SUSTAINALYTICS ESG RISK RATING SUMMARY REPORT

Date **Feb 13, 2019**

Atlantica Yield PLC

Renewable Power Production | United Kingdom | NAS:AY

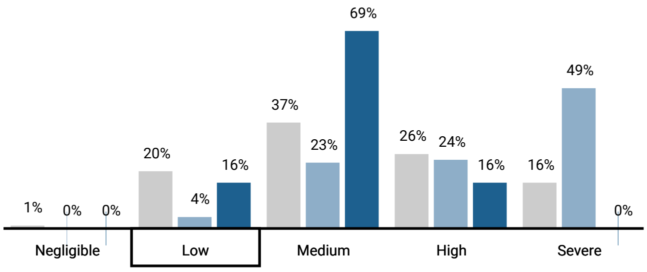
12.5 /100 Low

Negl	**Low**	Med	High	Severe
0-10	10-20	20-30	30-40	40-100

Rating Overview

The company is at low risk of experiencing material financial impacts from ESG factors, due to its medium exposure and strong management of material ESG issues. Furthermore, the company has not experienced significant controversies.

ESG Risk Rating Distribution



Relative Performance

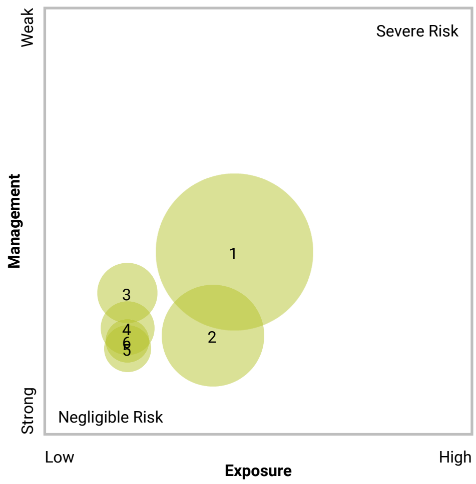
	Rank (1st = lowest risk)	Percentile (1st = lowest risk)
Global Universe	**221** out of 9802	**3rd**
Utilities (Industry Group)	**2** out of 404	**1st**
Renewable Power Production (Subindustry)	**1** out of 51	**1st**

Attribution Analysis

ESG Risk Rating

	Top Material Issues	Score	Negl 0-2	Low 2-4	Med 4-6	High 6-8	Severe 8-20+
1	Corporate Governance	4.0					
2	Community Relations	2.6					
3	Human Capital	1.5					
4	Product Governance	1.4					
5	Occupational Health and Safety	1.2					
6	Business Ethics	1.1					

= Significant event



Circle size = Contribution to ESG Risk Rating

Risk Analysis

Exposure Score

Low	Medium	High
0-35	35-55	55-100

36.0 /100 Medium

SubIndustry

Beta = 1.00

Atlantica Yield derives most revenues from its solar and wind power plants whose development requires large tracts of land. As such projects can significantly impact local residents, failure to constantly consult local communities might lead to protests or blockades, delaying project development. Moreover, solar and wind power plants present potentially hazardous occupational conditions like working in high temperatures, isolated areas with heavy equipment or at high altitudes. Poor health and safety programmes may lead to employee or contractor injury or fatalities, triggering liability lawsuits and high compensation costs. Additionally, the company's success relies on winning governmental bids for transmission line concessions. Potential acts of bribery or corruption meant to facilitate the winning of such bids, expose Atlantica Yield to regulatory sanctions and scrutiny.

The company's overall exposure is medium and is similar to subindustry average. Occupational Health and Safety, Community Relations and Business Ethics are notable material ESG issues.

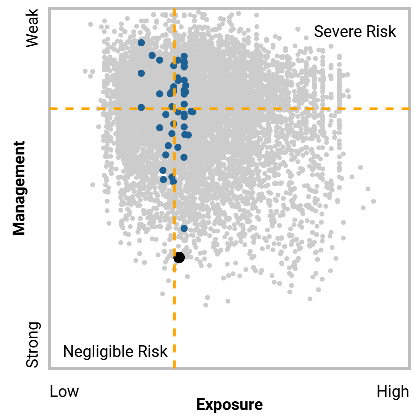
Management Score

Strong	Average	Weak
100-50	50-25	25-0

69.2 /100 Strong

Atlantica Yield's overall ESG-related disclosure is not in accordance with GRI reporting standards, lagging behind best practice. The company's ESG-related issues are overseen by a committee, but reporting is insufficient to assess the level of authority in this area.

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



- Global Universe
- Renewable Power Production (Subindustry)
- Atlantica Yield PLC
- SubIndustryAvg.

SUSTAINALYTICS

© 2019 Sustainalytics. All rights reserved.

Date **Feb 13, 2019**

Atlantica Yield PLC

Renewable Power Production | United Kingdom | NAS:AY

12.5 /100 Low

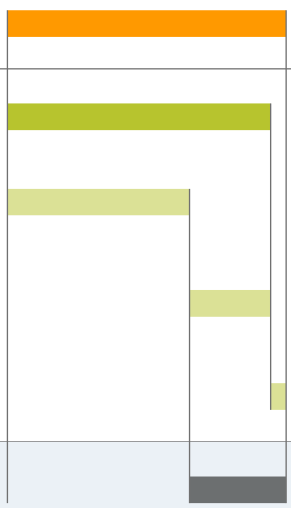
Negl	Low	Med	High	Severe
0-10	10-20	20-30	30-40	40-100

Attribution Details

Issue Name	Contribution to ESG Risk Rating	Subindustry Exposure	Company Exposure	Excess Exposure	Manageable Risk Factor	Management Score	ESG Risk Rating	Risk Category
Corporate Governance	32.2%	9.0	9.0	-	100%	55.4	4.0	
Community Relations	20.8%	8.0	8.0	-	90%	75.0	2.6	
Human Capital	12.3%	4.0	4.0	-	95%	65.0	1.5	
Product Governance	10.9%	4.0	4.0	-	90%	73.3	1.4	
Occupational Health and Safety	9.6%	4.0	4.0	-	90%	78.0	1.2	
Business Ethics	8.8%	4.0	4.0	-	95%	76.3	1.1	
Land Use and Biodiversity	5.4%	3.0	3.0	-	100%	77.5	0.7	
Overall	**100.0%**	**36.0**	**36.0**	**0.0**	**-**	**69.2**	**12.5**	**Low**

△ =Significant event

Risk Details



Exposure			
	Company Exposure	36.0	The company's sensitivity or vulnerability to ESG risks.
Management			
	Manageable Risk	34.0	Material ESG risk that can be influenced and managed through suitable policies, programmes and initiatives.
	Managed Risk	23.5	Material ESG risk that has been managed by a company through suitable policies, programmes or initiatives.
	Management Gap	10.5	Measures the difference between material ESG risk that could be managed by the company and what the company is managing.
	Unmanageable Risk	2.0	Material ESG risk inherent in the products or services of a company and/or the nature of a company's business, which cannot be managed by the company.
ESG Risk Rating			
	Overall Unmanaged Risk	12.5	Material ESG risk that has not been managed by a company, and includes two types of risk: unmanageable risk, as well as risks that could be managed by a company through suitable initiatives but which may not yet be managed.

SUSTAINALYTICS

© 2019 Sustainalytics. All rights reserved.

Atlantica Yield PLC

Renewable Power Production | United Kingdom | NAS:AY

GLOSSARY OF TERMS

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

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

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

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

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

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

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

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

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

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

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

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

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

Management
A company's handling of ESG risks.

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

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

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

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

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

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

SUSTAINALYTICS

© 2019 Sustainalytics. All rights reserved.

Atlantica Yield PLC

Renewable Power Production | United Kingdom | NAS:AY

DISCLAIMER

Copyright © 2019 Sustainalytics. All rights reserved.

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

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

www.sustainalytics.com/legal-disclaimers

© 2019 Sustainalytics. All rights reserved.