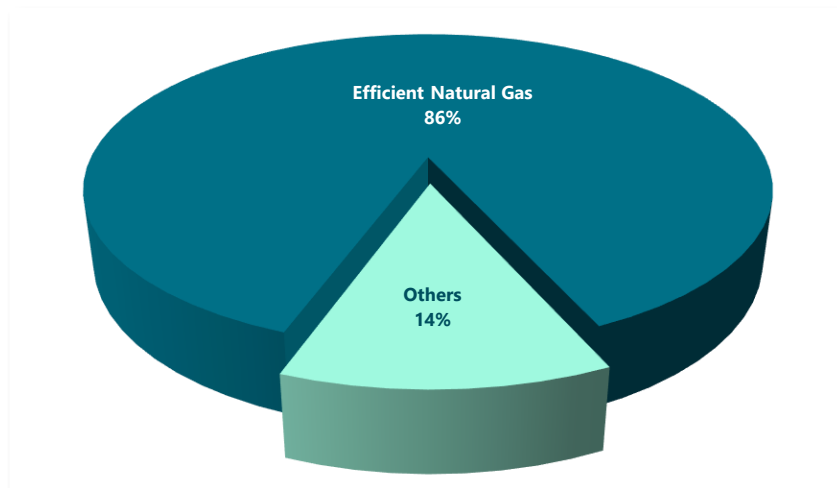
We use the operational control approach to calculate the emissions based on the criteria defined by the GHG Protocol. Our reported emissions include emissions of methane (CH<sub>4</sub>), and nitrous oxide (N<sub>2</sub>O) as CO<sub>2</sub> equivalents. We use the GHG inventories conversion factors indicated by the organizations listed below:

- Intergovernmental Panel on Climate Change (IPCC).
- United States Environmental Protection Agency (EPA).
- 2019 GHG National Inventory from the Ministry of Ecological Transition in Spain.

We calculated Scope 3 emissions using an economic input-output analysis and key emission factors from CEDA’s 5.0 database. We also used the fuel consumption activity data and emission factors disclosed at WTT DEFRA 2020 to calculate Scope 3 emissions.

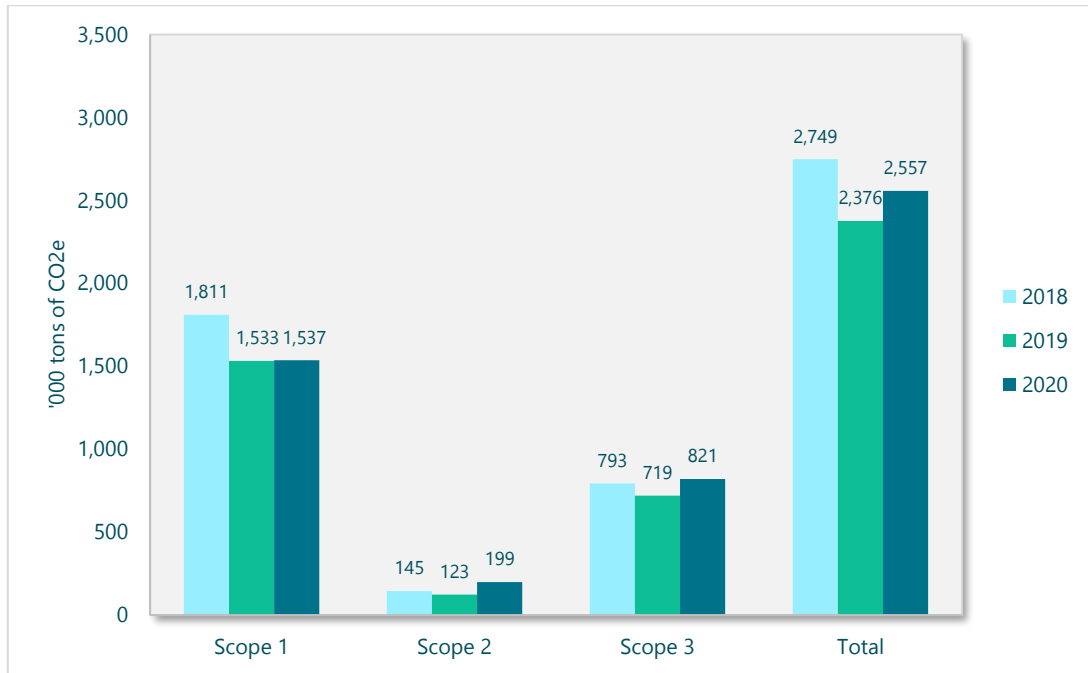
Approximately 86% of the total GHG emissions generated in 2020 came from our efficient natural gas plants in Mexico.

### Efficient Natural Gas GHG Emissions in 2020



Note: no significant changes compared to 2019 and 2018

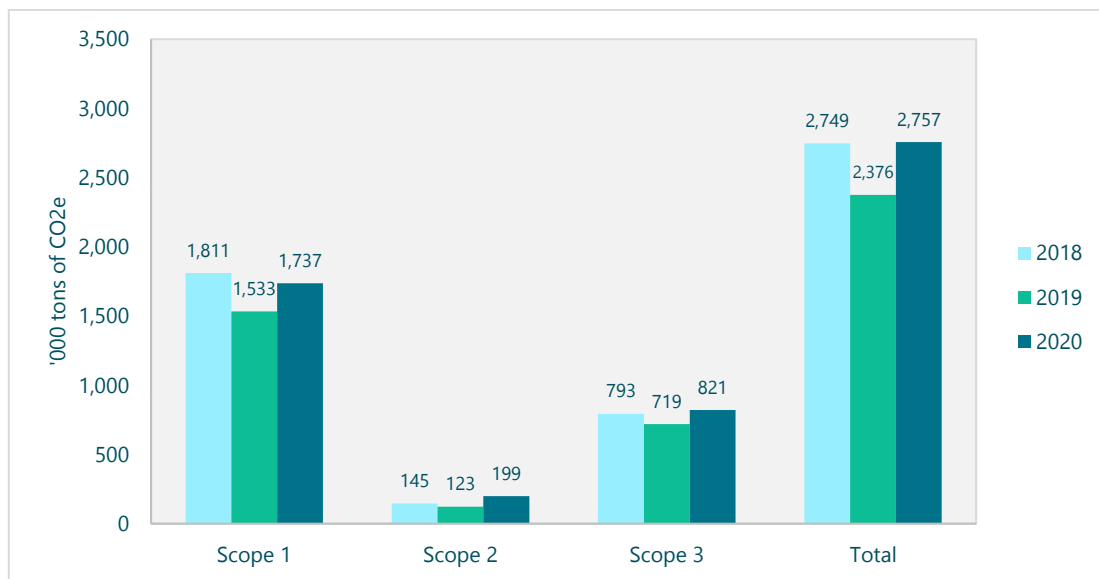
In 2020, as part of our commitment to sustainability, Atlantica analyzed several initiatives to mitigate some of our GHG emissions. As a result, in 2020 we offset 200,000 tons of Scope 1 CO<sub>2</sub> emissions through Voluntary Carbon Credits. The graph below shows our adjusted GHG emissions in 2018, 2019 and 2020.



GHG emissions breakdown by scope including offset GHG emissions

The GHG emissions offsetting mechanism reduced our total GHG emissions by 7% and our scope 1 GHG emissions by 12%. We believe this initiative proves our sustainability focus and further demonstrates Atlantica’s commitment to fighting climate change.

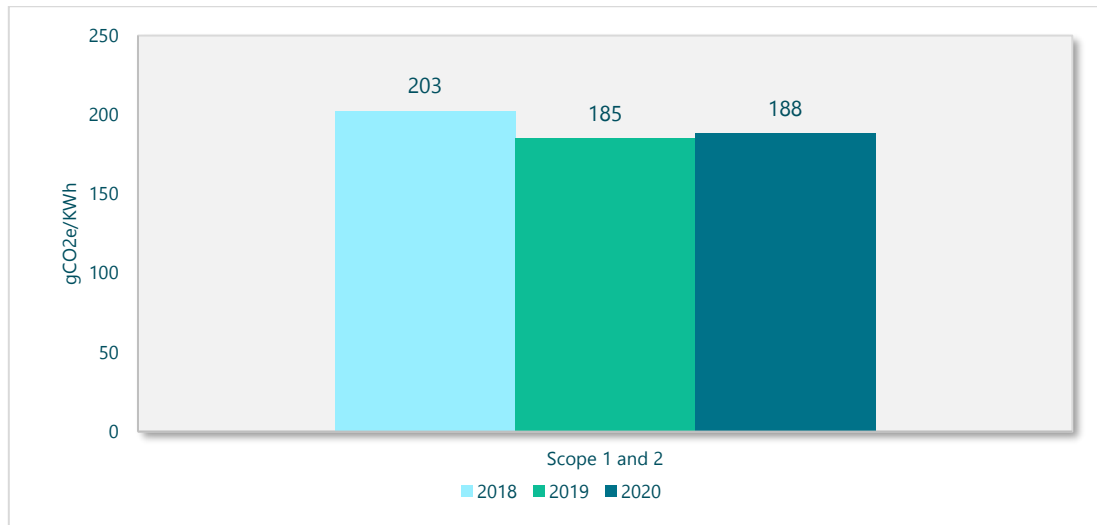
The graph below shows our GHG emissions in 2018, 2019 and 2020 (without offsetting):



GHG emissions breakdown by scope

Total CO<sub>2</sub> equivalent emissions generated by the Company in 2020 reached 2,757 thousand tons, compared to 2,376 thousand tons in 2019 and 2,749 thousand tons in 2018. The 17% GHG emissions increase in 2020 versus the previous year was mainly because of the major overhaul of our efficient natural gas asset in 2019. As a result, in 2019 natural gas consumption, production and emissions were lower. In 2018, ACT operated at partial load for a higher number of hours at the request of our client, decreasing the plant’s efficiency and increasing gas consumption to generate energy. A tolling agreement exists for this asset, according to which we receive water and natural gas from the client and in return for electricity and steam.

## Scope 1 and 2 GHG Emissions Rate per Unit of Energy Generated



GHG emission ratio per unit of energy generated<sup>20</sup>

The rate of equivalent tons of CO<sub>2</sub> emissions per energy generation was 188 gCO<sub>2</sub>e/KWh in 2020 and 185 gCO<sub>2</sub>e/KWh in 2019. In 2020, new renewable generation assets helped to maintain the GHG emissions rate per unit of energy generated in spite of an increase in emissions. In 2019, our efficient natural gas plant had a major overhaul. As a result, production and emissions were lower. In 2018, ACT operated at partial load for a higher number of hours at the request of our client. This decreased the plant's efficiency and increased gas consumption, generating higher emissions.

## Air Quality

Regarding non-GHG emissions, Atlantica generates (i) nitrogen oxide (NO<sub>x</sub>), excluding nitrous oxide (N<sub>2</sub>O) which is computed within the GHG emission calculation, (ii) sulfur dioxide (SO<sub>2</sub>), and (iii) carbon monoxide (CO). Our efficient natural gas plants in Mexico generate most of these emissions.

### NO<sub>x</sub>, SO<sub>2</sub> and CO Emissions as of December 31, 2018, 2019 and 2020

	2018			2019			2020		
	NO <sub>x</sub>	SO <sub>2</sub>	CO	NO <sub>x</sub>	SO <sub>2</sub>	CO	NO <sub>x</sub>	SO <sub>2</sub>	CO
Tons									
Spain	31.6	1.3	9.5	16.0	0.7	4.8	15.2	0.6	4.6
ACT	370.4	0.0	358.6	349.9	0.0	318.4	483.1	0.0	331.1
<b>Total</b>	<b>402.0</b>	<b>1.3</b>	<b>368.1</b>	<b>365.9</b>	<b>0.7</b>	<b>323.3</b>	<b>498.3</b>	<b>0.6</b>	<b>335.7</b>

In 2020 our non-GHG emissions amounted to 498 tons of NO<sub>x</sub>, 0.6 tons of SO<sub>2</sub> and 336 tons of CO. In 2019 our NO<sub>x</sub>, SO<sub>2</sub> and CO emissions were lower mainly because of the major overhaul of our efficient natural gas asset, ACT, which resulted in lower production and lower emissions.

Our assets do not generate any lead (Pb) or mercury (Hg), and limited amounts of particulate matter (PM<sub>10</sub>), volatile organic compounds (COV) and hazardous air pollutants (HAP).

<sup>20</sup> The ratio has been calculated considering electric and thermal generation.



## Energy Management

Our renewable energy, efficient natural gas and water assets consume energy from different sources, including self-generated energy and purchased fuel and electricity. In 2020, Atlantica consumed 9,287 GWh of energy. In 2019, we consumed 8,131 GWh of energy. The difference is mainly due to ACT, the asset had a major overhaul in 2019 resulting in lower production and total energy consumption. In 2018, ACT operated at partial load for a higher number of hours at the request of our client. This decreased the plant's efficiency and increased gas consumption.

### Energy Consumption and Generation in 2018, 2019 and 2020

In GJ	2018	2019	2020
Consumption of Fuel	32,118,217	27,164,808	30,762,477
Consumption of Purchased Electricity for own use	977,184	993,705	1,613,834
Consumption of Self-Generated Renewable Energy	991,274	1,111,529	1,056,989
<b>Total Energy Consumption</b>	<b>34,086,676</b>	<b>29,270,042</b>	<b>33,433,299</b>
Electricity generation	19,352,470	19,174,842	20,944,589
Thermal energy generated	15,420,791	12,946,003	16,068,100
<b>Total Energy Generated</b>	<b>34,773,260</b>	<b>32,120,845</b>	<b>37,012,689</b>
Total energy consumption within the organization*	(686,585)	(2,850,803)	(3,579,390)

(\*) If negative, energy generation > energy consumption.

The energy intensity ratio for our non-renewable energy assets is 0.34GJ, 0.32GJ and 0.21GJ for the years ended in 2018, 2019 and 2020 respectively.

## 2.4 Water Management

### Key facts:

- ✓ **3<sup>rd</sup> consecutive year withdrawing 50% or less** of water available under existing permits
- ✓ **Improved water management reporting** based on the GRI standard and international best practices

Atlantica is committed to using water efficiently in our operations. This covers two main types of water use:

1. Power generation in the assets that use cycled water in the turbine circuit and in refrigeration processes.
2. Generation of drinking water for local communities and industries through the desalination of sea water.

We are also committed to: (i) calculating and monitoring our water usage and promoting rational and sustainable use of water in compliance with our Environmental Policy, (ii) limiting water consumption as much as possible and operating our assets well below legal limits, and (iii) continuing to improve our water management beyond compliance. We aim to reduce water consumption of our plants over time.

We generally have water permits at our assets that limit total water withdrawals. As we are committed to limiting water consumption as much as possible, we operate our assets well below these limits.

## **Risk Assessment**

Atlantica's risk assessment includes management of water risks. These water-associated risks are material to many of our generation and water desalination assets.

Water withdrawal at our assets could be affected by droughts. The main consequences of droughts would be a lack of water and poorer water quality. If drought periods persist over time governments may take regulatory actions and may reduce the limits of water quantities that can be withdrawn under our existing permits.

In 2018, 2019 and 2020 we withdrew less than 50% of the total water permitted by the regulatory limits. We believe, that even if the water limits were to be reduced, we still have margin to withdraw enough water to keep our plants working properly. For example, to mitigate this risk we have, water basins and water storage tanks at many of our facilities.

If water limits were reduced to a point where we could not maintain the required level of water at the plants, we would need to use more chemical products to purify water and to guarantee the good performance of the plant.

Limits could also affect the quantity or quality of water that could be discharged, in which case we would need to withdraw more water than usual or use more chemical products to purify the water.

Our local asset management teams systematically track and monitor water availability as a key asset KPI. Our internal operations team performs annual audits of our assets aimed at reviewing compliance with our best practices, identifying and mitigating risks, and promoting constant improvement. These audits cover a broad range of areas, including water management.

Regarding regulatory changes, Atlantica's Compliance Committee has delegated some of its duties to local compliance managers. We also have local legal teams in each geography that are usually assessed by local external lawyers. Our local internal and external lawyers are in close contact with the regulation and potential regulation changes in each geography. These, together with the asset managers, proactively monitor any potential regulatory change.

Lastly, we take a proactive approach to preventing, detecting and acting on local community conflict risks concerning water resources. At Atlantica, local management is responsible for leading community relations. They dedicate time and effort to generating added value initiatives for both the communities and Atlantica. We have not received any negative feedback from local communities regarding our management of water resources.

Atlantica has two main types of water use:

### **1. Power Generation**

#### Renewable Energy Assets

Our renewable energy segment uses water in its power generation process. Atlantica mainly uses water for cooling condensers during power generation. We withdraw fresh water primarily from rivers and aquifers. The Company holds permits to withdraw water from these sources and adheres to regulations on water quality. The difference between water withdrawn from and returned to its source is our water consumption, which occurs because of evaporation.

We measure the water we withdraw and return using the installed water meters in the plants' pumping equipment. The reported volumes represent the total readings measured by the water meters at all our assets without adjusting for our interest in the assets.

The water meters are sealed and are normally subject to audit by the inspector representing the local water authorities. We comply with the requirements and regulations of the applicable local regulatory authorities in the areas in which we operate. We regularly report the results of our water statistics to the local water agencies.

For example, we have implemented an air-dry cooling system, instead of cooling towers, to refrigerate the condensers at one of our solar plants. This plant is in an area that lacks water and this system reduces the demand for water.

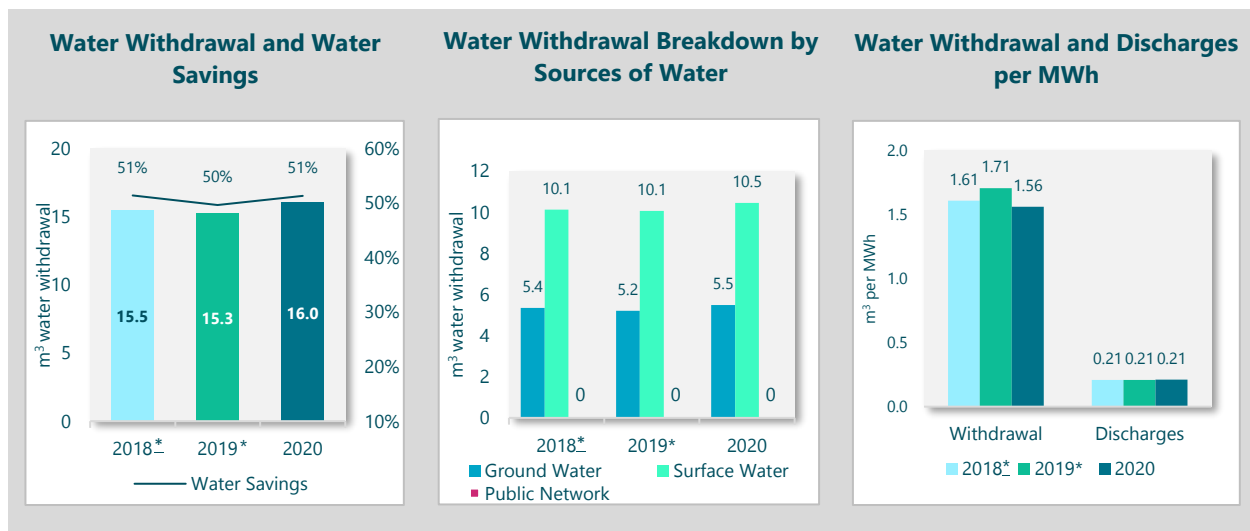
In 2020, we analyzed water consumption reduction initiatives including the use of recycled water in the mirror cleaning process at our solar assets. We plan to finalize the analysis in 2021.

### Efficient Natural Gas Plant

The ACT plant is an efficient natural gas cogeneration facility with a rated capacity of approximately 300 MW and between 550 and 800 metric tons per hour of steam. ACT produces electrical energy and steam requested Pemex, the client, based on the expected levels of efficiency.

The water necessary to operate the plant is withdrawn and supplied by Pemex. The water received is transformed to high pressure steam through heat recovery steam generators and delivered back to Pemex.

The following charts set out water management KPIs for power generation assets for 2018, 2019 and 2020:



(\*) Note: We have revised 2018 and 2019 water KPIs disclosure to include ACT in our reporting even though the water at this asset is supplied by our client, Pemex, and returned in the form of steam.

In 2020, we withdrew 10.5 million cubic meters of water at our renewable energy assets and we returned 2.1 million cubic meters (20%) back to the source, which represents a reduction of the water used in our operations compared to the previous year. In 2019, we withdrew 11.0 million cubic meters of water and returned 1.9 million cubic meters (17%) back to the source.

Independent external laboratories regularly test the quality of the water returned to the environment. The 10.5 million cubic meters represents 49% of the limits allowed by our water permits. The difference between the water permit limits and actual water withdrawn represents water savings.

Also in 2020, Pemex withdrew and supplied 5.5 million cubic meters of surface water to ACT. In 2019, Pemex withdrew and supplied 4.3 million cubic meters of surface water. In both years, water received was transformed to high pressure steam through heat recovery steam generators and delivered back to Pemex. Water withdrawn was 1.2 million cubic meters lower in 2019 because of ACT's major overhaul, which resulted in lower production and water withdrawal. In contrast, water withdrawal in relative terms (m<sup>3</sup> per MWh) was higher in 2019. This was mainly because of the major overhaul, which had a higher impact on production than on water intake.

In 2020, the increase in groundwater was mainly due to higher production at our renewable energy assets. The surface water increase is mainly driven by higher production at ACT.

In 2020, we had eight solar assets located in extremely high or high baseline water stress areas, as classified by the World Resources Institute's (WRI) Aqueduct Water Risk Atlas Tool.

### Extremely High or High Baseline Water Stress Areas of our Generating Assets

Generating Asset	Technology	Geography	Baseline Water Stress Areas
Helioenergy	Solar	EMEA	Extremely high
Helios	Solar	EMEA	Extremely high
PS	Solar	EMEA	Extremely high
Solacor	Solar	EMEA	Extremely high
Solnovas	Solar	EMEA	Extremely high
Solana	Solar	North America	High
Mojave	Solar	North America	High
Solaben	Solar	EMEA	High

The following table breaks down total water withdrawal by source and water stress areas for our power generation assets.

### Withdrawal by Water Source in 2018, 2019 and 2020

In millions of liters	2018		2019		2020	
	All areas	Water stress areas*	All areas	Water stress areas*	All areas	Water stress areas*
<b>Surface water</b>	<b>5.0</b>	<b>4.9</b>	<b>5.8</b>	<b>5.6</b>	<b>5.1</b>	<b>5.0</b>
Fresh water	3.9	3.8	4.6	4.4	4.0	3.9
Other water	1.1	1.1	1.2	1.2	1.1	1.1
<b>Groundwater</b>	<b>5.4</b>	<b>5.4</b>	<b>5.2</b>	<b>5.2</b>	<b>5.6</b>	<b>5.6</b>
Fresh water	-	-	-	-	-	-
Other water	5.4	5.4	5.2	5.2	5.6	5.6
<b>Third-party water**</b>	<b>5.1</b>	<b>-</b>	<b>4.3</b>	<b>-</b>	<b>5.3</b>	<b>-</b>
Fresh water	5.1	-	4.3	-	5.3	-
Other water	-	-	-	-	-	-
<b>Total power generation</b>	<b>15.5</b>	<b>10.3</b>	<b>15.3</b>	<b>10.8</b>	<b>16.0</b>	<b>10.6</b>

(\*) Stress areas classified according to 2020 Aqueduct Water Risk Atlas.

(\*\*) Third-party water corresponds to surface water withdrawn and supplied by Pemex.

All water withdrawals intended for use in generation are generally strictly regulated by government authorities, which issue the permits and determine the maximum permitted withdrawal volumes, to ensure that no significant negative effects occur.

After use in cooling and other auxiliary processes, approximately 20% of the water withdrawn at solar facilities is returned to the environment. The water we receive from Pemex is transformed into high pressure steam through heat recovery steam generators and delivered back to Pemex.

The following table breaks down total water discharge by source and water stress areas for our power generation assets.

### Discharge by Water Source in 2018, 2019 and 2020

In millions of liters	2018*		2019		2020	
	All areas	Water stress areas**	All areas	Water stress areas**	All areas	Water stress areas**
<b>Surface water</b>	<b>1.8</b>	<b>1.7</b>	<b>1.7</b>	<b>1.6</b>	<b>2.0</b>	<b>1.9</b>
Fresh water	1.4	1.3	1.2	1.1	1.6	1.5
Other water	0.4	0.4	0.5	0.5	0.4	0.4
<b>Groundwater</b>	<b>0.2</b>	<b>0.2</b>	<b>0.1</b>	<b>0.1</b>	<b>0.2</b>	<b>0.2</b>
Fresh water	-	-	-	-	-	-
Other water	0.2	0.2	0.1	0.1	0.2	0.2
<b>Third-party water</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fresh water	-	-	-	-	-	-
Other water	-	-	-	-	-	-
<b>Total power generation</b>	<b>2.0</b>	<b>1.9</b>	<b>1.8</b>	<b>1.7</b>	<b>2.2</b>	<b>2.1</b>

(\*) We revised the 2018 discharges following the GRI standard classification.

(\*\*) Stress areas classified according to 2020 Aqueduct Water Risk Atlas.

The discharged water that is returned to the receptor environment is returned allowing it to be used by other users, without affecting the natural environment.

The following table details total water consumption at generating assets, considered as the difference between total water withdrawal and water discharged.

## Consumption by Water Source in 2018, 2019 and 2020

In millions of liters	2018*		2019		2020	
	All areas	Water stress areas**	All areas	Water stress areas**	All areas	Water stress areas**
<b>Surface water</b>	<b>3.2</b>	<b>3.2</b>	<b>4.1</b>	<b>4.0</b>	<b>3.1</b>	<b>3.1</b>
Fresh water	2.5	2.5	3.4	3.3	2.4	2.4
Other water*	0.7	0.7	0.7	0.7	0.7	0.7
<b>Groundwater</b>	<b>5.2</b>	<b>5.2</b>	<b>5.1</b>	<b>5.1</b>	<b>5.4</b>	<b>5.4</b>
Fresh water	-	-	-	-	-	-
Other water	5.2	5.2	5.1	5.1	5.4	5.4
<b>Third-party water</b>	<b>5.1</b>	-	<b>4.3</b>	-	<b>5.3</b>	-
Fresh water	5.1	-	4.3	-	5.3	-
Other water	-	-	-	-	-	-
<b>Total power generation</b>	<b>13.5</b>	<b>8.4</b>	<b>13.5</b>	<b>9.1</b>	<b>13.8</b>	<b>8.5</b>

(\*) We revised the 2018 discharges following the GRI standard classification.

(\*\*) Stress areas classified according to 2020 Aqueduct Water Risk Atlas.

## 2. Water Desalination

Some parts of the world are suffering from ongoing drought which, combined with a water supply that is unfit for human consumption, can foster disease and death. Water scarcity also affects food production. The desalination of sea water provides a climate-independent source of drinking water.

In 2020 our water segment included three water desalination plants, compared to two in 2019 and 2018. We withdraw sea water for desalination as specified in the concession agreements for our three water desalination plants.

These three water assets are located in extremely high or high baseline water stress areas as classified by the WRI Aqueduct Water Risk Atlas Tool.

### Extremely High or High Baseline Water Stress Areas of our Water Desalination Assets

Water Desalination Asset	Technology	Geography	Baseline Water Stress Areas
Honaine	Water desalination	EMEA	Extremely high
Tenes	Water desalination	EMEA	Extremely high
Skikda	Water desalination	EMEA	High

Our water desalination activity in these areas plays a key social role since our plants are the only source of drinking water for approximately 3 million people in the communities where the assets are located.

In 2020, we withdrew 330.3 million cubic meters of sea water, from which we removed salt and minerals during the desalination process at our water treatment facilities to prepare it for human consumption. We produced 144.2 million cubic meters of desalinated water and returned 185.9 million cubic meters (56%) back to the sea. The difference between water

withdrawn from and returned to the sea is the desalinated potable water delivered to the water utility, as specified by our take-or-pay concession agreements.

### Water Withdrawal, Desalinated Potable Water Production and Discharges in 2018, 2019 and 2020

In millions of cubic meters	2018	2019	2020
Water (seawater) withdrawal	220.2	228.7	330.3
Desalinated potable water production	99.8	101.2	144.4
Water discharges (returned to the sea)	120.4	127.5	185.9

100% of water withdrawn in 2018, 2019 and 2020 is seawater that does not affect water stress areas.

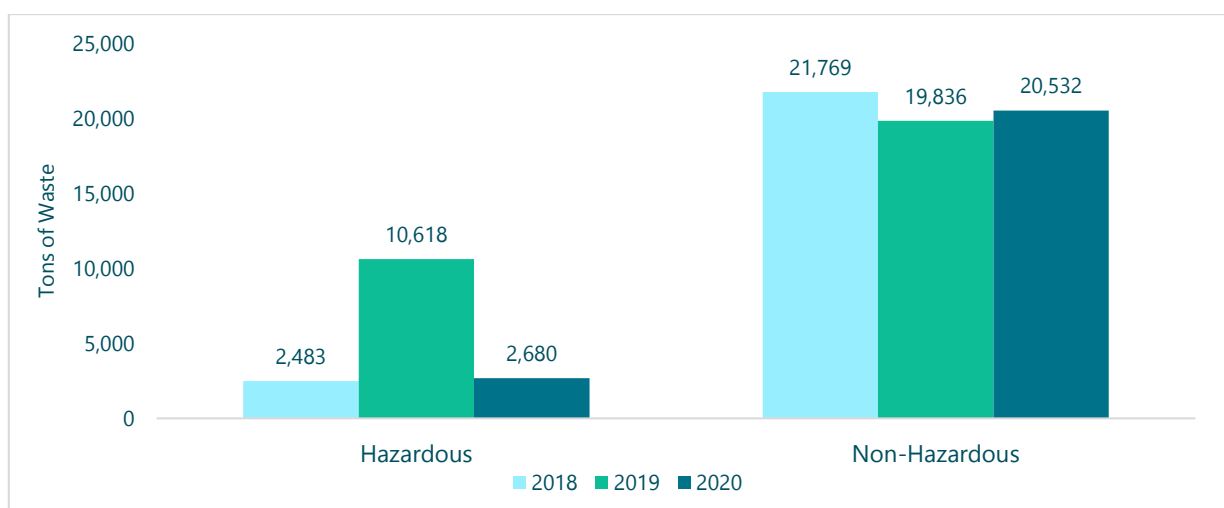
## 2.5 Waste Management

### Key facts:

- ✓ **Reduced hazardous waste** vs. 2019 ▼ 75%
- ✓ **Reused or recycled hazardous waste** vs 2019 ▲ 16%
- ✓ **Improved waste management reporting** based on the GRI standard and international best practices

The Company’s assets produce two main types of waste, hazardous and non-hazardous. Our processes generate hazardous waste through the use of chemical products. We define waste that does not contain substances that are potentially harmful to human health or the environment as non-hazardous waste.

### Tons of Hazardous and Non-Hazardous Waste in 2018, 2019 and 2020



Atlantica is committed to reducing waste and has a comprehensive waste management system with controls in place. Our targets go beyond legal compliance. In 2020 we implemented new initiatives that improved our leak detection capabilities. We also provided enhanced employee

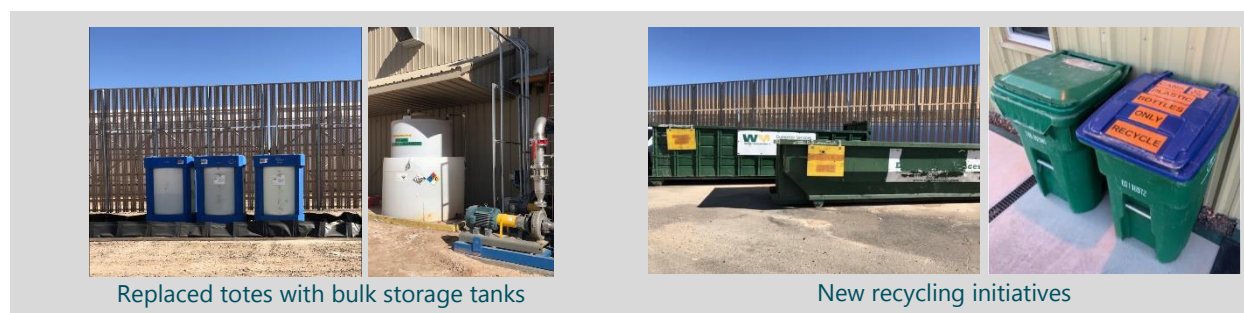


waste-related training, updated our leaks procedure with best practices and lessons learned and, built bioremediation areas for contaminated soil.

At our U.S. assets, some of our largest solar assets, we developed an environmental management plan and initiated several actions to minimize our waste impact based on these four principles: (1) Reduce, (2) Reuse, (3) Recycle, and (4) Replace.

### Summarized Waste Reduction Initiatives

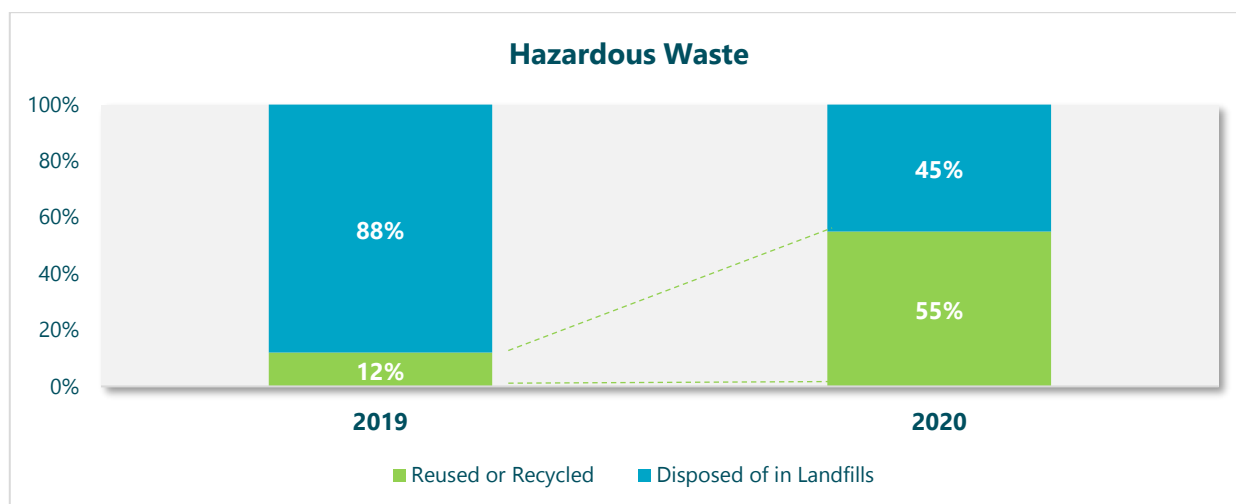
Asset	Initiative	Type of Waste	Hazardous / Non-hazardous	Action	Outcome
Solana	Water treatment	Ferric chloride	Hazardous	Replaced totes with bulk storage tanks	<ul style="list-style-type: none"> <li>- Reduced hazardous waste</li> <li>- Reduced personnel safety risks</li> <li>- Reduced GHG emissions</li> </ul>
Mojave	Water treatment	Filter cake	Non-hazardous	Undertook technical improvements at the water treatment plant	<ul style="list-style-type: none"> <li>- Reduced non-hazardous waste</li> <li>- Reduced chemical consumption</li> </ul>
Solana	Ullage system	Waste water containing benzene	Hazardous	Enhanced ullage system design	<ul style="list-style-type: none"> <li>- Reduced hazardous waste</li> </ul>
Solana	New in-house recycling program	Metal, cardboard, cans and plastic	Non-hazardous	Recycle scrap metal and cardboard, and recycle cans and plastic bottles for the local school in Gila Bend	<ul style="list-style-type: none"> <li>- Reduced asset and local community non-hazardous waste</li> </ul>



#### Hazardous waste:

In 2020, hazardous waste was considerably lower than in 2019, mainly because of the measures implemented to control hazardous waste generation at some of our plants. In 2019, an environmental accident at one of our assets in Spain was the main reason of the amount of hazardous waste generated being higher compared to the following year. We undertook all necessary measures to minimize its impact, informed the public authorities, performed a root-cause analysis, implemented corrective actions to remediate contaminated soils, thus reducing the impact, and internally shared the lessons learnt.

In 2020, we reused or recycled 55% of the total hazardous waste generated and disposed of the remaining 45% in landfills. Reusability and recycling initiatives significantly reduced our generated hazardous waste. In 2019, we reused or recycled 12% of the total hazardous waste generated and disposed of the remaining 88% in landfills.



### Non-hazardous Waste:

In 2018, 2019 and 2020, non-hazardous waste concerns the wastewater treatment plants and the reuse of wastewater before discharge. In 2020, non-hazardous waste increased by 3.5% vs. 2019 mainly because of non-contaminated soil generated by our water ponds.

In 2020, we reused or recycled 61% of the total non-hazardous waste generated and disposed of the remaining 39% in landfills, compared to 68% and 32% respectively in 2019. The reuse or recycling percentage decrease was due to non-hazardous waste generated at Solana, where our filter cake composter notified us that he could not take additional material. We have reverted back to landfilling, but we are actively seeking new partners to take this material.

### Environmental Compliance

We promote the highest environmental standards and a culture of continuous improvement to minimize our environmental risks. Among others, we: (i) have certified our environmental management system (EMS) under ISO 14001, (ii) regularly monitor environmental KPIs, (iii) perform annual environmental audits on our assets to ensure compliance with our best practices and share lessons learnt in order to promote continuous improvement, (iv) have an ERP-software that enables us to have strict control over our assets, (v) have in-house legal and compliance teams supervising compliance with contractual and existing and/or new regulation requirements, and (vi) provide regular environmental training to our employees and contractors working at our plants.

In 2020, we had three instances of non-compliances that were resolved without sanction, and two that were resolved with non-material sanctions. We received an approximately \$65 thousand sanction related to an environmental accident at one of our assets in Spain, which is the reason for the increase in hazardous waste in 2019 previously described, and an approximately \$800 sanction related to a missing semi-annual report in North America. We undertook all necessary measures to minimize their impact, informed public authorities, performed a root-cause analysis, implemented corrective actions to remediate contaminated soils, thus reducing its impact and, internally shared the lessons learned. In 2019, we received two sanctions in Spain for an approximate amount of \$2.2 thousand. In 2018, we received a \$1 thousand sanction in North America, and two non-compliances were resolved without sanction.

In USD thousands	2018	2019	2020
Fines and penalties*	1.0	1.5	65.0

(\*) The fines and penalties paid varies from year-to-year depending on the nature of the violation and the timing of its resolution.

We consider all environmental sanctions to be non-material.

## 2.6 Biodiversity

### Key facts:

- ✓ **Maintained a proactive approach to biodiversity beyond compliance**
- ✓ **Improved biodiversity reporting** based on the GRI standard and international best practices

For Atlantica, the protection of the ecosystem is a critical issue for global sustainability; we intend to promote its conservation as an essential means for environmental, economic and social progress.

At Atlantica, we are aware that our assets can cause interactions with various ecosystems, landscapes and species. The Company therefore commits to promoting biodiversity, allowing balanced co-existence, and conserving, protecting and promoting the natural ecosystem.

Our commitment includes having “no net loss” on biodiversity conservation in the areas where we operate. We aim to avoid and/or minimize any potential negative impacts that our activities may have on biodiversity. In 2020, our Board of Directors approved an updated Biodiversity Policy in line with our long-term strategy which is available on our website.

We also have various tools to help manage our biodiversity issues:

- Comprehensive emissions, water and waste management (see sections 2.3 Greenhouse Gas Emissions, 2.4 Water Management and 2.5 Waste Management of this report). We expect our measures to reduce emissions, water consumption and waste to minimize biodiversity impacts.
- Our environmental management system (EMS) is certified under ISO 14001.
- Consultation guidelines with local communities. Existing guidelines enable us to identify and manage local stakeholders and communities of interest, including potential biodiversity issues.
- Asset managers and the compliance, internal audit and legal teams regularly supervise asset contractual obligations, including biodiversity obligations.
- ESG Committee. This Committee is held on a monthly basis to provide geographic VPs and heads of several corporate functions an opportunity to address ESG issues, including biodiversity initiatives and issues when deemed necessary. We encourage you to read the Sustainability Governance section of this Report for further information on the ESG Committee.

At Atlantica, some of our solar plants are close to protected areas, while two of our transmission lines cross some areas that are also considered protected.

Asset	Location	Technology	Size	Type of Biodiversity	Listing of Protecting status
Helios 1 & 2	Near a protected area: "Tablas de Daimiel"	Solar Generation	2x50MW	Wetland	National Park
Solnovas 1 & 3 & 4 and Solaben 2 & 3, 1 & 6	Near zones of special protection for birds	Solar Generation	3x50MW 4x50MW	Birds	Zones of Special Protection of birds per Spanish Government
ATN	Our transmission lines cross three zones: (1) National Reserve Junin, (2) National Park Huascarán, (3) Hunt reserve Sunchubamba	Transmission Line	In total 379 miles	Terrestrial	(1) National Reserve (2) National Park (3) Hunt reserve
Palmucho	Our transmission line crosses the National Reserve Altos de Pemehue	Transmission Line	2 miles	Terrestrial	National Reserve

We seek to apply the mitigation hierarchy<sup>21</sup> in our environmental impact assessments to achieve biodiversity "no net loss" in the areas where we operate. In our sector, environmental impact assessments are typically prepared in the design and construction stages, where opportunities for impact avoidance are far greater as siting and design may be influenced. As of December 31, 2020 most of our assets are in-operation and we have very few projects under development or under construction. In these projects, where we usually have a non-controlling interest, we partner with companies whose ethical standards are similar to those set out in our Code of Conduct. As a result, for example, alternatives are analyzed to avoid placing new infrastructure in protected areas or areas with a high biodiversity value. During the construction process, we comply with permitting, law and regulation in-place, and seek to minimize the environmental impacts to be as low as possible and restoring the affected areas.

As the vast majority of our portfolio is in-operation, we focus our biodiversity activities on minimizing impacts rather than remediation through restoration.

Typical biodiversity impacts caused by operational solar and wind assets include: (1) solar assets (i) barrier effects (assets occupying large landscapes and/or fences acting as a barrier), (ii) pollution (dust, light, noise and vibration, solid/liquid waste), (iii) habitat degradation due to changes in hydrology and water availability and quality, (iv) wildlife mortality due to attraction to evaporation ponds, (v) bird collisions (with solar panels), and bird mortality, (2) wind assets (i) barrier effects (assets occupying large landscapes and/or fences acting as a barrier), (ii) pollution (dust, light, noise and vibration, solid/liquid waste), and (iii) bird and bat collisions with turbine blades.

At Atlantica, we have implemented controls aligned with the mitigation hierarchy approach to minimize our potential biodiversity impacts.

<sup>21</sup> The mitigation hierarchy is comprised of a sequence of four steps: (1) Avoidance, (2) Minimization, (3) Restoration, and (4) Offsets.  
(1) Avoidance: Measures taken to anticipate and prevent the creation of impacts. For avoidance to be effective, biodiversity risks need to be identified early in the project planning stages. It is the most important step of the mitigation hierarchy.  
(2) Minimization: Measures taken to reduce the duration, intensity and/or extent of impacts that cannot be completely avoided, as far as is practically feasible. Typically undertaken either in the construction or operational stages.  
(3) Restoration: Measures aimed at repairing specific biodiversity features or ecosystem services damaged by project impacts that could not be completely avoided or minimized. Typically undertaken during construction or decommissioning.  
(4) Offset: Measures taken to compensate for significant adverse residual impacts.

Mitigation Hierarchy	Controls <sup>22</sup>
Minimization	<ul style="list-style-type: none"> <li>- Abatement controls: waste and water management.</li> <li>- Operational controls: management of employee and contractor activities.</li> <li>- Physical control: management of project infrastructure.</li> </ul>

Some specific examples include:

Technology	Control	Measure	Receptor	Description
Solar	Physical	Modify security fencing to minimize barrier effects	Small- and medium- sized animals	Modifications to fencing to facilitate animal movement
Solar	Abatement	Reduce water use	General	Employ dry instead of wet cooling and cleaning technologies, such as air cooling (dry cooling and cleaning)
Solar	Physical	Prevent drowning or poisoning of wildlife	All wildlife	Fencing to keep wildlife away from evaporation ponds
Wind	Physical	Reduce collision risk	Birds	Shutdown wind turbines on demand

At Atlantica, we also consider reforestation as a measure to improve flora and fauna in those geographies where we operate.

In 2020, our main biodiversity initiatives by technology and geography were:

### ***Solar Assets***

#### **United States of America**

At Mojave, one of our U.S. assets, we continue to monitor and survey a protected Mojave Desert Tortoise, *Gopherus Agassizii*. Our solar asset has a desert tortoise exclusion fence clearance survey and translocation plan. These conditions were established by the California Energy Commission for the approval of the Mojave solar plant. In 2020, as part of our efforts to modify fencing to facilitate animal movement, we identified a desert tortoise hot-spot and a berm was fortified with brush to make the entrance disappear. We also modified a road nearby to eliminate traffic and further protect the berm. We continue to support the “Transition Habitat Conservancy” program, which is responsible for receiving and taking care of the turtles that are found within the fences of solar projects.

We also installed two nets at the cooling tower at our facility in Mojave. These nets follow recommendations and have been approved by the California Energy Commission and are part of our commitment to avoid bird fatalities at the plant. We hired third party biologists and environmental specialists to continuously study the behavior of local and migrating birds and animals to protect them by actively deterring them from the evaporation ponds. These ponds are located within the plants for the purpose of avoiding animal casualties, especially avian, as directed by California Energy Commission conditions. We use various avian deterrents approved by the California Energy Commission. Among these deterrents are the emissions of noises resembling their predators, water spraying, and “eagle eyes”. “Eagle eyes” is an optical bird

<sup>22</sup> Minimization effect, within the mitigation hierarchy, fall into three categories:

- (i) Abatement controls: Steps taken to reduce levels of pollutants (e.g. light, noise, gases or liquids) that could have negative biodiversity impacts.
- (ii) Operational controls: Measures taken to manage and regulate the actions of people, including project employees and contractors.
- (iii) Physical controls: Adapting the physical design of project infrastructure to reduce potential impacts.

deterrent used to harmlessly prevent birds from the danger of consuming evaporated pond water, which is high in salt minerals. Our specialists also continue to identify ways to protect birds and animals, and always do so in coordination with the California Energy Commission. According to our approved Bird Monitoring Study that complies with condition BIO-17, we continuously monitor bird life at and around the Mojave project, survey collected dead birds and transfer bird carcasses found to local authorities within the surrounding area of the plant for further autopsies to determine cause of death. We have not had any violations or non-compliance in this respect.

In 2019, the Mojave Solar Project invested over \$350 thousand to start a comprehensive mortality study of birds and wildlife at the evaporation ponds. This study was shared with the California Energy Commission, the U.S. Fish & Wildlife Service, the California Game & Fish and the U.S. Department of Energy. In 2020, the study concluded that the netting of the evaporation ponds safeguards wildlife animals and reduces avian mortality. Due to COVID restrictions, the netting has been put on hold. We expect to resume installation in the near future.

In addition, we continue to support the “Wetland and Wildlife Care Center” program, a non-profit organization that takes care of the rehabilitation and release of native wildlife. We consider this sponsorship very important as they treat any injured wildlife we might bring to them, which in some cases are species considered to be endangered.

At our Solana plant in Arizona, we have maintained an initiative to control the flora and fauna of the natural wash area located north of our solar plant. We annually send 477 acre feet of water to the Bull Durham Wash as a minimization action after the nearby farmland changed to industrial use. By doing so, many birds are now stopping in this wash versus our evaporation ponds while minimizing the impact of industrial farmland located close-by.



Bull Durham Wash located north to our Solana Solar Power Generation Facility

## Spain

In 2020, we continued to deliver on our reforestation program at our solar assets in Spain. We planted 525 holm oaks and continued performing maintenance reforestation activities. To do so, we invested approximately \$66 thousand and \$33 thousand, respectively.





Holm oaks at the vivarium



Tree planting



Tree planting



New planted trees

In the last four years, we have planted over 65 thousand trees on 220 hectares (540 acres). 70% of this area has been reforested with holm oaks and 30% with broom, pine trees and rosemary. We have also implemented several maintenance initiatives related to water efficiencies and plant protection from wild-animals.

In addition, our agreements with local shepherds to have sheep grazing at six of our solar assets remained in-place in 2020, helping us to control vegetation near our assets. We have continued our maintenance activities on three ancient sheep pathways, where we have watered existing trees, and installed a fence to protect both the pathway and previously reforested holm oaks, rosemary and oleanders.



Watering plants on sheep pathways



Fence to protect pathway

Also in 2020, we continued to collaborate with Extremadura's local government to protect species, including vultures (*aegypius monachus*), eagles (*aquila adalberti*) and other steppe birds settled close to our plants. We donated approximately \$53 thousand to provide food and participate in the census and monitoring of these birds.



Census and ringed birds



### ***Wind Assets***

We constantly monitor and report on the impact of spinning blades on local species of bats and birds at our three wind farms in Uruguay. The scientific monitoring studies are performed by independent biodiversity consultants contracted by our projects. Studies cover a census of birds and bats, a sampling of mammals and reptiles, a study of bird mortality, and monitor the protected birds such as the black-chested buzzard-eagle (*Geranoaetus melanoleucus*), loica pampeana, black-and-white monjita (*xolmis dominicanus*), and the straight-billed reed haunter (*limnoctites rectirostris*).



Black-chested buzzard-eagle



Loica pampeana



Black-and-white monjita



Straight-billed reed haunter

In 2020, we implemented an enhanced monitoring system to manage and mitigate the mortality of endangered species. For example, in Cadonal, one of our wind farms, we implemented an alarm protocol to shutdown selective turbines on demand to minimize the black-chested buzzard-eagle's risk of collision with spinning blades.

### Summarized Protocol

Alarm level	Black-chested buzzard-eagle at risk	Procedure
Yellow	Black-chested buzzard-eagle flying >500 meters away from wind turbines and within the wind farm perimeter.	On-hold.
Orange	Black-chested buzzard-eagle flying between 300 and 500 meters away from wind turbines.	Prepare turbine(s) shutdown.
Red	Black-chested buzzard-eagle flying <300 meters away from wind turbines.	Immediate turbine(s) shutdown.
Green	Black-chested buzzard-eagle is no longer at risk. It is >500 meters away from wind turbines and outside the wind farm perimeter.	No further action required.

Note 1: Different alarm levels can be triggered consecutively.

Note 2: Employees receive specific training to correctly identify black-chested buzzard-eagle vs. other similar birds.

In 2020, we did not record any black-chested buzzard-eagle mortal event caused by collisions with wind turbines.

On a yearly basis, Atlantica develops its biodiversity plan in accordance with the Environmental Operation Management Plan (PGAO). The plan is approved by the National Environmental Governmental Agency (DINAMA).



## Water Desalination Assets

Following severe wildfires in 2020, the Company and its business partners carried out their first reforestation program in early 2021. Over 650 trees were planted in burnt forest areas and around the Skikda and Honaine plants. Local authorities collaborated in these events.



Skikda plant's perimeter fence



Village of Ouled Sidi Chikh in Honaine



# Social

## 3.1 Our Principles

### Human Rights

We are committed to conducting our business in a manner that respects the rights and dignity of our employees and those linked to our activities including our supply chain. We respect internationally recognized human rights, as set out in the International Bill of Human Rights and the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work. Labor practice at Atlantica and the professional activities of its employees, executives and directors are governed by the United Nations Universal Declaration of Human Rights and its protocols, as well as by International Agreements signed by the United Nations and the ILO on social rights, and the principles of the United Nations Global Compact.

Freedom of association is a human right as defined by international declarations and conventions. The right of workers to collectively bargain the terms and conditions of work is also an internationally recognized human right. Collective bargaining refers to all negotiations which take place between one or more employers or employers' organizations, on the one hand, and one or more workers' organizations (trade unions), on the other, for determining working conditions and terms of employment or for regulating relations between employers and workers.

Our Code of Conduct includes a section on Human and Labor Rights. The code requires all employees, officers and directors to report any illegal behavior or violations of laws, rules or regulations. All our employees acknowledge our Code of Conduct once per year and they all receive training on our internal Management Policies, which include our Code of Conduct and human and labor rights. We do not tolerate discrimination against anyone based on any personal characteristic, such as ethnic background, culture, religion, age, disability, gender, marital status, sexual orientation, union membership, political affiliation, health, disability, pregnancy, smoking habits, or any other characteristic protected by law. We provide equal opportunities to all employees. We promote equality and work to create an inclusive workforce. We seek to provide a climate of confidence where employees can raise issues. Any behavior which is not acceptable must be reported.

After conducting an analysis on our business activities, we do not believe that our operations or suppliers are at risk of having significant incidents of forced or compulsory labor either in terms of operations nor in the countries in which we or our suppliers operate. All employees are provided with a remuneration package that meets or exceeds the legal minimum standards or appropriate prevailing industry standards. Workers are not to be intimidated or harassed in the exercise of their right to join or refrain from joining any organization.

We have a Supplier Code of Conduct that was amended and approved by the Board of Directors in December 2020. Atlantica has a strong commitment to operate at the highest standards of corporate conduct. We seek to operate with third parties who operate under principles similar to those set out in our Code of Conduct, accordingly, we have included our requirements in our contractual arrangements with suppliers.

We seek to prevent or mitigate any type of violations of human rights that are directly linked to our operations, products or services and by our business relationships, even if they have not contributed to those impacts.



On an annual basis we assess our activities and those of our suppliers. The analysis serves as a basis for the preparation of our U.K. Anti-Modern Slavery and Human Trafficking Statement disclosed in the Governance section.

Our human rights areas of focus include ethics and integrity, health and safety and labor practices (in both cases including those of our suppliers), equal opportunities, non-discrimination, environmental protection (including environmental accidents that could affect our employees and/or local communities), and data protection and cybersecurity.

We believe we have a robust due diligence system in place for the management of human rights issues. We have historically considered human rights risks in our risk matrix, although they were not necessarily identified in the past under the human rights category. Environmental management, occupational health and safety management and data protection and cybersecurity issues are good examples of the way we manage our potential impacts on human rights.

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:

- We are committed to aligning our actions to 7 of the 17 Sustainable Development Goals issued by the UNGC, including “Decent Work and Economic Growth” and “Gender Equality”. Please read the Key Business Highlight section for detailed information on the UNGC.
- Our internal compliance team reviews Human Rights related matters as part of their activities. They verify the supply chain across the jurisdictions in which we operate to identify any potential breach regarding human rights. They are also responsible for guarantying that human rights are respected among all employees of the Company. In addition, the compliance team is responsible for providing training courses that include content related to human and labor rights. The Compliance teams ensure that all employees have reviewed and understood our Code of Conduct and corporate policies. Please read the Business Ethics section for more detailed information on compliance training.
- We perform regular internal and external audits to verify compliance with data protection rules and regulations. Please read the Digital Transformation and Data Security section for more detailed information.
- Our corporate operations team audits the assets’ health and safety procedures, as well as operational and environmental performance in order to implement lessons learned and best practices. Please read the Asset Management and the Occupational Health and Safety sections for detailed information on activities that mitigate day-to-day risks, including those related to human rights.
- Ecovadis, a third-party supplier, certifies our suppliers activities including fair labor and human rights aspects. Please read the Asset Management section for more detailed information on suppliers’ certification.
- We have put communication channels in place to report any misconduct or instances of non-compliance with our compliance policy framework, including human right issues. Please read the Business Ethics section for more detailed information on how we communicate our compliance culture to the organization.
- The Investment Committee reviews, as part of its due diligence when acquiring new assets, that the asset and/or the potential investment partner complies with international human rights standards and that they have not had any human rights incidents.
- In our investments where we have a non-controlling interest, our partners are international companies with strong corporate governance guidelines similar to those that we have in-place,

hence we expect these partners to be committed to respecting the human and labor rights recognized in domestic and international law.

We confirm that no human rights incidents were reported or identified during 2018, 2019 and 2020.

We plan to continue analyzing, implementing and reporting initiatives to improve our human rights procedures going forward.

### 3.2 Asset Management

Our business is to own, manage and operate sustainable assets in a sustainable way. As such, asset management is the core of our business. Asset management refers to the systematic process of developing, operating, maintaining and improving the assets in the most cost-effective manner, while considering costs, risks, opportunities and performance factors. Asset management also involves health and safety, environmental matters, compliance, financial, economic and other practices applied to the physical assets.

Excellence and efficiency are two of our core values. We believe in the outstanding and disciplined asset management of our operations, while seeking excellence in a cost-efficient manner. Atlantica’ asset management policy is publicly available on our website.

At Atlantica, asset managers oversee day-to-day activities of each of our assets and report to three geographic VPs, who have full responsibility and accountability for the assets they manage. In addition, the corporate operations team supports asset managers by auditing the assets’ health and safety procedures and operational and environmental performance in order to implement best practices, while the internal audit team audits asset records, processes and procedures.

#### Summarized Asset Management and Corporate Functions

Asset Management Functions	Corporate Functions
Operation and maintenance supervision. Implement best practices and audit recommendations, and share lessons learned	Operations, health and safety, environment and quality
ESG management*, including implementing a zero-accident culture, minimizing environmental impacts, and overall asset risk identification and mitigation	Financing, budget control, administration, tax, and information technology**
Cash management, budget-tracking, preparing financials	Internal audit and risks
Manage relationship with all asset stakeholders	Legal and human resources
Measure, monitor and report asset KPIs	Purchasing

(\*) We encourage you to read section 4.2 (Sustainability Governance) for further details on ESG-related functions.

(\*\*) We encourage you to read section 4.6 (Digital Transformation and Data Security) for further details on enhanced machine learning capabilities aimed at improving asset performance.

#### Asset Management Approach

Atlantica’s asset management objectives and targets are set on an annual basis. The Board of Directors approves consolidated key performance indicators.

We believe in a disciplined and efficient asset management approach. To do so, we have a robust asset management system in place that enables us to monitor the performance of our assets in real time. We identify deviations, analyze them, learn from potential errors and apply corrective actions whenever needed.

We believe that by investing in our monitoring and predictive capabilities, we will improve our asset performance. In 2020 we received the “Pump Industry Excellence Award for Innovation and Technology” from the Hydraulic Institute, the largest association of pump industry manufacturers in North America. We were recognized for the deployment of Sulzer’s BLUE BOX at two of our solar power plants, which enabled us to reduce our operational risks and to improve critical pumps’ uptime going forward.

We have monthly KPIs on health and safety, operation and maintenance, environmental metrics, equipment availability and overall plant performance. The asset operators submit monthly reports analyzing the asset performance including all these KPIs. In addition, we have an ERP-software that enables us to have strict control over our inventory, spare parts, work orders, work permits, accounting, etc.

We perform annual internal audits on our assets to ensure compliance with our best practices and to promote continuous improvement. The Operations department audits all our assets at least every two years. The purpose of these audits is to review operational, maintenance, engineering, health and safety and environmental indicators, as well as to comply with reporting requirements. The internal audit team reviews the internal controls and financial information of all our assets on an annual basis. Specific internal audits may be carried out on certain assets on an as-needed basis.

Audit findings are discussed between the Business VPs and the Operations Director or the Head of Internal Audit and Risk. Key audit findings are discussed in the Geographic Committees, allowing senior corporate management to understand our business activities, identify improvement areas and follow an implementation plan. In 2020, we had 13 of our assets audited, which resulted in recommendations for 179 improvement actions. A high percentage of these improvement actions mainly relate to operation and maintenance, health and safety, and environmental non-significant findings to reach the internal standards required.

**Number of Assets Audited and Improvement Actions in 2018, 2019 and 2020**

	2018	2019	2020
Assets audited	11	11	13
Identified improvement actions	188	206	179

Note 1: 2018 and 2019 improvement actions were implemented. ~50% of 2020 identified improvement actions have been implemented. The rest, improvement actions identified in Q3 and Q4 2020 audits, are expected to be implemented during 2021.

Note 2: Due to COVID-19 restrictions most of 2020 audits were performed remotely and/or partially compared with the annual audit plan.

Geographic VPs, asset managers and the Corporate Operations Team dedicate time and effort to implement improvement actions. The progress on implemented improvement actions are always reviewed in the monthly ESG Committee.

Atlantica’s Environmental and Quality Management System is ISO 14001 and ISO 9001 compliant. These standards cover the management and acquisition of contracted assets. In 2020, we migrated our system based on OHSAS 18001 to the new standard ISO 45001 health and safety requirements. Our certifications, obtained for the first time in 2015, had a validity period of five years and came up for renewal in May 2021. An external third party (DNV GL) audits our Environmental and Quality Management System annually. In May 2021, we renewed our environmental, quality and health and safety management systems compliance with ISO 14001, 9001 and 45001, respectively, until May 2024.

To meet Atlantica’s asset management objectives, the Company has provided management and technical training to its employees. In 2020, training received by our employees included efficient operation of solar assets, leading strategic projects, management of environmental risks and audit matters, compliance and internal control certificate programs. Additional information is provided in the human capital and business ethics sections of this report. Atlantica’s senior management is convinced that well trained employees will foster continuous day-to-day improvement, hence improving asset performance.

### **Asset Closure**

At Atlantica, we are committed to rehabilitating land to its “before-use” state, minimizing negative impacts. As of March 31, 2021, our assets had a weighted average remaining contract life of approximately 16 years. Our first PPA or regulated contract finalizes in 2032. No asset has been dismantled since our incorporation. We believe that we can continue operating many of our assets beyond their contract or regulatory life, with the exception of the ATN and ATS transmission lines, for which the property will be transferred to the government at the end of the concession period. For the rest of the assets, if or when we decide to stop operations after the contracted period, we are committed to dismantling the asset and returning the land to its original state. In most of the assets, the process would consist of taking equipment apart and we do not expect any environmental or landscape impact after dismantling.

On a yearly basis, we review our dismantling plan and have our engineering team review the continued reasonableness of such costs. These costs include among others, health and safety and environmental measures to avoid significant environmental or landscape impacts. We plan to involve local communities in the dismantling activities. At Atlantica, our CEO and Geographic VPs hold responsibility and accountability for future land closure and rehabilitation.

For more information on dismantling provisions, please read our 2020 financial statements publicly available on our website.

In USD million	2018	2019	2020
Dismantling provision	57	60	88

## **3.3 Supply Chain Management**

### **Description of the Supply Chain**

According to our Code, we seek to work with third parties who operate under principles that are similar to those set out in the Code of Conduct. We also have a Supplier Code of Conduct that we expect our suppliers to adhere to, which includes human rights and labor standard principles. We include our requirements in our contractual arrangements with suppliers. Understanding that some suppliers may face significant challenges in adhering to every aspect of the Code, from the outset of our business relationship, we pledge to work with those suppliers to help them comply.

In addition to complying with applicable laws and regulations, we seek to efficiently manage the environmental and social impact of our operations, implement best practices, reduce our environmental footprint over time and comply with our social targets and impacts in the local communities where we operate.

Our main suppliers are large operation and maintenance corporations with robust corporate policies regarding ethical standards and human rights. We also engage with financial institutions,

including banks, legal advisors, accountants, consultants, and insurers. In 2020 we engaged with approximately 1,200 suppliers across all the regions where we operate.

### **Our Approach to Supply Chain Management**

In 2020 and 2019 almost 100% of our suppliers adhered to our Supplier Code of Conduct. At Atlantica, we have a supply chain management strategy comprised of five priorities:

1. Maintaining a resilient and agile supply chain that complies with all rules and regulations, including those set out in our Supplier Code of Conduct.
2. Ensuring that the purchase of all goods, supplies, external professional services and works required to perform our day-to-day activities are performed in a timely, efficient and effective manner. As such, our internal general purchasing policy and standardized procedure are maintained and regularly updated in all our geographies.
3. Maintaining a comprehensive risk management approach. We seek to reduce purchasing costs over time through new or existing suppliers, while minimizing the potential risks of the supply chain on our businesses. As such, vendors are evaluated (internally and/or externally) before being hired and regularly reviewed thereafter.
4. Maintaining a robust information system that enables the purchasing department to identify business needs, and supply planning before they are needed, while being supported by a comprehensive vendor database that includes a multiple-level approval system.
5. Identifying and implementing international purchasing best practices.

### **Spending on Local Suppliers**

We acknowledge that our day-to-day activities have impacts on local communities. We foster communities' economic prosperity through local purchasing and hiring of local employees. In 2020 we issued a new Stakeholder Policy following our long-term strategy, and updated our Community Investment and Development Policy to better reflect our commitment to local communities. Both policies are available on our website. We encourage you to continue reading our Local Communities section for more detailed information regarding our commitment to local communities.

At Atlantica we differentiate three core operating locations: North America, South America and EMEA. We consider expenditure to have been made locally whenever purchases are made to suppliers from the same country where the service or the material is used. In 2020, more than 90% of our total purchases in the geographies where we have assets were made to local suppliers.

### **Comprehensive Risk Management Approach**

The Purchase and Compliance teams play a key role in establishing mechanisms to avoid negative impacts from our suppliers: avoid conflicts of interest, bribery and corruption, comply with human rights and labor standards, comply with our occupational health and safety targets and work with environmentally sustainable suppliers.

The ERP Atlantica uses to keep track of new suppliers, purchase orders and payments is SAP, this tool is used in all the geographies where Atlantica operates, except for Chile and our water plants, which represented less than 6% of our total revenue in 2020. We are working to implement SAP at some of these assets in the upcoming years. The unification of the ERP across the various countries guarantees suppliers identification and enables us to have a single supplier data base. Additionally, the automation of the process helps to prevent risks from the supply chain.

We have implemented three lines of defense to mitigate risks from our supply chain:

<b>Lines of Defense</b>	<b>1<sup>st</sup> line</b>	Pre-screening evaluation assessment (internal and external)
	<b>2<sup>nd</sup> line</b>	Supervise and manage suppliers as per contracts
	<b>3<sup>rd</sup> line</b>	Annual supplier evaluation

1<sup>st</sup> line of defense: Pre-screening evaluation assessment before contracting a new supplier.

- a) Internal approval process. Atlantica’s internal team verifies (i) the supplier’s bank account certificates and taxpayer identification number, (ii) that it does not have conflicts of interests with Atlantica, (iii) it does not have corruption or bribery accusations, (iv) its compliance with environmental management systems, (v) financial solvency (reviewed for vendors above a certain threshold).
- b) External approval process. We engage the services of the external provider Ecovadis to evaluate our key suppliers in terms of: (i) environment, (ii) fair labor and human rights, (iii) ethics, and (iv) sustainable procurement. Ecovadis applies an in-house methodology built on international Corporate Social Responsibility (CSR) standards including the Global Reporting Initiative, the United Nations Global Compact, and ISO 26000 and issues a rating per supplier. In particular, the questionnaire specifically rates environmental policies and KPIs, responses to CDP’s Climate Change questionnaire, measures to reduce energy consumption, GHG emissions and disclosure, and waste management.

The external approval process includes:

- A scorecard per supplier with a zero to one hundred (0 – 100) score, and medals (bronze, silver, gold) when applicable. The scorecards also provide guidance on strengths and improvement areas for each supplier.
- Engagement with suppliers to determine appropriate action on improvement areas (if necessary).
- Since Ecovadis rating is valid for one year, we regularly monitor suppliers’ progress.

2<sup>nd</sup> line of defense: Asset managers at the operational level and the head of each Corporate department, supported by our Legal and Compliance department, supervise and manage day-to-day supplier activities as per contracts to prevent material adverse impacts, including environmental and social impacts. In case of failure or violations to Atlantica’s commitments which have significant impact on, for example, environment, human or labor rights, Atlantica may terminate, suspend or revoke the contract.

3<sup>rd</sup> line of defense: Annual supplier evaluation. The compliance team monitors our key suppliers’ activities to verify that they continue to operate under the principles set out in our Supplier Code of Conduct. An objective and systematic analysis is performed to analyze the continuation of the contractual relationship. Non-compliance may result in terminating, suspending, or revoking the contract. The Internal Audit department and the Operations, Health and Safety, Environmental and Quality departments also participate in the annual supplier evaluation assessment.



## Lines of Defense to Mitigate Risks from Our Supply Chain

(Percentage of amounts expensed in each category)

	2018	2019*	2020
Pre-screening internal approval process	n/a	100%	100%
Pre-screening external approval process	n/a	>51%	>51%
Annual supplier evaluation	n/a	n/a	20%

(\*) 2019 was the first full year of the pre-screening internal and external approval activities.

In 2020, three suppliers were disqualified by Atlantica (vs. none in 2019). We externally pre-screened suppliers representing over 51% of the Company's annual operating expenses. We believe that certifying over 50% of the company's annual operating expense is a measure of success for this engagement. In 2020, we also started performing an annual supplier evaluation assessment. We verified 20% of the company's total purchases. We plan to continue to improve our suppliers' engagement until we accomplish supply chain targets detailed later in this section.

At Atlantica, a critical supplier is one whose goods or services have significant impact upon our operations and/or sustainability.

- Tier 1 suppliers. Directly provide supply goods, materials or services to the Company.
  - Critical Tier 1 suppliers include those who may have (i) high-volume (i.e., in USD and/or quantity), (ii) critical components, or (iii) non-substitutable goods or services.
  - Critical Non-Tier 1 suppliers include those considered critical (as defined above) and who provide products and/or services to our suppliers at the next level up in our supply chain (i.e., Tier-2 suppliers). An example of a Critical Non-Tier 1 Supplier is a key subcontractor of one of our operation and maintenance contractors.
- Tier 2 suppliers: Provide (non-critical) products and services to our suppliers.

Classifying suppliers helps Atlantica to understand and manage its supply chain risk profile.

In 2020 we had over 1,200 suppliers, out of which 48 were considered Critical Tier 1 suppliers. These represent 4% of the total number of suppliers, and 66% of our total purchase expenses.

### **Supply Chain Verification Targets**

In 2020, we revised our objectives and set the following supply-chain management targets:

- Pre-screening: Internally verify 100% of total annual costs (i.e., all Tier 1 suppliers).
- Pre-screening: Externally verify 65% of total annual costs (i.e., all Tier 1 suppliers). We expect to achieve this target in 2022.
- Annual supplier evaluation assessment: Verify at least 65% of critical Tier 1 suppliers' annual costs. We expect to achieve this target in 2022.

### **Supplier Engagement as a Basis for Improvement**

By encouraging suppliers to share our standards and continuously collaborate on improvements, it is our belief that we can have a significant impact, whilst at the same time go beyond compliance and mitigate risks. For example, in terms of health and safety, Atlantica has undertaken numerous initiatives to engage contractors, including providing regular training, implementing best practices and sharing lessons learned. As a result, our key health and safety metrics have decreased for sixth consecutive year.



## COVID-19 Action

In 2020, we faced a new and unprecedented situation in our supplier relations. The COVID-19 pandemic required our operation and maintenance subcontractors to work under strict health and safety protocols at all our assets (as described in more detail in the Occupational Health and Safety section) and to adapt to the new circumstances, including social distancing and/or collaborating remotely with our office employees.

## 3.4 Human Capital

### Key facts:

- ✓ Increase in number of women in our workforce and at the management level
  - 456 employees (▲ 7% vs. 2019). Breakdown by gender: 333 men (▲ 5% vs. 2019), and 123 women (▲ 13% vs. 2019)
  - 24% of women at the management level (▲ 3% vs. 2019)
- ✓ 100% annual performance review
- ✓ Improved human capital reporting based on the GRI standard and international best practices

We believe that by providing a good quality of life for our employees, and by enhancing social and professional development we will retain and attract valuable employees. Employees are a core component of our present and future success.

Our values and Code of Conduct set out what we expect of all our people. The honesty, integrity and sound judgment of our employees, officers and directors is essential to Atlantica's reputation and success. We seek employees who have the right skills and who understand and embody the values and expected behaviors that guide our business activity.

We perform an employee climate survey every three years to assess employees' satisfaction and intend to increase its frequency moving forward. The goal is to receive feedback, as well as engage with our employees. The survey is confidential, managed by a third-party, and results are aggregated, shared and discussed with supervisors. In October 2020 we carried out an employee climate survey. Approximately 80% of employees took part and the general engagement with the Company was 77%, above the average for similar organizations. Atlantica scored highly in several areas, including our COVID-19 response, employees' overall experience in the Company and satisfaction with their immediate manager/supervisor. This survey helped us to identify certain areas for improvement. Management has prepared action plans for those areas. The Board receives reports on the survey results together with action plans that management intends to take moving forward.

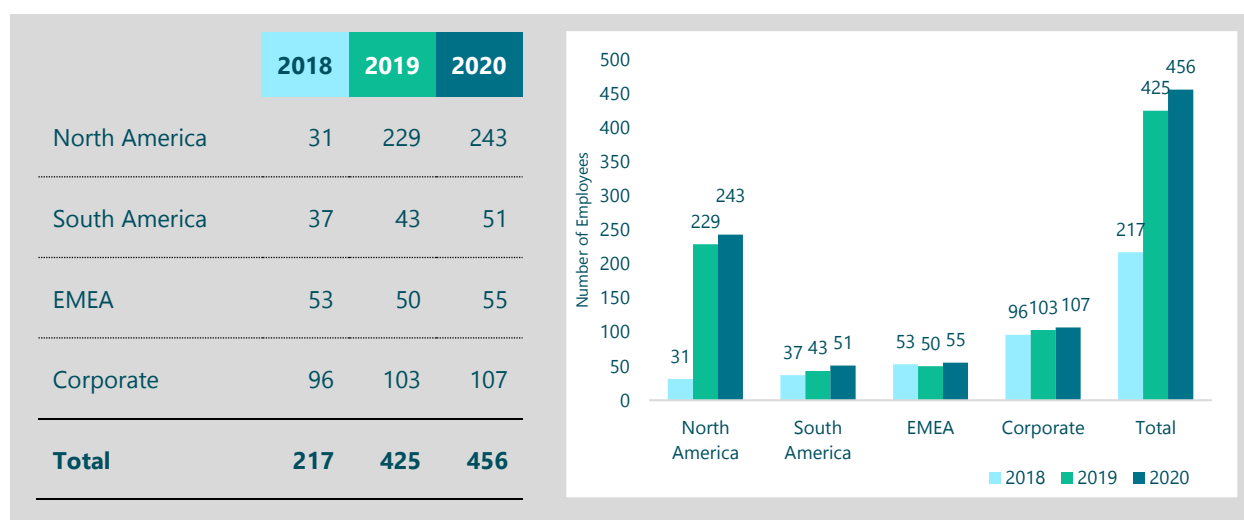
We use a platform, called Meta4 as our global system for human resources management. Meta4 is accessible to all Atlantica employees. It is an interactive tool that allows employees to access and manage their development, performance reviews, benefits, compensation, work-time planning, etc.

To improve communication with our people we have implemented several measures:

- Our CEO updates Atlantica’s employees on key priorities in open sessions with a Q&A session, at least twice a year.
- Our senior management team takes part in our “Atlantica’s Management Model” training to discuss the Company’s long-term strategy and business model, recent milestones, growth strategy and values and policies and procedures with all employees. We promote an informal and open environment to foster discussions with employees in groups of less than 20 people. Employees can express their ideas and concerns without the worry of evaluation or retaliation. The feedback is analyzed and shared with Atlantica’s management in monthly management meetings. Where appropriate, we devise action plans and assign one or several managers with their implementation.
- We regularly publish Atlantica-related news via our internal intranet.

In 2020, our workforce increased to 456 from 425 as of December 31, 2019. In 2020 we further bolstered our U.S. labor force following the acquisition of ASI Operations in 2019, which is the company providing operation and maintenance services to our U.S. solar assets. Back then, this subsidiary added 199 new employees to our workforce, of which approximately 90% were men and 155 were employed in operation and maintenance.

### Number of Employees per Geography as of December 31, 2018, 2019 and 2020



Our corporate employees support our assets in roles including operations, health and safety, environment and certain corporate areas including corporate development, finance, internal audit, human resources and legal.

Employees at 2018, 2019 and 2020 year-end by employment type and by contract type were:

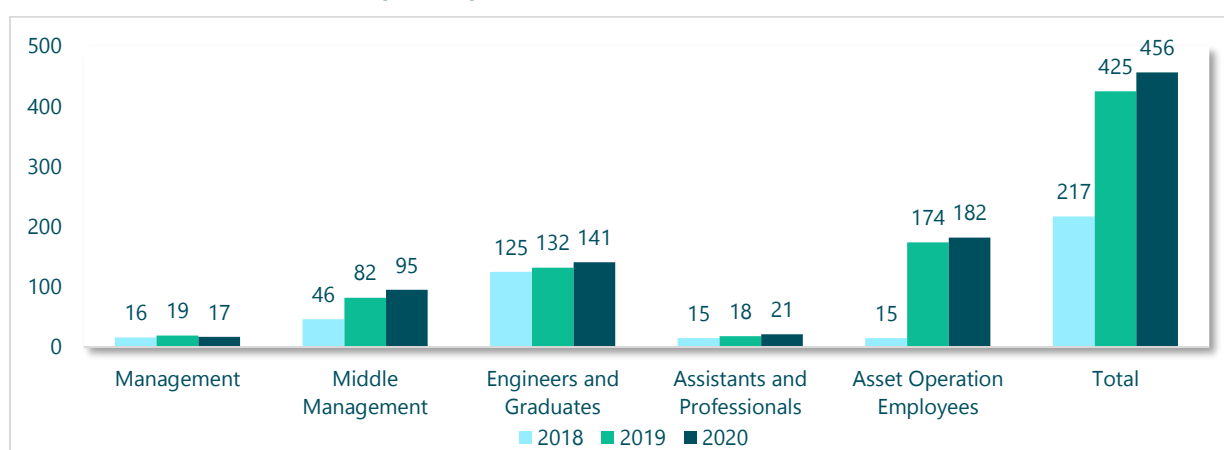
		2018			2019			2020		
		Male	Female	Total	Male	Female	Total	Male	Female	Total
By employment type	Full-time*	130	87	217	316	109	425	333	123	456
	Part-time	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>130</b>	<b>87</b>	<b>217</b>	<b>316</b>	<b>109</b>	<b>425</b>	<b>333</b>	<b>123</b>	<b>456</b>
By type of contract	Permanent	121	75	196	310	101	411	329	114	443
	Temporary	9	12	21	6	8	14	4	9	13
	<b>Total</b>	<b>130</b>	<b>87</b>	<b>217</b>	<b>316</b>	<b>109</b>	<b>425</b>	<b>333</b>	<b>123</b>	<b>456</b>

(\*) Voluntary working time reductions have been included under full-time employment contracts.

		2018				2019				2020			
		North America	South America	EMEA*	Total	North America	South America	EMEA*	Total	North America	South America	EMEA*	Total
By type of contract	Permanent	29	25	142	196	228	34	149	411	243	41	159	443
	Temporary	-	8	13	21	-	4	10	14	-	10	3	13
	<b>Total</b>	<b>29</b>	<b>33</b>	<b>155</b>	<b>217</b>	<b>228</b>	<b>38</b>	<b>159</b>	<b>425</b>	<b>243</b>	<b>51</b>	<b>162</b>	<b>456</b>

(\*) Corporate employees included in EMEA.

### Number of Employees by Level as of December 31, 2018, 2019 and 2020



Note: 2019 employee levels have been revised following the updated 2020 classification.

### Number of Employees by Age as of December 31, 2018, 2019 and 2020

	2018		2019		2020	
	Male	Female	Male	Female	Male	Female
< 30	9	10	51	14	50	24
31-40	65	50	117	53	126	48
41-50	43	24	83	32	90	41
>51	13	3	65	10	67	10
<b>Total Employees</b>	<b>130</b>	<b>87</b>	<b>316</b>	<b>109</b>	<b>333</b>	<b>123</b>

The average age of our workforce in 2019 and in 2020 was 40.

In 2018, 2019 and 2020 several employees implemented informal networking groups in some of our offices. These initiatives helped improving cross-functional communication between different departments.

Contractors perform a variety of services for our companies. Atlantica supervises the subcontracted activities performed and keeps statistics regarding subcontracted personnel, with regards to health and safety or as required by law.

### **Collective Bargaining Agreements**

The percentage of employees that are covered by collective bargaining agreements was 15% in 2019 and 14% in 2020. In 2018, none of our employees were covered by collective bargaining agreements. The 2019 increase is due to the internalization of our operation and maintenance activities in California, U.S.

If we include sector collective bargaining agreements, the percentage of employees that are covered by collective bargaining agreements is 61% in 2018, 49% in 2019, and 50% in 2020.

### **Diversity and Inclusion Policy and Opportunities**

At Atlantica, we believe that the diversity of our workforce is an asset that enriches the Company with fresh ideas, perspectives, and experiences. We acknowledge the contribution of people of different genders, nationalities, cultures, races, professional backgrounds, abilities, socio-economic backgrounds, and ages. Our belief is that employees with diverse skills represent an important resource identifying innovative solutions and improving our business performance, which ultimately benefits all our stakeholders.

We provide a work environment free of discrimination, intimidation and harassment, where everyone can participate in the success of the business and where all employees are valued for the distinctive skills and experiences they bring to the Company.

#### Initiatives and Recognitions

- In 2020, the Board approved a new Board Diversity Policy to further recognize and embrace the benefits of having a diverse Board as part of the Company's long-term strategy. Our Diversity and Inclusion Policy and the new Board Diversity Policy are available on our website.
- Currently, 25% of the members of the Board of Directors are women and 24% of Management are women.
- In 2020, Atlantica joined the Women's Empowerment Principles, a set of good business practices that promote equality between men and women across all areas of the organization.
- In January 2021, Bloomberg informed us they had selected Atlantica to be part of their Gender-Equality Index (GEI).

We believe Bloomberg's GEI helps bring transparency to gender-related practices and policies at publicly listed companies by increasing the breadth of ESG data available to investors. The GEI scoring method measures gender equality using indicators across five areas: female leadership and talent pipeline, equal pay and gender pay parity, inclusive culture, sexual harassment policies, and pro-women brand. In 2021, the GEI includes 380 companies across 11 sectors and 44 countries and regions.

- Also in 2020, in compliance with South Africa's Broad-Based Black Economic Empowerment Program, we focused our recruitment on local Black candidates. For instance, over 82% of the employees hired by Kaxu's operation and maintenance supplier identified as Black, thus exceeding the requirements defined by the Program.

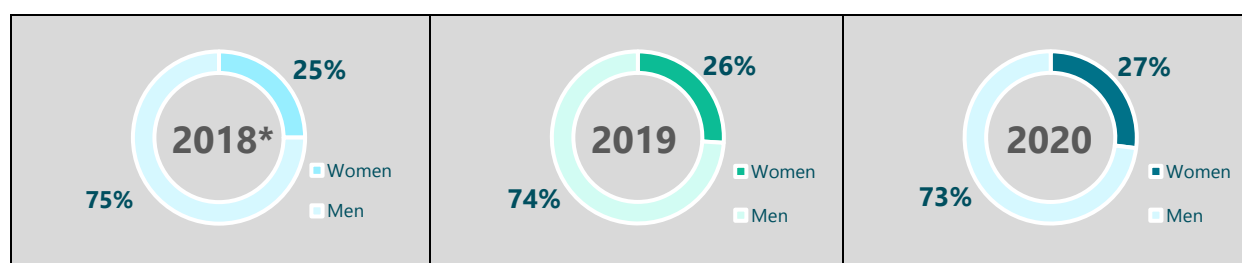
In 2018, 2019 and 2020, we were not notified of any incidents relating to potential situations of discrimination.

In addition, in early 2021, the Company started a human capital analysis aimed at guaranteeing equal opportunities to our employees and to promoting a culture of diversity and inclusion. The main objectives of this analysis are:

- Preventing any kind of gender discrimination, either direct or indirect.
- Reinforcing Atlantica’s commitment to its employees to ensure equal opportunities and to eradicate any potential conduct that may discriminate any employee due to their gender or family situation.
- Promoting effective equality measures among men and women and guaranteeing the same opportunities to hiring candidates, internal professional development and working conditions for all employees.
- Promoting work-life conciliation and ensuring that such balanced work-life conciliation does not negatively impact employees.

### Gender-Related Information

#### Employees by Gender as of December 31, 2018, 2019 and 2020



(\*) Proforma 2018 for comparative purposes. This includes the number of employees from the U.S. operation and maintenance activities that were internalized in 2019.

We operate in a sector that has historically employed a majority of men, especially in operation and maintenance activities. One of our objectives is to remove any barriers we might have and to empower women and ensure that they progress with the same opportunities as men. During 2020, we promoted a total of 23 employees, 15 men and 8 women.

#### Promoted Employees by Gender in 2018, 2019 and 2020

	2018			2019*			2020		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Number of promotions	4	7	11	14	5	19	15	8	23

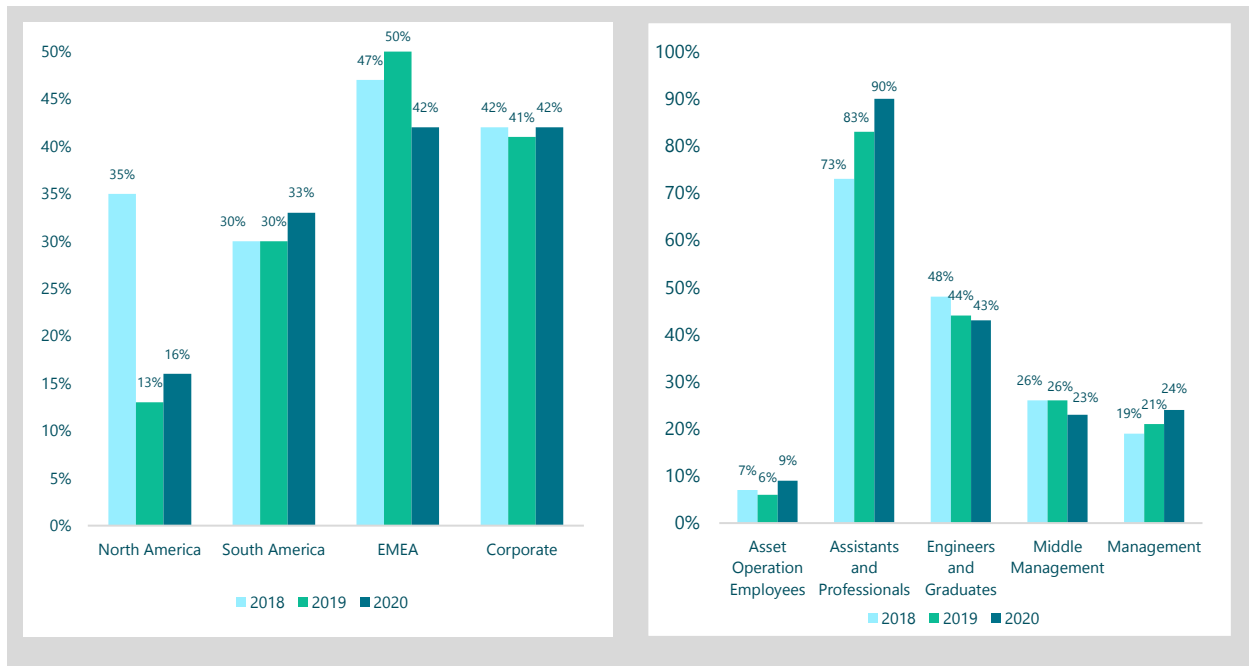
(\*) If we exclude the effect of the U.S. operation and maintenance activities, in 2020 we promoted a total of 11 employees, 7 men and 4 women. In 2019 we promoted 9 employees, 5 men and 4 women excluding U.S. operation and maintenance activities.

#### Parental Leave in 2018, 2019 and 2020

	2018			2019			2020		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Parental leave	4	3	7	15	11	26	14	7	21

All employees returned to work in 2018, 2019 and 2020 after parental leave and all of them were still employed 12 months after returning to work. In addition to rules and regulations, management encourages employees to take parental leaves.

## Women by Geography and by Level as of December 31, 2018, 2019 and 2020



### Gender Pay Gap Analysis

Atlantica guarantees respect for salary equality rights. Monitoring pay equality is one of the key factors to ensuring the creation of an inclusive and respectful culture without differentiation based on gender, age, race or any other personal factor.

The Company is determined to ensure that there is no gender-based inequality in its activities by offering equal pay for equal work in all the businesses and countries where it does business.

We believe it is important to understand the difference between the concepts of salary gap and salary equality:

- The pay gap shows the difference between the average salary received by men and women.
- Pay equality is the right of men and women to receive the same salary for the same work.

At Atlantica, we provide equal pay for men and women for equal work and a wage review with uniform criteria for both genders.

This is the first year we report the difference between average salary received by men and women. We believe it is the right thing to do for our business and our people. Pay Gap is measured subtracting the average female compensation from the average male compensation and dividing the result by the average of the higher earning gender (male or female) compensation.

### 2020 Pay Gap by Level

Management	17%
Middle management	24%
Senior engineers and graduates	15%
Engineers and graduates	11%
Assistants and professionals	n.a.
Asset operation employees	14%
<b>Average Salary by Gender</b>	<b>31%</b>

Note 1: Data includes fixed salary and short-term bonus without adjusting for factors such as job function, level, education, performance, location, or exchange rate differences.

Note 2: The CEO has been excluded from the analysis as we believe that including his compensation would distort the results.

Note 3: Management consists of the members of the Management Committee.

Note 4: Middle management consists of employees who manage a specific area, supervise a group of employees, or are considered key personnel within the organization.

The gender pay gap information is affected by the fact that salaries differ in countries where we operate and by the lower presence of females in management and senior engineers positions, which is common in the energy sector. In addition, female representation is significantly lower in age groups above 40, where salaries are usually higher.

To mitigate this situation and accelerate the progressive reduction of gender pay-gap, Atlantica is analyzing several initiatives:

- Ensuring that we progressively build a pool of females to undertake management positions.
- Promoting STEM careers among female students.
- Always considering female candidates when hiring new employees.

### Recruitment and Retention

Our career development program, performance assessment and skill training programs are aimed at talent retention and development.

During 2020, we had an employee voluntary turnover of 7.2%, which decreased from 8.0% in 2019. If we exclude the effect of our operation and maintenance employees, our employee voluntary turnover would have been 2.7% in 2020 and 3.5% in 2019. Personnel turnover at our assets in the United States is higher than the turnover at the rest of the assets.

#### Employee Turnover Rate as of December 31, 2018, 2019 and 2020\*

	2018*	2019*	2020
Employee voluntary turnover rate	5.5%	8.0%	7.2%
Employee voluntary turnover rate without U.S. operation and maintenance activities	5.5%	3.5%	2.7%
Employee involuntary turnover rate**	3.2%	7.8%	2.9%
Employee total turnover rate	8.8%	15.8%	10.1%

(\*) 2018 and 2019 percentages have been revised following the updated 2020 classification. Employee turnover rate is calculated based on the number of employees at year-end.

(\*\*) Includes dismissals, finalization of temporary contracts, retirement and others.

In 2019, following the internalization of the U.S. operation and maintenance activities of our solar assets, our rates increased due to the low unemployment and common rotation in the U.S. workforce. As of December 31, 2020, approximately 53% of our total workforce was located in North America.



## Employee Total Turnover in 2018, 2019 and 2020

	2018		2019		2020			2018		2019		2020	
	Male	Female	Male	Female	Male	Female		Male	Female	Male	Female	Male	Female
< 30	3	2	9	5	11	3	<b>North America</b>	4	1	32	9	31	3
31-40	10	2	25	8	10	2	<b>South America</b>	3	2	3	1	-	-
41-50	2	-	12	2	7	4	<b>EMEA</b>	3	-	12	1	2	1
>51	-	-	6	-	9	-	<b>Corporate</b>	5	1	5	4	4	5
<b>Total Employees</b>	<b>15</b>	<b>4</b>	<b>52</b>	<b>15</b>	<b>37</b>	<b>9</b>	<b>Total Employees</b>	<b>15</b>	<b>4</b>	<b>52</b>	<b>15</b>	<b>37</b>	<b>9</b>

We perform exit surveys with all our employees who voluntarily decide to resign from their jobs. Our aim is to identify weaknesses and areas of improvement that can help to improve and to reduce voluntary turnover.

In 2020 we hired 78 employees. The "Below 30" category (37%) led our hiring's by age, while North America (58%), following the 2020 reinforcement of our U.S. personnel, led by geography.

## Employees Hired in 2018, 2019 and 2020 By Age, Gender and Geography<sup>23</sup>

	2018		2019		2020			2018		2019		2020	
	Male	Female	Male	Female	Male	Female		Male	Female	Male	Female	Male	Female
< 30	6	6	14	7	18	11	<b>North America</b>	6	2	32	6	37	8
31-40	16	8	18	5	20	5	<b>South America</b>	17	7	8	2	3	5
41-50	15	3	15	2	12	3	<b>EMEA</b>	8	1	5	2	9	-
>51	2	-	7	1	8	1	<b>Corporate</b>	8	7	9	5	9	7
<b>Total Employees</b>	<b>39</b>	<b>17</b>	<b>54</b>	<b>15</b>	<b>58</b>	<b>20</b>	<b>Total Employees</b>	<b>39</b>	<b>17</b>	<b>54</b>	<b>15</b>	<b>58</b>	<b>20</b>

At Atlantica, we offer a remuneration package that includes monetary and non-monetary compensation. In 2018, 2019 and 2020 we based our Compensation Policy on these four pillars:

- Pre-defined remuneration bands based on market surveys provided by several external consultants for certain positions.
- Annual performance appraisal for 100% of our employees.
- Variable compensation based on Company targets, departmental targets and individual targets.
- Long-term incentive plan for certain employees.

Our Human Resources department receives remuneration data from two separate external consultants for certain positions based on position and location.

In 2020, approximately 57% of our employees with variable remuneration had targets linked to ESG performance.

The package offered by Atlantica includes monetary compensation and remuneration in-kind, depending on the employee's position, and on local practices in the countries in which we

<sup>23</sup> 2019 hires do not include the internalization of our U.S. operation and maintenance activities

operate. In addition, we offer flexible remuneration in certain locations, which sometime provides tax advantages for employees. Under current local regulations, we offer 401(k) plans in the U.S. We also finance a high percentage of the health insurance costs of our employees and their immediate family in most of the countries where we are based. Finally, in certain locations, we have implemented initiatives including providing fruit and coffee at our offices and subsidizing fitness. Some of these are on hold due to COVID restrictions. We expect to resume healthy initiatives as soon as COVID restrictions are lifted.

### **Development and Training**

We have built a strong standardized process to evaluate performance within our Human Resources platform, Meta4. Part of our supervisor's mission is to collaborate with each of his or her team members to evaluate performance through the Annual Performance Appraisal (APA), a talent and development management module of Meta4. As part of the individual appraisal process, the supervisor evaluates the performance during the period in nine standardized areas. The manager also identifies individual targets for the coming period and sets training actions in the Annual Training Plan (ATP). Supervisors set individual meetings with their teams once the assessment is completed to share results and explain in depth the action plan defined. Employees can provide their feedback about their own performance, improvement opportunities, proposals, etc., which can contribute to a better performance. It is an ongoing process, normally spread over a year to ensure its effectiveness and practical application success.

Once the APA is completed by supervisors we conduct a calibration process that seeks to ensure that evaluations are consistent and as fair as possible across the entire organization.

In addition, every three years we perform a 360° feedback process for certain management profiles, including senior and middle management, where managers receive feedback from their supervisor, peers and direct reports. Full confidentiality is guaranteed as the data is processed and summarized by external consultants. We plan to undertake our next 360° feedback process during 2021.

Considering that we are a small, flat and lean organization, it sometimes may not be easy for us to provide development opportunities to talented employees. In 2019 we launched a "High Potential Program" for key members of our workforce. The goal of this initiative is to consider the employees' capabilities towards internal transfers to other positions, functions or geographies. As a result, the Company announced it had agreed with several employees to undertake new roles within the organization, including changing functions and international mobility. In 2020, we continued to strengthen our organizational structure. We bolstered our asset management capabilities by implementing new country managers and other key asset management positions in many of our geographies. Most of these positions were fulfilled with internal promotions. We also bolstered certain key corporate functions, including the legal, human resources and purchasing departments. The high potential program is reviewed on an annual or as-needed basis.

We also have an internal job site on our intranet where we inform employees of job vacancies in order to promote internal mobility between different departments.

Regarding our training program, we identify these training categories:

- **Introduction to Atlantica.** All new employees must attend our "Introduction to Atlantica" course during their induction period. In addition, all employees receive training about our compliance and management policies.

- **Management skills.** We offer soft management-skills courses to improve negotiation, team-working, team-building, decision-making, leadership and communication, among other skills.
- **Technical knowledge courses.** Our training plans also include technical knowledge courses specific to different technical fields. For example, the company provides technical, health and safety and environmental and risk training. The effectiveness of this training is regularly evaluated. We provide an annual training program on safety awareness to managers and employees, designed in accordance with the risks in the different job positions and work centers as well as with the local regulations.
- **Languages.** We offer several language courses to our employees to allow them to operate effectively in an international setting.
- **Health and Safety.** This is part of our core values. We offer several training courses to both our employees and operation and maintenance personnel to reinforce it.

Training on health and safety is complemented with other initiatives to promote a robust health and safety culture. At Atlantica, we regularly issue safety bulletins and share lessons learned through videos, the safety app and through safety boards held at our assets. We expect our operation and maintenance suppliers' and subcontractors' employees to read and apply this important information. We also analyze, implement and share best practices coming from our own experience, vendors' recommendations, competitors and market standards. Additional information is provided within the Occupational Health and Safety section of this report.

In addition, we offer Executive Programs to certain employees with a certain level of experience, excellent performance and good potential.

As of December 31, 2020 and 2019, Atlantica offered over 100 different training programs to its employees. The final training program is agreed between the employee and his or her manager and, the Human Resources department. In 2020, on average employees completed 34 hours of training compared to 49 in 2019. The COVID-19 pandemic is the primary reason for this reduction.

### Training Hours in 2018, 2019 and 2020

	Total Hours of Training				Total Average Hours of Training per Employee		
	2018	2019	2020		2018	2019	2020
Management	892	929	1,150	Management	56	59	64
Middle Management	3,802	4,007	3,631	Middle Management	83	78	37
Engineers and Graduates	9,951	6,450	4,070	Engineers and Graduates	80	47	26
Assistants and Professionals	468	879	465	Assistants and Professionals	31	23	19
Asset Operations Employees	1,194	8,501	5,141	Asset Operations Employees	79	41	25
<b>Total</b>	<b>16,307</b>	<b>20,766</b>	<b>14,457</b>	<b>Total</b>	<b>75</b>	<b>49</b>	<b>34</b>

Note: 2019 employee levels have been revised following the updated 2020 classification.

### Risks Linked with Human Capital

General key risks associated with human capital include professional development and employee attraction and retention, gender pay-gap, diversity and inclusion issues, and lack of work-life balance. In addition, digital transformation requires cultural and organizational changes and continuous training to avoid overall company human capital risks.

As detailed in different sections of this report, Atlantica has put different measures in place to mitigate human capital risks, including: (i) providing equal opportunities to all employees, (ii) implementing an effective diversity and inclusion policy throughout the Company, (iii) promoting

in-house professional opportunities, providing training programs to improve skills and technical knowledge, establishing fixed and variable remuneration considering data from external consultants (for key personnel), financing a high percentage of health insurance costs, and subsidizing fitness as measures to attract and retain employees; and (iv) auditing processes to ensure compliance with all human capital legal requirements, process and procedures.

### 3.5 Occupational Health and Safety

#### Key facts:

- ✓ Improved our key health and safety indicators for a sixth consecutive year
- ✓ Maintained health and safety KPIs well-below sector average
- ✓ Improved health and safety reporting based on the GRI standard and international best practices

The first of Atlantica's core values is "Integrity, Compliance and Safety". Atlantica, its Board and its management are committed to prioritizing and actively promoting health and safety as a tool to protect the integrity and safety of our employees and those of our subcontractors at our assets or work centers. We promote a safe operating culture across Atlantica and encourage our subcontractors to adopt a preventive culture in the operation and maintenance activities as reflected in our corporate health and safety policy available on our website ([www.atlantica.com](http://www.atlantica.com)).

#### **COVID-19 Pandemic**

The COVID-19 pandemic is an unprecedented event that has affected many of our key markets. This situation requires and will continue to require us to adapt to changing events.

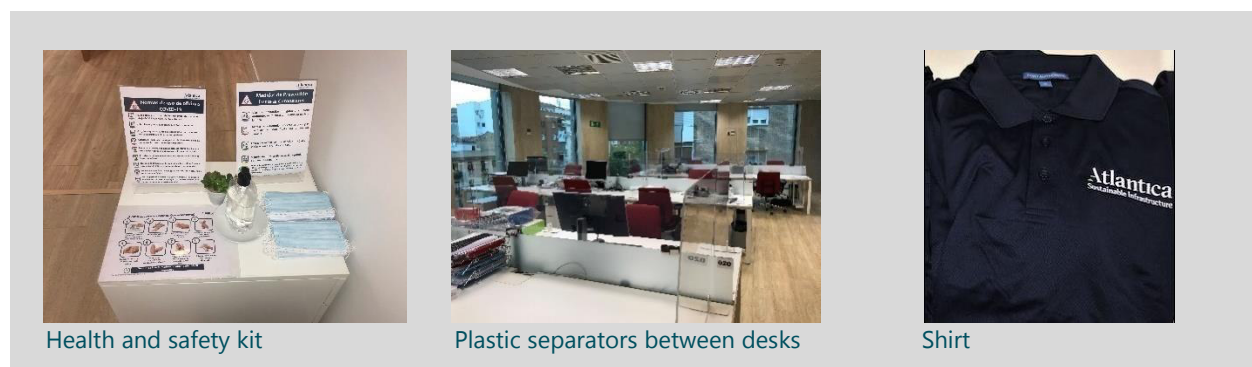
At Atlantica, our priority has always been to guarantee the safety of all our employees, contractors and partners working at our premises. In February 2020, following our Crisis Management procedure, we established a COVID-19 Committee which included the CEO, the Geographic VPs, the Health and Safety Manager and other members of Atlantica's management team. The aim was and continues to be, to monitor the situation at each location and take all necessary actions to manage the risks affecting our employees, operations and stakeholders. In 2020, we held 142 COVID-19 Committee meetings. As a result, we implemented health and safety measures at all our assets, which enabled us to operate and provide a reliable service to all our clients, with no disruptions to availability or production because of COVID-19.

Some key actions implemented during the COVID-19 pandemic include:

- Members of Atlantica's management team formed a COVID-19 Committee, which meets at least three times per week (or daily when necessary) and takes measures based on the analysis of the following critical information:
  - Developments in COVID-19 data in countries and regions where we are present.
  - Positive cases among employees and subcontractors (monitored and tracked).
  - New regulations issued by governments (measures include implementing such regulations, where appropriate). The Committee approves all necessary measures without delay.

- We devised and implemented safety initiatives such as purchasing PPE and making it mandatory at our assets, and advising all employees to download COVID-19 apps in countries where such tools are available.
- We developed and implemented COVID-19 protocols at all our assets and work centers. These include:
  - Symptom monitoring procedures including daily body temperature measurement, identification of COVID-19 symptoms, etc.
  - Monitoring COVID-19 cases in our workforce, tracing close-contacts and implementing quarantine protocols.
  - Using mobile tracking devices at our assets where possible to identify close contacts of positive COVID-19 and implement quarantines.
  - Defining a protocol to open or close offices and establish maximum occupation capacity based on the average number of cases in the last seven days per one million inhabitants in the specific area and on the percentage of tested people who result in positive cases. Where offices have re-opened, we have applied strict safety measures.
  - Making remote-working a priority. To ensure that our employees had the best work environment at their homes we provided those employees who requested it, the necessary day-to-day equipment (ergonomic chairs, computer screens, additional IT equipment etc.)
  - Restricting travel unless absolutely necessary.
  - Implementing preventive safety measures such as the mandatory use of masks, social distancing, regular hand washing, etc.
  - Placing information panels with rules and key information in our corporate offices and assets, installing protective screens on all desks and intensive cleaning.
  - Stocking PPE.
  - Implementing access control protocols for external subcontractors and visitors.
  - Implementing a COVID-19 testing policy.
  - Enhancing heating, ventilation and air conditioning systems in our offices following health agencies' requirements and recommendations.

In addition to providing our employees with a safe and healthy work environment, we prepared a welcome-back shirt for all our employees gradually returning to our offices in all geographies after temporarily working from home. We started delivering the shirt in early 2021 and will continue to do so until all our workforce is back in all our geographies. The shirt is expected to be used to practice sports and wellbeing activities.



Also during 2020, we gradually reinstated certain green and health initiatives that we had to temporarily suspend due to the COVID-19 pandemic, including partially covering employees'



fitness expenses. Other initiatives such as regularly providing fruit to our employees remain on-hold until COVID-19 restrictions are lifted.

### ***Health and Safety Management System***

Atlantica conducts annual internal and external audits to test our health and safety management system. An independent third party carries out the external audit. In 2020, we migrated our system based on OHSAS 18001 to the new health and safety standard ISO 45001.

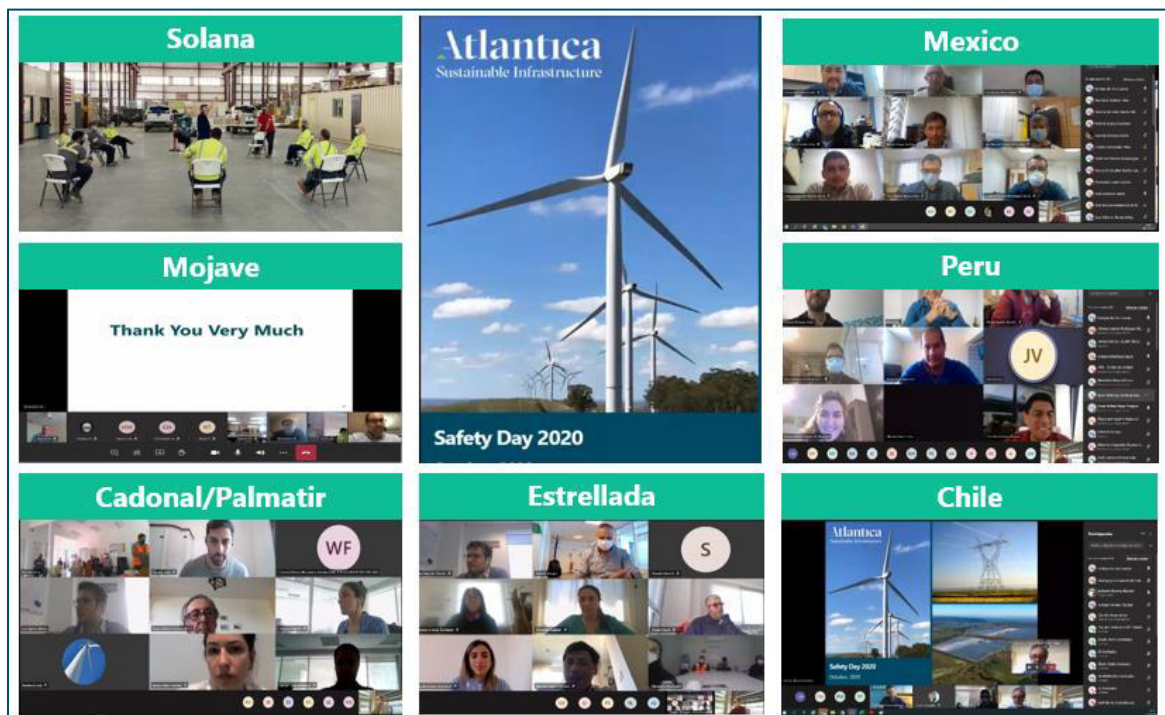
In addition, we perform regular health and safety audits of our operation and maintenance suppliers to monitor compliance with legal regulations, safety guidelines included in contractual agreements, and our safety best practices.

### ***Health and Safety Best Practices***

The Company’s health and safety best practices program is a key management tool. It has been in place since 2017 and we regularly update it to include the lessons learned from our peers, contractors and suppliers. During 2020, we implemented the following new best practices:

#### **1. Safety Culture**

- “Walk and Talk” awards. We present quarterly awards to Atlantica employees and our subcontractors for the best safety improvement proposals.
- “Golden Rules” applied to each of our technologies. We defined key safety rules for each of our technologies, which we notified to all employees, posted on boards at all our assets and included in regular operation and maintenance training.
- Safety Day. In 2020 we held our Safety Day online. Over 450 Atlantica employees and our subcontractors’ employees took part. We honored 23 employees with awards for their commitment to safety.



2020 Safety Day



## 2. Subcontractors Health and Safety Performance Checks

- We developed and implemented a new procedure to monitor subcontractors' health and safety practices. The goal is to identify areas for improvement and implement action plans agreed with our subcontractors.

## 3. Access to Safety Information

- We placed enhanced user-friendly panels with key health and safety procedures in strategic locations at our assets.
- We placed enhanced user-friendly panels with hazardous chemical safety facts at our plants where chemicals are used.

### ***Safety App***

In 2019 Atlantica developed and launched a new mobile safety app for our employees and those of our subcontractors. We implemented this user-friendly tool to raise safety awareness among our employees and subcontractors at all our assets. It provides valuable information on safety rules, information on the use of PPE during hazardous activities, emergency instructions and first aid procedures. The app also serves as an important communication channel with internal and external employees working at our assets to improve safety through lessons learned. In 2020 we implemented several enhanced functionalities and continued to promote its use.

In addition, the app promotes risk awareness through an interactive quiz module. Regular questions testing "how much do you know about safety?" allow users to test their safety knowledge. In late 2020 we started developing a new "Walk and Talk" module. We expect to have it fully operational during 2021.

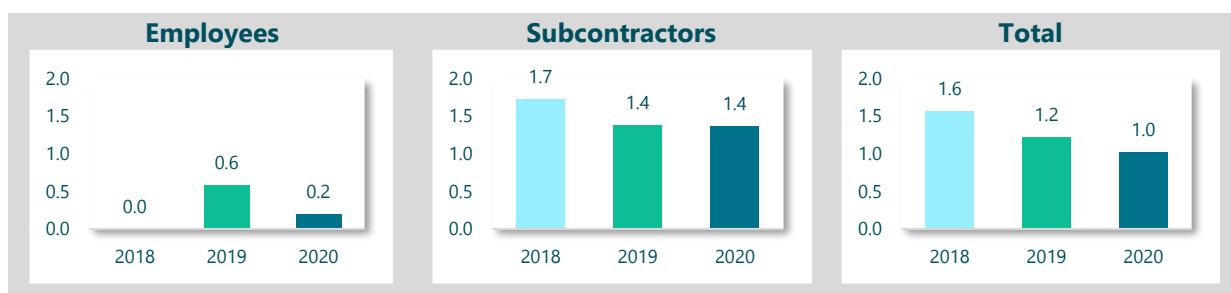
In 2020, we performed our annual safety awareness training program on-line. This annual plan is designed in accordance with local regulations and risk assessment at every work position and work center as well as in accordance with local regulations.

We annually establish safety key metrics targets at all our assets which include both Atlantica and subcontractor employees. These metrics are approved by the Board of Directors.

### ***Health and Safety Rates***

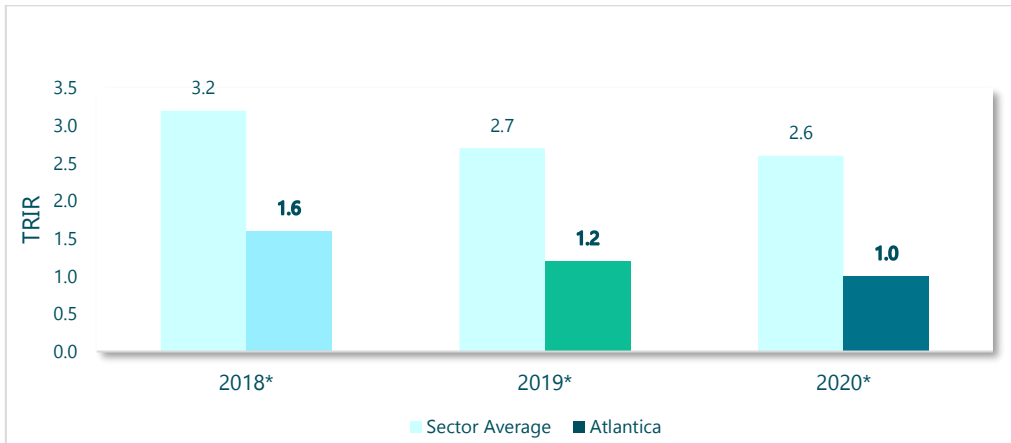
Our Total Recordable Incident Rate (TRIR) represents the total number of lost-time accidents recorded in the last 12 months based on 200 thousand hours worked. We ended 2020 at 1.0, representing approximately a 17% decrease compared to 2019.

**Total Recordable Incident Rate in 2018, 2019 and 2020**



Atlantica's TRIR is below the sector average.

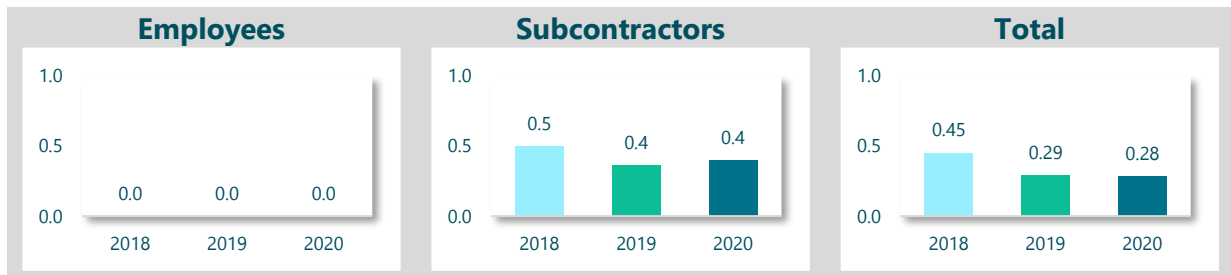
### TRIR Below Sector Average in 2018, 2019 and 2020



(\*) Weighted Index is calculated based on the Public National Index weighted by actual working hours in each geography. Sources: USA: Bureau of Labor Statistics; Mexico: Secretaria del Trabajo y Previsión Social; EMEA: Spain, South Africa and Algeria: Instituto Nacional de Estadísticas; Peru and Chile: Superintendencia Seguridad Social Chile; Uruguay: Banco del Seguros del Estado.

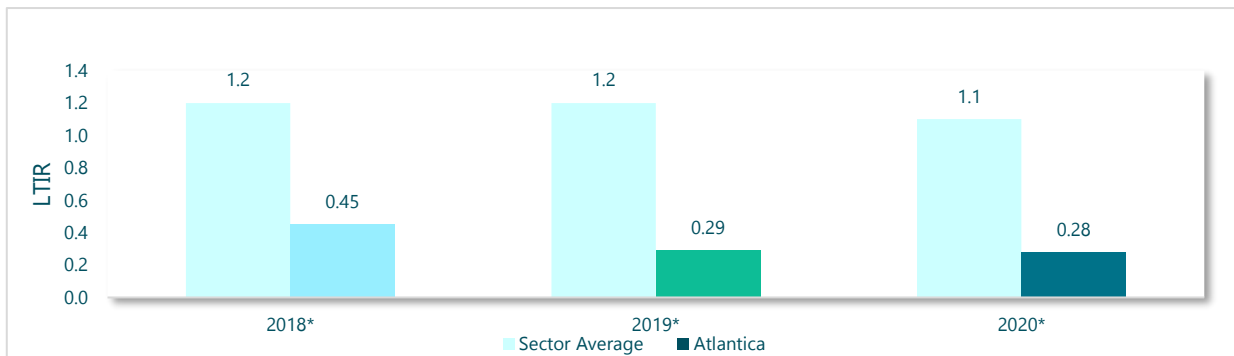
Our Lost Time Injury Rate (LTIR) represents the total number of recordable accidents with leave (lost time injury) recorded in the last 12 months based on 200 thousand worked hours. We ended 2020 and 2019 at 0.3.

### Lost Time Injury Rate in 2018, 2019 and 2020



Atlantica's LTIR is also well below the sector average.

### LTIR Below Sector Average in 2018, 2019 and 2020

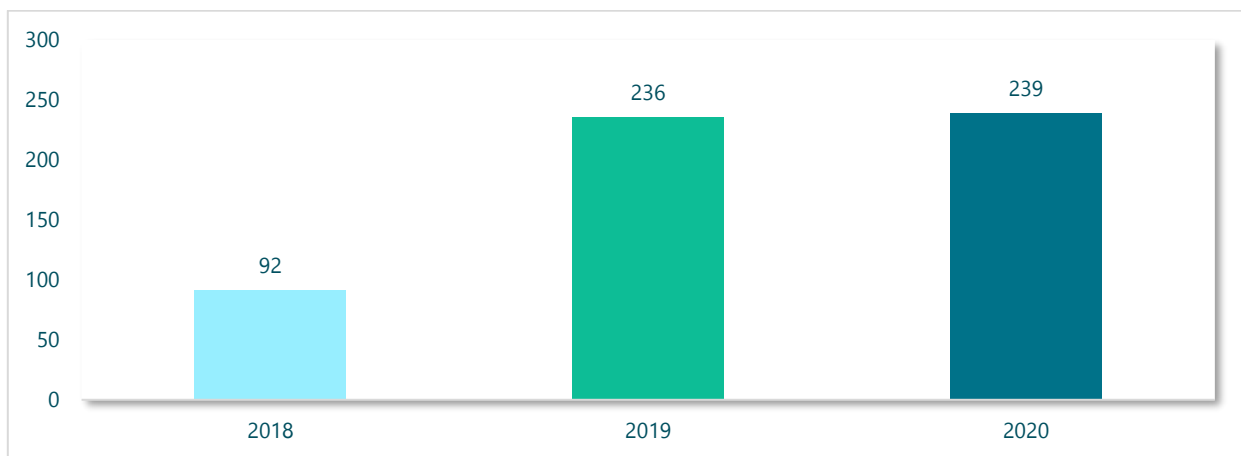


(\*) Weighted Index is calculated based on Public National Index weighted by actual working hours in each geography. Sources: USA: Bureau of Labor Statistics; Mexico: Secretaria del Trabajo y Previsión Social; EMEA: Spain, South Africa and Algeria, Instituto Nacional de Estadísticas; Peru and Chile: Superintendencia Seguridad Social Chile; Uruguay: Banco del Seguros del Estado

The fatality rate (including both our employees and subcontractors) has been zero, and we have recorded no major injuries since our incorporation.

We also monitor near misses, unsafe acts and unsafe conditions frequency rate through the Near Miss Frequency Rate (NMFR) described by Sustainable Accounting Standards. The goal of this KPI is to encourage the identification and communication of near misses by our employees and our contractors' employees. Given the fact that this helps to identify risks and to implement adequate preventive measures, the higher the rate is, the better. The following graph shows a significant improvement obtained in 2018, 2019 and 2020 driven by an incentivized plan for the operation and maintenance personnel to report unsecure acts. This has helped us to identify potential accidents and highly explains Atlantica's 2019 and 2020 decrease in its number of accidents.

### Near Misses, Unsafe Acts and Unsafe Conditions Frequency Rate in 2018, 2019 and 2020



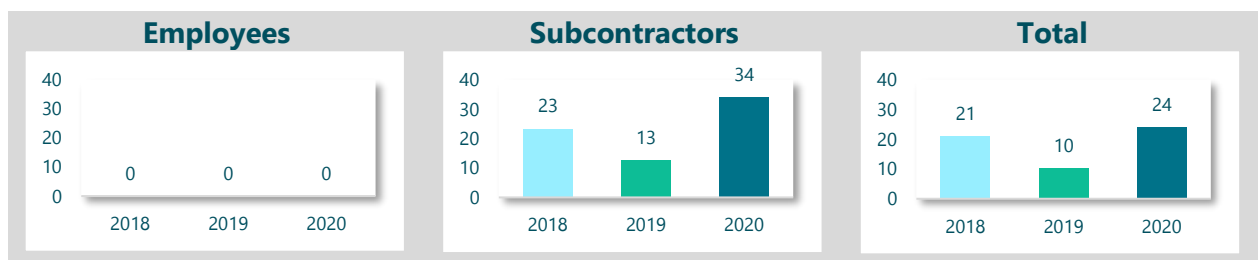
In 2020 we continued improving our health and safety performance, finalizing the year with the lowest key health and safety indexes in the last 4 years, reducing the TRIR by approximately 20% and maintaining the accident rates of the LTIR the same as the previous year.

By 2020 year-end, 65% of our assets had achieved more than 1,000 days without lost-time accidents and 80% achieved over 500 days without lost-time accidents.

In 2021, we continue to devote time and effort to protect our employees and subcontractors against COVID-19 and promoting a health and safety culture. We seek to continue to improve our health and safety performance by using our existing tools and implementing new ones based on best practices.

Following GRI recommendations, we have disclosed our Lost-Day Rate (LDR):

### Lost-Day Rate\* in 2018, 2019 and 2020



(\* ) Lost Day Rate is calculated as  $(\text{Lost Days in a Year} / \text{Total Worked-Hours}) * 200,000 \text{ worked-hours}$ . Calendar days have been considered. Lost day is the number of days that cannot be worked (and are thus 'lost') as a consequence of

a worker or workers being unable to perform their usual work because of an accident. In 2020, the lost-day rate increased to 24 days (vs. 10 in 2019) due to two long-term subcontractor accidents in EMEA.

Additional health and safety information about our assets:

- We have implemented a Health and Safety Committee with asset employee representatives at those assets where we operate and maintain our assets directly. In the rest of our assets, our operation and maintenance subcontractors have a Health and Safety Committee with their employees' representatives. As asset owners, we are regularly informed on the results of these committees.
- The Occupational Disease Rate, caused by occupational activities which have a high incidence or high risk of specific diseases, is zero both in our employees and in our subcontractors' employees'. We do not consider COVID-19 an occupational disease.

## 3.6 Local Communities

### Key facts:

- ✓ Community investments focused on mitigating COVID-19 pandemic consequences

We acknowledge that our day-to-day activities have impacts on nearby communities. We recognize that the communities where we operate are where some of our employees and other stakeholders live and raise their families, and where part of our future workforce is educated and trained. We foster communities' economic prosperity through local purchasing and hiring of local employees. As such, it is key for us to be both proactive and a valued member of our communities. In 2020, we issued a new Stakeholder Policy following our long-term strategy, and updated our Community Investment and Development Policy to better reflect our commitment to local communities. Both policies are available on our website.

We recognize that some communities where we operate are suffering and will continue to suffer the consequences of COVID-19. As such, in 2020 we donated PPE and basic supplies such as food and beverages to local governmental agencies in certain local communities in South America and EMEA.

Each geography has its own procedures and consultation guidelines in place to speak with community leaders and identify local needs. This usually involves phone calls or physical meetings between our local employees and local communities. We have learnt from our "boots-on-the-ground" approach that we need to adapt to local requirements and that communities located close-by may have very different needs, which evolve over time. A proactive approach and scheduled activities undertaken by our local employees to efficiently identify and manage local stakeholders and communities of interest is key to the success of our relationship with local communities.

Our Business VPs are responsible for community relations and monitoring community development programs. Monitoring KPIs includes quantitative, qualitative, remote and physical analysis.

In addition, ex-post controls are usually performed. Once an investment is completed, Atlantica's employees visit the site to verify the investment's outcome and speak with local stakeholders.

At Atlantica, a very small percentage of our portfolio is under development or construction. In those cases, we usually hold a minority interest until the asset reaches its Commercial Operations Date (COD). For those investments where we do not have control, we have a strong local partner leading the day-to-day activities, including all the necessary community consultations to comply with project obligations.

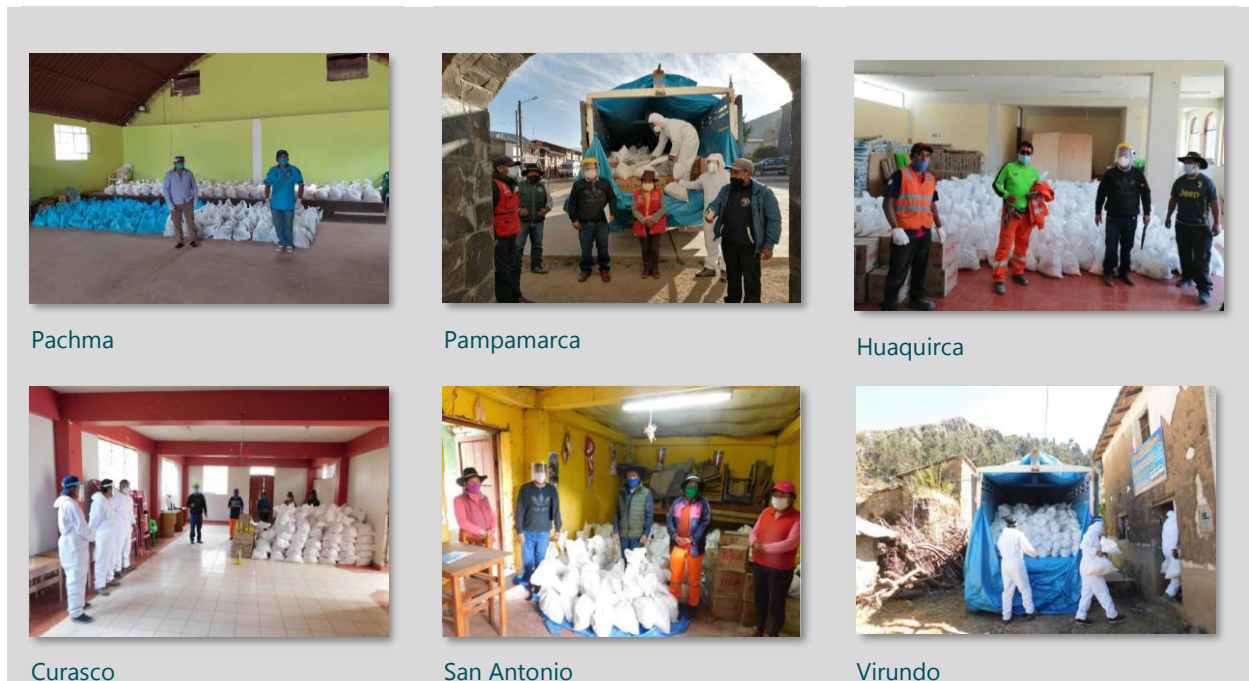
## Peru

In 2020, we donated approximately \$115 thousand to different local communities located near our transmission lines and our mini-hydroelectric power plant. In 2019 and 2018 we donated approximately \$366 thousand and \$12 thousand respectively.

In 2020, we reduced our investments on local community infrastructure compared to 2019 due to COVID-19 limitations. 2020 donations mainly relate to:

- Providing food baskets to local communities affected by COVID-19.
- Providing medical equipment to health care centers at some local communities.
- Providing support (compost, fertilizer, and drugs among others) to improve local crops.
- Cleaning irrigation canals and maintenance of reservoirs.

### Food Baskets Delivered to Local Communities to Mitigate COVID-19 Pandemic Consequences



Local communities near our assets in Peru generally require road maintenance support. We have an annual plan in-place to execute road maintenance. This plan might change due to critical non-expected maintenance needs or exceptional circumstances such as the COVID-19 pandemic.

We have several employees who visit the areas where we own and manage our transmission lines. Among others, they verify that: (i) we comply with all our obligations including Health and Safety, environmental conditions, permits, etc., (ii) we listen to the communities' needs and, (iii) we jointly agree develop, execute and monitor development programs with such communities. These employees report to the Country Manager. Local needs are discussed in the Geographic Committee and in the ESG Committee between geographic VPs, Atlantica's CEO and other senior management whenever needed.



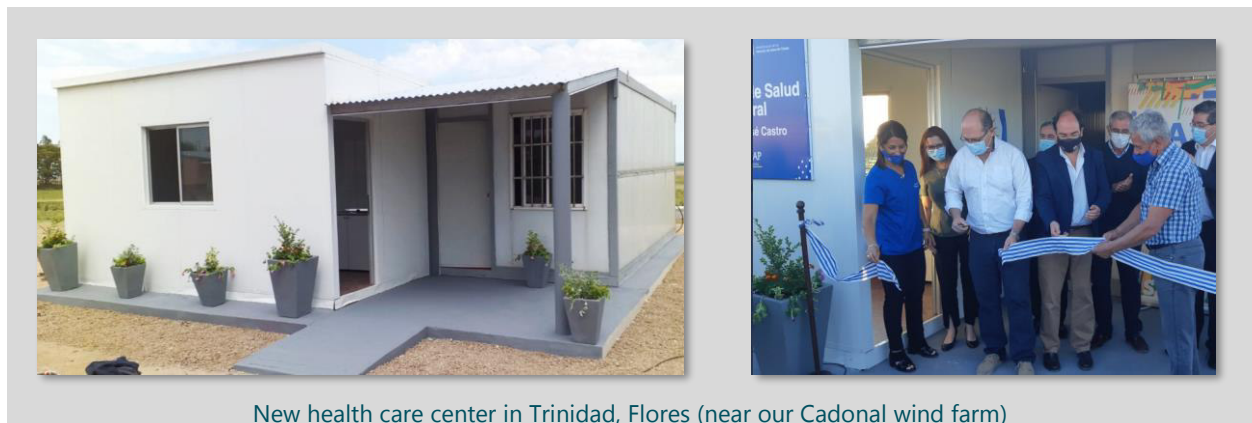
## Chile

In 2020 and 2019 we improved certain road infrastructure in nearby local communities.

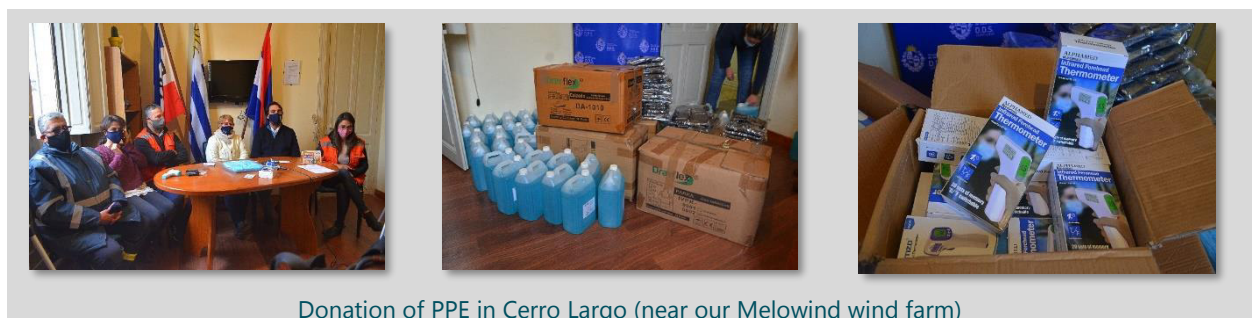
In Chile we have several employees who visit the areas where we own and manage our transmission lines. Among others, they verify that: (i) we comply with all our obligations including health and safety, environmental conditions, permits, etc., (ii) we listen to the communities' needs and, (iii) we jointly agree, develop, execute and monitor development programs with such communities. These employees report to the Country Manager. Local needs are discussed in the Geographic Committee and in the ESG Committee between geographic VPs, Atlantica's CEO and other senior management whenever needed.

## Uruguay

In 2020, we provided economic support for the construction of a health care center in a local community near to our Cadonal asset. We also provided kitchen equipment to a feeding center located in one of the local communities near our Palmatir asset.



In 2020, we also donated PPE to mitigate COVID-19 consequences in local communities located near our assets.



In 2019 we devoted our efforts to improving the health and sports habits of the surrounding communities. We did this through the donation of sports materials. No donations were made in 2018.

## South Africa

We participate in substantial social and economic development activities in South Africa as part of a collaborative effort with the Department of Energy of South Africa. Kaxu is a 100 MW solar asset located in the Khai Ma Local Municipality of Northern Cape Province. Atlantica has a 51% equity interest in Kaxu in partnership with IDC (29% equity interest) and Kaxu Community Trust



(20% equity interest). The community trust is part of the Broad-Based Black Economic Empowerment program, an affirmative action program launched by the South African government that addresses inequalities by giving economic privileges to certain previously disadvantaged groups of South African citizens. Kaxu's social and economic development activities are governed by an Implementation Agreement with the South African Department of Energy. This agreement sets out key economic development obligations to bring a positive impact to the local communities, Kaxu contributes 1.1% of its revenue to being reinvested in the local communities that lie within a 50-km (31 miles) radius from its site.

A local workgroup SEED+, created for this purpose with our business partners, executes and supervises these activities together with the Kaxu management team. The workgroup holds monthly open-door meetings with communities to identify needs and concerns. It reports quarterly to the local authorities on the progress of activities and committed investments, among others.

In 2018, 2019 and 2020 Kaxu annually funded approximately \$1.0 million in SEED+ community activities.

Below is a brief overview of the main activities completed in 2020.

- In Onseepkans, a town with very little reliable infrastructure and road networks, we continued to help the local community set up family vegetable gardens and other small development programs. Our investment amounted to approximately \$67 thousand.
- Education is one of the key elements to promote economic community development. Kaxu addresses this need by means of a bursary program, allowing the youth within nearby local communities to study at any tertiary institution of choice in the country. Our investment amounted to approximately \$100 thousand, including tuition fees, accommodation and a monthly allowance to help with the living expenses of each student.
- The Aids Day is a project aimed at assisting Government Departments with the roll-out of various programs such as National Women's Day, National Aids Day, Mandela Day, Youth Day and all other national holidays. The neediest people in the local community are helped in these events.
- We distributed school clothing to cover both the winter, as well as summer school at primary schools. Our investment amounted to approximately \$47 thousand.
- We upgraded the water purification plants in Pella and Witbank. Our investment amounted to approximately \$46 thousand.
- In 2020, due to the COVID-19 outbreak, two of our flagship programs Kindergarten and Soup Kitchens project, were temporarily suspended because of the national lockdown regulation. Instead, we donated PPE and sanitizers to health centers, police stations and one hospital in the area. We plan to resume our aid to the kitchens project as soon as COVID restrictions are lifted.

Additionally, as part of our obligations, we help create jobs to empower black citizens from local communities. During 2020 and 2019 more than 82% and 87% respectively, of the employees hired by the Kaxu operation and maintenance supplier were black citizens, exceeding the minimal requirements defined by the project. Currently, almost 47% of employees working in the plant come from local communities, also exceeding the minimal requirements defined by the project. Due to its remote location and technical skill requirements, the Kaxu plant provides job opportunities to citizens from different areas in South Africa. As of December 31, 2020

approximately 95% of the employees are South African citizens, remaining 5% are supporting staff from different countries.

<p><b>Agriculture</b></p>	 <p>Grapevines established in Onseepkans</p>	 <p>Lucerne for cattle feed in Onseepkans</p>
<p><b>Education and Health</b></p>	 <p>Bursary program. Student's Q1 2020 academic results</p>	 <p>PPE donation to the Police station in Witbank</p>
<p><b>Infrastructure</b></p>	 <p>Excavation works at the Pella natural well</p>	 <p>Water purification plant upgrade at Witbank</p>

**Algeria**

During 2020, we donated approximately \$30 thousand to the local communities near our three water desalination plants. In 2019 and 2018, we donated approximately \$13.2 thousand and \$5.5 thousand, respectively. The 2020 increase is mainly due to Tenes, incorporated to our portfolio of assets during 2020.

Skikda

Donations benefited needy families heavily affected by COVID-19 in the Skikda commune. These were made through the Association Friends of the Sick of Skikda. We also acquired furniture for the orphanage and equipped a workroom for schoolchildren.

Honaine

Donations benefited needy families heavily affected by COVID-19 in the Honaine commune. These were made through the Red Cross. We also acquired winter clothing, school materials and supplies for school children.

Tenes

Donations benefited needy families heavily affected by COVID-19 in the Wilaya de Chlef commune.



PPE donations to mitigate COVID-19 pandemic consequences

**Spain**

In 2020, we donated protective personal equipment including face masks, plastic gloves and glasses to local governmental agencies in certain local communities near our solar assets in Spain.



PPE donations to mitigate COVID-19 pandemic consequences

**United States of America**

In the U.S. we focus our efforts on increasing environmental awareness among local communities close to our solar assets by providing renewable energy-related educational programs in order to promote the benefits of clean energies.

In 2020, we participated in a pollution prevention webinar with other industrial leaders, regulators, consultants, and community members across the Arizona state to educate local communities and other stakeholders on the importance of reducing resource use and waste generation. In addition, the Arizona Department of Environmental Quality (ADEQ) has invited us to partner with the agency and be a model facility for pollution prevention initiatives, which will develop into an educational outreach program across the state. In particular, in October 2021, ADEQ has invited us to participate in a pollution prevention talk and would like to send interns to Solana to review our pollution prevention implementations so that they produce case studies to help other local stakeholders develop their own programs. ADEQ plans to complete this work over the next 1 to 2 years.

In 2020, we temporarily suspended in-person visits to both Solana and Mojave following strict COVID-19 safety protocols. As a result, our annual educational program was suspended. Each year we invite at least one local school to visit our facilities and bring our internal experts to describe the entire process of producing power from the thermal energy produced by the sun.

As COVID-19 restrictions lift, we will return to having educational groups tour the plant to learn about solar energy and sustainability.





# Governance

## 4.1 Business Ethics

At Atlantica, our purpose is to support the transition towards a more sustainable world by investing in and managing sustainable infrastructure, while creating long-term value for our stakeholders.

“Integrity, Compliance and Safety” is our first value and prevails over the rest. We continuously strive for the highest standards of business conduct, safety, professionalism, honesty, and ethical conduct even if it means making difficult choices. We are committed to promoting ethical business practice and complying with all relevant laws and regulations.

The Company has policies, processes, and procedures in-place to prevent, avoid and mitigate actions improper or contrary to law and to ensure ethical principles are applied in all our activities. In addition, Atlantica has implemented a Code of Conduct to ensure consistent and effective commitment to Integrity and Compliance. The Code applies to all directors, officers, and employees of Atlantica Sustainable Infrastructure plc and each of its subsidiaries, including controlled and associated non-controlled companies. We make every effort to apply this Code at associate non-controlled companies given Atlantica’s level of participation. We also seek to work or partner with third parties that adhere to principles that are similar to those set out in this Code. As an example, when we evaluate potential co-investments with business partners, the Investment Committee and more specifically, the Head of Internal Audit and Risk, verifies the business partner’s code of conduct as part of the due diligence process.

Our Board of Directors approved and amended the Code in December 2020. All our employees acknowledge and agree to the Code of Conduct annually. In addition, we organize regular training sessions in relation to our Code of Conduct.

### The Code of Conduct at a Glance

<b>Personal and Business Integrity</b>	<ul style="list-style-type: none"> <li>- Conflicts of interest</li> <li>- Bribery and corruption</li> <li>- Travel, entertainment, and gifts</li> <li>- Insider trading</li> <li>- Privacy and personal data protection</li> </ul>
<b>Human and Labor Rights</b>	<ul style="list-style-type: none"> <li>- Dignity and respect. Equality and diversity</li> <li>- Labor standards</li> <li>- Occupational health and safety</li> <li>- Environmental sustainability</li> </ul>
<b>Corporate Asset and Financial Integrity</b>	<ul style="list-style-type: none"> <li>- Accurate accounting and reporting</li> <li>- Anti-Money laundering and related offenses</li> <li>- Confidentiality and information security</li> <li>- Protection of Assets</li> </ul>
<b>Ethic Mailboxes</b>	<ul style="list-style-type: none"> <li>- Channels of communication</li> </ul>
<b>Breach of the Code of Conduct</b>	<ul style="list-style-type: none"> <li>- Managing suspected misconduct</li> </ul>

The Code is publicly available on our website ([www.atlantica.com](http://www.atlantica.com)).

Our Code requires the highest standards for honest and ethical conduct and explicitly states that we do not tolerate bribery and corruption in any of its forms. In 2018, 2019 and 2020 we did not identify, nor did we receive, any notification of non-compliances or breaches in relation to the Code of Conduct. In particular, this refers to non-compliances or breaches in relation to personal and business integrity, human and labor rights, corporate assets and/or financial integrity.

We promote and strengthen measures to prevent and combat corruption more effectively and efficiently. Our Anti-Bribery and Corruption Policy applies to all Atlantica businesses. In particular,

Atlantica business activities are governed by laws that prohibit bribery supporting global efforts to fight corruption. Specifically, the U.S. Foreign Corrupt Practices Act (FCPA) and the U.K. Bribery Act 2010 make it a criminal offense for companies, as well as their officers, directors, employees, and agents, (or any other person) to give, request, promise, offer or authorize the payment of anything of value (such as money, benefits in kind, or other benefits) to a foreign official, foreign political party, officials of foreign political parties, candidates for foreign political office or officials of public international organizations to obtain or retain business. Similar laws have been, or are being adopted by other countries. Private bribery is also illegal under U.S. laws, the U.K. Bribery Act, and the laws of other jurisdictions.

In 2020, we published Atlantica's Anti-bribery and Anti-corruption Policy on our website. Atlantica's Code of Conduct prohibits political involvement of any kind on the Company's behalf. Neither the Company, nor its directors, employees, or representatives on its behalf, can make political contributions (donations to politicians, political parties, or political organizations) or sponsor events whose exclusive purpose is political propaganda. In 2018, 2019 and 2020 neither Atlantica, nor any of its subsidiaries made any financial or in-kind political contributions to political campaigns, political organizations, lobbyists or lobbying organizations, trade associations (with political impact) nor other tax-exempt groups, whether directly or indirectly.

In 2020, our Board of Directors amended and approved our "U.K. Anti-Modern Slavery and Human Trafficking Statements" under the Modern Slavery Act, 2015. Given our business, we believe the risk of modern slavery is low. Our main suppliers are large operation and maintenance corporations with robust corporate policies in place regarding ethical standards and human rights. We also engage with financial institutions, including banks, legal advisors, accountants, consultants, and insurers, who we believe operate under principles similar to those set out in our Code of Conduct. We consider the risk to be low based on the Atlantica risk identification process adopted to evaluate and approve supplier engagement. This process comprises an internal and external supplier homologation process and, an annual internal assessment aimed at monitoring our key suppliers' activities'. In addition, suppliers are requested to adhere to our Supplier Code of Conduct. Through this Code, Atlantica encourages conducting operations, while fully respecting human rights, in line with the Universal Declaration of Human Rights. We will continue to work to improve our policies and procedures to ensure slavery and human trafficking do not take place anywhere in our supply chain.

Atlantica has zero tolerance for modern slavery and we confirm that no incidents of modern slavery were reported or identified during 2018, 2019 and 2020. The 2020 statement is publicly available on our website.

Atlantica joined the UNGC initiative in January 2018 and formally adopted the Ten Fundamental Principles in the fields of human rights, labor, environment, and anticorruption. The UNGC and its principles are an integral part of the strategy of Atlantica and our objective is to also make it part of our suppliers' strategy. We have a responsibility to our stakeholders to be ethical and lawful in all our businesses.

All our officers and employees working with sensitive information sign a formal commitment annually acknowledging our Insider Trading Policy. We also provide compliance training which is described in more detail in the business ethics section of this report.

Finally, all our employees must annually read, understand, and commit to following our corporate governance policies.



## **Compliance Committee**

Atlantica's Compliance Committee is comprised of the General Counsel, the Head of Internal Audit and Risk, and the Head of IT and Administration. The Compliance Committee's main objective is to oversee and assist all Company employees and the Board of Directors in implementing the compliance programs, policies and procedures required by laws and regulations, as well as by best corporate practices. The Committee is supervised by the General Counsel, who is the Compliance Officer and reports its activities to the Nominating and Corporate Governance Committee and/or the Board, as applicable. The Compliance Committee has implemented a boots-on-the-ground approach and has delegated some of its duties to local compliance managers in each of our geographies.

We have a compliance mailbox ([compliance@atlantica.com](mailto:compliance@atlantica.com)) where our employees and other stakeholders can send any questions and/or comments they may have. We encourage our stakeholders to report any irregular behavior.

## **2020 New and Updated Compliance Policies**

In 2020, the Compliance Committee reviewed our compliance and ESG-related policies, and issued and/or updated our policies following: (i) new enforced laws and regulations, and (ii) best practices.

### Privacy and Personal Data Protection Policy (New)

Atlantica is committed to guaranteeing personal data protection rights. The Policy applies to Atlantica's stakeholders including among others, its directors, managers, and employees.

Atlantica applies international principles when processing personal data, including (i) lawfulness, fairness and transparency, (ii) accuracy, (iii) storage duration limitation, and (iv) integrity and confidentiality principles.

The Compliance Committee is responsible for coordinating, implementing, and managing personal data protection processes and procedures. We encourage you to continue to read more information on privacy and personal data protection in the Digital Transformation and Data Security section of this report.

### Management Authority Policy (New)

To improve Board efficiency, this new Policy defines the limits to management's authority without requesting the Board of Directors approval. Up until the issuance of this Policy, Management authority was defined by the general power of attorney structure.

The Company has set authorization limits to ensure consistent good business practice and corporate governance across the company in all countries where it does business, hence aligning objectives and procedures at all levels and safeguarding company assets. In particular, the Policy aims to: (i) establish appropriate authority limits to enable management to act efficiently, effectively and make decisions in relation to the Company, and (ii) set authority limits for entering into contracts, investments and other commitments to conduct company business.

Matters not specifically reserved for the Board and which are necessary for the day-to-day management of the organization are delegated to management. As set out within the Policy, Management is required to provide information to the Board of Directors and to the Audit Committee on a quarterly basis.

This Policy was approved by the Board of Directors. The Board will regularly review the contents of this Policy to ensure that the functions and authority limits continue to be appropriate.

#### Board Diversity Policy (New)

Atlantica's Board of Directors recognizes and embraces the benefits of having a diverse board, and sees diversity at board level as an important element to achieve the company's long-term strategy.

Specifically, the Board acknowledges that it is important to: (i) appoint board members with different sets of skills, professional and industry backgrounds, geographic experience and expertise, gender and ethnicity, and (ii) make good use of complementary views, insights and opinions to assess problems from a broader point of view, making it more likely that the Board will take into account the best interests of all stakeholders.

Women currently represent 25% of board members. As regards ethnicity, in 2020 six Directors identified themselves as White, one Director identified himself as Asian and one Director identified himself as Hispanic<sup>24</sup>.

This Policy exclusively refers to the composition of the Board of Directors of Atlantica. A specific Diversity and Inclusion Policy applies to Atlantica employees. This Policy was approved by the Board in December 2020 and is publicly available on our website.

#### Stakeholder Policy (New)

Atlantica has a broad range of stakeholders with different interests and viewpoints. Building trusting relationships and incorporating stakeholder input into its business decisions and activities is key to achieving its long-term strategy.

Our main stakeholders are our shareholders, employees, suppliers, customers, business partners, local communities, and debt investors. These stakeholders have a significant impact on our day-to-day operations and/or, on our long-term strategy. The collaboration with them is critical to creating a stable and predictable business environment that enables us to reduce risks, identify opportunities, protect our reputation, save time and money and gain respectability and credibility.

The Policy was approved by the Board in December 2020 and is publicly available on our website.

#### Code of Conduct (Updated)

In 2020, we updated our Code of Conduct to clearly state that Atlantica prohibits political involvement of any kind on the Company's behalf.

The updated Code of Conduct also includes information on available channels to report a breach of the Code. This new section was included to define a system for prompt, competent and confidential review and resolution of allegations involving potential breaches.

Lastly, the Code includes a new sub-section on privacy and personal data protection.

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<sup>24</sup> Hispanic is defined following ISS Governance definitions as a Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race.

The amended Code of Conduct was approved by the Board in December 2020 and is accepted by all our employees annually. It is publicly available on our website.

#### Supplier Code of Conduct (Updated)

We have updated the Supplier Code to promote working with third parties who operate under principles that are similar to those set out in our Environmental Policy (available on our website).

#### Other ESG-Related Policies (Updated)

In December 2020, the Board updated several key documents following our long-term strategy:

- Asset Management Policy.
- Biodiversity Policy.
- Community Development and Involvement Policy.
- Environmental Policy.
- Health and Safety Policy.

These policies are available on our website

### **Anti-Corruption Policy**

The Company is committed to the highest possible standards of conduct and has put in place adequate and appropriate anti-bribery and anti-corruption safeguards and reporting policies and procedures in order to forestall and prevent operations related to corruption, bribery, and fraud. The Policy establishes that:

- Private or "Commercial Bribery" is prohibited.
- Political Contributions are forbidden. Charitable donations and Sponsorships are subject to internal review and approval.
- Travel, entertainment, and gifts may never be accepted for the purpose of improperly obtaining, retaining business, or securing any improper advantage from public officials or private persons.
- Using an independent contractor, agent, consultant, intermediary, reseller, distributor or any other third party to pay or give a bribe is strictly prohibited.

Additionally, accounting procedures and internal control over financial reporting prohibit cash payments other than well documented petty cash disbursements which have to follow very strict procedures.

In 2020, we published a summarized version of our Anti-bribery and Anti-corruption Policy on our website.

### **Operations Assessed for Risks Related to Corruption**

Atlantica has a Criminal Risk Prevention Program in-place to mitigate the risk of engaging in activities that would violate laws in countries where such violations could result in criminal liability. The criminal risk map for each geography describes the types of offences that may raise criminal liability for legal entities. Offences vary across jurisdiction and includes financial offences, money laundering, corruption, bribery, and illicit trade crimes.

Given the controls and oversight in place through the Board, Corporate Governance commitments and management systems, Atlantica does not consider it has significant risks of corruption in its operations.

No incidents of corruption were identified in 2018, 2019 and 2020.

### **Whistleblowing Channel**

The Whistleblowing Channel is an essential part of Atlantica's commitment to preventing fraud, irregularities, and corruption. The Whistleblowing Channel has been in operation since our Initial Public Offering (IPO). It is available on our website to all employees and stakeholders in two languages. It is managed by the Audit Committee and serves as a tool to report any complaints and concerns about management, as well as any breaches of the Code of Conduct or any conduct contrary to ethics, law, or Company standards. Confidentiality and no retaliation are the essential operating principles of the channel. We may suspend these principles only where the claimant did not act in good faith.

In 2018, 2019 and 2020 no communications were received through the Whistleblower Channel in relation to any irregularities at Atlantica. We have implemented several initiatives to encourage its use. We have provided descriptive and user-friendly disclosure on how to use it through our management policy tool and directly, through compliance training.

### **Communication and training about anti-corruption policies and procedures**

Atlantica has a training program on the Code of Conduct and related-policies in-place. This includes the Anti-Corruption Policy, FCPA training and the Criminal Risk Prevention Program. Training is provided to all employees and directors on an annual basis. Directors' training further addresses topics such as Sarbanes-Oxley regulation, directors' duties and governance requirements under the Nasdaq rules, the U.S. Securities and Exchange Commission and the U.K. Companies Act 2006. Atlantica has also sent specific online notifications to all of its employees to reiterate the importance of ethics and compliance within the organization.

In 2020, training was provided to employees through a new online training platform. The training consisted of short 8-minute animations. Once completed, the employees took a short test to certify that they had reviewed and understood the content. The training included specific ethics and human and labor rights related content.

#### Corporate Compliance Management Training

In 2020, Atlantica employees received approximately 300 hours of compliance training.

## Summarized Compliance Training

Training	Goal	Minutes per Employee	Participants*
Anti-corruption / Anti-bribery	Acquaint employees on issues relating to bribery and corruption. Recognize and mitigate associated risks	8	256
Code of Conduct awareness (including human rights)	Acquaint employees on the importance of the Code of Conduct. Enhanced training effectiveness by studying real-life cases (connecting theory to practice).	8	456
Harassment and Discrimination (including human rights)	Acquaint employees on identifying, avoiding and/or minimizing, and reporting incidents of discrimination and/or harassment, including bullying.	8	256
Fraud Prevention	Acquaint employees on fraud and how to prevent it. Enhanced training effectiveness by studying real-life cases (connecting theory to practice).	8	256
Reporting Misconduct	Acquaint employees on the importance of reporting misconducts and the steps to do so, highlighting protection from retaliation.	8	256
Regulations, relevant policies and best practices	Comprehensive training for certain compliance employees	6,000	1

(\*) All Atlantica employees received training on our Code of Conduct. Our U.S. operation and maintenance employees did not receive other training courses due to the strict health and safety protocols in-place at our plants (i.e., social distancing, cleaning procedures and minimal contact, hence computer-sharing was avoided). We expect to schedule outstanding training in 2021.

### Communicating our compliance culture to the organization

Cultivating a strong compliance culture requires that we ensure all our employees understand and apply all our compliance policies. We have developed several initiatives to make sure we reach the entire workforce:

- In 2018, 2019 and 2020 we provided training on our Code of Conduct, corporate policies, and compliance in all our geographies. Training is aimed at providing a foundation for Atlantica's Compliance Program and corporate culture. Ad-hoc training is also provided to employees who hold compliance responsibilities.
- In 2020, compliance and ethics newsletters were substituted by an online user-friendly training platform and the internal corporate policies tool. Employees have 24/7 access to all new and updated compliance materials.
- All employees are required to read, understand, and commit to following our corporate governance policies. The Code of Conduct is accepted by all our employees annually.
- A local compliance manager has been appointed in all our geographies to solve day-to-day issues. These employees report to the Compliance Officer. Issues are reported on an as-needed basis or through regular meetings.
- In 2020 we improved our compliance reporting following international sustainability standards GRI and SASB, ESG rating entities assessments, and peers and industry frameworks. In 2020, we also increased compliance awareness through enhanced website and intranet content.

We encourage our stakeholders to address any questions or comments they may have to our compliance team. We have different communication channels available to report any misconduct or instances of non-compliance with our compliance policy framework. These are:

- Whistleblower channel: Either through our website or via email.
- Compliance channel: Email to communicate any potential irregularities.

## 4.2 Sustainability Governance

Given that it is the ultimate decision-making body, the Board of Directors is the highest level of responsibility for ESG and climate change related matters. The CEO, in his executive role and as Director of the Board, holds the leading position and responsibility in relation to ESG and climate change-related issues.

ESG and climate change encompasses many of Atlantica’s key daily and long-term activities. It is a cross-functional activity that involves multiple internal departments including compliance, internal audit, human resources, asset managers, and the operations, health and safety, environmental and quality departments.



### **Board of Directors**

- ✓ The Board is responsible for the effective oversight of the Company’s strategy and performance, financial reporting, corporate governance process, and internal control and risk management framework, including ESG and climate-related risks and opportunities. It is also ultimately accountable to shareholders for the long-term performance of the Company and value creation for shareholders and other stakeholders in a sustainable manner.
- ✓ The Board oversees the implementation of ESG initiatives and prioritizes internal resources committed to the advancement of ESG objectives. The Board receives updates on ESG (for example, occupational health and safety) on every board meeting and at least semi-annually the progress on climate-related issues and on the main environmental indicators (GHG emissions, water, and waste).



The CEO, in his in his executive role and as Director of the Board, holds a leading position in relation to ESG/CSR<sup>25</sup> and climate change-related issues and is responsible for submitting the following actions for Board approval: (1) raising sustainability and ESG policies and targets for approval, including those related to climate change, (2) setting goals for climate-related issues and submitting those goals to the board for approval, (3) monitoring and overseeing progress in line with established objectives, (4) recommending the implementation of best practice initiatives in relation to ESG and climate change, (5) regularly reviewing ESG and climate-related risks and opportunities and informing the Board, (6) leading the preparation and the Board's annual approval of the ESG Report.

- ✓ The audit committee assists the Board in fulfilling its oversight responsibilities concerning the management of risks, related frameworks, controls and processes, including potential ESG factors that could be risk drivers.
- ✓ The nominating and corporate governance committee assists the Board in fulfilling its oversight responsibilities concerning compliance issues, including ESG-related policy approvals.
- ✓ In 2021, following a thorough analysis, the Board of Directors has approved a new ambitious GHG emissions reduction target, consisting of reducing Atlantica's emission rate per unit of energy generated by 70% by 2035 vs. the 2020 base.
- ✓ In addition, Atlantica's Board is committed to maintaining over 80% of its adjusted EBITDA including unconsolidated affiliates generated from low-carbon footprint assets including renewable energy, storage, transmission infrastructure and water assets.

## **Management**

Atlantica has integrated ESG into its businesses via policy making, ESG planning, risk management, KPI setting and tracking. At the management level, we have assembled committees with different responsibilities based on Atlantica's priorities. These committees are led by senior management members with diverse perspectives and experiences to efficiently and effectively address ESG related issues, risks and opportunities.

<b>ESG Committee</b>		
Frequency	Monthly	
Key functions	<ul style="list-style-type: none"> <li>- Provide visibility on ESG, climate change and operation and maintenance issues enabling, prioritization and immediate action (if deemed necessary).</li> <li>- Set targets and measures for environmental protection and GHG emission reductions.</li> <li>- Review key health and safety and environmental KPIs as well as best practices, lessons learnt and implementation progress in relation to audit recommendations.</li> <li>- Set strategy and actions on social investments in local communities and discuss client relations issues (if deemed necessary).</li> </ul>	
Key committee members responsibilities	CEO	Leads ESG committees.
	Geographic VPs	Hold responsibility over assets they manage, including ESG and climate change-related issues.
	Head of Operations	Responsible for all environmental and operations aspects across assets, including improving asset performance, KPI monitoring regular environmental and operational audits, analyzing measures to reduce environmental impacts, and implementing best practices.
	Head of ESG	Identifies sustainability best practices, proposes actions to the CEO, VPs and ESG Committee and monitors the implementation of approved proposals.

<sup>25</sup> Corporate Social Responsibility

Compliance Committee		
Frequency	Once a month and on an as-needed basis	
Key ESG-related functions	<ul style="list-style-type: none"> <li>- Supervise risk management; implement compliance and internal controls; monitor compliance factors relevant to company's operations.</li> <li>- Oversee and assist Company employees and the Board in implementing the compliance programs, policies and procedures required by laws and regulations as well as best corporate practices. In each geography, the Compliance Committee has delegated some of its duties to local compliance managers.</li> </ul>	
Committee members responsibilities	Legal Counsel	Oversees the Compliance Committee activities and reports them to the Nominating and Corporate Governance Committee and/or the Board, as applicable.
	Head of Internal Audit and Risk	Oversees internal controls and risk management processes, evaluates policies, procedures and tools implemented by the Company. The Head of Internal Audit and Risk reports to the Audit Committee.
	Head of IT and Administration	Oversees IT (including cybersecurity issues), digital transformation and personal data protection* processes and procedures.

(\*) We encourage you to read section 4.6 for more detailed information on digital transformation and data security.

Investment Committee		
Frequency	Twice a month and on an as-needed basis	
Key ESG-related functions	Analyze potential growth opportunities considering: (1) impacts on Atlantica's climate-related commitments and targets, (2) ESG and climate change risks in due diligence analysis, and (3) carbon pricing to evaluate investment opportunities.	
Key committee members* responsibilities	VP Strategy & Corporate Development	Responsible for identifying, analyzing, and presenting potential growth opportunities to the Investment Committee. Oversees all due diligence processes.
	Head of Internal Audit and Risk	Responsible for identifying and evaluating risks related to potential investments, including ESG and climate change risks.

(\*) The CEO leads investment committees. The CFO, the Legal Counsel and the Head of Operations are also permanent committee members. Other employees attend meetings by invitation.

Other ESG-related committees include:

- **Human Resources Committee:** Held once a month or on an as-needed basis between the CEO and the Head of Human Resources. This committee addresses all human capital-related topics, including but not limited to, workforce planning, recruitment, training, performance reviews, empowering and retaining talented employees, regulation changes, and monitorization of key human capital KPIs.
- **Internal Audit Committee:** Held twice a month between the CEO, CFO and Head of Internal Audit and Risk. This committee addresses corporate and business impacts driven by internal audit day-to-day activities, including but not limited to, effectiveness of internal controls and risk management processes, anti-fraud procedures, policy evaluation, implementation progress of audit recommendations, and external auditor reviews on Atlantica and its affiliates.

Asset management functions are also highly affected by ESG factors. On the Environmental side, asset managers are generally requested to share lessons learnt, implement best practices and, measure, monitor and report key KPIs. Regarding the social dimension, asset managers are requested to implement measures to promote and maintain a zero-accident policy. On the governance dimension, asset managers are requested to proactively manage asset risks and ensure asset compliance with internal and external rules and regulations.

## Summarized Key Asset Management ESG-Related Responsibilities

Environment	Social	Compliance
<ul style="list-style-type: none"> <li>- Identify environmental risks, improve efficiency and reduce overall costs.</li> <li>- Implement environmental audit finding recommendations.</li> <li>- Share lessons-learnt and implement operational, environmental, and quality best practices.</li> <li>- Maintain environmental and quality management system certifications.</li> <li>- Measure, monitor, and report key environmental KPIs.</li> <li>- Implement biodiversity initiatives.</li> </ul>	<ul style="list-style-type: none"> <li>- Implement a zero-accident culture at all assets.</li> <li>- Identify health and safety risks, perform walk &amp; talks, use the safety app.</li> <li>- Implement health and safety audit findings recommendations.</li> <li>- Share lessons-learnt and implement health and safety best practices.</li> <li>- Maintain health and safety management system certifications.</li> <li>- Measure, monitor, and report key social KPIs, including among others health and safety and human capital key metrics.</li> <li>- Propose that suppliers take into consideration their environmental impact of their product/service.</li> <li>- Support long-term development of local communities near our assets.</li> </ul>	<ul style="list-style-type: none"> <li>- Compliance with all internal and external rules, regulations, processes, and procedures.</li> <li>- Proactively manage and report asset risks.</li> <li>- Promote reporting of any complaints and concerns, as well as any breaches of the Code of Conduct or any conduct contrary to ethics, law, or the company's standards.</li> </ul>

At Atlantica, we believe that our holistic approach to ESG, as well as the level of engagement on ESG-related topics at Board and Management level enables us to deliver on heightened ESG demands from our stakeholders. We plan to continue to analyze and implement initiatives to improve our sustainability governance going forwards.

### 4.3 Capital Structure

Atlantica is a company established under the laws of England and Wales and is listed on the NASDAQ Global Select Market, under the ticker symbol "AY". The Company has one class of ordinary shares. These shares carry no right to fixed income and each share provides the owner the right to one vote at the Company Annual General Meeting.

As of December 31, 2020, 106,670,862 of our ordinary shares were outstanding. Our largest shareholder was Algonquin Power & Utilities Corp, with a 44.2% stake. To the best of our knowledge and based on public information, the rest of our shareholders are mainly United States-based institutional investors.

When Algonquin acquired a 25% stake in our equity, Atlantica signed a Shareholders Agreement with Algonquin, which set forth that, if and to the extent provided in our Articles of Association, Algonquin had the right to appoint to our Board the maximum number of directors that corresponds to Algonquin's holding of voting rights as per articles of association but in no event more than (i) such number of directors as corresponds to 41.5% of our voting securities; and (ii) 50% of our Board less one, and if the resulting number is not a whole number, it shall be rounded up to the next whole number.

On December 11, 2020 Atlantica closed an underwritten public offering of 5,069,200 ordinary shares (including those sold pursuant to the underwriters' over-allotment option) at a price of \$33

per new share. Additionally, Algonquin Power & Utilities Corp. purchased 4,020,860 ordinary shares of the Company in a private placement, which closed on January 7, 2021, which represents the pro-rata number of shares required to maintain their previous equity ownership in the Company.

With regards to the appointment and replacement of directors, the Company is governed by its Articles of Association, the SEC listing rules, the U.K. Companies Act 2006 and related legislation. The Articles of Association may be amended by special resolution of the shareholders.

## Substantial Shareholdings

Name	Ordinary Shares Beneficially Owned	Percentage
<b>5% Beneficial Owners</b>		
Algonquin (AY Holdco) B.V. <sup>(1)</sup>	48,962,925	44.2%
Morgan Stanley Investment Management Inc. <sup>(2)</sup>	5,918,853	5.5%
BlackRock Inc. <sup>(3)</sup>	5,864,325	5.5%

Notes:

- (1) This information is based solely on the Schedule 13D filed with the U.S. Securities and Exchange Commission on January 7, 2021 by Algonquin Power & Utilities Corp, a corporation incorporated under the laws of Canada. The direct beneficial owner of the shares is Algonquin (AY Holdco) B.V.
- (2) This information is based solely on the Schedule 13G filed on February 10, 2021 by Morgan Stanley, corporation incorporated under the laws of Delaware. The registered address of Morgan Stanley is 1585 Broadway New York, NY 10036.
- (3) This information is based solely on the Schedule 13G filed on February 2, 2021 by BlackRock Inc., a corporation incorporated under the laws of Delaware. The registered address of BlackRock is 55 East 52nd Street, New York, NY 10055.

No person has any special rights of control over the Company's share capital and all issued shares are fully paid.

## 4.4 Board of Directors

### Key facts:

- ✓ 2 of 4 Board committees chaired by women
- ✓ Majority of independent directors with diverse perspectives and expertise
- ✓ All Board committees only comprised by independent members
- ✓ Women represent 25% of Board members
- ✓ Minorities represent 25% of Board members
- ✓ Updated compliance documents, issued a Board diversity policy and other new ESG-related policies

Under English law, the Board of Directors is responsible for management, administration and representation of all matters concerning the relevant business, subject to the provisions of relevant constitutional documents, applicable laws and regulations, and resolutions duly adopted at Annual General meetings.

The main objectives of the Board can be summarized as follows:

- Providing entrepreneurial leadership;
- Setting strategy;
- Ensuring the human and financial resources are available to achieve objectives;
- Reviewing management performance;
- Setting the Company's values and standards; and
- Ensuring that obligations to shareholders and other stakeholders are understood and met.

Under our Articles of Association, the Board may consist of seven to thirteen members. Subject to certain minimum thresholds in terms of their shareholdings, each shareholder shall be entitled to appoint a number of directors in proportion to their shareholding. However, no shareholder shall be entitled to appoint more than half of the directors plus one.

Our Board is comprised of eight directors. All the directors meet the U.S. securities or NASDAQ's qualifications regarding independence, except our CEO. Atlantica's Board has determined that Mr. Banskota and Mr. Trisic are not independent based on their employment relationship with Algonquin, which is currently Atlantica's largest shareholder with a 44.2% ownership. The Board has also determined that the rest of the non-executive directors, Mr. Aziz, Ms. Del Favero, Ms. Eprile, Mr. Forsayeth and Mr. Woollcombe are independent.

Name, Primary Occupation	Independent	Other Public Company Boards	Committee Memberships <sup>(*)</sup>			
			A	N&CG	C	RPT
<b>William Aziz</b> President and Chief Executive Officer of BlueTree Advisors Inc.	Yes	1	✓		★	✓
<b>Arun Banskota</b> President and Chief Executive Officer of Algonquin	No	1				
<b>Debora Del Favero</b> Co-Founder of CMC Capital Limited	Yes	-		★	✓	
<b>Brenda Eprile</b> Director and Chair of the Audit Committee of Westport Fuel Systems Inc., and Director and Chair of the Governance Committee of Olympia Financial Group	Yes	2	★			✓
<b>Michael Forsayeth</b> Former Chief Executive Officer and Director of Granite Real Estate Investment Trust	Yes	-	✓	✓		★
<b>Santiago Seage</b> Chief Executive Officer of the Company	No	-				
<b>George Trisic</b> Chief Governance Officer and Corporate Secretary of Algonquin	No	-				
<b>Michael Woollcombe</b> Partner of Voorheis & Co. LLP and Executive Vice-President of VC & Co. Inc.	Yes	-				

(\*) A = Audit Committee; N&CG = Nominating and Corporate Governance Committee C = Compensation Committee; RPT = Related Party Transactions Committee  
 ★ Chair ✓ Member

The Board has established four Board Committees:

- **Audit Committee**, with responsibilities including monitoring the integrity of the Company's financial statements, reviewing internal control and risk management system, as well as the Company's relationship with external auditors;
- **Compensation Committee**, mainly responsible for setting the remuneration for directors and recommending and monitoring remuneration for senior management;
- **Nominating and Corporate Governance Committee**, responsible for leading the process for Board appointments; and
- **Related Party Transactions Committee**, responsible for identifying and evaluating existing relationships between counterparties and transactions with related parties.

The Board has delegated certain responsibilities to these committees. Membership, roles, duties and authority of these committees are described in their Terms of Reference, available in the website of the Company ([www.atlantica.com](http://www.atlantica.com)). Terms of Reference are reviewed and updated by the Board on a yearly basis.

Each committee operates under a written charter that sets forth the purposes, goals and responsibilities of the committee as well as qualifications for committee membership. Committees regularly report on their activities to the full Board.

Daniel Villalba, who was the Chair of the Board during 2020 did not stand for re-election at the 2020 Annual General Meeting. In that meeting, the directors standing for re-election were not re-elected. The Board of Directors appointed five new directors to serve on the Board until Atlantica's next Annual General Meeting of shareholders, held in May 2021.



The directors, who served throughout 2020, and to the date of this report, were as follows:

Name	Role	Term
William Aziz	Director, Independent	Appointed on May 5, 2020.
Arun Banskota	Director	Appointed on April 28, 2020.
Debora Del Favero	Director, Independent	Appointed on May 5, 2020.
Brenda Eprile	Director, Independent	Appointed on May 5, 2020.
Michael Forsayeth	Director, Independent	Appointed on May 5, 2020.
Santiago Seage	Director and Chief Executive Officer	Appointed on December 17, 2013, resigned March 9, 2018, re-appointed on December 19, 2018 and elected on June 20, 2019.
George Trisic	Director	Appointed on October 9, 2020.
Michael Woollcombe	Director, Independent and Chair of the Board	Appointed on May 5, 2020.
Andrea Brentan	Director, Independent	Appointed on June 23, 2017, and not re-elected on May 5, 2020.
Robert Dove	Director, Independent	Appointed on June 23, 2017, and not re-elected on May 5, 2020.
Christopher Jarratt	Director	Director: appointed March 12, 2018, elected on May 11, 2018. Resigned on October 9, 2020.
Francisco J. Martinez	Director, Independent	Appointed on June 23, 2017, and not re-elected on May 5, 2020.
Ian Robertson	Director	Appointed March 12, 2018, elected on May 11, 2018 resigned on April 28, 2020.
Jackson Robinson	Director, Independent	Appointed June 13, 2014, and elected on June 23, 2017, and not re-elected on May 5, 2020.
Daniel Villalba	Director, Independent and Chair of the Board	Chair of the Board: appointed on November 27, 2015. Director, independent: appointed June 13, 2014, re-elected June 23, 2017. Resigned on May 5, 2020.

There are no family relationships among any of our executive officers or directors. There are no potential conflicts of interest between the private interests or other duties of the members of the Board of Directors listed above and their duties to Atlantica, except in the case of Mr. Arun Banskota and Mr. George Trisic who serve as President and Chief Executive Officer and Chief Governance Officer and Corporate Secretary, at Algonquin.

Detailed biographical information on Atlantica's Board of Directors is available on our website. In 2020, Directors' appointments resulted in a balanced Board structure in terms of diverse professional and industry backgrounds (i.e., financial, legal and regulatory, governance, diversity and social responsibility, energy sector, etc.), gender and geographical experience (i.e., experience in international business environments). The Directors' appointment enhanced making good use of complementary views, insights and opinions to assess problems from a broader point of view,

and making it more likely that the Board will take into account the best interests of all stakeholders.

Board member profiles:



**Michael Woollcombe**  
**Chair of the Board**  
 Age: 52  
 Director Since: 2020  
**Independent**

**Michael Woollcombe has been a Partner of Voorheis & Co. LLP and Executive Vice-President of VC & Co. Inc. for more than 20 years.** Mr. Woollcombe is one of the leading special situations advisors in Canada and has been centrally involved in directing numerous high-profile shareholder disputes, proxy contests, M&A transactions, special committee mandates, internal and independent corporate investigations and complex restructurings.

Mr. Woollcombe holds a Bachelor of Commerce (Honours) from Queen’s University and an LLB from the University of Western Ontario.

#### KEY SKILLS AND EXPERIENCE

- Governance / Other Directorships
- Stakeholder
- Mergers & Acquisitions /Growth Strategy
- Compensation & Human Resources
- Financial
- Legal & Regulatory
- International
- Enterprise Risk Management
- Governance, Diversity & Social Responsibility

#### BOARD AND COMMITTEE ATTENDANCE FOR 2020: 10/10 MEETINGS – 100%

- Board: 10 of 10

#### COMMON SHARES AND SHARE EQUIVALENTS

- Common Shares: -
- Share Units: -
- Total Value Shares & DSUs (\$'000): -

#### SHAREHOLDING REQUIREMENTS

- 3x fixed compensation: to be met in a 5-year period

(1) Includes vested and non-vested Share Units as of December 31, 2020

(2) Assuming a share price of \$37.98 as of December 31, 2020.



**Santiago Seage**  
**CEO of Atlantica**  
 Age: 51.  
 Director Since: 2015  
**Executive Non-Independent**

**Santiago Seage has served as a director since our formation in 2014 until March 2018 and from December 2018.** Mr. Seage has served as our Chief Executive Officer since our formation, except for the six-month period between May and November 2015, while he was Chairman of our Board and Chief Executive Officer of Abengoa. Prior to the foregoing, he served as Abengoa Solar’s CEO beginning in 2006. Before joining Abengoa, he was a partner with McKinsey & Company.

Mr. Seage holds a degree in Business Management from ICADE University in Madrid.

#### KEY SKILLS AND EXPERIENCE

- CEO / Senior Executive
- Governance / Other Directorships
- Stakeholder
- Energy Sector
- Mergers & Acquisitions / Growth Strategy
- Compensation & Human Resources
- Financial
- Legal & Regulatory
- International
- Enterprise Risk Management
- Health & Safety, Climate Change, Environment
- Governance, Diversity & Social Responsibility

#### BOARD AND COMMITTEE ATTENDANCE FOR 2020: 15/15 MEETINGS – 100%

- Board: 15 of 15

#### VOTING RESULTS FOR 2019 ELECTION

For: 70,878,029 (96.72%) / Withheld: 928,744 (1.27%) / Against: 1,474,854 (2.01%)

#### COMMON SHARES AND SHARE EQUIVALENTS

- Common Shares: 20,000
- Share Units<sup>(1)</sup>: 109,700
- Total Value Shares & DSUs (\$'000)<sup>(2)</sup>: 4,926

#### SHAREHOLDING REQUIREMENTS

- 6x fixed compensation



## Arun Banskota

Age: 60.  
 Director Since: 2020  
**Non-Independent**

**Arun Banskota is the President and Chief Executive Officer of Algonquin.** Mr. Banskota joined Algonquin in February 2020 and has 30 years of experience in senior roles from a combination of industries such as renewable energy development, construction, financing, and operations. He has also served as manager of multiple large business units and three start-ups in the clean-tech space.

Mr. Banskota holds a Masters of Arts from the University of Denver, and a Master of Business Administration from the University of Chicago.

### KEY SKILLS AND EXPERIENCE

- CEO / Senior Executive
- Governance / Other Directorships
- Stakeholder
- Energy Sector
- Mergers & Acquisitions / Growth Strategy
- Compensation & Human Resources
- Financial
- Legal & Regulatory
- International
- Enterprise Risk Management
- Health & Safety, Climate Change, Environment
- Governance, Diversity & Social Responsibility

### BOARD AND COMMITTEE ATTENDANCE FOR 2020: 11/11 MEETINGS – 100%

- Board: 10 of 10



## George Trisic

Age: 60  
 Director Since: 2020  
**Non-Independent**

**George Trisic is the Chief Governance Officer and Corporate Secretary of Algonquin.** Mr. Trisic is responsible for leading the sustainability, government affairs and governance functions. He has broad experience managing high growth, start up and expanding businesses across multiple sites and regions. His skill set includes leading multi-functional groups in finance, human resources, legal and IT in a senior executive role.

Mr. Trisic holds a Bachelor of Law Degree from the University of Western Ontario. Additionally, he holds a Chartered Director certification from the Directors College (McMaster University).

### KEY SKILLS AND EXPERIENCE

- CEO / Senior Executive
- Governance
- Stakeholder
- Energy Sector
- Mergers & Acquisitions / Growth Strategy
- Compensation & Human Resources
- Financial
- Legal & Regulatory
- International
- Enterprise Risk Management
- Health & Safety, Climate Change, Environment
- Governance, Diversity & Social Responsibility

### BOARD AND COMMITTEE ATTENDANCE FOR 2020: 3/3 MEETINGS – 100%

- Board: 3 of 3





## William Aziz

Age: 64  
 Director Since: 2020  
**Independent**

**William Aziz is the President and Chief Executive Officer of BlueTree Advisors Inc.** Mr. Aziz is a director and Chair of the Audit Committee of TSX-listed Maple Leaf Foods Inc. and a member of the Advisory Board for Fengate Real Assets. He has served as a director of a number of publicly-traded companies.

Mr. Aziz is a graduate of the Ivey School of Business at Western University in Honors Business Administration. He is also a Chartered Professional Accountant and holds the ICD.D. designation. Mr. Aziz also completed the Institute of Corporate Directors Governance College at the Rotman School of Business, University of Toronto.

### KEY SKILLS AND EXPERIENCE

- Governance / Other Directorships
- Stakeholder
- Energy Sector
- Mergers & Acquisitions / Growth Strategy
- Compensation & Human Resources
- Financial
- Legal & Regulatory
- International
- Enterprise Risk Management

### BOARD AND COMMITTEE ATTENDANCE FOR 2020: 15/15 MEETINGS – 100%

- Board: 10 of 10
- Audit Committee: 2 of 2
- Compensation Committee: 2 of 2
- Related Parties Transactions Committee: 1 of 1

### COMMON SHARES AND SHARE EQUIVALENTS

- Common Shares: 2,500
- Share Units: -
- Total Value Shares & DSUs (\$'000)<sup>(1)</sup>: 95

### SHAREHOLDING REQUIREMENTS

- 3x fixed compensation: to be met in a 5-year period



## Debora Del Favero

Age: 56  
 Director Since: 2020  
**Independent**

**Debora Del Favero is the Co-Founder of CMC Capital Limited, a U.K.-based corporate finance advisory boutique specialized in M&A.** Ms. Del Favero is a senior executive with deep international mergers & acquisitions and corporate finance experience including the renewables sector. Previously, for over 17 years, she held senior roles in the London and New York offices of the Investment Banking Division of Credit Suisse.

Ms. Del Favero holds a Masters of Arts in Economics and Business Administration from Bocconi University in Milan, Italy, with a focus on corporate finance and commercial law and a dissertation on international taxation.

### KEY SKILLS AND EXPERIENCE

- Mergers & Acquisitions / Growth Strategy
- Compensation & Human Resources
- Financial
- Legal & Regulatory
- International
- Enterprise Risk Management

### BOARD AND COMMITTEE ATTENDANCE FOR 2020: 13/13 MEETINGS – 100%

- Board: 10 of 10
- Compensation Committee: 2 of 2
- Nominating & Corporate Governance Committee: 1 of 1

### COMMON SHARES AND SHARE EQUIVALENTS

- Common Shares: -
- Share Units: -
- Total Value Shares & DSUs (\$'000): -

### SHAREHOLDING REQUIREMENTS

- 3x fixed compensation: to be met in a 5-year period

(1) Assuming a share price of \$37.98 as of December 31, 2020.



## Brenda Eprile

Age: 66  
 Director Since: 2020  
**Independent**

**Brenda Eprile is a director and Chair of the Audit Committee of Westport Fuel Systems Inc.** Ms. Eprile has been a director of Westport since 2013, and previously served as Chair of the Board and as Chair of the HRC Committee. She is also a director and Chair of the Governance Committee of the TSX-listed Olympia Financial Group, and a director of its subsidiary Olympia Trust Company. From 2000 to 2012, Ms. Eprile was a Senior Partner at PwC and led its Canadian Risk Advisory Services practice.

Ms. Eprile is a Fellow Chartered Professional Accountant and holds the ICD.D. designation. She also holds an MBA from the Schulich School of Business at York University.

### KEY SKILLS AND EXPERIENCE

- Governance / Other Directorships
- Stakeholder
- Energy Sector
- Compensation & Human Resources
- Financial
- Legal & Regulatory
- International
- Enterprise Risk Management
- Governance, Diversity & Social Responsibility

### BOARD AND COMMITTEE ATTENDANCE FOR 2020: 13/13 MEETINGS – 100%

- Board: 10 of 10
- Audit Committee: 2 of 2
- Related Parties Transactions Committee: 1 of 1

### COMMON SHARES AND SHARE EQUIVALENTS

- Common Shares: 2,500
- Share Units: -
- Total Value Shares & DSUs (\$'000) <sup>(1)</sup>: 95

### SHAREHOLDING REQUIREMENTS

- 3x fixed compensation: to be met in a 5-year period

(1) Assuming a share price of \$37.98 as of December 31, 2020.



## Michael Forsayeth

Age: 66  
 Director Since: 2020  
**Independent**

**Michael Forsayeth is an experienced business leader having held Chief Executive Officer, Chief Financial Officer and other senior executive positions in several large public and private real estate, hospitality, foodservice and other businesses over his career.** Mr. Forsayeth was CEO and a director of Granite Real Estate Investment Trust. Prior to this he served as Granite's Chief Financial Officer.

Mr. Forsayeth is a CPA and CA and spent nine years with Coopers & Lybrand (now PwC) in various areas including the audit practice and a secondment in its London, England office. Mr. Forsayeth holds a Bachelor of Commerce (Honours) from Queen's University.

### KEY SKILLS AND EXPERIENCE

- CEO / Senior Executive
- Other Directorships
- Stakeholder
- Mergers & Acquisitions / Growth Strategy
- Compensation & Human Resources
- Financial
- Legal & Regulatory
- International
- Enterprise Risk Management
- Health & Safety
- Governance, Diversity & Social Responsibility

### BOARD AND COMMITTEE ATTENDANCE FOR 2020: 14/14 MEETINGS – 100%

- Board: 10 of 10
- Audit Committee: 2 of 2
- Nominating and Corporate Governance Committee: 1 of 1
- Related Parties Transactions Committee: 1 of 1

### COMMON SHARES AND SHARE EQUIVALENTS

- Common Shares: 1,600
- Share Units: -
- Total Value Shares & DSUs (\$'000) <sup>(1)</sup>: 61

### SHAREHOLDING REQUIREMENTS

- 3x fixed compensation: to be met in a 5-year period

	Total	William Aziz	Arun Banskota	Debora Del Favero	Brenda Eprile	Michael Forsayeth	Santiago Seage	George Trisic	Michael Woollcombe
<b>Independent</b> (in accordance with the Board of Directors' determination <sup>26</sup> )	5	✓		✓	✓	✓			✓
<b>CEO/Senior Executive:</b> CEO or senior executive experience with a large publicly traded organization	4		✓			✓	✓	✓	
<b>Governance/ Other Directorships:</b> Director of public company and/or significant governance role	7	✓	✓		✓	✓	✓	✓	✓
<b>Stakeholder:</b> Experience in managing stakeholders or represents stakeholder group	7	✓	✓		✓	✓	✓	✓	✓
<b>Energy Sector:</b> Senior executive experience in the energy sector	5	✓	✓		✓		✓	✓	
<b>Mergers &amp; Acquisitions /Growth Strategy:</b> Senior executive experience with mergers, acquisitions and/or business growth strategy	7	✓	✓	✓		✓	✓	✓	✓
<b>Compensation and Human Resources:</b> Understanding and experience with human resources issues and compensation policies	8	✓	✓	✓	✓	✓	✓	✓	✓
<b>Financial:</b> Senior financial executive experience / Corporate or project finance/ Capital allocation	8	✓	✓	✓	✓	✓	✓	✓	✓
<b>Legal and Regulatory:</b> Legal and regulatory experience	8	✓	✓	✓	✓	✓	✓	✓	✓
<b>International:</b> Experience in international business environments	7	✓	✓	✓	✓		✓	✓	✓
<b>Enterprise Risk Management:</b>	8	✓	✓	✓	✓	✓	✓	✓	✓
<b>Health and Safety, Climate Change, Environment</b>	3		✓				✓	✓	
<b>Governance, Diversity and Social Responsibility</b>	6		✓		✓	✓	✓	✓	✓



## Membership and Attendance

The table below outlines membership and attendance in relation to our Board during 2020.

Director	Membership		Role	Attendance / Eligible to attend <sup>(1)</sup>
	From	To		
William Aziz <sup>2</sup>	May 2020	n/a	Director, Independent	10/10
Arun Banskota <sup>3</sup>	April 2020	n/a	Director	10/10
Debora Del Favero <sup>2</sup>	May 2020	n/a	Director, Independent	10/10
Brenda Eprile <sup>2</sup>	May 2020	n/a	Director, Independent	10/10
Michael Forsayeth <sup>2</sup>	May 2020	n/a	Director, Independent	10/10
Santiago Seage	Dec' 2018	n/a	Director and Chief Executive Officer	15/15
George Trisic <sup>3</sup>	Oct' 2020	n/a	Director	3/3
Michael Woollcombe <sup>2</sup>	May 2020	n/a	Director, Independent and Chair of the Board	10/10
Andrea Brentan <sup>4</sup>	June 2017	May 2020	Director, Independent	5/5
Robert Dove <sup>4</sup>	June 2017	May 2020	Director, Independent	5/5
Christopher Jarratt <sup>3</sup>	Mar 2018	Oct 2020	Director	12/12
Francisco J. Martinez <sup>4</sup>	June 2017	May 2020	Director, Independent	5/5
Ian Robertson <sup>3</sup>	Mar 2018	Apr 2020	Director	3/4
Jackson Robinson <sup>4</sup>	June 2014	May 2020	Director, Independent	5/5
Daniel Villalba <sup>5</sup>	June 2014	May 2020	Director, Independent and Chair of the Board	5/5

(1) Does not include matters approved by Director's Written Resolution.

(2) Mr. William Aziz, Mrs. Debora Del Favero, Mrs. Brenda Eprile, Mr. Michael Forsayeth, Mr. Michael Woollcombe, joined the Board of Directors on May 5, 2020 as independent non-executive Directors.

(3) Mr. Arun Banskota and Mr. George Trisic joined the Board of Directors on April 28, 2020 and October 9, 2020, respectively, replacing Mr. Ian Robertson and Mr. Christopher Jarratt who resigned on April 28, 2020 and October 9, 2020. respectively.

(4) Mr. Andrea Brentan, Mr. Robert Dove, Mr. Francisco J. Martinez and Mr. Jackson Robinson were not re-elected to be members of the Board of Directors on May 5, 2020.

(5) Mr. Daniel Villalba resigned as Director and Chair of the Board of Directors on May 5, 2020.

Senior management attend meetings by invitation of the Board.

### **Key Activities**

A total of 15 Board of Directors meetings were convened in 2020, with an average attendance of 99% for personal attendance by directors (100% if attendance by proxy is included), and six written resolutions were adopted.

No Board member attended less than 75% of Board meetings.

Prior to the meetings, the Secretariat to the Board of Directors sent the agenda and provided sufficient notes for review. Major areas of focus of the Board during 2020 have been as follows:

- Review of health and safety issues;
- Review the action plan to continue improving in ESG;
- Review and approval of the strategy of the Company: growth plan, key priorities and risks;
- Review of assets' performance and main technical issues;
- Approval and review of the budget of the Company;
- Review and approval of quarterly and annual accounts;
- Approval of significant transactions (acquisitions, partnerships, etc.);
- Review of capital markets updates; and
- Approval of dividends.

### ***Directors' Shareholdings***

The following table includes information with respect to beneficial ownership of our ordinary shares as of December 31, 2020 by each of our directors and executive officers, as well as their connected persons.

Directors not included in the table below did not own shares and are not required to comply with minimum share ownership requirements as they do not receive remuneration from the Company.

	Shares	Share Units <sup>(1)</sup>	Investment Value (\$000's) <sup>(2)</sup>	Minimum Share Ownership Requirement	Compliance With Policy <sup>(3)</sup>
Santiago Seage	20,000	109,700	4,926	6 times fixed compensation	✓
William Aziz	2,500	-	95	3 times annual compensation	On track
Brenda Eprile	2,500	-	95	3 times annual compensation	On track
Michael Forsayeth	1,600	-	61	3 times annual compensation	On track
Michael Woollcombe	-	-	-	3 times annual compensation	On track
Debora Del Favero	-	-	-	3 times annual compensation	On track

(1) Includes vested and non-vested Share Units as of December 31, 2020. LTIP share units subject to 5% minimum Total Shareholder Return Performance Stock Unit.

(2) Assuming a share price of \$37.98 as of December 31, 2020.

(3) 5-year window to comply with this policy.

Under the LTIP and one-off plans, as of December 31, 2020 the CEO holds 109,700 share units, convertible into shares in the future and 225,562 options, out of which 40,693 options vested, but were not exercised. As of December 31, 2019, he held 90,593 share units, convertible into shares in the future and 122,080 options. No options vested in 2019. As of December 31, 2018, the three-year period award 2016-2018 LTIP amounted to \$751.1 thousand, a 21.95% of the maximum potential award, and was paid in March 2019.

### Minimum Share Ownership

On February 26, 2021, the Board of Directors adopted minimum share ownership guidelines for directors receiving remuneration from the Company and for the executives participating in the LTIP to further align executive and shareholder interests. Directors and executives subject to these guidelines shall achieve, within a period of five years, a minimum share ownership in the Company. In calculating the value of shares owned, shares that are issuable pursuant to the LTIP and DRSU Plan, vested and non-vested, are counted. Directors receiving remuneration and executives participating in the LTIP shall achieve a minimum share ownership in the Company equal in value to:

- Directors receiving remuneration from the Company: 3 times their annual compensation,
- CEO: 6 times his fixed compensation,
- CFO: 3 times his fixed compensation,
- Other executives: 2 times their fixed compensation.

The directors receiving remuneration from the Company and executives have a 2-year window to amend non-compliances with minimum share ownership requirements derived from a stock price decrease.

### ***Board Effectiveness***

Following international best practices, in 2020 the Board approved enhanced procedures and practices to ensure Board members' accountability and a close alignment with stakeholders' interests. In particular, the Board has decided to:

- Set annual individual election of board members starting at the AGM held in May 2021. Going forward, each board member has to be re-elected at each Annual General Meeting for shareholders.
- Implement annual self-assessments of the Board's performance. The board members themselves shall systematically evaluate their performance. The Board expects to start carrying out annual self-assessment in 2021, and has the explicit intention of conducting them regularly.
- Limit to four the number of other external directorships in publicly listed companies held by board members.
- Approve changes to the current Directors' Remuneration Policy. Shareholders were asked to approve the Remuneration Policy at our 2021 Annual General Meeting held in May 2021. We encourage you to read the Remuneration Policy section for more detailed information on the updated Remuneration Policy:

Overall Board refreshment is achieved through annual director elections (starting at the AGM held in May 2021).

As of December 31, 2020, the Board of Directors' average tenure is less than 1 year and the Board members average age is 59.

## **Audit Committee**

In November 2020, the Board of Directors' approved new Terms of Reference for the Audit Committee. The committee is a standing committee of the Board, established to assist the Board in fulfilling its oversight responsibilities with respect to:

- The Company's accounting and financial reporting processes and audits of its financial statements,
- The integrity including the completeness, appropriateness, and accuracy of the Company's financial reporting and certain other information provided to shareholders,
- The Company's risk assessment and risk management processes, including the assessment of significant financial and accounting risk exposures and all the actions taken to mitigate these risks,
- The effectiveness of systems implemented and maintained by the Company to manage those risks, in particular with regard to internal controls and critical information systems relating to financial reporting,
- Compliance with legal and regulatory requirements, and the encouragement of legal and ethical conduct, associated directly or indirectly with accounting and financial reporting matters; the independence and qualifications of the external auditors; and the performance of the Company's internal audit function and external auditors.

The approved Terms of Reference for the Audit Committee are available on the Company website ([www.atlantica.com](http://www.atlantica.com))

## **Role of the Committee**

The committee monitors the effectiveness of Atlantica's financial reporting, internal control and risk management systems, as well as the integrity of the Company's external and internal audit processes.

## **Membership and Attendance**

There were four committee meetings in 2020 with 100% attendance on the part of all committee members. Regular attendees at the meetings include the Chief Financial Officer, the Head of Accounting and Consolidation, the Head of Internal Audit, the Head of Investor Relations and the External Auditors.

Director	Membership		Role	Attendance / Eligible to Attend <sup>(1)</sup>
	From	To		
Brenda Eprile	May 2020	n/a	Director, Independent and Chair of the Audit Committee. Financial Expert	2/2
William Aziz	May 2020	n/a	Director, Independent. Financial Expert	2/2
Michael Forsayeth	May 2020	n/a	Director, Independent. Financial Expert	2/2
Mr. Francisco J. Martinez	June 2017	May 2020	Director, Independent and Chair of the Audit Committee. Financial Expert	2/2
Mr. Jackson Robinson	June 2014	May 2020	Director, Independent	2/2
Mr. Daniel Villalba	June 2014	May 2020	Director, Independent and Chair of the Board	2/2

<sup>(1)</sup> Does not include matters approved by the Audit Committee's Written Resolutions.

Following the Company's Annual General Meeting in May 2020, a new Audit Committee was appointed comprised of entirely new members.

All members of the Audit Committee are independent non-executive directors in accordance with the definition provided by Rule 5605 of the NASDAQ Stock Market ("NASDAQ") and meet the criteria for independence set forth in Rule 10A-3(b)(1) under the United States Securities Exchange Act of 1934, as amended.

The Directors who serve on the Committee have the necessary qualifications and bring a wide range and depth of financial experience across various industries. The Board is satisfied that all three members meet the requirements to qualify as "Audit Committee financial experts" under applicable SEC rules. The collective knowledge, skills, experience and objectivity of the committee members enables the Committee to work effectively and to have robust discussions with management on important issues.

The external auditor attends every meeting of the Audit Committee.

The Committee Chair provides regular updates to the Board of Directors on the key issues discussed at the Committee's meetings.

### ***Key Activities***

#### **Financial Reporting**

The Committee oversees the integrity of the Company's financial reporting process to ensure that the information provided to shareholders and other stakeholders is fair, balanced and understandable and provides all the information necessary to assess the Company's financial position, recent performance, cashflows and future prospects.

During the year, the Committee reviewed the quarterly and annual financial statements with management, focusing on the integrity of the company's financial reporting process, the clarity of the disclosure, compliance with relevant legal and financial reporting standards and the application of accounting policies and judgements.

In its financial reporting review, the Committee focused on the accounting policies, significant judgements and estimates used in preparing the financial statements, as well as the disclosures provided. Particular attention was paid to the following significant issues in the 2020 financial reporting:

1. Recoverability of Contracted Concessional Assets.
2. Covenants Compliance.
3. Credit risk monitoring of certain off takers / customers.
4. Change in the useful life of the solar plants in Spain.
5. The effects of COVID 19 on the business, and
6. Significant one-off transactions, including acquisitions, partnerships and other significant agreements, etc.

The Committee considered the Annual Report (UK Annual Report) and Form 20-F and assessed whether the reports were fair, balanced and understandable and provided their assessment to the full Board prior to Board approval of these reports.

## **External Audit**

### **Assessing Audit Risk**

A detailed audit plan was prepared by the external auditor and reviewed by the Committee. The plan outlines the audit strategy for 2020 and the key audit risks to be addressed, including:

- The consistency of management's judgements and estimates,
- Responding to the risk of material misstatements through substantive testing and data analytics,
- Effect of Covid-19 on the company's internal controls and financial reporting processes, and any related modifications,
- Credit risk of certain significant power off-takers / customers,
- Recoverability assessment of contractual concessional assets,
- Expected credit losses on significant receivables,
- Risks related to material acquisitions/transactions,
- Management override of controls.

The Committee received updates during the year on the audit process, including how the external auditor challenged management's assumptions on key issues.

### **Assessing Audit Effectiveness**

In order to assess the auditor's performance, management undertook a survey which comprised questions in the following areas:

- Communication and availability
- Technical knowledge
- Added value
- Deadline achievements
- Daily interaction

The results of the survey indicated that most regions were quite satisfied with the performance of the external auditors. There were some areas for improvement noted which appear to be attributable to 2019 being the first year EY is in the role of external auditor. None of the improvement areas impacted the effectiveness of the audit. The results of the survey were discussed with EY for consideration in their 2020 audit approach.

The Committee held in camera meetings with the external auditors during the year and the Committee Chair met separately with the external auditor and Head of Internal Audit at least quarterly.

The effectiveness of the external auditor is evaluated by the Committee through:

- Reviewing the annual audit plan and discussing the approach proposed with the engagement partners,
- Reviewing progress against the plan throughout the year and discussing any issues that have arisen with management and the external auditor,
- Discussing any revisions to the plan when they are made,
- Discussing the results of the external auditors' work on the interim and annual financial statements prior to committee approval and recommendation to the Board,
- Reviewing the results of the auditor effectiveness survey and discussing with the external auditor.



On the basis of this assessment, the Committee has concluded that the appropriate quality is being provided for the services rendered. The audit team has the dedication, expertise, as well as the independence and objectivity necessary to fulfil their responsibilities to shareholders.

### Assessing Auditor Reappointment and Independence

EY and its firm members were initially appointed and approved as external auditor of Atlantica at the AGM held on May 11, 2018. The Committee is responsible for overseeing the remuneration of the external auditor and for negotiating fees for both audit and non-audit services. The Committee approves all services contracted with the external auditor.

In November 2020, the committee approved a revised Policy to safeguard the independence and objectivity of external auditors. In general, the external auditor may be engaged to provide services only if their independence and objectivity are not impaired. The Committee considered it appropriate to establish the Pre-Approval Policy for Audit and Non-audit services rendered by the Statutory Auditor. According to this Policy, audit services, audit-related services, certain tax services and certain other services are pre-approved by the Committee under certain limits. All other services must be approved explicitly by the Committee. For non-audit services, the accumulated annual fees must remain below the threshold of 70% of the annual audit services fees.

The Policy also includes a list of SEC's prohibited non-audit services. This list sets forth several services that the SOX Act and the SEC have specifically identified as services that may not be performed by the Company's external auditor.

All services performed by EY have been approved by the Committee. All fees received by EY in 2020 have been approved by the Committee.

\$ in thousands	2018			2019			2020		
	Deloitte	Other Auditors	Total	EY	Other Auditors	Total	EY	Other Auditors	Total
Audit Fees <sup>1</sup>	1,722	74	1,796	1,293	61	1,354	1,391	54	1,445
Audit-Related Fees <sup>2</sup>	705	-	705	481	-	481	516	-	516
Tax Fees <sup>3</sup>	-	-	-	406	-	406	502	-	502
All Other Fees <sup>4</sup>	46	-	46	271	-	271	15	-	15
<b>Total</b>	<b>2,473</b>	<b>74</b>	<b>2,547</b>	<b>2,451</b>	<b>61</b>	<b>2,512</b>	<b>2,424</b>	<b>54</b>	<b>2,478</b>

<sup>(1)</sup> "Audit Fees" are the aggregate fees billed for professional services in connection with the audit of our Annual Consolidated Financial Statements, quarterly reviews of our interim financial statements and statutory audits of our subsidiaries' financial statements under the rules of England and Wales and the countries in which our subsidiaries are organized. The decrease in audit fees is mainly due to the change of external auditors in 2019.

<sup>(2)</sup> "Audit-Related Fees" include fees charged for services that can only be provided by our auditor, such as consents and comfort letters of non-recurring transactions, assurance and related services that are reasonably related to the performance of the audit or review of our financial statements. In 2019 and 2020 fees were paid in relation our major shareholder's capital market transactions. The Audit Committee approved all of the services provided by EY.

<sup>(3)</sup> "Tax Fees" include mainly fees charged for transfer pricing services and tax compliance services in our US subsidiaries.

<sup>(4)</sup> "All Other Fees" comprises fees billed in relation to financial advisory and due diligence services and other services which cannot be comprised under other categories.

### Internal Audit

In accordance with the Committee's terms of reference, it is responsible for the supervision of the Internal Audit function.

In particular, the Committee:

- Approves the Internal Audit Plan for the year and discusses the risk assessment underlying the plan's development,
- Reviews the progress of the Internal Audit Plan on a quarterly basis and discusses any significant issues with the Head of Internal Audit,
- Reviews the results of particular internal audits, and discusses the main findings and recommendations with the Head of Internal Audit,
- Reviews and monitors management's responsiveness to the internal auditor's findings and recommendations,
- Meets regularly with the Head of Internal Audit.

The Internal Audit Department is responsible for conducting audits in the areas of:

- Integrated audits (financial audit, internal control and anti-fraud procedures),
- Financial risk management (e.g. covenants compliance, financial ratio reviews, etc.),
- Due diligence (e.g. acquisitions),
- Forensic (e.g. supplier and potential partner analysis),
- Internal control procedures and activities to prevent fraud and corruption, (e.g. the US Foreign Corrupt Practices Act and the UK Bribery Act),
- Fraud risk assessment procedures performed in order to detect fraud and breaches of regulation, together with related findings and recommendations for improvement,
- Other (e.g. management policy reviews).

At each Committee meeting, progress on Internal Audit's plan is reviewed with the Head of Internal Audit including significant findings from audits done in the quarter, as well as management's progress on addressing previously identified deficiencies.

## **Risk Management**

During the year, the risks posed by Covid-19 and the Company's response was discussed at each regularly scheduled board meeting. In addition, the Committee discussed Covid-19 risks with the CFO and external auditor at the regularly scheduled Committee meetings. Fortunately, given the nature of the company's business and the steps management took early on in the pandemic, the impact on the Company's business has been negligible.

The Committee reviewed the company's risk matrix and discussed the following risks and associated mitigation plans with management at the third quarter committee meeting:

- Cybersecurity,
- Major health and safety and environmental accidents,
- Climate change related incidents,
- Operation and maintenance suppliers risk,
- Insurance coverage exclusions,
- Failure of critical equipment,
- Solar field underperformance.

The Committee reviews regular reports from Internal Audit on risk management processes throughout the year. The findings are discussed with the Head of Internal Audit, including progress made on addressing previously identified weaknesses.

## **Corporate Governance in the Audit Committee**

On an annual basis the Committee considers whether any changes should be made to how it operates. This year the Committee adopted a new Audit Committee calendar of activities to help plan annual activities and meeting agendas. It reflects the requirements for audit committees of NASDAQ listed companies, as well as common best practices. The tool covers more than 80 actions or responsibilities and their frequency in the following areas:

- Financial management and reporting, accounting policies and procedures
- General business planning
- Risk management
- Independent Auditor
- Internal Audit
- Whistleblower procedures
- Other matters and governance

## **Whistleblowing**

The Committee is responsible for the management of the Whistleblower Channel. According to the Code of Conduct, any allegation received through the Whistleblower Channel will be sent to the Chair of the Audit Committee, the General Counsel and the Head of Internal Audit.

All allegations received are managed by the Compliance Committee according to a specific Fraud Response Protocol. All main procedures performed, conclusions and proposed corrective measures are communicated to the Committee.

The Group's Whistleblower Policy encourages employees of the Company, its subsidiaries and all external stakeholders to raise concerns about suspected wrongdoing within the Group in complete confidence. Atlantica's Whistleblower Channel is available on the Company's website [www.atlantica.com](http://www.atlantica.com).

## **Accounting and Disclosure Committee**

The Accounting and Disclosure Committee is responsible for analyzing and implementing the Company's most significant accounting policies. The Committee is comprised by the Chief Financial Officer, the Head of Internal Audit and Risk, the Head of Investor Relations and Reporting and the Head of Accounting and Consolidation. Each committee member has 25% of voting rights and a majority of votes is required to approve accounting criteria. Where necessary Atlantica would seek external expert advice to unveil vote ties.

The Committee meets at least once every quarter to discuss and approve key accounting criteria and the notes to the quarterly condensed interim financial statements. The committee meets several times before and after the annual close to discuss and approve key accounting criteria and the notes to the U.S. Form 20-F and UK Annual Report.

Significant accounting policy change in 2020: Reduction to the useful life of the Spanish CSP plants to 25 years.

## ***Nominating and Corporate Governance Committee***

The Nominating and Corporate Governance Committee is responsible for reviewing the structure, size and composition of the Board and succession planning for directors and senior executives. It also reviews and advises the Board on the Company's strategy and corporate governance responsibility objectives.

The principal duties of the Nominating and Corporate Governance Committee are:

- Regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations;
- Identifying and nominating, for the approval of the Board, candidates to fill independent Board vacancies as and when they arise;
- Keep under review corporate governance rules and developments (including ethics related matters) that might affect the Company, with the aim of ensuring that the Company's corporate governance policies and practices continue to be in line with best practices;
- Make recommendations to the Board concerning any changes to practices that are required in relation to corporate governance;
- Make recommendations to the Board concerning any new or special committees of the Board that may be necessary to properly address ethical, legal and/or other matters that may arise
- Evaluate and make recommendations to the Board about the Board's diligence and attentiveness in applying governance best practices and responding to the requirements of the business.

## **Membership and Attendance**

A total of 2 Nominating and Corporate Governance Committee meetings were convened in 2020, with an average attendance of 100%.

On May 5<sup>th</sup>, 2020, the directors Debora Del Favero and Michael Forsayeth were appointed as new members of the Nominating and Corporate Governance Committee. Ms. Del Favero is the Chair of the Committee. As of December 31, 2020, all committee members are independent, non-executive directors.

Director	Membership		Role	Attendance / Eligible to Attend
	From	To		
Debora Del Favero	May 2020	n/a	Director, Independent and Chair of the Nominating and Corporate Governance Committee	1/1
Michael Forsayeth	May 2020	n/a	Director, Independent	1/1
Robert Dove	Jun.'17	May '20	Director, Independent	1/1
Ian Robertson	Mar. '18	April '20	Director	1/1
Arun Banskota	Apr '20	Dec '20	Director	1/1
Daniel Villalba	Jun. '14	May '20	Director, Independent and Chair of the Board	1/1

## ***Compensation Committee***

The Compensation Committee is responsible for determining the remuneration policies of Directors and the remuneration of the Chief Executive Officer and other senior members of management.

### **Membership and Attendance**

A total of 3 Compensation Committee meetings were convened in 2020, with an average attendance of 100%.

On May 5<sup>th</sup>, 2020, the directors William Aziz and Debora Del Favero were appointed as new members of the Compensation Committee. Mr. Aziz is the Chair of the Compensation Committee. Mr. Jarratt resigned as a member of the Board of Directors on October 9<sup>th</sup>, 2020. Since then, all Committee members are independent, non-executive directors.

Director	Membership		Role	Attendance / Eligible to Attend
	From	To		
William Aziz	May 2020	n/a	Director, Independent and Chair of the Compensation Committee	2/2
Debora Del Favero	May 2020	n/a	Director, Independent	2/2
Christopher Jarratt	Mar 2018	Oct 2020	Director	2/2
Andrea Brentan	June 2017	May 2020	Director, Independent	1/1
Jackson Robinson	June 2014	May 2020	Director, Independent	1/1

No director or senior manager shall be involved in any decision as to their own remuneration. The Chief Executive Officer and members of senior management, such as the Head of Human Resources, may attend the meetings by invitation.

The Compensation Committee Chair provides regular updates to the Board of Directors on the key issues discussed at the Compensation Committee's meetings.

### ***Role of the Compensation Committee***

The Board of Directors approved Terms of Reference for the Compensation Committee which are available on the Company's website ([www.atlantica.com](http://www.atlantica.com)).

These Terms of Reference provide the roles and responsibilities of the Compensation Committee, which are reviewed by the Compensation Committee itself and the Board of Directors on a yearly basis. In accordance with this document, the Compensation Committee's responsibilities include, but are not limited, to the following matters:

1. To analyze, discuss and make recommendations to the Board regarding the setting of the Remuneration Policy for all directors and senior management,
2. To analyze and discuss proposals made by the Board regarding the Company's Remuneration Policy,
3. To obtain reliable and updated information about remuneration in other companies of comparable scale and complexity,
4. To review the Chief Executive Officer's annual compensation package and performance objectives,

5. To review the design of long-term incentive plans for approval by the Board and shareholders, and
6. To review and approve the compensation payable to executive directors, and the Chief Executive Officer for any loss or termination of office or appointment.

### ***Key Activities***

In 2020, the Compensation Committee continued its work on revising our remuneration structure to ensure that the Company has an effective Remuneration Policy in place, which:

- Allows the Company to attract and retain top quality talent; and
- Rewards and compensates sustainable performance to the benefit of both shareholders and stakeholders.

### **Remuneration Analysis**

The Compensation Committee has re-assessed the Remuneration policy implemented by the Board of Directors and approved in the Annual General Meeting. At least once a year, the Compensation Committee reviews compensation practices for non-executive directors in similar companies.

The Compensation Committee has been particularly focused on reviewing the remuneration for directors and the Chief Executive Officer, based on the information collected from external consultants that provided independent advice on remuneration best practices and market practice on directors' minimum ownership requirements.

The Compensation Committee has the responsibility to propose the remuneration of the Chief Executive Officer and the overall remuneration of the senior management to the Board of Directors, including any kind of compensation.

The Compensation Committee has the following duties regarding performance-related bonuses or variable remuneration:

- Definition of specific targets for the Chief Executive Officer and overall structure for senior management.
- Evaluation of the accomplishment of those objectives in the case of the Chief Executive Officer.

### **Long-Term Incentive Awards**

In April 2018, the Board of Directors approved the implementation of a new Remuneration Policy including LTIP awards. The long-term incentive plan permits the granting of share options and restricted stock units to the executive team of the Company. The LTIP applies to approximately 13 executives and the Board of Directors also proposed to include the Chief Executive Officer, who is also a director. The Chief Executive Officer's participation in the LTIP was approved by shareholders at the 2019 Annual General Meeting.

### ***Related Parties Transactions Committee***

The Related Parties Transactions Committee is responsible for identifying and evaluating existing relationships between counterparties and transactions with related parties. The Committee is responsible for overseeing the implementation of a system for identifying, monitoring and reporting related-party transactions, including regular reviews of such transactions, applicable policies and procedures.



The Related Parties Transactions Committee shall meet as many times as required. Prior to entering into a Related Party Transaction, the transaction shall be either approved or rejected by the Non-Conflicted Directors at a meeting of the Board of Directors upon recommendation of the Related Parties Transactions Committee.

### Membership and Attendance

A total of 2 Related Parties Transactions Committee meetings were convened in 2020, with an average attendance of 100%.

On May 5<sup>th</sup>, 2020, the Directors William Aziz, Brenda Eprile and Michael Forsayeth were appointed as the new members of the Related Party Transactions Committee. Mr. Forsayeth is Chair of the Committee.

Director	Membership		Role	Attendance / Eligible to attend
	From	To		
William Aziz	May 2020	n/a	Director, Independent	1/1
Brenda Eprile	May 2020	n/a	Director, Independent	1/1
Michael Forsayeth	May 2020	n/a	Director, Independent and Chair of the Related Parties Transactions Committee	1/1
Andrea Brentan	Feb '18	May 2020	Director, Independent	1/1
Robert Dove	Feb '18	May 2020	Director, Independent	1/1
Francisco J. Martinez	Feb '18	May 2020	Director, Independent	1/1
Jackson Robinson	Feb '18	May 2020	Director, Independent	1/1
Daniel Villalba	Feb '18	May 2020	Director, Independent and Chair of the Board	1/1

Under the principles of good corporate governance, the Code of Conduct and applicable law, any director or executive officer of Atlantica has a duty to declare any actual or potential conflict of interest in any proposed or existing transaction or arrangement. In accordance with our Policy, all transactions with related parties over US\$50,000 are subject to approval or ratification by the Board. Prior to entering into a transaction, management reports a summary of the material facts to the non-conflicted directors (directors that are not conflicted by the transaction), who are generally all the members of the Related Party Transactions Committee. Non-conflicted directors review the transaction in the Related Party Transactions Committee prior to the Board of Directors meeting.

## 4.5 Incentive Pay

### *Single Total Figure of Remuneration for Each Director*

Since April 2019 each independent non-executive director is entitled to receive annual compensation of \$150.0 thousand. In addition, the Chair of the Board and Chairs of the Committees of the Board are entitled to receive additional compensation as detailed in the table below. Furthermore, since May 2020 non-independent non-executive directors are also entitled

to be compensated on the same terms as we compensate independent non-executive directors. In 2020, non-independent non-executive directors declined compensation.

The following table sets out the fee schedule for 2018, 2019 and 2020:

<b>Business</b> In thousands of U.S. Dollars	<b>2018</b>		<b>2019</b>		<b>2020</b>
	From January 2018 to August 2018	From August 2018 to December 2018	From January 2019 to March 2019	From April 2019 to December 2019	
<b>Annual Director Retainer</b>					
Non-Executive Director	100.0	134.0	134.0	150.0	150.0
<b>Annual Committee Chair Retainer</b>					
Chair of the Board	35.0	61.0	61.0	75.0	75.0
Chair of the Audit Committee	-	15.0	15.0	15.0	15.0
Chair of the Nominating and Corporate Governance Committee	-	10.0	10.0	10.0	10.0
Chair of the Compensation Committee	-	10.0	10.0	10.0	10.0

Further details on 2018 compensation are disclosed in our 2018 ESG Report, which is available on our website.

The table below summarizes the directors who received remuneration during the year ended December 31, 2018, 2019 and 2020. The Chief Executive Officer's total annual compensation is also detailed in this table.

In thousands of U.S. Dollars	Salary and Fees			Annual Bonuses			Long-Term Incentive Awards <sup>1</sup>			Total Fixed Remuneration			Total Variable Remuneration			Total			
	Name	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
	William Aziz <sup>2</sup>	-	-	106.7	-	-	-	-	-	-	-	-	106.7	-	-	-	-	-	106.7
	Debora Del Favero <sup>2</sup>	-	-	106.7	-	-	-	-	-	-	-	-	106.7	-	-	-	-	-	106.7
	Brenda Eprile <sup>2</sup>	-	-	110	-	-	-	-	-	-	-	-	110	-	-	-	-	-	110
	Michael Forsayeth <sup>2</sup>	-	-	100	-	-	-	-	-	-	-	-	100	-	-	-	-	-	100
	Santiago Seage <sup>3</sup>	767.8	727.7	756.8	992.2	957.7	996.4	751.1	-	770.9	767.8	727.7	756.8	1,743.3	957.7	1,767.3	2,511.1	1,685.4	2,524.1
	Michael Woollcombe <sup>2</sup>	-	-	150	-	-	-	-	-	-	-	-	150	-	-	-	-	-	150
	Andrea Brentan <sup>4</sup>	114.2	146	56.3	-	-	-	-	-	-	114.2	146	56.3	-	-	-	114.2	146	56.3
	Robert Dove <sup>4</sup>	118.3	155.9	60	-	-	-	-	-	-	118.3	155.9	60	-	-	-	118.3	155.9	60
	Francisco J. Martinez <sup>4</sup>	120.4	161	61.9	-	-	-	-	-	-	120.4	161	61.9	-	-	-	120.4	161	61.9
	Jackson Robinson <sup>4</sup>	118.3	155.9	60	-	-	-	-	-	-	118.3	155.9	60	-	-	-	118.3	155.9	60
	Daniel Villalba <sup>4</sup>	160.0	217.5	84.4	-	-	-	-	-	-	160.0	217.5	84.4	-	-	-	160.0	217.5	84.4
	<b>Total</b>	1,399.0	1,564.0	1,652.8	992.2	957.7	996.40	751.1	-	770.9	1,399.0	1,564.0	1,652.8	1,743.3	957.7	1,767.3	3,142.3	2,521.7	3,420.1

<sup>1</sup> Long-term Incentive Awards includes Long-term Incentive Plan (LTIP) and Special One-Off Plan.

<sup>2</sup> Mr. William Aziz, Mrs. Debora Del Favero, Mrs. Brenda Eprile, Mr. Michael Forsayeth and Mr. Michael Woollcombe joined the Board of Directors on May 5, 2020 as independent non-executive Directors and were appointed as Chair of the Compensation Committee, Chair of the Nominating and Corporate Governance Committee, Chair of the Audit Committee, Chair of the Related Parties Transactions Committee and Chair of the Board, respectively.

<sup>3</sup> The CEO's compensation is approved in Euros. It has been converted to U.S. dollars for presentation purposes, at the average exchange rate of each year, which is 1.14 \$/€ in 2020 and 1.12 \$/€ in 2019.

In 2020, the CEO's total pay amounted to €2,222.2 thousand (\$2,524.1 thousand). Fixed salary amounted to €663.0 thousand (\$756.8 thousand), annual bonus to €873.0 thousand (\$996.4 thousand) and long-term incentive awards to €686.3 thousand (\$770.9 thousand). In 2019, the CEO's total pay amounted to €1,505.5 thousand (\$1,685.4 thousand). Fixed salary amounted to €650.0 thousand (\$727.7 thousand) and annual bonus to €855.5 thousand (\$957.7 thousand). In 2019 no amount vested under long-term incentive awards.

<sup>4</sup> Mr. Daniel Villalba, Mr. Robert Dove, Mr. Francisco J. Martinez and Mr. Jackson Robinson were directors until May 5, 2020, and were Chair of the Board of Directors, Chair of the Nominating and Corporate Governance Committee, Chair of the Audit Committee, and Chair of the Compensation Committee, respectively, until such date. Mr. Andrea Brentan was a director until May 5, 2020.

The CEO's compensation is approved in Euros and has been converted to U.S. Dollars using the average exchange rate of 2018, 2019 and 2020 for each of the years. Except for Santiago Seage, all directors served only part of 2020.

None of the directors received any pension entitlement and/or taxable benefits in 2018, 2019 and 2020.

Only directors who received remuneration are included in the table above. Non-independent, non-executive directors were entitled, following the Annual General Meeting held on May 5, 2020, to the same compensation as independent non-executive directors, but declined any compensation. In 2019 and 2018, non-independent, non-executive directors were not entitled to receive compensation.

In June 2020, one-third of the CEO's one-off plan share units vested and were paid in cash in accordance with the terms of the plan using the share price at the date of vesting (June 20, 2020). The cash payment has been included in the Single Total Figure of Remuneration table above.

	One-Third of Restricted Stock Units (RSUs)	Price on Vesting Date	Total Cash Payment (\$'000)
One-Off Plan	14,535	27.97 USD	430.3 USD

In addition, on June 20, 2020, one-third of the CEO's share options awarded under the LTIP vested. These options were not exercised, hence not paid. The vested options have been included in the Single Total Figure of the Remuneration table above, valued at the share price on the vesting date.

LTIP	One-Third of Share Options	Price on Vesting Date	LTIP Exercise Price per Option	Amount Vested (\$'000)
2019	40,693	27.97 USD	19.60 USD	340.7 USD

Each member of our Board of Directors will be indemnified for his or her actions associated with being a director to the extent permitted by law.

In 2020, most of the objectives defined for the Chief Executive Officer's variable bonus were met or exceeded and the Compensation Committee decided to approve a bonus corresponding to 102.7% of the target variable compensation, which will be payable in 2021.

	Percentage weight	Achievement
CAFD <sup>27</sup> – Equal or higher than the CAFD budgeted in the 2020 budget	40%	96%
EBITDA – Equal or higher than the EBITDA budgeted in the 2020 budget	15%	102%
Close accretive acquisitions for the Company	20%	110%
Achieve health and safety targets - (Frequency with Leave / Lost Time Index below 3.5 and General Frequency Index below 11.0) based on reliable targets and consistent measure metrics	10%	110.03%
Implement the succession plan	15%	100%

In 2019 and 2018, most of the objectives defined for the Chief Executive Officer's variable bonus were met or exceeded and the Compensation Committee decided to approve a bonus corresponding to 100.7% and 101.8% respectively, of the target variable compensation, which was paid in 2020 and 2019, respectively.

The Chief Executive Officer's maximum potential bonus could be 120% of such bonus, approximately \$1,164 thousand (€1,020 thousand).

No element of the Chief Executive Officer's annual bonus is deferred.

### ***Deferred Restricted Share Unit Plan (DRSU Plan)***

As we explain in our Remuneration Policy below, the Company obtained shareholder approval to establish a DRSU Plan for non-executive directors to promote a greater alignment of interests between directors and shareholders, by providing a means for directors to accumulate a financial interest in the Company and to enhance Atlantica's ability to attract and retain qualified individuals with the experience and ability to serve as directors. Pursuant to the plan, on an annual

<sup>27</sup> Cash Available for Distribution refers to the cash distributions received by the Company from its subsidiaries, minus cash expenses of the Company, including debt service and general and administrative expenses.

basis and prior to commencement of the remuneration period, the Company shall determine the amount or percentage of the director’s annual fee payable through DRSUs.

The number of DRSUs credited to a participant’s account is determined by dividing the amount of the annual compensation to be received in DRSUs by the market value of an ordinary share. Upon a participant ceasing to be a member of the Board, for any reason whether voluntary or involuntary, the DRSUs will vest. The Company shall transfer to the director a number of shares equal to the number of vested DRSUs and a number of shares equal in value to any dividends which would have been paid or payable, or such number of ordinary shares equal to the vested DRSUs, from the grant date until the vesting date. The director shall not have any shareholders’ rights other than the dividend equivalent rights until the DRSUs vest and are settled by the issuance of shares.

### **Remuneration of the Chief Executive Officer**

The information provided in this part of the report is not subject to audit.

Details for Mr. Seage, who serves in the role of the Chief Executive Officer, are set out in the “Single Total Figure of Remuneration for each director” section above.

In 2020, he accrued \$996.4 thousand as a bonus payment in accordance with his service agreement, payable in 2021. In 2019, Mr. Seage accrued \$957.7 thousand in accordance with his service agreement, which was paid in 2020. Scheme interests awarded during 2020.

LTIP	Number of Restricted Stock Units	Number of Share Options	Face Value* (\$'000)	Performance Criteria
2020	33,641	103,842	1,180	RSU: 5% minimum Total Shareholder Return Performance Stock Unit Share Options: Time-Based Vesting

(\*) Face Value means the maximum number of shares that would vest if performance measures are met using the share price at the grant date. The face value for the Share Options is calculated using the Option price at the grant date.

In 2020, under the LTIP, 33,641 restricted stock units were awarded to the CEO, which will vest on the third anniversary of the grant date. In addition, 103,842 stock options were awarded, which vest one third per year, starting on the first anniversary of the grant date.

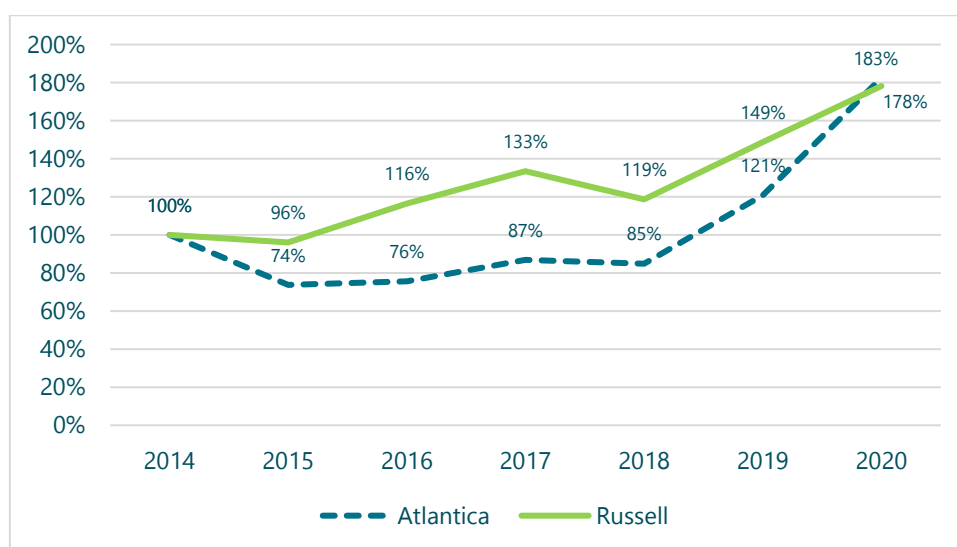
If the TSR performance condition has not been met during the vesting period, the participant's restricted stock units will lapse on the vesting date. The stock options are not subject to performance vesting.

A description of the type of interest awarded and the basis on which the award is made is provided in the Remuneration Policy section below.

### **Total Shareholder Return and Chief Executive Officer Pay**

The chart below shows the Company’s total shareholder return since June 2014, the date of our Initial Public Offering (“IPO”), until the end of 2020 compared with the total shareholder return of the companies in the Russell 2000 Index. The chart represents the progression of the return, including investment, starting from the time of the IPO at a 100%-point. In addition, dividends are assumed to have been re-invested at the closing price of each dividend payment date. We believe the Russell 2000 Index is an adequate benchmark as it represents a broad range of companies of similar size.

Total Shareholder Return is calculated in U.S. Dollars.



The table below shows the total remuneration of the Chief Executive Officer, his bonus and his long-term incentive awards expressed as a percentage of the maximum he is likely to be awarded.

Year	Total Pay <sup>(1)</sup> (\$ 000)	Bonus		Long-Term Incentive Awards <sup>(2)</sup>	
		Percentage of Target	Amount of Bonus <sup>(3)</sup> (\$ 000)	Percentage of Maximum	Value (\$ 000)
2020	2,524.1	102.7%	996.4	100%	770.9
2019	1,685.4	100.7%	957.7	-	-
2018	2,511.1	101.8%	992.2	22.0%	751.1
2017	1,602.0	96.3%	924.2	-	-
2016	1,499.4	100.0%	940.5	-	-
2015	1,597.6 <sup>(4)</sup>	-	-	-	-
2014	174.1	-	-	-	-

(1) The CEO's compensation is approved in Euros. It has been converted to U.S. dollars for presentation purposes. The total pay received by the CEO in thousands of Euros was €2,222.2 in 2020, €1,505.5 in 2019, €2,170.3 in 2018, €1,418.1 in 2017, €1,329.1 in 2016, €1,440.9 in 2015, and €130.9 in 2014.

(2) Long-Term Incentive Awards includes LTIP and Special One-Off Plan.

(3) Amount of bonus accrued by the Company at year-end and paid the next year. For example: In 2019, the Company accrued \$957.7 thousand of the bonus paid to the Chief Executive Officer in 2020.

(4) Includes a €1,189.5 thousand (approximately \$1,319.6 thousand) termination payment received by Mr. Garoz after leaving the Company on November 25, 2015.

The Chief Executive Officer did not receive any variable remuneration for service provided to the Company for the years ended December 31, 2015 and 2014. Santiago Seage occupied that office between January and May 2015, and again since late November 2015. Meanwhile, Mr. Garoz held that position between May and November 2015, when he left the Company.

### Chief Executive Officer, Director's and Employee's Pay

The table below sets out the percentage change between 2019 and 2020 in salary and bonus for the Chief Executive Officer and the average per capita change for employees of the Group as a whole, excluding the CEO.



	Salary	Bonus
CEO <sup>1</sup>	3%	n/a
Employees <sup>2</sup>	5%	8%

n/a: Non-applicable.

<sup>1</sup> The Compensation Committee approved a: (i) fixed remuneration of €663 thousand (\$757 thousand) for the Chief Executive Officer for 2020 compared to €650 thousand (\$728 thousand) for 2019, and €650 thousand (\$768 thousand) for 2018, and (ii) variable remuneration of €873 thousand (\$996 thousand) for 2020 compared to €856 thousand (\$958 thousand) for 2019, and €865 thousand (\$992 thousand) for 2018.

<sup>2</sup> The salary and bonus percentage change for employees (excluding the CEO) has been calculated considering the same average number of employees and the same average exchange rate in both 2020 and 2019. This is the most appropriate methodology to reflect how much the salary and potential bonus changed on a year-to-year basis as it excludes the effect of employee hires and turnover.

## Relative Importance of Spend on Pay

The following table sets out the change in overall employee costs, directors' compensation and dividends.

\$ in Million	Amount in 2020	Amount in 2019	Amount in 2018	Difference 2020 - 2019	Difference 2019 - 2018
Spend on Pay for All Employees <sup>(*)</sup>	54.5	32.2	15.1	22.3	17.1
Total Remuneration of Directors	3.4	2.5	3.2	0.9	(0.7)
Dividends Paid	168.8	159.0	133.2	9.8	25.8

(\*) 2019 Spend on Pay for All Employees has been revised to include wages and salaries, social security costs and other staff costs.

The Company has not made any share repurchases during 2018, 2019 nor 2020.

The average number of employees in 2020 in Atlantica was 441 employees, compared to 306 employees in 2019, and 207 employees in 2018.

The \$22.3 million increase in spend on pay and the increase in the average number of employees is mostly due to the acquisition of ASI Operations in August 2019. This subsidiary, that performs the operation and maintenance services to the Solana and Mojave plants, added 199 new employees. 2020 was the first complete year with these U.S. employees in our workforce.

The \$17.1 million increase in spend on pay is due to the acquisition in August 2019 of ASI Operations. In addition, in 2018, the amount effectively payable under the long-term incentive plan corresponding to the 2016-2018 period was lower than the amount accrued, so we recorded a reversal of the accrual, which also explains the increase in spend on pay.

The \$0.9 million increase in total remuneration of directors is mainly due to the vesting in June 2020 of one-third of the CEO's One-Off Plan and one third of his share options awarded under the LTIP. No units or shares vested in 2019 under our LTIP.

The \$0.7 million decrease in total remuneration of directors is due to the CEO's 2016-2018 long-term incentive plan that became payable as of December 31, 2018. In 2019, no long-term incentives vested.

## Termination Payments

No termination payments were made to the Chief Executive Officer or any other director in 2018, 2019 or 2020. The Policy for termination remuneration is detailed under the section "Policy on payments for loss of office" of this report.

## Statement of Implementation of Policy in 2020

The targets for bonuses are detailed under the section “Remuneration Policy” of this report. The current Policy was approved at our 2020 Annual General Meeting, held in May 2020.

For 2021, the bonus measures for the remuneration of the Chief Executive Officer, will focus on four areas: financial targets, value creating growth/investments, health and safety and management of relationships with key shareholders and partners.

This approach is intended to provide a balanced assessment of how the business has performed over the course of the year against stated objectives. Targets are aligned with the annual plan and strategic and operational priorities for the year.

For 2021 the bonus objectives are:

	Percentage Weight
CAFD – Equal or higher than the CAFD budgeted in the 2021 budget	40%
EBITDA – Equal or higher than the EBITDA budgeted in the 2021 budget	15%
Close accretive acquisitions for the Company	20%
Achieve health and safety targets – (Frequency with Leave / Lost Time Index below 3.5 and General Frequency Index below 10.0) based on reliable targets and consistent measure metrics	10%
Management of relationships with key shareholders and partners	15%

## Voting at the 2020 Annual General Meeting

The Company takes an active interest in voting outcomes. In the event of a substantial vote against a resolution in relation to director’s remuneration, the Company would seek to understand the reasons for any such vote and would set out in the following Annual Report any actions in response to it.

At the 2020 Annual General Meeting, votes in relation to the directors’ remuneration report and the Directors’ Remuneration Policy for the year ended December 31, 2019 were as follows:

Remuneration Report			Remuneration Policy		
	Number of votes	%		Number of votes	%
For	70,538,902	95.6	For	65,176,545	88.3
Against	3,282,483	4.4	Against	8,614,159	11.7
Withheld*	89,653	-	Withheld*	120,334	-

\* A vote “withheld” is not a vote in law and is not counted in the calculation of the proportion of votes for and against the resolution

## Remuneration Policy

The 2020 Remuneration Policy was approved at the Annual General Meeting held in May 2020. Shareholders approved the 2021 Remuneration Policy at the Annual General Meeting held in May 2021.

Changes to the 2020 Remuneration Policy:

### a) Share Ownership Requirements

On February 26, 2021, the Board approved a share ownership requirement applicable to directors receiving remuneration from the Company and executives (see the Directors’ Shareholdings section). Within a period of five years, directors receiving remuneration from the Company should

have a minimum share ownership in the Company of 3 times their annual compensation. In the case of the CEO, this requirement is 6 times his fixed compensation.

b) Deferred Restricted Share Unit Plan (DRSU Plan) for Non-Executive Directors

The Company obtained shareholder approval at the shareholder meeting from May 2021 to establish a DRSU Plan for non-executive directors to promote a greater alignment of interests between directors and shareholders, by providing a means for directors to accumulate a financial interest in the Company and to enhance Atlantica's ability to attract and retain qualified individuals with the experience and ability to serve as directors. Pursuant to the plan, on an annual basis and prior to commencement of the remuneration period, the Company shall determine the amount or percentage of the director's annual fee payable through DRSUs.

The number of DRSUs credited to a participant's account is determined by dividing the amount of the annual compensation to be received in DRSUs by the market value of the ordinary shares. Upon a participant ceasing to be a member of the Board, for any reason whether voluntary or involuntary, the DRSUs will vest. The Company shall transfer to the director a number of shares equal to the number of vested DRSUs and a number of shares equal in value to any dividends which would have been paid or payable on such number of ordinary shares equal to the vested DRSUs from the grant date until the vesting date. The director shall not have any shareholders' rights other than the dividend equivalent rights until the DRSUs vest and are settled by the issuance of shares.

c) Clawback Policy

The Company obtained shareholder approval to implement an incentive compensation recoupment, or Clawback Policy. The Policy is aimed at allowing the Company to recover performance-based compensation for three years after short-term variable compensation and/or long-term compensation awards are granted. The Clawback Policy is applicable from 2021 to all executives who participate in long term incentive arrangements.

The Clawback Policy is applicable in the event of the occurrence of either of the following triggering events: material financial restatement, including a restatement resulting from employee misconduct, or in the case of fraud, embezzlement or other serious misconduct that is materially detrimental to the Company. The Compensation Committee shall retain discretion regarding application of the Policy. The Policy is incremental to other remedies that are available to the Company.

If a triggering event occurs, unless otherwise determined by the Compensation Committee and/or if the Company is required to prepare a material restatement of its financial statements as a result of misconduct, and the Compensation Committee determines that the executive knowingly engaged in the misconduct or acted knowingly or with gross negligence in failing to prevent the misconduct, or the Compensation Committee concludes that the participant engaged in fraud, embezzlement or other similar activity (including acts of omission) that the Compensation Committee concludes was materially detrimental to the Company, the Company may require the participant (or the participant's beneficiary) to reimburse the Company for, or forfeit, all or any portion of any short or long term variable compensation awards.

The application of this Clawback Policy to our CEO is a change to our Remuneration Policy approved by the Compensation Committee.

d) The Company obtained shareholder approval at the AGM held in May 2021 to modify the Long Term Incentive Plan so that awards are granted as restricted stock units only. Prior to the aforementioned AGM, awards under the LTIP have been granted in restricted stock units representing 75% of the Award Value and share options representing 25% of the Award Value. Awards granted after the May 2021 AGM will be granted as restricted stock units, and the restricted stock units will be granted with the same vesting conditions as they are currently: units vest on the third anniversary of the grant date, subject to an annual TSR of at least a 5% yearly average over such 3-year period.

In 2020 the Remuneration Policy was as follows:

Non-Executive Directors:

For non-executive directors, independent and non-independent directors, the Company's Policy is to compensate in cash for the time dedicated, subject to a maximum total annual compensation for non-executive directors in aggregate of two million dollars. Once a year, the Compensation Committee reviews compensation practices for non-executive directors in similar companies and the skills and experience required and may propose an adjustment in the current compensation.

None of the non-executive directors receive bonuses, long-term incentive awards, pension or other benefits in respect of their services to the Company.

Executive Directors:

The Policy for executive directors, only applicable to the Chief Executive Officer as the only executive director, is as follows:

Name of component	Description of component	How does this component support the company's (or Group's) short and long-term objectives?	What is the maximum that may be paid in respect of the component?	Framework used to assess performance
<b>Salary/fees</b>	Fixed remuneration payable monthly.	Helps to recruit and retain executive directors and forms the basis of a competitive remuneration package.	Maximum amount €800 thousand (approximately \$976 thousand), may be increased by 5% per year. Salary levels for peers are considered.	Not applicable. No retention or clawback.
<b>Benefits</b>	Opportunity to join existing plans for employees but without any increase in remuneration.			
<b>Annual Bonus</b>	Annual bonus is paid following the end of the financial year for performance over the year. There are no retention or forfeiture provisions.	Helps to offer a competitive remuneration package and align it with the company's objectives.	200% of base salary.	40%-50% of CAFD. 10%-15% of EBITDA. 40%-50% of other operational or qualitative objectives. No retention. Clawback Policy.
<b>Long Term Incentive Awards</b>	Restricted stock units subject to certain vesting periods and minimum TSR.	Align executive directors and shareholders interests.	70% of target annual salary + bonus.  Special one-off plan in 2019 for 50% of 2019 salary + bonus.	Granted as restricted stock units subject to 5% average annual TSR. If the TSR performance condition has not been met during the vesting period, the participant's restricted stock units will lapse on the vesting date.  Share units. Clawback Policy.

CAFD, EBITDA and TSR have been selected as key parameters to measure the company's performance due to their importance for our shareholders. These measures are considered standard indicators of financial performance in our sector.

### ***Compensation Committee Discretion***

The Committee has discretion, consistent with market practice, in respect of, but not limited to participants, timing of payments, size of the award subject to policy, performance measures and when dealing with special situations, such as change of control or restructuring.

The annual bonus is a variable cash bonus, based on the objectives described above. Those objectives include Cash Available for Distribution (CAFD) and EBITDA, as these are key financial metrics for our industry sector. Additionally, the annual bonus includes 2-3 objectives that reflect some of the key projects, initiatives or key objectives.

Annual bonus performance targets include annual CAFD and EBITDA performance thresholds for payment and also thresholds for the operational/qualitative targets defined by the Compensation Committee. These could vary on a year-to-year basis, hence assessment performance thresholds are analyzed and updated by the Compensation Committee on an annual basis.

For the management team and key personnel, our policy is to use two external consultants to estimate market conditions for similar positions in terms of fixed and variable remuneration and, based on a performance appraisal, set a target remuneration, as a general rule, within that market practice. Variable payments are based on a number of specific measurable targets in relation to the measures described herein, which are defined by the Compensation Committee at the beginning of the year. For the rest of its employees, the Company establishes predefined remuneration ranges for different positions and reviews each individual remuneration depending on performance appraisal and within a two-range scale without employee consultation.

In addition, the Compensation Committee shall retain discretion regarding application of the Clawback Policy described in the Remuneration Policy section.

## ***Long-Term Incentive Awards***

### **LTIP**

In April 2018, the Board of Directors approved the implementation of a Remuneration Policy including LTIP awards. The purpose of this LTIP is to attract and retain the best talent for positions of substantial responsibility in the Company, to encourage ownership in the Company by the executive team whose long-term service the Company considers essential to its continued progress and, thereby, encourage recipients to act in the shareholders' interest and to promote the success of the Company.

The long-term incentive plan permits the granting of restricted stock units ("Awards") to the executive team of the Company (the "Executives"). The LTIP applies to approximately 13 Executives and the Chief Executive Officer.

The aggregate number of shares which may be reserved for issuance under the LTIP must not exceed 2% of the number of the shares outstanding at the time of the Awards are granted, but is expected to be significantly less. In addition, total equity-based awards will be limited to 10% of the Company's issued share capital over a 10-year rolling period, in order to assure shareholders that dilution will remain within a reasonable range. In any case, the Compensation Committee may decide that, instead of issuing or transferring shares, the Executives may be paid in cash.

The value of the Awards will be defined as 50% of the Executives' total annual compensation for the year closed before the date upon which an Award is granted and, in the case of the Chief Executive Officer, would be 70% of the same previous year total annual compensation at the grant date (in each case, "Award Value"). The award will be granted in restricted stock units.

Main Terms of the LTIP	Restricted Stock Units
<b>Nature</b>	Conditions shall be based on continuing employment (or other service relationship) and achievement of a minimum 5% average annual TSR.
<b>Exercisability and Vesting Period</b>	The shares will vest on the third anniversary of the grant date but only if the annual TSR has been at least a 5% yearly average over such 3-year period. If the TSR has not met such threshold during the period, the participant's relevant restricted stock units will lapse on the vesting date. The Company will decide at vesting if cash or shares are given as payment.
<b>Ownership and Dividends</b>	The participant will be entitled to receive, for each restricted stock unit held, a payment equivalent to the amount of any dividend or distribution paid on one share between the grant date and the date on which the restricted stock unit vests.



## **Effect on Termination of Employment**

If a participant's employment terminates by reason of involuntary termination (death, disability, retirement dismissal rendered unfair, etc.), any portion of his/her Award shall thereafter continue to vest and become exercisable according to the terms of the LTIP, but such participant shall be no longer entitled to be granted Awards under the LTIP.

If a participant incurs a termination of employment for cause or voluntary resignation or withdrawal, options that have vested on the termination date will be exercisable within the period of 30 days from such termination date but any unvested Awards (options or restricted stock units) shall lapse.

## **Change in Control**

If there is a change of control, all Awards shall vest in full on the date of the change in control. The participants must exercise their share options within a period of 30 days following receipt of a change of control notice from the Company without which, the options will lapse.

## **Delisting**

If the Company is delisted, all outstanding Awards shall vest in full on the date of delisting and will be settled in cash. The cash payment for restricted stock units will be the last quoted share price of the Company and the cash payment for any outstanding share options will be the difference between the last quoted share price and the exercise price for the applicable option. Such cash payments will be made after applicable tax deductions within 30 days of the delisting.

## **One-Off Plan**

There is a special one-off plan in-place that grants stock units to certain members of the management and certain members of middle management , consisting of approximately 25 managers including the Chief Executive Officer. The value of the award was defined as 50% of 2019 target remuneration (including salary and variable bonus). The share units vest over 3 years, one third each year starting in 2020, provided that the manager is still an employee of the company. This was approved by shareholders at the 2019 Annual General Meeting.

## **Pension**

The executive director does not receive any pension contributions.

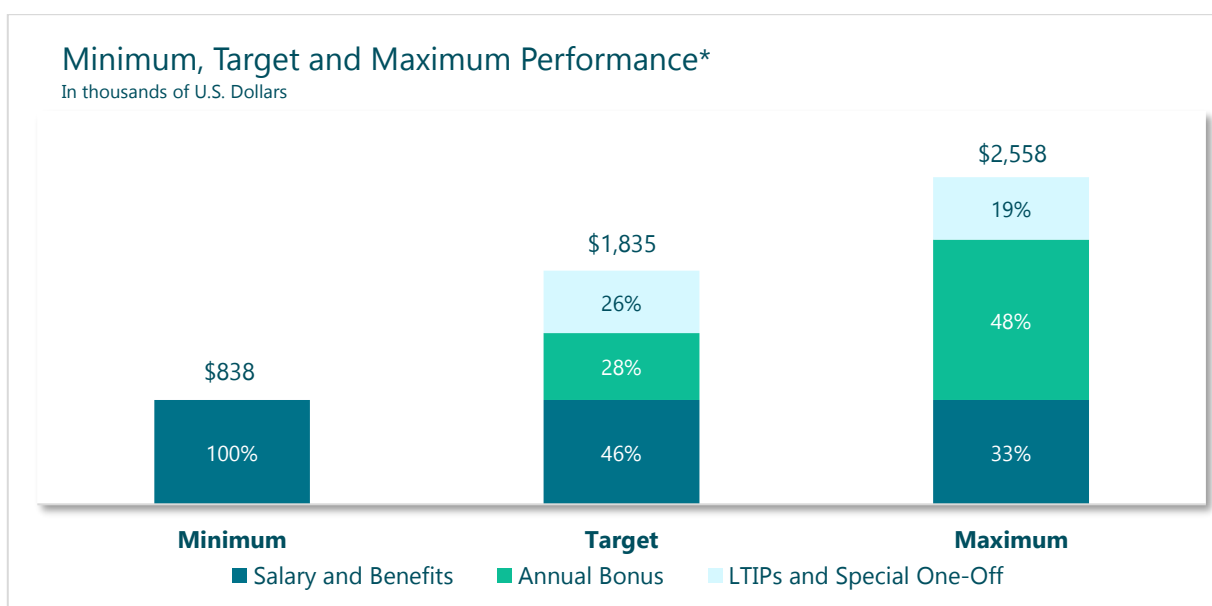
None of the non-executive directors receive bonuses, long-term incentive awards, pension or other benefits in respect of their services to the Company.

There are no provisions for the recovery of sums paid or the withholding of any sum, except for those potentially derived from the application of the clawback provision. The Clawback Policy is a change to the current Remuneration Policy, for which we obtained shareholders' approval at our 2021 Annual General Meeting held in May 2021.

## ***Chief Executive Officer Remuneration Policy***

The Compensation Committee approved a fixed remuneration of €690 thousand (\$838 thousand) for the Chief Executive Officer for 2021, a 4% increase versus 2020.

Total remuneration of the only executive director for a minimum, target and maximum performance in 2021 is presented in the chart below.



\* Minimum, target and maximum performance has been converted to U.S. dollars for presentation purposes, at the exchange rate as of February 23, 2021, which was 1.22 \$/€.

Assumptions made for each scenario are as follows:

Minimum:	Fixed remuneration only, assuming performance targets are not met for the annual bonus nor for the RSU and assuming no value for the options vesting in the year.
Target:	Fixed remuneration, plus half of target annual bonus and LTIP and one-off plans vesting in 2021 at face value, using share price at grant date for units and option value at grant date for options
Maximum:	Fixed remuneration, plus maximum annual bonus and LTIP and one-off plans vesting in 2021 at face value, using share price at grant date for units and option value at grant date for options

In addition, if we assume a 50% appreciation of the share price with respect to the grant date, maximum remuneration for 2021 including vesting long-term awards would be approximately \$3,059 thousand.

For 2021, the bonus measures for the remuneration of the Chief Executive Officer, will focus on four areas: financial targets, value creating growth/investments, health and safety, and management of relationships with key shareholders and partners.

This approach is intended to provide a balanced assessment of how the business has performed over the course of the year against stated objectives. Targets are aligned with the annual plan and strategic and operational priorities for the year.

The CEO's 2021 bonus objectives are disclosed in the section Statement of Implementation of Policy in 2020.

### ***Approach to Recruitment***

The Remuneration Policy reflects the composition of the remuneration package for the appointment of new executive and non-executive directors. We expect to offer a competitive fixed remuneration, an annual bonus (for executive directors) not exceeding 200% of the fixed

remuneration and a participation in the LTIP. Whenever needed, the Company can contract an external advisor to hire key personnel.

Nominee directors do not receive any compensation from the Company.

### ***Policy on Payments for Loss of Office***

The Company has an agreement in-place with certain executives with strategic and key responsibilities in the Company ("Key Managers"), including the Chief Executive Officer, to protect the Company's know-how and to ensure continuity in terms of attainment of business objectives, the policy approved by our shareholders at the 2019 Annual General Meeting, introduced certain termination payments to key executives, including the Chief Executive Officer.

The Company agreed with certain executives with strategic and key responsibilities in the Company ("Key Managers"), including the Chief Executive Officer, the Company would make payments for loss of office or employment in addition to the severance payment under the prevailing labor and legal conditions in their contracts or countries where they are employed if they should leave (by loss of office or employment) the Company within 2 years of a change in control. The payment would represent six months of remuneration and will be adjusted to ensure that total payment including severance payment required under prevailing laws represent at least 12 months of remuneration (including salary, benefits, long term incentive plans and variable pay), but never more than 24 months of remuneration, unless required by local law.

A change of control means that a third party or coordinated parties (i) acquire directly or indirectly by any means a number of shares in the Company which (together with the shares that such party may already hold in the Company) amount to more than 50% of the share capital of the Company; or (ii) appoint or have the right to appoint at least half of the members of the Board of Directors of the Company.

No payments would be made to Key Managers for dismissal for breach of contract, breach of fiduciary duties or gross misconduct, determined (in the event of a dispute) by a court of competent jurisdiction to reach a final determination.

### ***Consideration of Employee Conditions Elsewhere***

For the management team and key personnel, our policy is to use two external consultants to estimate market conditions for roles of a similar level of managerial responsibilities and complexity in terms of fixed and variable remuneration and, based on a performance appraisal, set a target remuneration, as a general rule, within that market practice.

The annual variable remuneration payment is calculated with reference to the achievement of a number of specific measurable targets defined in the previous year. Each specific target is measured on a performance scale of 0%-120%.

For the rest of its employees, the Company establishes predefined remuneration ranges for different positions and reviews each individual remuneration depending on performance appraisal within two ranges without employee consultation.

The remuneration of all employees, including the members of the management team, may be adjusted periodically in the framework of the annual salary review process which is carried out for all employees.

Overall, we expect that, following the implementation of our policies, remuneration of the Company's employees will increase in line with the market with the exception of individuals that have recently been promoted or whose remuneration is above market conditions.

### ***Statement of Consideration of Shareholder Views***

There are no comments in respect of directors' remuneration expressed to the Company by shareholders. The 2020 Annual General Meeting was held in May 2021.

### ***Summary of Non-Executive Director's Policy***

<b>Name of component</b>	<b>How does the component support the company's objective?</b>	<b>Operation</b>	<b>Maximum</b>
<b>Fees and/or Deferred Restricted Share Units (DRSU)</b>	Attract and retain high-performing independent non-executive directors.	Reviewed annually by the Compensation Committee and Board.	Annual total compensation for independent non-executive directors, in any case, the fees or DRSUs will not exceed two million dollars.
	Align interests of non-executive independent directors with interests of shareholders.	The lead independent director/chair of the Board and the chair of each committee receive additional fees.	
<b>Benefits</b>	Reasonable travel expenses to the Company's registered office or venues for meetings.	Customary control procedures.	Real costs of travel with a maximum of one million dollars for all directors.

Non-independent, non-executive directors are entitled, following the Annual General Meeting held on May 5, 2020, to the same compensation as independent non-executive directors.

On February 26, 2021, the Board approved a share ownership requirement applicable to directors receiving remuneration from the Company and executives. Within a period of five years, directors receiving remuneration from the Company should have a minimum share ownership in the Company of 3 times their annual compensation. The Company obtained shareholder approval to compensate its remunerated directors via a mix of cash and DRSUs. On an annual basis and prior to commencement of the remuneration period, the Company shall determine the amount or percentage of the director's annual fee payable through DRSUs. The DRSUs shall vest upon the date on which the director ceases to be a member of the Board due to a voluntary or involuntary separation from service. The director shall not have any rights of a shareholder unless and until the DRSUs vest and are settled by the issuance of shares (see further detail in the Changes to the current Remuneration Policy section above).

### **Service Contracts**

Mr. Seage has a service contract with Atlantica that includes a 6-month notice period.

Non-executive directors do not have a service contract and will be submitted for election by shareholders at the 2021 Annual General Meeting for one year. All directors will be submitted for re-election by shareholders annually.

### **Employee Benefit Trusts**

The Company has not established employee trusts for share plans.

## Statement of Voting at General Meetings

The remuneration report and the Remuneration Policy will be submitted to shareholders vote at the Annual Shareholders' Meeting in 2021.

## Key Management Compensation for 2020

We have a key management team with extensive experience in developing, financing, managing and operating contracted assets. Our key management is made up of the following members:

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 Strategy and Corporate Development	1973
Santiago Seage	Chief Executive Officer and Director	1969

As of December 31, 2020, the average age of our key management is 49.

There are no potential conflicts of interest between the private interests or other duties of the members of the senior management listed above and their duties to Atlantica. There are no family relationships among any of our executive officers or directors.

The biographies of those members of the senior management of Atlantica who do not also serve on our Board of Directors are:

### David Esteban

*VP EMEA*

Mr. Esteban has served as Vice President of our operations in EMEA since July 2014. He had previously served at Abengoa's Corporate Concession department for two years. Before joining Abengoa, David worked for the management consulting firm Arthur D. Little for seven years in the industries of Telecoms & Energy and then moved to a private equity firm specialized in renewable investments in Europe for three years.

### Emiliano Garcia

*VP North America*

Mr. Garcia serves as Vice President of our North American business. Based in Phoenix, Arizona, he is responsible for managing two of our key assets, Solana and Mojave. Mr. Garcia was previously the General Manager of Abengoa Solar in the United States and of the Solana Power Plant. Before that, he held a number of managerial positions in various Abengoa companies over two decades. Mr. Garcia holds a bachelor's degree in Engineering from Madrid Technical University.

Irene M. Hernandez

*General Counsel and Compliance Officer*

Ms. Hernandez has served as our General Counsel since June 2014. Prior to that, she served as head of our legal department since the date of our formation. Before that, Ms. Hernandez served as Deputy Secretary General at Abengoa Solar since 2012. Before joining Abengoa, she worked for several law firms. Ms. Hernandez holds a law degree from Complutense Madrid University and a Master's degree in law from the Madrid Bar Association (Colegio de Abogados de Madrid (ICAM)).

Francisco Martinez-Davis

*Chief Financial Officer*

Mr. Martinez-Davis was appointed as our Chief Financial Officer on January 11, 2016. Mr. Martinez-Davis has more than 30 years of experience in senior finance positions both in the United States and Spain. He has served as Chief Financial Officer of several large industrial companies. Most recently, he was Chief Financial Officer for the company responsible for the management and operation of metropolitan rail service of the city of Madrid where he was also member of the Executive Committee. He has also worked as CFO for a retailer and as Deputy General Manager in Finance and Treasury for Telefonica Moviles. Prior to that, he worked for different investment banks in New York City and London for more than 10 years, including J.P. Morgan Chase & Co. and BNP Paribas. Mr. Martinez-Davis holds a Bachelor of Science, cum laude, in Business Administration from Villanova University in Philadelphia and an MBA from The Wharton School at the University of Pennsylvania.

Antonio Merino

*VP South America*

Mr. Merino serves as Vice President of our South American business. Previously, he was the Vice President of Abengoa's Brazilian business, as well as the head of Abengoa's commercial activities and partnerships in South America. Mr. Merino holds an MBA from San Telmo International Institute.

Stevens C. Moore

*VP Strategy & Corporate Development*

Mr. Moore has more than 25 years of experience in finance positions in Spain, the United Kingdom and the United States. He has worked in various positions in structured and leveraged finance at Citibank and Banco Santander, and vice president of M&A at GBS Finanzas. Most recently, he was director of corporate development and investor relations at Codere, the Madrid stock exchange listed international gaming company. He holds a B.A. degree in history from Tulane University of New Orleans, Louisiana.



## Key Management Compensation:

In USD thousands	2018	2019	2020
Short-term employee benefits	4,310	4,495	4,793
LTIP Awards	1,361	-	1,349
Post-employment benefits	-	-	-
Other long-term benefits	-	-	-
Termination benefits	-	-	-
<b>Total</b>	<b>5,671</b>	<b>4,495</b>	<b>6,142</b>

Key management includes Directors, the Chief Executive Officer, CFO and 5 key executives. Short-term employee benefits to management are paid in Euros and have been converted to US\$ using the average foreign exchange rate for each period.

“LTIP Awards” include one third of the one-off plan share units which vested in 2020 and were paid and one-third of the share options awarded under the LTIP which vested in 2020, irrespectively if the options were exercised or not by the executive. The vested options have been included in the remuneration table above valued using the share price at the vesting date.

Under the LTIP and one-off plans, the key management, excluding the CEO, holds as of December 31, 2020, 97,917 share units, convertible into shares in the future and 178,829 options, out of which 31,120 vested and were paid in 2020.

## 4.6 Digital Transformation and Data Security

### Digitalization

Artificial intelligence, cyber security, big data and cloud computing are playing a key role in supporting decision processes in the sustainable infrastructure sector.

The crisis caused by the COVID-19 pandemic has accelerated the digitalization of society, highlighting the dependence on a stable internet structure and a reliable supply of energy. It has also increased the exposure of the utility sector to cybersecurity risks.

Several years ago, we changed our way of working and moved to a cloud-based collaborative environment, while promoting a strong cybersecurity culture at all levels of the organization. This allowed our employees to have a smooth transition to working remotely during the pandemic.

We regularly review our capabilities, reassess our policies and coordinate communication and cybersecurity related training across our company. We are aware that cybersecurity incidents are evolving and include among others, malicious software, attempts to gain unauthorized access to data and other electronic security breaches that could lead to disruptions in systems, unauthorized release of confidential or protected information and the corruption of data. In 2020 we reinforced our on-site and cyber-security measures to ensure that our systems remain functional to serve our operational needs with a remote workforce and keep them running to ensure uninterrupted service to our customers. These measures ranged from software improvement, mandatory IT security training, and tailored communications to raise security awareness among our workforce.

We understand the importance of having strong cybersecurity practices to bolster resilience across our ecosystems. In 2020 we continued investing time, effort and creative talent to evolve as the threats grow in their degrees of sophistication. We strengthened prevention, monitoring

and threat-detection measures following international standards including ISO 27000. In 2020, we also continued training our employees to detect, monitor and prevent threats. This included training on enhanced user-centric cybersecurity skills such as identifying email phishing or implementing sophisticated and uncrackable corporate and personal password maintenance. We also deployed new hardware security features to prevent the execution of unauthorized applications in Atlantica's laptops and mobile phones.

We also regularly conduct internal and external audits to ensure that our cybersecurity controls are effective, including simulated and targeted cyberattacks to our servers and employees accounts. We regularly update our risk map on identifying, evaluating and mitigating IT risks. High-level areas of focus are information security policies, human resources security, access control, physical security, operational and communication security, cryptography, incident management, supplier relationships, business continuity and compliance.

### **Machine Learning Capabilities**

The development of innovative tools based on machine learning technologies is providing new solutions to predictive analysis for the maintenance and operation at generating assets. We believe that acting before major component breakdowns occur, reduces risks of major outages and also reduces health and safety and environmental risks.

Our business model relies on using third parties proven technologies at our assets and we therefore do not invest significant amounts on Research and Development. Nevertheless, we do work on certain innovative technologies that can help us to better manage our assets and maximize their value. We have an in-house Advanced Analytics team in-place to improve the performance of our existing technologies. In addition, our Operations Department dedicates time and efforts to identify potential measures to improve efficiency at our assets.

We have joint-collaboration agreements in-place with certain key suppliers and universities in order to develop intelligent infrastructure initiatives to improve asset performance. We aim to reduce operational risks and increase critical equipment uptime and efficiency.

In 2020, we strengthened our machine learning capabilities, leveraging artificial intelligence features, and implemented improvements on our online monitoring system to perform real-time predictive maintenance at some of our assets. In early 2020 we received the "Pump Industry Excellence Award for Innovation and Technology" from the Hydraulic Institute, the largest association of pump industry manufacturers in North America. We were recognized for the deployment of Sulzer's BLUE BOX at two of our solar power plants, which enabled us to reduce our operational risks and to improve critical pump uptime going forward.

### **Data Protection and Privacy**

All Atlantica's activities, including those of our directors, managers and employees, as well as everyone we have a relationship with, are required to comply with our Compliance Policy on privacy and personal data protection. We follow privacy and data protection regulations including the European General Data Protection Regulation (GDPR).

Our Compliance Committee is responsible for coordinating and managing Atlantica's personal data protection activities. In particular, the Head of IT and Administration leads Atlantica's efforts to develop, update and implement measures to comply with: (i) internal rules, (ii) new or updated legislation on data protection management, and (iii) international best practices.

In 2020, data protection training was provided to employees and to heads of departments responsible for processing personal data. In addition, annual internal and biennial external audits were conducted to verify our compliance with rules and regulations. We hired additional personnel to efficiently address potential risks, as well as to analyze and implement initiatives at corporate and business level. Also in 2020, a data protection mailbox (dataprotection@atlantica.com) was made available to stakeholders to address data security complaints and/or concerns.

We have several mechanisms in-place to ensure effective implementation of our Privacy Policy:

- In 2020, a new sub-section on privacy and personal data protection was included in our Code of Conduct. All employees received training on our code. The code is approved annually by Atlantica employees.
- Clear and direct data protection and privacy responsibilities.
  - The Compliance Committee is responsible for coordinating and managing personal data protection activities. It is also responsible to reassess, on an annual or as-needed basis, the compliance and efficacy of our data protection and privacy policies. To do so, regular internal and external audits are conducted to identify and mitigate potential privacy and personal data risks and their compliance with rules and regulations. In particular:
    - The Head of IT and Administration leads day-to-day data protection activities and is responsible for implementing the control measures or developments needed to ensure compliance with rules and regulation on data protection in Atlantica’s information systems.
    - The Head of Internal Audit and Risk leads the risk matrix assessment. Data protection and privacy is included in the risk matrix. The Audit Committee, at Board level, monitors risks quarterly as part of the Company’s risk matrix assessment.
  - Personal data and privacy issues can be escalated to the Compliance Committee through face-to-face meetings, video or phone calls, or via email (dataprotection@atlantica.com, or compliance@atlantica.com).

We have a zero-tolerance approach to privacy and data breaches.

We publicly inform stakeholders on privacy protection through our website:

<https://www.atlantica.com/web/en/privacy-policy/index.html>.

In 2018, 2019 and 2020 we did not identify any substantiated complaints regarding breaches of violations of privacy and losses of stakeholder data.

#### **Incidents Relating to Data Protection and Privacy in 2018, 2019 and 2020**

	2018	2019	2020
Number of substantiated incidents			
From regulatory entities	0	0	0
From other sources	0	0	0
<b>Total substantiated complaints</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 4.7 Shareholder Engagement

Atlantica's Board is accountable to its shareholders. Each year, at the Annual General Meeting, shareholders have the opportunity to elect each member of our Board of Directors, to approve the selection of our independent public accounting firm and to vote on the Company's Executive Compensation Program.

The proposals are published in our Annual Proxy Statement and voted on by shareholders in conjunction with the Annual General Meeting.

Proxy Item	2018	2019	2020	2021
% shares present	80.2%	72.1%	72.7%	74.6%

Proxy Item	Percentage Vote "For" <sup>28</sup>			
	2018	2019	2020	2021
- Annual report	100.0%	100.0%	99.9%	100.0%
- Directors' remuneration report	94.9%	98.5%	95.6%	96.7%
- Directors' remuneration policy	-	89.9%	88.3%	96.6%
- Appointment of independent auditor	100.0%	-	-	99.8%
- Election of Santiago Seage as director	-	98.0%	-	99.6%
- Redemption of share premium account	-	100.0%	-	99.8%
- The Company to purchase its own shares	-	78.1%	-	-
- Audit committee to set auditors' compensation	100.0%	-	-	99.9%
- Election of directors (average)	87.3%	-	37.0%	99.9%
- Amendment to the articles of incorporation	100.0%	-	-	-
- Reduce share premium for dividend distribution	99.4%	-	-	-
- Allotment of Share Capital	-	-	99.9%	-
- Disapplication of Pre-emption rights	-	-	74.6%	-
- Change the Company name	-	-	99.9%	-
- Appropriation of Distributable Profits and Deeds of Release	-	-	99.5%	-
- Authorize the Board of Directors to issue shares	-	-	-	98.1%
- Authorize the Board of Directors to issue equity securities without preemptive rights up to approximately a 10% of the aggregate nominal value of the issued share capital of the Company	-	-	-	99.8%
- Disapplication of pre-emptive rights up to an additional amount of approximately a 10% of the aggregate nominal value of the issued share capital of the Company	-	-	-	80.1%

<sup>28</sup> Defined as For/(For+Against), expressed as a percentage. Non-voters are not included in the calculation.

## Forward-Looking Statements

This report includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Any statements that express, or involve discussions as to expectations, beliefs, plans, objectives, assumptions, strategies, future events or performance (often, but not always, through the use of words or phrases such as may result, are expected to, will continue, is anticipated, believe, will, could, should, would, estimated, may, plan, potential, future, projection, goals, target, outlook, predict and intend or words of similar meaning) are not statements of historical facts and may be forward looking. Such statements occur throughout this report and include statements with respect to our expected trends and outlook, potential market and currency fluctuations, occurrence and effects of certain trigger and conversion events, our capital requirements, changes in market price of our shares, future regulatory requirements, the ability to identify and/or make future investments and acquisitions on favorable terms, reputational risks, divergence of interests between our company and that of our largest shareholder, tax and insurance implications, and more. Forward-looking statements involve estimates, assumptions and uncertainties. Accordingly, any such statements are qualified in their entirety by reference to, and are accompanied by, important factors included in Part I, Item 3D of the form 6-k submitted to the U.S. Securities Exchange Commission in May 2021. Risk Factors in our Annual Report on form 20-F filed with the SEC on March 1, 2021 (in addition to any assumptions and other factors referred to specifically in connection with such forward-looking statements) that could have a significant impact on our operations and financial results, and could cause our actual results to differ materially from those contained or implied in forward-looking statements made by us or on our behalf in this annual report, in presentations, on our website, in response to questions or otherwise. These forward-looking statements include, but are not limited to, statements relating to:

- the condition of the debt and equity capital markets and our ability to borrow additional funds and access capital markets, as well as our substantial indebtedness and the possibility that we may incur additional indebtedness going forward;
- the ability of our counterparties, including Pemex, to satisfy their financial commitments or business obligations and our ability to seek new counterparties in a competitive market;
- government regulation, including compliance with regulatory and permit requirements and changes in tax laws, market rules, rates, tariffs, environmental laws and policies affecting renewable energy;
- changes in tax laws and regulations;
- risks relating to our activities in areas subject to economic, social and political uncertainties;
- our ability to finance and make new investments and acquisitions on favorable terms or to close outstanding acquisitions, including PTS;
- risks relating to new assets and businesses which have a higher risk profile and our ability to transition these successfully;
- potential environmental liabilities and the cost and conditions of compliance with applicable environmental laws and regulations;
- risks related to our reliance on third-party contractors or suppliers;
- risks related to our ability to maintain appropriate insurance over our assets;
- risks related to our exposure in the labor market;

- potential issues arising with our operators' employees including disagreement with employees' unions and subcontractors;
- risks related to extreme weather events related to climate change could damage our assets or result in significant liabilities and cause an increase in our operation and maintenance costs;
- the effects of litigation and other legal proceedings (including bankruptcy) against us and our subsidiaries;
- price fluctuations, revocation and termination provisions in our off-take agreements and power purchase agreements;
- our electricity generation, our projections thereof and factors affecting production, including those related to the COVID-19 outbreak;
- our targets or expectations with respect to Adjusted EBITDA derived from low-carbon footprint assets;
- risks related to our relationship with Abengoa, our former largest shareholder and currently one of our operation and maintenance suppliers, including bankruptcy and particularly the potential impact of Abengoa S.A.'s insolvency filing and Abenewco1, S.A.'s potential insolvency filing;
- risks related to our relationship with our shareholders, including Algonquin, our major shareholder;
- potential impact of the COVID-19 outbreak on our business, financial condition, results of operations and cash flows;
- reputational and financial damage caused by our off-taker PG&E and Pemex;
- sale of electricity to the Mexican market;
- guidance related to the amount of Adjusted EBITDA from low carbon footprint assets and
- other factors discussed under "Risk Factors" in our Annual Report on form 20-F filed with the SEC on March 1, 2021.

Any forward-looking statement speaks only as of the date on which such statement is made, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances, including, but not limited to, unanticipated events, after the date on which such statement is made, unless otherwise required by law. New factors emerge from time to time and it is not possible for management to predict all of these factors, nor can it assess the impact of each of these factors on the business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained or implied in any forward-looking statement.



## Definitions

Unless otherwise specified or the context requires otherwise in this annual report:

- references to "2020 Green Private Placement" refer to the €290 million (approximately \$354 million) senior secured notes maturing in June 20, 2026 which were issued under a senior secured note purchase agreement entered with a group of institutional investors as purchasers of the notes issued thereunder;
- references to "AAGES" refer to the joint venture between Algonquin and Abengoa to invest in the development and construction of clean energy and water infrastructure contracted assets;
- references to "AAGES ROFO Agreement" refer to the agreement we entered into with AAGES on March 5, 2018, which became effective upon completion of the Share Sale, that provides us a right of first offer to purchase any of the AAGES ROFO Assets, as amended and restated from time to time;
- references to "Abengoa" refer to Abengoa, S.A., together with its subsidiaries, or Abenewco1, S.A. together with its subsidiaries, unless the context otherwise requires;
- references to "ACT" refer to the gas-fired cogeneration facility located inside the Nuevo Pemex Gas Processing Facility near the city of Villahermosa in the State of Tabasco, Mexico;
- references to "ADEQ" refer to Arizona's Departments of Environmental Quality;
- references to "Adjusted EBITDA" refer to an Alternative Performance Measure. Adjusted EBITDA is calculated as profit/(loss) for the year attributable to the parent company, after adding back loss/(profit) attributable to non-controlling interest from continued operations, income tax, share of profit/(loss) of associates carried under the equity method, finance expense net, depreciation, amortization and impairment charges of entities included in the Annual Consolidated Financial Statements;
- references to "Algonquin" refer to, as the context requires, either Algonquin Power & Utilities Corp., a North American diversified generation, transmission and distribution utility, or Algonquin Power & Utilities Corp. together with its subsidiaries;
- references to "Annual Consolidated Financial Statements" refer to the audited annual consolidated financial statements as of December 31, 2020 and 2019, including the related notes thereto, prepared in accordance with IFRS as issued by the IASB (as such terms are defined herein), included in this annual report;
- references to "ASI Operations" refer to ASI Operations LLC;
- references to "Atlantica" refer to Atlantica Sustainable Infrastructure plc and, where the context requires, Atlantica Sustainable Infrastructure plc together with its consolidated subsidiaries;
- references to "ATN" refer to ATN S.A., the operational electronic transmission asset in Peru, which is part of the Guaranteed Transmission System;
- references to "AVERT" refer to Avoided Emissions and Generation Tool a U.S. national weighted average CO<sub>2</sub> marginal emission rate, to convert reductions of kilowatt-hours into avoided units of CO<sub>2</sub> emissions;
- references to "cash available for distribution" or CAFD refer to the cash distributions received by the Company from its subsidiaries minus cash expenses of the Company, including third party debt service and general and administrative expenses;

- references to “CDP” refer to Carbon Disclosure Project a leading provider of environmental management and transparency and rates more than 9,600 companies with assets of US\$106 trillion and representing over 50% of global market capitalization;
- references to “CEDA” refer to Comprehensive Environmental Data Archive that hosts over 13 Petabytes of atmospheric and earth observation data;
- references to “Chile PV 1” refer to the solar PV plant of 55 MW located in Chile;
- references to “Chile PV 2” refer to the solar PV plant of 40 MW located in Chile;
- references to “Corruption” consists of the abuse of power with the goal of private gain and can be initiated by individuals in the public or private sector. Corrupt practices include, but are not limited to, bribes, extortion, collusion, conflicts of interest and money laundering;
- references to “COD” refer to the commercial operation date of the applicable facility;
- references to “Coso” refer to the 135 MW geothermal plant located in California acquired in April 2021;
- references to “DOE” refer to the U.S. Department of Energy;
- references to “EMEA” refer to Europe, Middle East and Africa;
- references to “EPA” refer to United States Environmental Protection Agency;
- references to “ETF” refer to passively managed funds;
- references to “EU” refer to the European Union;
- references to “FCPA” refer to U.S. Foreign Corrupt Practices Act;
- references to “GEI” refer to Gender-Equality Index, an index that includes 380 companies across 11 sectors and 44 countries and regions. It measures disclosure and gender equality using indicators across five areas: female leadership and talent pipeline, equal pay and gender pay parity, inclusive culture, sexual harassment policies, and pro-women brand;
- references to “GRI” refers to Global Reporting Initiative standards, an internationally recognized standardized framework for disclosing economic, environmental and social performance;
- references to “GBP” refers to “Green Bond Principles”, a voluntary process guideline that seek to support issuers in financing environmentally sound and sustainable projects that foster a net-zero emissions economy and protect the environment. GBP-aligned issuance should provide transparent green credentials alongside an investment opportunity;
- references to “Gross capacity” refers to the maximum, or rated, power generation capacity, in MW, of a facility or group of facilities, without adjusting for the facility’s power parasitics’ consumption, or by our percentage of ownership interest in such facility as of the date of this annual report;
- references to “GWh” refer to gigawatt hour;
- references to “GW” refer to gigawatts;
- references to “ILO” refer to International Labor Rights;
- references to “IPO” refer to our initial public offering of ordinary shares in June 2014;
- references to “IPCC” refer to the Intergovernmental Panel on Climate Change;

- references to "ITC" refer to investment tax credits;
- references to "La Sierpe" refer to the 20MW solar asset in Colombia to be acquired from Algonquin by mid-2021, subject to customary conditions;
- references to "LDR" refer to Lost Day Rate calculated as "(Lost Days in a Year / Total Worked-Hours) \* 200,000 worked-hours;
- references to "Lost time injury rate" refer to the total number of recordable accidents with leave (lost time injury) recorded in the last 12 months per two hundred thousand worked hours;
- references to "LTIP" refer to the long-term incentive plans approved by the Board of Directors;
- references to "Monterrey" refer to the 142 MW gas-fired engine facility including 130 MW installed capacity and 12 MW battery capacity, located in, Monterrey, Mexico;
- references to "NMFR" refer to Near Miss Frequency Rate described by Sustainable Accounting Standards as near misses, unsafe acts and unsafe conditions frequency rate;
- references to "MW" refer to megawatts;
- references to "MWh" refer to megawatt hour;
- references to "Note Issuance Facility 2017" refer to the senior secured note facility dated February 10, 2017, of €275 million (approximately \$336 million), with Elavon Financial Services DAC, UK Branch, as facility agent and a group of funds managed by Westbourne Capital as purchasers of the notes issued thereunder;
- references to "O&M" refer to operation and maintenance services provided at our various facilities;
- references to "operation" refer to the status of projects that have reached COD (as defined above);
- references to "Pemex" refer to Petroleos Mexicanos;
- references to "PG&E" refer to PG&E Corporation and its regulated utility subsidiary, Pacific Gas and Electric Company collectively;
- references to "PPE" refer to personal protective equipment.
- references to "PPA" refer to the power purchase agreements through which our power generating assets have contracted to sell energy to various off-takers;
- references to "ROFO" refer to a right of first offer;
- references to "ROFO agreements" refer to the AAGES ROFO Agreement and Algonquin ROFO Agreement;
- references to "SASB" refer to Sustainability Accounting Standards Board a guidance intended for use in communications to investors regarding sustainability issues that are likely to impact corporate ability to create value over the long term;
- references to "SDG" refer to Sustainable Development Goals a total of 17 goals defined by the UNGC;
- references to "Total-Record Incident" refer to the total number of recordable accidents with and without leave (lost time injury) recorded in the last 12 months per two hundred thousand worked hours;

- references to "TFCD" refer to Task Force on Climate related Financial Disclosures, a set of recommendations focused on four thematic areas that represent core operational elements, including: Governance, Strategy, Risk Management and Metrics and Targets;
- references to "U.K." refer to the United Kingdom;
- references to "UNGC" refer to United Nations Global Compact, world's largest corporate sustainability initiative;
- reference to "U.S." or "United States" refer to the United States of America;
- references to "WRI" refer to World Resources Institute;
- references to "WTT DEFRA" refer to Well to Tank from the Department for Environment, Food and Rural Affairs;
- references to "we," "us," "our," "Atlantica" and the "Company" refer to Atlantica Sustainable Infrastructure plc and its subsidiaries, unless the context otherwise requires.

## Appendix A

### Global Reporting Initiative (GRI) Content index

At Atlantica, we follow the GRI standards, an internationally recognized standardized framework for disclosing economic, environmental and social performance. Our 2020 ESG report qualifies at GRI's core level. We also provide information on additional standard disclosures where data is available.

GRI Standard	Description, section(s) and/or URL(s)
<b>GRI 101: Foundation 2016</b>	
Principles for defining report content and quality, and the process for sustainability reporting using the GRI Standards.	This report adheres to the following principles: <ul style="list-style-type: none"> <li>• Stakeholder inclusiveness</li> <li>• Sustainability context</li> <li>• Materiality</li> <li>• Completeness</li> <li>• Accuracy</li> <li>• Balance</li> <li>• Clarity</li> <li>• Comparability</li> <li>• Reliability</li> <li>• Timeliness</li> </ul>
<b>GRI 102: General Disclosures 2016</b>	
<b>Organizational Profile</b>	
102-1 Name of organization	Atlantica Sustainable Infrastructure plc
102-2 Activities, brands, products and services	Atlantica in Two Minute (Section 1.1) U.S. Securities Exchange Commission Form 20-F (Page F-16)
102-3 Location of headquarters	Great West Road, Brentford TW8 9DF, Greater London (United Kingdom)
102-4 Location of operations	Our Business Model and Strategy (Section 1.3) Detailed asset portfolio: U.S. Securities Exchange Commission Form 20-F (pages F-16 and F-17)
102-5 Ownership and legal form	Atlantica Sustainable Infrastructure plc common shares trade on the Nasdaq Stock Exchange under the symbol "AY"
102-6 Markets served	Our Business Model and Strategy (Section 1.3) Key Business Highlights (Section 1.4) Detailed asset portfolio: U.S. Securities Exchange Commission Form 20-F (pages F-16 and F-17)
102-7 Scale of organization	Key Business Highlights (Section 1.4) Human Capital (Section 3.4) Atlantica's website: <a href="http://www.atlantica.com">www.atlantica.com</a>
102-8 Information on employees and other workers	Human Capital (Section 3.4)
102-9 Supply chain	Supply Chain Management (Section 3.3)
102-10 Significant changes to the organization and its supply chain	Supply Chain Management (Section 3.3) Capital Structure (Section 4.3)
102-11 Precautionary Principle or approach	We apply the Precautionary Principle consistently when we assess risks related to the Environment in all our activities. We refer to the Environmental area (Section 2.1), TCFD disclosure (Section 2.2) and, Risks and Opportunities disclosed in our CDP Climate Change Questionnaire

	We also make a broad disclosure of Atlantica's risks in our annual financial report U.S. Securities Exchange Commission Form 20-F (Risk Factor; page 12) and in our U.K. Annual Report (page 41 out of 256).
102-12 External initiatives	About this report (Section 1.2). We comply with the following external initiatives: <ul style="list-style-type: none"> <li>- The Global Reporting Initiative (GRI).</li> <li>- The Sustainability Accounting Standards (SASB).</li> <li>- Task Force Climate Change (TCFD).</li> <li>- The U.N. Sustainable Development Goals.</li> <li>- ISO Standard 9001, 14001 and 45001.</li> </ul>
102-13 Membership of associations	We are members of these trade associations: <ul style="list-style-type: none"> <li>- AME, the Mexican Energy Association</li> <li>- COGENERA, the association for cogeneration in Mexico</li> <li>- Spanish Chamber of Commerce in Mexico</li> <li>- ACERA, the association for renewable energy in Chile</li> <li>- SPR, the association for renewable energy in Peru</li> <li>- SNMPE, the energy association in Peru</li> <li>- AUGPEE, the association of Electric Energy Generation in Uruguay</li> <li>- Estela, the association for the CSP sector in Europe</li> <li>- Protermosolar, the association for the CSP sector in Spain</li> <li>- Estela, the association for the CSP sector in Europe</li> <li>- CEOE, the Spanish Confederation of Business Organizations</li> </ul> None of these associations have political impacts.

### Strategy

102-14 Statement from senior decision-maker	Message from the CEO Sustainability Governance (Section 4.2)
102-15 Key impacts, risks, and opportunities	About this report (Section 1.2): Materiality Assessment Our Business Model and Strategy (Section 1.3) TCFD (Section 2.2) Business Ethics (Section 4.1): Compliance Committee U.S. Securities Exchange Commission Form 20-F (Risk factors; page 12)

### Ethics and Integrity

102-16 Values, principles, standards, and norms of behavior	Our Business Model and Strategy (Section 1.3): Purpose and Values Business Ethics (Section 4.1); Code of conduct, Suppliers Code of Conduct, anti-bribery and corruption policy available in our webpage
102-17 Mechanisms for advice and concerns about ethics	Our Business Model and Strategy (Section 1.3): Purpose and Values Business Ethics (Section 4.1)
102-18 Governance structure	Sustainability Governance (Section 4.2) Board of Directors (Section 4.4) Atlantica's webpage: Corporate Governance Section
102-19 Delegating authority	Business Ethics (Section 4.1); Sustainability Governance (Section 4.2)
102-20 Executive-level responsibility for economic, environmental, and social topics	Sustainability Governance (Section 4.2)
102-21 Consulting stakeholders on economic, environmental, and social topics	Sustainability Governance (Section 4.2)
102-22 Composition of the highest governance body and its committees	Sustainability Governance (Section 4.2) Board of Directors (Section 4.4)



102-23 Chair of the highest governance body	Sustainability Governance (Section 4.2) Board of Directors (Section 4.4)
102-24 Nominating and selecting the highest governance body	Sustainability Governance (Section 4.2) Board of Directors (Section 4.4)
102-25 Conflicts of interest	Board of Directors (Section 4.4)
102-26 Role of highest governance body in setting purpose, values, and strategy	Sustainability Governance (Section 4.2) Board of Directors (Section 4.4)
102-27 Collective knowledge of highest governance body	Sustainability Governance (Section 4.2) Board of Directors (Section 4.4)
102-28 Evaluating the highest governance body's performance	Board of Directors (Section 4.4)
102-29 Identifying and managing economic, environmental, and social impacts	About this report (Section 1.2): Materiality assessment Sustainability Governance (Section 4.2) Board of Directors (Section 4.4)
102-30 Effectiveness of risk management processes	Sustainability Governance (Section 4.2) Board of Directors (Section 4.4)
102-31 Review of economic, environmental, and social topics	Sustainability Governance (Section 4.2) Board of Directors (Section 4.4)
102-32 Highest governance body's role in sustainability reporting	Sustainability Governance (Section 4.2) Board of Directors (Section 4.4)
102-33 Communicating critical concerns	About this report (Section 1.2): ESG functions at the management level Sustainability Governance (Section 4.2) Board of Directors (Section 4.4)
102-34 Nature and total number of critical concerns	Business Ethics (Section 4.1) Sustainability Governance (Section 4.2) Board of Directors (Section 4.4)
102-35 Remuneration policies	Board of Directors (Section 4.4) Incentivized pay (Section 4.5)
102-36 Process for determining remuneration	Board of Directors (Section 4.4) Incentivized pay (Section 4.5)
102-37 Stakeholders' involvement in remuneration	Board of Directors (Section 4.4) Incentivized pay (Section 4.5) Shareholder engagement (section 4.7)
<b>Stakeholder Engagement</b>	
102-40 List of stakeholder groups	About this report (Section 1.2): Stakeholder Engagement Stakeholder engagement policy available on our website Environment (Section 2.1), Supply chain management (section 3.3); Human Capital (Section 3.4); Local Communities (Section 3.6)
102-41 Collective bargaining agreements	Human Capital (Section 3.4): Collective Bargaining Agreements
102-42 Identifying and selecting stakeholders	About this report (Section 1.2): Materiality Assessment and Stakeholder Engagement
102-43 Approach to stakeholder engagement	About this report (Section 1.2): Materiality Assessment and Stakeholder Engagement
102-44 Key topics and concerns raised	About this report (Section 1.2): Materiality Assessment and Stakeholder Engagement

## Reporting Practice

102-45 Entities included in the consolidated financial statements	Entities included in the consolidated financial statements are entities in which Atlantica has control and its associates
102-46 Defining report content and topic Boundaries	About this report (Section 1.2): Materiality Assessment
102-47 List of material topics	About this report (Section 1.2): Materiality Assessment
102-48 Restatements of information	Not applicable
102-49 Changes in reporting	No significant changes occurred during 2020 compared to previous years
102-50 Reporting period	January 1, 2020 to December 31, 2020
102-51 Date of most recent report	June 2020, covering calendar year 2019
102-52 Reporting cycle	Annual
102-53 Contact point for questions regarding the report	Leire Perez; Gabriel Deniz sustainability@atlantica.com or ir@atlantica.com
102-54 Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option
102-55 GRI content index	Appendix A
102-56 External assurance	About this report (Section 1.2): Data verification - GHG emissions scope 1, 2 and 3: 100% audited - Asset Management (Section 3.2): ISO 9001, 14001 and 45,001 in-place, environmental and quality management system audited by DNV GL

## GRI 103: Management Approach 2016

103-1 Explanation of the material topic and its Boundary	About this report (Section 1.2): Materiality Assessment Our Business Model and Strategy (Section 1.3)
103-2 The management approach and its components	About this report (Section 1.2): Materiality Assessment and Purpose and Values Sustainability Governance (Section 4.2) Key management committees, responsibilities, policies, commitments, targets are addressed in the Environment, Social and Governance sections.
103-3 Evaluation of the management approach	About this report (Section 1.2): Materiality Assessment and Purpose and Values Sustainability Governance (Section 4.2) Key management committees disclosed throughout the report Board of Directors (Section 4.3) Independent Auditor's Report U.S. Securities Exchange Commission Form 20-F Atlantica periodically performs internal analysis comparing current practices with benchmarks in different areas. The Compliance Committee analyses periodically best practices and benchmarks to improve our compliance practices over time. The Board of Directors reviews annually Atlantica's board practices and compares them to best practices following recommendations from the UK Institute of Directors and the main proxy advisors incorporating recommendations whenever possible. Sustainalytics, CDP, S&P CSA ESG assessments provide valuable information and have been used internally to improve certain areas following best

practices. Asset management functions are a core part of our business and are also periodically evaluated against best practices.

## Specific Standard Disclosures

### Category: Economic

#### GRI 201: Economic Performance 2016

103-1 Explanation of the material topic and its Boundary  
Key Business Highlights (Section 1.4)

201-1 Direct economic value generated and distributed  
Direct economic value generated, distributed and retained for the year ended December 31, 2018, 2019 and 2020:

	2018	2019	2020
\$ in Millions			
<b>Economic Value Generated</b>	<b>1,213</b>	<b>1,109</b>	<b>1,120</b>
Revenue	1,044	1,012	1,013
Other Operating Income	133	94	100
Financial Income	36	4	7
<b>Economic Value Distributed</b>	<b>(800)</b>	<b>(764)</b>	<b>(793)</b>
Operating costs, including wages and benefits	(326)	(294)	(331)
Payments to providers of capital	(461)	(469)	(445)
Payments to Government*	(13)	0	(16)
Community investments**	(1)	(1)	(1)
<b>Economic Value Retained</b>	<b>412</b>	<b>345</b>	<b>327</b>

Note: Figures were determined according to the GRI guidelines

\* Income Tax Paid

\*\* Community Investments in Peru, Spain, South Africa and Algeria

Key Business Highlights (Section 1.4)

Local Communities (Section 3.5)

Detailed financial information provided in our annual report: U.S. Securities Exchange Commission Form 20-F (Page 84)

201-2 Financial implications and other risks and opportunities due to climate change  
Task Force on Climate-Change (Section 2.2)  
CDP's climate change questionnaire at [www.atlantica.com](http://www.atlantica.com)

201-3 Defined benefit plan obligations and other retirement plans  
The Company does not have any defined benefit compensation plans. The only retirement obligations are related to 401(k) plans in the U.S. in accordance with the regulation in place and in the U.K. also in accordance with the regulation in place.

201-4 Financial assistance received from government  
No financial assistance or similar was received in 2018, 2019 or 2020.

#### GRI 204: Procurement Practices

103-1 Explanation of the material topic and its Boundary  
About this report (Section 1.2): Materiality Assessment

204-1 Proportion of spending on local suppliers  
Supply chain management (Section 3.3)

**GRI 205: Anti-Corruption 2016**

103-1 Explanation of the material topic and its Boundary	About this report (Section 1.2): Materiality Assessment Atlantica's Webpage: Corporate Governance Section
205-1 Operations assessed for risks related to corruption	Business Ethics (Section 4.1): 2020 New and Updated Compliance Policies Board of Directors (Section 4.4): Audit Committee
205-2 Communication and training about anti-corruption policies and procedures	Business Ethics (Section 4.1): 2020 New and Updated Compliance Policies
205-3 Confirmed incidents of corruption and actions taken	No incidents of corruption were identified in 2018, 2019 and 2020. Business Ethics (Section 4.1): 2020 New and Updated Compliance Policies.

**GRI 206: Anti-Competitive Behavior 2016**

103-1 Explanation of the material topic and its Boundary	About this report (Section 1.2): Materiality Assessment Atlantica's Webpage: Corporate Governance Section
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No legal actions or anti-competitive behavior, anti-trust, or monopoly practices have been taken in 2018, 2019 and 2020

**Category: Environmental****GRI 302: Energy 2016**

103-1 Explanation of the material topic and its Boundary	About this report (Section 1.2): Materiality Assessment Environmental Sections: 2.1, 2.2, 2.3, 2.4, 2.5 and 2.6
302-1 Energy consumption within the organization	Greenhouse Gas Emissions (Section 2.3): Energy Management CDP's climate change questionnaire provides further detailed information. Available at <a href="http://www.atlantica.com">www.atlantica.com</a>
302-2 Energy consumption outside of the organization	Partially disclosed. Energy consumption outside of the organization is included in our scope 3 GHG emissions.
302-3 Energy Intensity	Greenhouse Gas Emissions (Section 2.3): Energy Management.
302-4 Reduction of energy consumption	Greenhouse Gas Emissions (Section 2.3) Digital Transformation and Data Security (Section 4.6)Partially disclosed. Confidentiality constraints.
302-5 Reductions in energy requirements of products and services	Greenhouse Gas Emissions (Section 2.3) Digital Transformation and Data Security (Section 4.6) Partially disclosed. We have an in-house Advanced Analytics team in-place to improve the performance of our existing technologies. In addition, our Operations Department dedicates time and efforts to identify potential measures to improve efficiency at our assets. This could result in reduction of energy consumption over time.

**GRI 303: Water 2018**

103-1 Explanation of the material topic and its Boundary	About this report (Section 1.2): Materiality Assessment Key Business Highlights (Section 1.4) Task Force on Climate-Change (Section 2.2) Water Management (Section 2.4)
303 -1 Interactions with water as a shared resource	Water Management (Section 2.4)

303-2 Management of water discharge-related impacts	Water Management (Section 2.4)
303-3 Water withdrawal	Water Management (Section 2.4)
303-4 Water discharge	Water Management (Section 2.4)
303-5 Water consumption	Water Management (Section 2.4)

#### GRI 304: Biodiversity 2016

103-1 Explanation of the material topic and its Boundary	About this report (Section 1.2): Materiality Assessment Biodiversity (Section 2.6)
304-1: Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity (Section 2.6) Partially disclosed: Unavailable information
304-2 Significant impacts of activities, products, and services on biodiversity	Biodiversity (Section 2.6)
304-3 Habitats protected or restored	Biodiversity (Section 2.6)
304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Omission: Information unavailable

#### GRI 305: Emissions 2016

103-1 Explanation of the material topic and its Boundary	Message from the CEO About this report (Section 1.2): Materiality Assessment Environmental section (Section 2.1)
305-1 Direct (Scope 1) GHG emissions	Greenhouse Gas Emissions (Section 2.3) CDP's climate change questionnaire provides further detailed information. Available at <a href="http://www.atlantica.com">www.atlantica.com</a>
305-2 Energy indirect (Scope 2) GHG emissions	Greenhouse Gas Emissions (Section 2.3) CDP's climate change questionnaire provides further detailed information. Available at <a href="http://www.atlantica.com">www.atlantica.com</a>
305-3 Other indirect (Scope 3) GHG emissions	Greenhouse Gas Emissions (Section 2.3) CDP's climate change questionnaire provides further detailed information. Available at <a href="http://www.atlantica.com">www.atlantica.com</a>
305-4 GHG emissions intensity	Greenhouse Gas Emissions (Section 2.3): GHG Emission Rate per Unit of Energy Generated CDP's climate change questionnaire provides further detailed information. Available at <a href="http://www.atlantica.com">www.atlantica.com</a>
305-5 Reduction of GHG emissions	Greenhouse Gas Emissions (Section 2.3) CDP's climate change questionnaire provides further detailed information. Available at <a href="http://www.atlantica.com">www.atlantica.com</a>
305-6 Emissions of ozone-depleting substances (ODS)	Omission: Information unavailable
305-7 Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions	Greenhouse Gas Emissions (Section 2.3): Air quality

**GRI 306: Effluents and Waste 2016**

103-1 Explanation of the material topic and its Boundary	About this report (Section 1.2): Materiality Assessment Waste management (Section 2.5)
306-1 Water discharge by quality and destination	Water management (Section 2.4)
306-2 Waste by type and disposal method	Waste management (Section 2.5)
306-3 Significant spills	Waste management (Section 2.5). Partially disclosed.
306-4 Transport of hazardous waste	Hazardous waste is transported to a third party.
306-5: Water bodies affected by water discharges and/or runoff	Water management (section 2.4) Biodiversity (section 2.6) Partially disclosed.

**GRI 307: Environmental Compliance 2016**

103-1 Explanation of the material topic and its Boundary	About this report (Section 1.2): Materiality Assessment CDP's climate change questionnaire provides detailed information. Available at <a href="http://www.atlantica.com">www.atlantica.com</a>
307-1 Non-compliance with environmental laws and regulation	No significant fines or monetary sanctions.

**Category: Social****GRI 401: Employment 2016**

103-1 Explanation of the material topic and its Boundary	About this report (Section 1.2): Materiality Assessment Our Principles (Section 3.1) Human Capital (Section 3.4)
401-1 New employee hires and employee turnover	Human Capital (Section 3.4)
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	All benefits provided to full-time employees are the same to those provided to temporary or part-time employees.
401-3 Parental leave	Human Capital (Section 3.4)

**GRI 402: Labor/Management Relationship 2016**

103-1 Explanation of the material topic and its Boundary	About this report (Section 1.2): Materiality Assessment Our Principles (Section 3.1) Human Capital (Section 3.3)
402-1 Minimum notice periods regarding operational changes	At Atlantica we generally provide a minimum of a two week notice prior to the implementation of significant operational changes that could substantially affect our employees. Where applicable, minimum number of weeks' notice is specified in the collective bargaining agreements. Unexpected events may require different notice periods.

**GRI 403: Occupational Health and Safety 2018**

103-1 Explanation of the material topic and its Boundary	Message from the CEO About this report (Section 1.2): Materiality Assessment Occupational Health and safety (Section 3.5)
403-1 Occupational health and safety management system	Occupational Health and safety (Section 3.5)



403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and safety (Section 3.5)
403-3 Occupational health services	Occupational Health and safety (Section 3.5)
403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and safety (Section 3.5): Health and safety committees held with asset employee representatives cover all the necessary topics to promote a positive health and safety culture in our assets.
403-5 Worker training on occupational health and safety	Occupational Health and safety (Section 3.5)
403-6 Promotion of worker health	Occupational Health and safety (Section 3.5)
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and safety (Section 3.5)
403-8 Workers covered by an occupational health and safety management system	Occupational Health and safety (Section 3.5)
403-9 Work-related injuries	Occupational Health and safety (Section 3.5)
403-10 Work-related ill health	Atlantica does not have any work-places with high risk incidence of diseases

#### GRI 404: Training and Education 2016

103-1 Explanation of the material topic and its Boundary	About this report (Section 1.2): Materiality Assessment Human Capital (Section 3.4) Asset Management (Section 3.2): Asset Management Policy Occupational Health and Safety (Section 3.4)
404-1 Average hours of training per year per employee	Human Capital (Section 3.4): Development and training
404-2 Programs for upgrading employee skills and transition assistance programs	Human Capital (Section 3.4): Development and training Atlantica has upgrading skills training programs for its employees. We do not have transition assistance programs resulting from retirement or termination of employment
404-3 Percentage of employees receiving regular performance and career development reviews	Human Capital (Section 3.4): Development and training

#### GRI 405: Diversity and Equal Opportunity 2016

103-1 Explanation of the material topic and its Boundary	About this report (Section 1.2): Materiality Assessment Human Capital (Section 3.4): Diversity and Inclusion Policy and Opportunities
405-1 Diversity of governance bodies and employees	Human Capital (Section 3.4)

405-2 Ratio of basic salary and remuneration of women to men	Human Capital (Section 3.4)
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**GRI 406: Non-discrimination 2016**

103-1 Explanation of the material topic and its Boundary	About this report (Section 1.2): Materiality Assessment Human Capital (Section 3.3); Business Ethics (Section 4.1) Code of Conduct
406-1 Incidents of discrimination and corrective actions taken	Human Capital (Section 3.3): Diversity and Inclusion Policy and Opportunities We have not received any communication with respect to incidents relating to potential situations of discrimination

**GRI 407: Freedom of Association and Collective Bargaining 2016**

103-1 Explanation of the material topic and its Boundary	About this report (Section 1.2): Materiality Assessment Our principles (Section 3.1), Business ethics (Section 4.1) Code of conduct and supplier code of conduct available on our website
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Our Principles (Section 3.1): Given the nature of our business, we do not believe that our operations or suppliers are at risk of having significant incidents related to right to freedom of association and collective bargaining either in terms of operations nor in the countries where our suppliers operate. We have a Code of Conduct in place which applies to all our employees in all geographies. In addition, we have a Supplier code of Conduct and we expect our suppliers to adhere to it and commit to operating to the highest standard of corporate conduct. Lastly, in 2020, our Board of Directors approved and last amended our "U.K. Anti-Modern Slavery and Human Trafficking Statements" under the Modern Slavery Act, 2015.

**GRI 408: Child Labor 2016**

103-1 Explanation of the material topic and its Boundary	About this report (Section 1.2): Materiality Assessment Business ethics (section 4.1) Supplier code of conduct available on our website
408-1 Operations and suppliers at significant risk for incidents of child labor	Our Principles (Section 3.1): Given the nature of our business, we do not believe that our operations or suppliers are at risk of having significant incidents of forced or compulsory labor either in terms of operations nor in the countries where we or our suppliers operate. We have a Code of Conduct in place which applies to all our employees in all geographies. In addition, we have a Supplier code of Conduct and we expect our suppliers to adhere to it and commit to operating to the highest standard of corporate conduct. Lastly, in 2020, our Board of Directors approved and last amended our "U.K. Anti-Modern Slavery and Human Trafficking Statements" under the Modern Slavery Act, 2015.

**GRI 409: Forced or Compulsory Labor 2016**

103-1 Explanation of the material topic and its Boundary	About this report (Section 1.2): Materiality Assessment; Our principles (Section: 3.1) Business ethics (section 4.1), Supplier Code of Conduct available on our website.
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Our Principles (Section 3.1): Given the nature of our business, we do not believe that our operations or suppliers are at risk of having significant incidents of forced or compulsory labor either in terms of operations nor in the countries where we or our suppliers operate. We have a Code of Conduct in place which applies to all our employees in all geographies. In addition, we have a Supplier code of Conduct and we expect our suppliers to adhere to it and commit to operating to the highest standard of corporate conduct. Lastly, in 2020, our Board of Directors

approved and last amended our "U.K. Anti-Modern Slavery and Human Trafficking Statements" under the Modern Slavery Act, 2015.  
Supply chain management (section 3.3)

#### GRI 411 Rights Of Indigenous People 2016

103-1 Explanation of the material topic and its Boundary  
About this report (Section 1.2): Materiality Assessment  
Local Communities (Section 3.5)

411- 1 Incidents of violations involving rights of indigenous peoples  
No substantial incidents have been registered in 2018, 2019 and 2020

#### GRI 412: Human Rights Assessment 2016

103-1 Explanation of the material topic and its Boundary  
About this report (Section 1.2): Materiality Assessment  
Our Principles (Section 3.1)  
Business Ethics (Section 4.1)

412-1 Operations that have been subject to human rights reviews or impact assessments  
Our Principles (Section 3.1)  
Business Ethics (Section 4.1)  
UK Modern Slavery Act: <https://www.atlantica.com/wp-content/uploads/documents/UK-Modern-Slavery-Act-Report-2020.pdf>  
Partially disclosed.

412-2 Employee training on human rights policies or procedures  
Business Ethics (Section 4.1)

412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening  
Our Principles (Section 3.1).  
Partially disclosed. We seek to work with third parties, including partners, who operate under principles that are similar to those set out in the Code of Conduct. We also have a Supplier Code of Conduct that we expect our suppliers to adhere to, which includes human rights and labor standard principles.

#### GRI 413: Local Communities 2016

103-1 Explanation of the material topic and its Boundary  
Message from the CEO  
About this report (Section 1.2): Materiality Assessment  
Local Communities (Section 3.6)

413-1 Operations with local community engagement, impact assessments, and development programs  
Local Communities (Section 3.6)  
Partially disclosed: Information unavailable

413-2 Operations with significant actual and potential negative impacts on local communities  
Given the nature of our business, we do not believe that our operations trigger significant damage to local communities.

#### GRI 415: Public Policy 2016

103-1 Explanation of the material topic and its Boundary  
About this report (Section 1.2): Materiality Assessment  
Business ethics (Section 4.1)

415-1 Political contributions  
In 2018, 2019 and 2020 Atlantica nor any of its subsidiaries made any financial or in-kind political contributions to political campaigns, political organizations, lobbyists or lobbying organizations, trade associations (with political impact) nor other tax-exempt groups, whether directly or indirectly.

**GRI 416: Customer Health and Safety 2016**

103-1 Explanation of the material topic and its Boundary	About this report (Section 1.2): Materiality Assessment Occupational health and safety (section 3.5)
416-1 Assessment of the health and safety impacts of product and service categories	Occupational health and safety (section 3.5)
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	We have not identified any non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services in 2018, 2019 nor 2020.

**GRI 418 Customer Privacy 2016**

103-1 Explanation of the material topic and its Boundary	About this report (Section 1.2): Materiality Assessment Business ethics (Section 4.1): 2020 New and updated compliance policy
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Digital transformation and data security (section 4.6)

**GRI 419: Socioeconomic Compliance 2016**

103-1 Explanation of the material topic and its Boundary	About this report (Section 1.2): Materiality Assessment
419-1 Non-compliance with laws and regulations in the social and economic area	Environment (Sections 2.1, 2.3, 2.4, 2.5, 2.6) Social (Sections 3.3, 3.4, 3.5 and 3.6) No significant fines or non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area were received in 2018, 2019 and 2020.

## Appendix B

### Sustainability Accounting Standards Board Index

Atlantica is a sustainable infrastructure company, it owns and manages solar and wind plants, water desalination facilities, transmission lines and natural gas plants. As such, we provide the Electric Utilities and Power Generation SASB with a reference to the sections where all relevant information is provided.

In addition, given that Atlantica's activity does not correspond exactly to the activity of an electric utility, we have included certain references to the Solar Technology Developers SASB, which are applicable to Atlantica. Although we are not project developers, we own and manage solar and wind assets, therefore, we consider some of these SASB apply to Atlantica.

#### 1) Sustainability Disclosure Topics and Accounting Metrics Electric Utilities and Power Generation (Version 2018 – 10)

Topic	SASB code	Accounting metric	Section
Greenhouse emissions and energy resource planning	IF-EU-110a.1	(1) Gross global Scope 1 emissions, percentage covered under (2) emissions-limiting regulations, and (3) emissions-reporting regulations	Greenhouse Gas Emissions (Section 2.3)
	IF-EU-110a.2	Greenhouse gas (GHG) emissions associated with power deliveries	Not applicable. Atlantica does not deliver power to retail customers
	IF-EU-110a.3	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Greenhouse Gas Emissions (Section 2.3)
	IF-EU-110a.4	(1) Number of customers served in markets subject to renewable portfolio standards (RPS) and (2) percentage fulfillment of RPS target by market	Not applicable. Atlantica is not a utility company and our customers are not subject to renewable portfolio standards.
Air quality	IF-EU-120a.1	Air emissions of the following pollutants: (1) NO <sub>x</sub> (excluding N <sub>2</sub> O), (2) SO <sub>x</sub> , (3) particulate matter (PM <sub>10</sub> ), (4) lead (Pb), and (5) mercury (Hg); percentage of each in or near areas of dense population	Greenhouse Gas Emissions (Section 2.3): Air quality
Water management	IF-EU-140a.1	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Water Management (Section 2.4)
	IF-EU-140a.2	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations	No significant incidents or non-compliances were registered during the reporting period
	IF-EU-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	Water Management (Section 2.4): Risk assessment
Coal ash management	IF-EU-150a.1	Amount of coal combustion residuals (CCR) generated, percentage recycled	Not applicable. Atlantica does not use coal in its operations
	IF-EU-150a.2	Total number of coal combustion residual (CCR) impoundments, broken down by hazard potential classification and structural integrity assessment	Not applicable. Atlantica does not use coal in its operations

Topic	SASB code	Accounting metric	Section
Energy affordability	IF-EU-240a.1	Average retail electric rate for (1) residential, (2) commercial, and (3) industrial customers	Not applicable. Atlantica does not sell energy to retail customers
	IF-EU-240a.2	Typical monthly electric bill for residential customers for (1) 500 kWh and (2) 1,000 kWh of electricity delivered per month	Not applicable. Atlantica does not sell energy to retail customers
	IF-EU-240a.3	Number of residential customer electric disconnections for non-payment, percentage reconnected within 30 days	Not applicable. Atlantica does not sell energy to retail customers
	IF-EU-240a.4	Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory	Not applicable. Atlantica does not sell energy to retail customers
Workforce health and safety	IF-EU-320a.1	(1) Total recordable injury rate (TRIR), (2) fatality rate, and (3) Near Misses, Unsafe Acts and Unsafe Conditions Frequency Rate (NMFR)	Occupational health and safety (section 3.4)
End-use efficiency and demand	IF-EU-420a.1	Percentage of electric utility revenue from rate structures that (1) are decoupled and (2) contain a lost revenue adjustment mechanism (LRAM)	Not Applicable. Atlantica does not sell electricity to retail customers. Atlantica does not sell electricity under rate base note. Atlantica does not do distribution, it does not use smart grid technology
	IF-EU-420a.2	Percentage of electric load served by smart grid technology	Not Applicable. Atlantica does not sell electricity to retail customers. Atlantica does not sell electricity under rate base note. Atlantica does not do distribution, it does not use smart grid technology
	IF-EU-420a.3	Customer electricity savings from efficiency measures, by market	Not Applicable. Atlantica does not sell electricity to retail customers. Atlantica does not sell electricity under rate base note. Atlantica does not do distribution, it does not use smart grid technology
Nuclear safety and emergency management	IF-EU-540a.1	Total number of nuclear power units, broken down by U.S. Nuclear Regulatory Commission (NRC) Action Matrix Column	Not applicable. Atlantica does not have any nuclear asset
	IF-EU-520a.2	Description of efforts to manage nuclear safety and emergency preparedness	Not applicable. Atlantica does not have any nuclear asset
Grid Resiliency	IF-EU-550a.1	Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations	Not applicable
	IF-EU-550a.2	(1) System Average Interruption Duration Index (SAIDI), (2) System Average Interruption Frequency Index (SAIFI), and (3) Customer Average Interruption Duration Index (CAIDI), inclusive of major event days	Not applicable



## 2) Activity Metrics of the Electric Utilities and Power Generation.

Activity metric	SASB code	Section
Number of: (1) residential, (2) commercial, and (3) industrial customers served	IF-EU-000.A	We have a total of 15 offtakers
Total electricity delivered to: (1) residential, (2) commercial, (3) industrial, (4) all other retail customers, and (5) wholesale customers	IF-EU-000.B	The electricity we produce is not delivered to final customers. We deliver electricity to utilities (for example APS and PG&E) and to the grid in Spain, where payments are regulated. For additional information we refer to: Our business model and strategy (section 1.3) Key business highlights (section 1.4) Greenhouse Gas Emissions (Section 2.3): Energy management
Length of transmission and distribution lines	IF-EU-000.C	Atlantica in Two Minutes (section 1.1) Key business highlights (section 1.4)
Total electricity generated, percentage by major energy source, percentage in regulated markets	IF-EU-000.D	Key business highlights (section 1.4) Greenhouse Gas Emissions (Section 2.3): Energy management Form 20-F submitted to the U.S. Securities Exchange Commission (page 89)
Total wholesale electricity purchased	IF-EU-000.E	Not Applicable

## 3) Applicable Sustainability Disclosure Topics and Accounting Metrics from Solar Technology Developers (Version 2018-10).

Topic	SASB code	Accounting metric	Section
Water Management in Manufacturing	RR-ST-140a.1	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Water Management (Section 2.4)
	RR-ST-140a.2	Description of water management risks and discussion of strategies and practices to mitigate those risks	Water Management (Section 2.4)
Hazardous Waste Management	RR-ST-150a.1	Amount of hazardous waste generated, percentage recycled	Waste Management (Section 2.5)
	RR-ST-150a.2	Number and aggregate quantity of reportable spills, quantity recovered	Waste Management (Section 2.5)