

Andorra

Second-Party Opinion – Green, Social and Sustainability Bond Framework

Andorra is a European sovereign issuer. It published an updated green, social and sustainability bond framework in 2026, covering 12 use of proceeds (UoP) categories. Seven of them are green, such as renewable energy and energy efficiency, and five are social, including employment generation and affordable housing. Transactions under the framework align with the core pillars of the ICMA Green Bond Principles (GBP), Social Bond Principles (SBP) and Sustainability Bond Guidelines (SBG).

Excellent 

Good

Aligned

Not Aligned

Pillar	Alignment	Key Drivers
Use of Proceeds	Good	- Sustainable Fitch considers the UoP categories in Andorra's framework to be aligned with the ICMA GBP, SBP and SBG. - The green UoP categories have a positive impact as Andorra considers the EU taxonomy substantial contribution criteria (SCC) on a best-effort basis or recognised market practices. - The social UoP categories have a positive impact as they contribute to the UN Sustainable Development Goals (SDGs). Each UoP targets an overarching social objective, from housing affordability to social inclusion, healthcare and education.
Use of Proceeds – Other Information	Excellent	The framework allows proceeds to finance investments, opex and subsidies within the government budget. It also strengthens allocation practices through a shortened one-year lookback period, and a clear exclusion policy.
Evaluation and Selection	Excellent	The framework applies a structured project selection process with multi-layer controls across multiple ministries ensuring eligible projects undergo structured review and validation.
Management of Proceeds	Good	It manages proceeds through a dedicated internal register supporting transparent tracking and allocations to eligible expenditures. Unallocated proceeds are managed in accordance with Andorra's treasury management practices and exclusion criteria. Ineligible expenditure will be replaced.
Reporting and Transparency	Excellent	The government of Andorra commits to annual allocation and impact reporting, providing transparency on the UoP and impacts, with annual third-party assurance of allocation reports until full allocation.

Relevant UN Sustainable Development Goals



1
NO POVERTY



3
GOOD HEALTH AND WELL-BEING



4
QUALITY EDUCATION



6
CLEAN WATER AND SANITATION



7
AFFORDABLE AND CLEAN ENERGY



8
DECENT WORK AND ECONOMIC GROWTH



9
INDUSTRY, INNOVATION AND INFRASTRUCTURE



10
REDUCED INEQUALITIES



11
SUSTAINABLE CITIES AND COMMUNITIES



12
RESPONSIBLE CONSUMPTION AND PRODUCTION



13
CLIMATE ACTION



15
LIFE ON LAND

Framework Type	Green, Social and Sustainability
Alignment	✓ Green Bond Principles 2025 (ICMA) ✓ Social Bond Principles 2025 (ICMA) ✓ Sustainability Bond Guidelines 2021 (ICMA)
Date assigned	24 September 2026
SPO Methodology	
See Appendix B for definitions.	

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Use of Proceeds Summary – ICMA Categories

Green	Renewable energy
	Energy efficiency
	Clean transportation
	Sustainable water and wastewater management
	Pollution prevention and control
	Circular economy adapted products, production technologies and processes
	Environmentally sustainable management of living natural resources and land use
Social	Climate change adaptation
	Access to essential services (various categories)
	Employment generation
	Affordable housing
	Socioeconomic advancement and empowerment

Source: Andorra green, social and sustainability bond framework (September 2026)

Framework Highlights

We consider transactions under Andorra's green, social and sustainability bond framework to be aligned with the ICMA GBP, SBP and SBG; we assess the framework's alignment as 'Excellent'.

The government of Andorra is an active sovereign sustainable bond issuer, having established its first green, social and sustainability bond framework in 2021. Following its inaugural issuance in 2021, Andorra has continued to use the sustainable bond market to finance eligible environmental and social expenditures. The sovereign sustainable bond programme is now a strategic pillar of Andorra's debt management strategy, and the continued breadth of categories allows Andorra to address a wide range of sustainability challenges in line with its national strategy and the Paris Agreement.

The government of Andorra continues to finance a broad range of environmental and social expenditures under its green, social and sustainability bond framework. The 2026 framework maintains the core eligible categories first introduced in 2021, including renewable energy, energy efficiency, clean transportation, sustainable water and wastewater management, circular economy, biodiversity and land use, climate adaptation, access to essential services, employment generation, affordable housing, and socioeconomic advancement and empowerment.

However, the 2026 update refined and clarified eligibility criteria within these categories. Eligible green expenditures were mapped to relevant EU taxonomy activities, while the eligibility criteria incorporate the EU taxonomy SCC, where feasible. In addition, it streamlined the presentation of eligible expenditures in line with updated ICMA principles.

The framework generally permits the use of recognised market practices or alternative performance thresholds where full SCC alignment is not feasible. Clean transportation is an exception, as eligible expenditures are required to align with the relevant SCC. Andorra will report annually on the degree and share of EU taxonomy-aligned allocations, subject to data availability, including by category. However, do no significant harm and minimum safeguard criteria are not currently mandatory, with the framework only committing to explore their inclusion in future reporting, limiting full taxonomy alignment.

The reduction of the lookback period for eligible expenditures from three years to one year, and the extension of the forward allocation window to three years, better align the framework with Andorra's budget cycle and planning processes, supporting more timely and effective deployment of proceeds. The scope of eligible expenditures continues to include both direct government spending and financing through fully state-owned entities.

The updated framework maintains governance and transparency through clear internal processes for project selection, allocation and monitoring, including a multi-ministerial working group and a formal steering committee for final approvals. Exclusion criteria have also been

reinforced, with explicit bans on fossil fuels, palm oil and other controversial activities, which we view as aligning with international best practice and investor expectations.

The commitment to annual allocation and impact reporting at the individual bond level, including third-party assurance on allocation reporting, supports a high degree of transparency. Reporting is expected to provide granular allocation and impact information across all eligible categories, including category-level allocations, emblematic projects, impact indicators and, subject to data availability, EU taxonomy alignment disclosures. Independent third-party assurance of allocation reporting until full allocation further strengthens the credibility of the framework and provides investors with additional assurance regarding the UoP.

We view the continued updates to Andorra's green, social and sustainability bond framework as reinforcing the programme's credibility and alignment with evolving market standards.

The ICMA recommends that eligible projects are clearly described in the legal documentation for transactions. We have only reviewed the green, social and sustainability bond framework for this Second-Party Opinion and have not reviewed any transaction legal documents or marketing materials.

Source: Sustainable Fitch; Andorra green, social and sustainability bond framework (September 2026)

Entity Highlights

The Principality of Andorra is a European microstate located in the Pyrenees between France and Spain, with a population of around 90,000. Its economy is driven primarily by tourism, trade and services, with winter tourism accounting for around one-third of GDP. The country's mountainous geography and economic reliance on tourism increase its exposure to climate-related risks, particularly rising temperatures, declining snowfall and shorter ski seasons.

Andorra has established a comprehensive national strategy for sustainable development, economic diversification and climate resilience. The country's policy agenda is supported by sectoral strategies, including the national innovation and entrepreneurship strategy, national circular economy strategy and digital transformation strategy, which set long-term objectives to 2030 and 2050.

Climate and energy policy is anchored in Law 21/2018 Llei d'impuls de la transició energètica i del canvi climàtic (Litecc; law on the promotion of energy transition and energy efficiency) and its long-term strategy on energy and climate change 2020-2050. In February 2025, Andorra submitted its updated nationally determined contribution (NDC) under the Paris Agreement, committing to reduce net GHG emissions by 63% by 2035, compared to 2005 levels, and to achieve net-zero emissions by 2050.

Andorra faces significant climate vulnerability as a high-mountain territory, with climate change posing risks to ecosystems and economic activity. In January 2020, the General Council declared a climate and ecological emergency, reinforcing the government's commitment to climate action, adaptation and long-term resilience.

The government has prioritised investment in renewable energy and energy efficiency to reduce reliance on imported electricity, which currently meets around 80% of national demand. The national energy and climate strategy sets a target for 33% of electricity to be produced domestically by 2030, with at least 80% sourced from renewables by 2050. Programmes such as Renova support building renovation and energy upgrades, while financial incentives aim to increase the adoption of nearly zero-energy buildings (NZEBS).

Andorra supports the deployment of low-carbon public transport and active mobility. Public transport reforms have increased access to free or subsidised bus services for citizens. The e-Engega plan and the Cicland electric bicycle scheme have contributed to the growth of electric vehicle (EV) adoption and cycling infrastructure, in line with national efforts to decarbonise the transport sector by 2050.

Natural resource conservation and biodiversity protection are integral to Andorra's development strategy. Forests cover over 39% of the country's surface and absorb more than 40% of national GHG emissions. Government programmes support forest management, ecosystem protection and climate adaptation, reflecting the country's exposure to environmental and climate-related risks as a mountainous territory. Policy efforts seek to

balance economic activity, including tourism, with the preservation of ecosystems and long-term environmental resilience.

Andorra benefits from a robust welfare state, with high life expectancy and among the lowest poverty rates in Europe. The government's social policy agenda increasingly focuses on structural challenges, notably housing affordability and demographic ageing. Recent housing reforms have strengthened rental market regulations and introduced measures to increase affordable housing provision, including multi-year supply targets and new eligibility thresholds.

Social protection has been expanded for people with disabilities, with new accessibility measures and a revised disability accreditation system. The government has increased residential, day-care and home-care services for older people and introduced initiatives to address social isolation among the elderly. Healthcare investments focus on the modernisation and strengthening of the health system, including chronic care, primary care, oncology, mental health and digital health; the modernisation of healthcare infrastructure; and the adoption of new medical equipment and technologies, aiming to deliver high-quality, integrated and patient-centred care.

Andorra continues to advance the digitalisation of public services as part of its broader economic modernisation agenda. Government initiatives support digital transformation across public administration, education and healthcare, with the objective of improving efficiency, accessibility and service delivery.

Source: Sustainable Fitch; Andorra green, social and sustainability bond framework (September 2026); Climate Action Andorra; World Bank



Use of Proceeds – Eligible Projects

Alignment: Good

Company Material

Sustainable Fitch's View

Renewable energy

- Expenditures for the development, construction, acquisition, operation, maintenance and integration of renewable energy generation, storage and grid infrastructure. These expenditures shall be aligned, where feasible, with EU taxonomy SCC for the relevant activities or, alternatively, meet recognised performance thresholds set out below:
 - Renewable heat systems: heat pumps shall comply with Andorra's Energy Regulation in Buildings (Annex 6); biomass feedstock shall meet the sustainability criteria of Article 29 of the Renewable Energy Directive (EU) 2018/2001.
 - Electricity storage: systems shall be connected to renewable energy installations.
 - Carbon intensity of electricity transmitted or distributed must be less than or equal to 100gCO₂e/kWh.
- EU taxonomy-eligible activities include:
 - 4.1 "electricity generation using solar photovoltaic technology";
 - 4.3 "electricity generation from wind power";
 - 4.5 "electricity generation from hydropower";
 - 4.9 "transmission and distribution of electricity";
 - 4.10 "storage of electricity";
 - 4.16 "installation and operation of electric heat pumps";
 - 4.24 "production of heat/cool from bioenergy"; and
 - 7.6 "installation, maintenance and repair of renewable energy technologies".
- This UoP has a positive environmental impact as it supports the decarbonisation of Andorra's energy sector by increasing the share of renewable energy in the country's energy mix. The energy sector is the main source of emissions in Andorra, accounting for about 94% of emissions between 1990 and 2021, with around 76.7% of the country's electricity demand met through imports in 2025, as reported by the state-owned electricity provider Andorran Electric Forces (FEDA).
- Andorra's NDC was updated in 2025. Its GHG-emissions-reduction target increased to 55% over the business-as-usual scenario by 2030 from its original target of 37%. Its long-term strategy on energy and climate change 2020-2050, stemming from Litecc, set the pathway for the country's longer-term objective to achieve carbon neutrality by 2050, which the increase in renewable energy capacity will support.
- Electricity generation from renewables would reduce the country's reliance on imported fossil fuels. According to its updated NDC, Andorra aims to increase national production of energy to 33% by 2030 (50% by 2050), with more than 80% (85% by 2050) aiming to be from renewable sources.
- In 2025, about 75% of the electricity supplied in Andorra was from renewable sources, which includes both domestic production and electricity imported from France and Spain, according to FEDA. FEDA's goal for 2030 is to have all imported electricity from renewable sources.
- FEDA states that wind-generated electricity leads in the renewable energy mix, accounting for 47.6%. Hydropower represents the second-largest source, at 22.6%, in part due to generation from FEDA's hydroelectric plan, while solar PV energy accounts for 4.4% of the renewable mix.
- The government of Andorra approved the construction of the country's first wind farm at the beginning of 2025. The project will enable an increase in domestic production from the current 20% to over 30% of Andorra's energy demand.
- Andorra's renewable energy strategy is supported by the Renova Programme, which provides direct support for building rehabilitation and renewable energy technology installation. These measures are expected to accelerate the deployment of renewable energy technologies and contribute to the country's climate commitments.
- The eligibility criteria allow financing across a broad range of renewable energy activities, including generation, storage and grid infrastructure, subject to EU taxonomy SCC where feasible, or alternative recognised performance thresholds.
- Renewable energy generation from zero-carbon-emissions sources such as solar and wind automatically align with EU taxonomy SCC, as their life-cycle GHG emissions are significantly lower than fossil fuel-based generation. The issuer also confirmed SCC alignment for these activities.
- The inclusion of the 100gCO₂e/kWh threshold is in line with best practice for transmission and distribution of electricity.
- The issuer clarified that eligible expenditures for transmission and distribution activity include the development of a high-voltage electricity interconnection with Spain, to increase cross-border transmission capacity and strengthen electricity supply security.
- Electricity generation from hydropower, linked to the pumped storage hydroelectricity plant at L'Hospitalet-près-l'Andorre, is expected to be of the closed-loop type. This is a future expenditure; therefore, full screening criteria cannot





	be confirmed at this stage. Andorra will report on final EU taxonomy alignment in future reporting periods. • Andorra also subsidises lithium batteries for electricity storage connected to renewable energy generation installations, which is mapped to installation, maintenance and repair of renewable energy technologies and is SCC aligned. This is because the Renova Programme finances renewable energy installations. • The expenditures related to heat pumps acquisition partially align with the SCC for installation and operation of electric heat pumps. The issuer clarified that Andorra's Energy Regulation in Buildings (Annex 6) refers to the two technical screening criteria of activity 4.16. • For energy efficiency, Annex 6, Section 7 mandates compliance with EU Regulations 813/2013 and 814/2013. These regulations implement Ecodesign principles under Directive 2009/125/EC referenced in the activity 4.16 criterion (b). The refrigerant global warming potential (GWP) criterion for this activity in the EU taxonomy requires a threshold of GWP less than or equal to 675. • Annex 6, Section 8.2 of the above-mentioned Andorran regulation requires ozone depletion potential of zero and the lowest possible GWP, with no quantitative threshold, which would be needed for full alignment. • For production of heat/cool from bioenergy, linked to the acquisition of biomass boilers, the SCC require that biomass feedstock meets the sustainability requirements of the Renewable Energy Directive's article 29, which the issuer confirmed meeting. The SCC also require that biomass feedstock meets the GHG emission savings threshold of at least 80% relative to the fossil fuel comparator. • Andorra did not have such data as of our assessment; therefore, we could not confirm full EU taxonomy alignment. • For expenditures where SCC alignment cannot be confirmed, the issuer will select either defined performance thresholds or qualitative criteria in line with market practices. These practices will be guided by their direct link to the relevant environmental objective, alignment with the ICMA GBP, and prevailing market practices in ICMA-aligned frameworks. • For expenditures that are not aligned with the EU taxonomy SCC and instead defined by qualitative market practices, our assessment is informed by the qualitative nature of the framework's eligibility criteria. This guides the extent to which we can assess the environmental characteristics of the projects that may be financed. • The renewable energy UoP contributes to SDGs 7 (affordable and clean energy) and 9 (industry, innovation and infrastructure) and aligns with the ICMA GBP renewable energy category.
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Energy efficiency

• Expenditures aimed at promoting energy savings and efficiency improvements in both public and private sectors. These expenditures shall be aligned, where feasible, with EU taxonomy SCC for the relevant activities or, alternatively, meet below performance thresholds: – achieve a minimum 30% reduction in energy consumption or primary energy demand compared to baseline performance; – achieve an energy performance certificate (EPC) rating of class A; – for new buildings, comply with NZEB standards as required under Litecc, for all buildings receiving a construction permit from 1 January 2020 onwards; and	• This UoP has a positive environmental impact as it contributes to Andorra's efforts to decarbonise its building stock. From the 94% of GHG emissions the energy sector emits, 23% corresponds to the consumption of fossil fuels in buildings, including commercial, institutional and residential sectors, based on the data from Andorra's national GHG inventory. • The projects under this UoP support the goal of reducing Andorra's building energy consumption by 40% by 2030, compared to 2017 levels, as set out in the country's long-term strategy on energy and climate change 2020-2050. • Projects in this category support Litecc's requirements for specific measures promoting energy savings and energy efficiency in buildings. These include the renovation of	 7 AFFORDABLE AND CLEAN ENERGY  9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
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– for existing building renovations, comply with the energy performance improvement thresholds established under the Renova Programme. • EU taxonomy eligible activities include: – 4.15 “district heating/cooling distribution”; – 7.1 “construction of new buildings”; – 7.2 “renovation of existing buildings”; – 7.3 “installation, maintenance and repair of energy efficiency equipment”; – 7.5 “installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings”; – 7.6 “installation, maintenance and repair of renewable energy technologies”; and – 7.7 “acquisition and ownership of buildings”.	existing buildings, the reduction of energy dependence on fossil fuels for heating in the building sector, efficient energy management, and the regulation of construction criteria for new buildings based on NZEB standards. • The Renova Programme, part of the eligible budget expenditures, provides support for building rehabilitation and energy efficiency improvements, being a key national initiative that is expected to contribute to the reduction of energy use in buildings. • Some of the eligibility criteria for this UoP mirror the EU taxonomy SCC for real estate activities, rendering them aligned with the SCC. These include those for renovation of existing buildings, with a minimum 30% reduction in primary energy demand requirement. • Assets with an EPC rating A have to be built before 31 December 2020 to align with the criteria for acquisition and ownership of buildings. Buildings built after that date need to comply with the SCC for activity 7.1. The criteria for construction of new buildings are not SCC aligned, though we assess the impact positively, as regulation requires new buildings to meet NZEB standards. • This UoP includes financing for installation, maintenance and repair of energy-efficiency equipment, which we view positively, although our assessment is limited by the lack of details on whether the UoP aligns with the SCC for this eligible activity. • Given the inclusion of the Renova Programme among eligible expenditures, we consider the installation of instruments and devices for measuring, regulating and controlling building energy performance and of renewable energy technologies as aligned with the SCC. The building renovations the programme finances improve energy efficiency, enhance thermal insulation, upgrade heating systems, and involve installing renewable energy sources. • This UoP also includes district heating and cooling distribution, which, as centralised systems, is an established form of efficient energy distribution; they reduce negative environmental impacts from building operations, such as GHG emissions, reducing waste heat and improving air quality. Efficient district systems use less gas and oil from other countries, reducing energy dependency as well. • The issuer confirmed that expenditure under district heating and cooling distribution meet the definition of an efficient district heating and cooling system under Article 2(41) of Directive 2012/27/EU, rendering them aligned with the EU taxonomy SCC. These include the interconnection of the Andorra and Escaldes district heating networks, as well as the commissioning of the Escaldes district heating and cooling network. • The Andorran Energy Infrastructure Sectoral Plan reported that two district heating networks powered by biomass boilers are planned. There are currently no budgeted expenditures allocated to these projects; however, the activity remains included in the framework's mapping, reflecting the issuer's intention to support eligible investments in the future. • This UoP contributes to SDGs 7, 9 and 13 (climate action), and aligns with the ICMA GBP energy efficiency category.
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Clean transportation

• Expenditures aimed at deploying low-carbon public transportation and promoting low-carbon individual transportation. These expenditures shall be aligned with EU taxonomy SCC for the relevant activities. • EU taxonomy-eligible activities include:	• This UoP has a positive environmental impact as it supports zero emissions and low-carbon transport and infrastructure, contributing to reducing GHG emissions and air pollution from the transportation sector.
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- 6.1 “passenger interurban rail transport”;
 - 6.3 “urban and suburban transport, road passenger transport”;
 - 6.4 “operation of personal mobility devices, cycle logistics”;
 - 6.5 “transport by motorbikes, passenger cars and light commercial vehicles”;
 - 6.6 “freight transport services by road”;
 - 6.13 “infrastructure for personal mobility, cycle logistics”; and
 - 6.15 “infrastructure enabling low-carbon road transport and public transport”.
- The UoP supports Andorra’s aim to reduce national transport-related GHG emissions by 50% by 2030. This excludes fuel tourism, which consists of driving long distances to a country to buy more affordable fuel. At the legislative level, the Law 4/2016 sets rules for EV adoption, preferential taxes for EVs, and requires new buildings to include charging stations.
 - The transport sector represents 56% of GHG emissions and 52% of the energy demand in the country, as stated in Andorra’s long-term strategy on energy and climate change. This is driven by a fossil fuel-based transport sector.
 - The promotion of public transport, such as interurban rail and urban and suburban road transport is a part of Andorra’s strategy to shift mobility towards low-carbon modes. It can also help reduce reliance on conventional private vehicles, contributing to more efficient mobility systems.
 - We view it positively that the framework aligns the entire clean transportation UoP with the EU taxonomy SCC, in line with market best practice.
 - Tramvalira, part of eligible budget expenditures, envisages a 100% electric tram, meaning it will have no direct emissions. The passenger interurban rail transport eligible activity requires trains to have zero direct CO₂ emissions.
 - The Tramvalira cross-border tram project, connecting Andorra with La Seu d’Urgell in Spain, aims to improve cross-border connectivity and support sustainable mobility for residents and visitors. The project seeks to address transport constraints in a geographically integrated cross-border region by providing an alternative public transport system.
 - For the urban and suburban transport, road passenger transport eligible activity the issuer also confirmed SCC alignment with direct (tailpipe) CO₂ emissions at zero.
 - The operation of personal mobility devices and cycle logistics subcategory promotes the use of electric bicycles and other zero-emission mobility options. The Cicland public electric bicycle scheme supports the reduction of private vehicle use and encourages active, low-carbon transport.
 - For the transport by motorbikes, passenger cars and light commercial vehicles subcategory, the issuer confirmed alignment with the SCC as it intends to comply with the applicable emissions thresholds, including zero direct emissions. The e-Engega plan provides subsidies for EVs, accelerating adoption of zero-emission mobility.
 - For freight transport services by road, the issuer clarified that eligible vehicles and related infrastructure must not be dedicated to the transport or storage of fossil fuels; therefore, the project category is aligned.
 - The infrastructure for personal mobility, cycle logistics subcategory enables further deployment of facilities necessary for the transition to low-carbon transport. These projects are automatically aligned with the EU taxonomy SCC for climate change mitigation.
 - For infrastructure enabling low-carbon road transport and public transport, we consider the projects to be aligned, as the issuer states that the sub-categories in this UoP will align with the SCC.
 - This UoP contributes to SDGs 7, 9, 11 (sustainable cities and communities) and 13 and aligns with the ICMA GBP under the clean transportation category.





Sustainable water and wastewater management

- Expenditures aimed at developing, constructing, operating and maintaining sustainable wastewater infrastructure and projects that contribute to improved water quality, wastewater collection and treatment systems and enhanced climate resilience through flood prevention and mitigation measures.
- These expenditures shall be aligned, where feasible, with EU taxonomy SCC for the relevant activities or, alternatively, with recognised market practices in sustainable water management, as defined below:
 - construction, renewal and operation of wastewater collection and treatment systems, including urban wastewater treatment plants, sewer networks, sewer separation infrastructure, and water recycling and reuse systems;
 - sustainable urban drainage systems (SUDS), retention basins, stormwater collection and controlled discharge infrastructure, aimed at reducing combined sewer overflow events, mitigating urban flood risk and strengthening the climate resilience of urban water systems; and
 - water resource management and water quality monitoring.
- EU taxonomy-eligible activities include:
 - 5.3 “construction, extension and operation of wastewater collection and treatment”;
 - 5.4 “renewal of wastewater collection and treatment”;
 - 2.2 “urban wastewater treatment”; and
 - 2.3 “sustainable urban drainage systems (SUDS)”.
- This UoP has a positive environmental impact as it supports Andorra’s efforts to ensure effective wastewater treatment for both residents and the tourism sector.
- Andorra’s water sanitation plan, a key national water policy instrument, establishes long-term objectives for water quality and wastewater treatment infrastructure, which eligible projects can support.
- We positively view the construction, extension and operation of wastewater collection and treatment subcategory, as it can reduce contamination of water bodies and support the protection of natural water resources. These can help protect water resources and ecosystems by improving wastewater collection, treatment and reuse infrastructure.
- The renewal of wastewater collection and treatment subcategory improves energy efficiency by decreasing the average energy consumption of the system. Wastewater treatment projects remove harmful pollutants, pathogens and toxic chemicals before the water returns to the natural systems. They help protect aquatic ecosystems, prevent groundwater contamination and safeguard public health.
- We also assess the urban wastewater treatment subcategory as positive, as it supports the effective management of wastewater generated by households, businesses and the tourism sector. Investments in wastewater collection and treatment infrastructure can enhance the reliability and capacity of sanitation networks.
- SUDS help manage stormwater runoff and enhance resilience to flooding. Promoting the infiltration, retention and treatment of rainwater through nature-based and engineered drainage solutions can reduce pressure on wastewater infrastructure, mitigate pollution risks and support the protection of aquatic ecosystems in cases of extreme precipitation events.
- For projects where SCC alignment cannot be confirmed, the issuer will select defined performance thresholds or qualitative criteria in line with market practices in the framework.
- Such practices include water recycling and reuse, which help reduce pressure on freshwater resources and support the circular use of water. This is relevant for Andorra, where seasonal population fluctuations due to tourism can place additional stress on water infrastructure.
- Our assessment for projects that are not aligned with the EU taxonomy SCC and instead defined by qualitative market practices is informed by the qualitative nature of the framework’s eligibility criteria. This guides the extent to which we can assess the environmental characteristics of the projects that may be financed.
- This UoP supports SDG 6 (clean water and sanitation) and aligns with the ICMA GBP under the sustainable water and wastewater management category.



Pollution prevention and control and circular economy

- Expenditures aimed at developing, constructing, operating and maintaining sustainable waste treatment infrastructure and projects. These expenditures shall be aligned, where feasible, with EU taxonomy SCC for the relevant activities or, alternatively, with recognised market practices in sustainable waste management, as defined below:
 - support waste management and prevention including waste reception, sorting, treatment and recovery, as well as the increase of recycling and/or reuse of waste materials; and
- This UoP has a positive environmental impact as it supports Andorra’s efforts to reduce waste generation and increase recycling and reuse. We also expect activities under this UoP to contribute to climate change mitigation by reducing emissions associated with waste disposal.
- The recycling rate in Andorra stood at about 48.3% in 2025, following the government’s reported data. This is below the 55% target for 2025 and the 65% projected for 2035, a target set in its national waste plan horizon 2035 – part of its national circular economy strategy, an instrument for





– expenditures to prevent waste generation, ensure proper waste management and implement measures to encourage the circular economy. • EU taxonomy-eligible activities include: – 2.3 “collection and transport of non-hazardous and hazardous waste”; – 2.4 “treatment of hazardous waste”; – 2.5 “recovery of bio-waste by anaerobic digestion or composting”; – 2.6 “depollution and dismantling of end-of-life products”; – 2.7 “sorting and material recovery of non-hazardous waste”; – 5.7 “anaerobic digestion of bio-waste”; – 5.8 “composting of bio-waste”; – 2.1 “collection and transport of hazardous waste”; – 2.2 “treatment of hazardous waste”; and – 2.4 “remediation of contaminated sites and areas”.	planning an efficient waste management policy. It is reviewed at least every five years. • Collection and transport of waste activities support the efficient and safe transfer of waste to appropriate recovery, recycling, treatment or disposal facilities. The treatment of hazardous waste contributes to pollution prevention and control by ensuring hazardous waste is treated, recovered or disposed of in a manner that reduces risks to human health and the environment. • Effective treatment helps prevent the release of harmful substances to air, soil and water and may facilitate material recovery where technically feasible. • The recovery of biowaste through anaerobic digestion or composting supports both circular economy and climate objectives by recovering value from separately collected bio-waste that would otherwise be disposed of. The framework states that Andorra's circular economy programme finances source-segregated collection, composting facilities and anaerobic digestion plants that recover bio-waste as compost or biogas. • Anaerobic digestion contributes to climate change mitigation by reducing methane emissions from organic waste and generating renewable biogas that can displace fossil fuel consumption. • Composting supports the recovery of nutrients and organic matter from separately collected bio-waste, reducing disposal volumes and supporting the productive reuse of biological resources. It can be applied to soils to improve soil structure, water retention and nutrient content. • Sorting and material recovery of non-hazardous waste support the transition towards a circular economy by enabling the recovery of secondary raw materials, reducing reliance on virgin resource extraction and diverting waste from landfill or incineration. • Depollution and dismantling of end-of-life products support pollution prevention and resource efficiency through the removal of hazardous substances and the recovery of materials suitable for reuse, recycling or recovery. • The remediation of contaminated sites and areas addresses the contamination of soil, groundwater, surface water and ecosystems resulting from historical industrial, commercial or waste management activities. Remediation projects can reduce or eliminate sources of pollution, prevent the migration of contaminants and restore the environmental quality and ecological functions of affected areas. • We were unable to verify alignment with the relevant SCC. For projects where SCC alignment cannot be confirmed, the issuer will select programmes that follow recognised market practices in the framework, and our assessment is informed by the qualitative nature of the eligibility criteria. This guides the extent to which we can assess the environmental characteristics of the projects that may be financed. • This UoP supports SDGs 7, 11 and 12 (responsible consumption and production), and aligns with the ICMA GBP under the pollution prevention and control and the circular economy adapted products, production technologies and processes categories.
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Sustainable management of living natural resources, land use and biodiversity protection

- Expenditures aimed at the development of sustainable agriculture or projects that contribute to the preservation and restoration of natural landscapes.
- These expenditures shall be aligned, where feasible, with EU taxonomy SCC for the relevant activities or, alternatively, with recognised market practices such as certified agriculture under the EU Organic label or forestry practices, including Forest Stewardship Council (FSC), Programme for the Endorsement of Forest Certification (PEFC) or equivalent standard.
- EU taxonomy-eligible activities include:
 - 1.1 "conservation, including restoration, of habitats, ecosystems and species".
- This UoP has a positive environmental impact, as it supports Andorra's efforts to protect and restore natural landscapes, and enhance biodiversity. Its mountainous geography and designation as a UNESCO Biosphere Reserve highlight the importance of maintaining its ecosystem.
- The projects under this UoP contribute to Andorra's national biodiversity strategy, to preserve biodiversity within its objectives. The rehabilitation of forests following extreme events contributes to climate change mitigation and ecosystem recovery by restoring forest cover and ecological functions.
- Andorra's first national forest inventory notes that forests absorb about 40% of the country's attributable GHG emissions, highlighting their role in climate change mitigation. Such projects can also improve soil stability, support water regulation and facilitate habitat recovery.
- Sustainable forest certifications enable practices aimed at maintaining and enhancing the health, productivity and resilience of forest ecosystems. Recognised certifications such as FSC and PEFC provide assurance regarding sustainable management practices.
- Conservation forestry supports the protection of forests with high ecological value through the preservation of biodiversity and habitats. This complements sustainable forest management by prioritising conservation outcomes in ecologically sensitive areas.
- The issuer clarified that alignment with the SCC could not be confirmed; therefore, a double approach of eligibility criteria will be taken, meaning that either EU taxonomy SCC or defined performance thresholds or qualitative criteria in line with market practice will apply, such as EU Organic label or forestry practices including FSC, PEFC or equivalent standards.
- This UoP supports SDGs 13 and 15 (life on land), and aligns with the ICMA GBP under the environmentally sustainable management of living natural resources and land use category.



Climate change adaptation

- Expenditures for to the improvement of resilience and adaptive capacities with the goal of facing climate change consequences. These expenditures shall be aligned, where feasible, with EU taxonomy SCC for the relevant activities or, alternatively, with recognised market practices such as:
 - development and operation of climate observation systems and meteorological services, including early warning infrastructure, to strengthen adaptive capacities against extreme weather events and climate-related hazards;
 - air-quality monitoring, environmental risk prevention and compliance enforcement activities supporting territorial resilience to climate change consequences; and
 - policy coordination, awareness-raising and technical programmes implementing national climate adaptation commitments, including Andorra's NDC under the Paris Agreement.
- EU taxonomy-eligible activities include:
 - 3.1 "nature-based solutions for flood and drought risk prevention and protection";
 - 8.4 "software enabling physical climate risk management and adaptation";
- This UoP has a positive environmental impact as it supports Andorra's efforts to strengthen resilience to climate risks, which is critical for a high-altitude, mountainous country facing increasing climate vulnerability.
- Nature-based solutions for flood and drought risk prevention and protection support Andorra's long-term strategy on energy and climate change 2020-2050. Healthy ecosystems, protected areas and biodiversity restoration are outlined in the strategy as strengthening climate resilience by reducing the impacts of floods, droughts, avalanches and landslides, while supporting carbon sequestration.
- According to its updated NDC commitments, the country is developing a national adaptation plan based on its climate risk assessment, with concrete adaptation actions for priority sectors and alignment with the Global Goal on Adaptation by 2030.
- Adaptation is a focus in particularly exposed sectors such as tourism, primary sector, health and energy. Measures including tourism diversification, climate-resilient agriculture and more diversified energy systems are already being implemented.
- We positively view expenditures related to software enabling physical climate risk management and adaptation as well as to engineering activities and related technical consultancy dedicated to adaptation.





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| <ul style="list-style-type: none"> – 9.1 “engineering activities and related technical consultancy dedicated to adaptation to climate change”; – 10.1 “non-life insurance: underwriting of climate-related perils”; and – 14.1 “emergency services”. | <ul style="list-style-type: none"> • In the context of Andorra’s climate adaptation strategy and the climate change impact and vulnerability study it performed, such solutions can facilitate the assessment of climate vulnerabilities, support evidence-based decision-making and enable the implementation of targeted adaptation measures across exposed sectors. • The non-life insurance sub-category strengthens resilience to the physical risks associated with climate change, including floods, storms, wildfires and droughts, as it can support faster recovery following extreme weather events and reduce the economic vulnerability of households, businesses and communities. • We assess the emergency services subcategory as positive, as it finances early warning systems for climate-related disasters including coordination infrastructure and capacity-building. The development of a national emergency management centre was also included among the eligible budget expenditure. • These investments will tackle the increasing frequency and severity of extreme events, and the long-term impact of climate change. Mountainous territories such as Andorra are particularly sensitive to the effects of climate change, according to the Intergovernmental Panel on Climate Change’s sixth assessment report (March 2023). It highlights the irreversible adverse impacts and adaptation limits of mountain regions, as well as their severe consequences for people, infrastructure and the economy. • The average temperature in the Pyrenees has been increasing while the average annual rainfall has been decreasing, according to a study conducted by the Pyrenean Climate Change Observatory. These impacts have been most noticeable in summer and spring in terms of temperature and in winter and autumn in terms of rainfall. Snow cover decreased between 1958 and 2017, and the most noticeable reduction can be detected above an altitude of 2,100 metres. • For projects where SCC alignment cannot be confirmed, the issuer will follow recognised market practices, as outlined in the framework, and our assessment is informed by the qualitative nature of the framework’s eligibility criteria. This guides the extent to which we can assess the environmental characteristics of the projects that may be financed. • This UoP supports SDGs 6, 11 and 13 and aligns with the ICMA GBP under the climate change adaptation category. |
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Access to essential services – health and healthcare

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| <ul style="list-style-type: none"> • Expenditures relating to provision, modernisation and operation of public and subsidised healthcare infrastructures and services. • Target population: including but not limited to the general resident population of Andorra covered under the Caixa Andorrana de Seguretat Social mandatory health insurance scheme, low-income and economically vulnerable individuals benefiting from non-contributory coverage, persons with disabilities, persons with mental health conditions and addiction disorders. | <ul style="list-style-type: none"> • This UoP has a positive social impact as it contributes to access to quality healthcare for the general population, including vulnerable groups. Population coverage of the social health insurance scheme is extensive in Andorra, covering over 98.6% of residents in 2026, according to government statistics. • Consistent with Andorra’s commitment to maintaining the population’s access to healthcare through its public health system, these investments are expected to contribute positively to health outcomes and service availability. • We also positively assess expenditures related to digital health information systems, telemedicine services, integrated care models and health research. • The Andorra Salut App currently serves as a tool to facilitate access to users’ health information, including clinical reports and diagnostic test results, enabling services such as appointment requests and referrals to other healthcare professionals or specialities. Future developments in digital health include electronic prescriptions and the |
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	implementation of new digital health tools aimed at improving the quality and efficiency of healthcare. • The eligible expenditures included in the framework can improve the accessibility, efficiency and resilience of healthcare delivery, particularly by supporting continuity of care across the territory and enhancing the system's ability to respond to public health challenges and meeting higher demand efficiently. • Besides the general public, eligibility criteria also target specific vulnerable populations, which we view positively. These include persons with disabilities, low-income and economically vulnerable individuals, and persons with mental health conditions and addiction disorders. • This UoP contributes to SDG 3 (good health and well-being) by improving the accessibility of these services. It also supports the economy by encouraging innovation in the healthcare sector. It is in line with the access to essential services category of the ICMA SBP.
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Access to essential services – education

• Expenditures relating to the provision, modernisation and operation of public education infrastructure and services. • Target population: students from early childhood through vocational education, students from low-income or disadvantaged households, university students, researchers and academics, and the general public.	• This UoP has a positive social impact by improving access to quality education and vocational training for the general population, including target groups. Modern, well-maintained education facilities improve education quality and support innovation, employability and economic growth. • Access to educational resources empowers individuals, leading to better socioeconomic outcomes and reduced inequality. Supporting professional training and continuous education helps people adapt to changing job markets and contributes to economic resilience. • The category is particularly relevant given the government's national action plan for higher education 2024-2027, which seeks to modernise the education system, strengthen alignment with the European Higher Education Area and promote more flexible and inclusive learning pathways, including digital learning and micro-credentials. • The expenditures are in line with the broader national strategy to diversify the economy and increase investment in innovation through the national plan for innovation and diversification, which envisages gradually raising public innovation spending to around 7%–8% of the government budget over the next decade. • The target populations include the whole student population regardless of income capacity, with particular attention to some targeted socially vulnerable groups. Overall, we view this UoP as promoting inclusion and equity in the educational sector through targeted support for students who need it. • This UoP supports educational infrastructure and access to education; it directly contributes to SDG 4 (quality education) by increasing public access to educational facilities and opportunities for upskilling, enabling individuals to adapt to changing job markets, and promoting economic resilience and growth. It is in line with the access to essential services category of the ICMA SBP.	 4 QUALITY EDUCATION
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Employment generation

• Expenditures supporting stable employment creation and preservation including support for micro, small and medium-sized enterprises (MSMEs), the professional integration of persons with disabilities, and reintegration of unemployed individuals. • Target population: MSMEs, unemployed individuals and persons with disabilities facing barriers to labour market participation.	• This UoP has a positive social impact as it can support community cohesion and individual well-being by mitigating the adverse social effects associated with joblessness. The inclusion of support for MSMEs recognises the role these enterprises play in economic activity and job creation in Andorra. • Andorra's unemployment rate is low, standing at 1.4% in 1Q26, according to the latest labour force survey from the Statistics Department, but financing social inclusion through job creation is a priority.	 8 DECENT WORK AND ECONOMIC GROWTH
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- We view positively that the programmes supporting professional insertion also target vulnerable populations such as people with disabilities. The financing helps create a robust job market that can help reduce poverty, improve the standard of living and empower individuals to achieve financial independence.
- Andorra's public employment service supports labour market integration by connecting job seekers with employers and improving employment opportunities across the country. It provides a free, state-backed platform where residents can access job vacancies and employment support services, while companies can advertise positions and recruit candidates.
- This UoP contributes to SDG 8 (decent work and economic growth) by ensuring vulnerable individuals have equal rights to economic resources. It is in line with the employment generation category of the ICMA SBP.

Affordable housing

- Expenditures relating to the production, financing and allocation of access to affordable housing.
- Target population: households with a legally recognised housing need who are legal residents in Andorra and whose gross annual income does not exceed the applicable thresholds established according to household composition.
- This UoP has a positive social impact as it addresses housing affordability pressures in Andorra, where rising costs and demand and limited supply have become central policy concerns.
- Elevated housing costs can create barriers to accessing adequate housing, particularly for lower-income households, foreign workers and seasonal employees. The Chamber of Commerce, Industry and Services of Andorra showed difficulties in finding qualified personnel in 56.3% of construction companies and in 50% of the hotel companies surveyed, linking the shortage of affordable housing to difficulties in recruiting and retaining workers.
- Expanding the supply of affordable housing therefore may support not only social inclusion, but also labour market participation. Households whose gross annual income does not exceed the applicable thresholds set by reference to the national minimum wage are eligible.
- Eligible expenditures also include vulnerable populations such as supported housing for individuals with psychosocial vulnerabilities and income below the minimum wage. It also includes the provision and operation of emergency housing units for households facing eviction.
- To address housing affordability, the government passed the Law 5/2025 on sustainable growth and the right to housing to expand the public affordable housing stock and regulate the rental market. The Institut Nacional de l'Habitatge manages the public housing portfolio, and ongoing programmes are in place to increase supply.
- In 2025, the government launched the First Home Ownership Programme, which provides a 100% public guarantee on mortgage loans and fully covers the interest for seven years. The programme requires no downpayment, which facilitates tenants to become homeowners without upfront savings.
- This UoP contributes to SDG 11 and is aligned with the affordable housing category of the ICMA SBP.



Socioeconomic advancement and empowerment

- Expenditures aimed at reducing social and economic inequalities and promoting social inclusion, autonomy, equal opportunities and resilience against serious social and environmental risks.
- Target population: children, adolescents and young people in vulnerable situations; nonprofit organisations; people with disabilities; elderly people; and people in situations of social risk, exclusion or emergency.
- This UoP has a positive social impact, as it supports clearly defined target populations through expenditures linked to social protection and inclusion. The framework identifies vulnerable young people; children and adolescents at risk; nonprofit organisations; people with disabilities; elderly people; and people in situations of social risk, exclusion or emergency as the intended beneficiaries.
- We assess targeting vulnerable populations positively as these groups may face disproportionate challenges in





	accessing employment, social services and economic opportunities. • The inclusion of solidarity pensions, disability support programmes and initiatives promoting accessibility and participation can contribute to improving quality of life and fostering greater social inclusion. The government expanded subsidised residential and day-care capacity, strengthened home-care services and advanced disability inclusion through the 2025 Universal Accessibility Law and related reforms. • Andorra's social policy framework is underpinned by a robust welfare state, but the government recognises the need to address emerging pressures such as demographic change, disability inclusion and youth vulnerability. These efforts are consistent with Andorra's commitment to the SDGs. • In addition to promoting social inclusion, the UoP aims to strengthen resilience among vulnerable populations facing social and environmental risks. • Eligible expenditures include civil protection emergency operations, disaster relief activities and preparedness measures designed to support individuals affected by natural disasters or situations of social vulnerability. These expenditures can help reduce exposure to adverse events and improve communities' capacity to respond to and recover from crises. • The socioeconomic advancement and empowerment category contributes to SDGs 1 (no poverty), 9, 10 (reduced inequalities) and 11. It is aligned with the ICMA SBP under the socioeconomic advancement and empowerment category.	 10 REDUCED INEQUALITIES  11 SUSTAINABLE CITIES AND COMMUNITIES
Source: Andorra green, social and sustainability bond framework (September 2026)	Source: Sustainable Fitch	

Use of Proceeds – Other Information

Company Material

- The framework covers a broad range of green and social expenditure categories, with proceeds expected to be allocated within 36 months of issuance.
- Eligible expenditures may include those incurred during the previous year, the year of issuance, and up to three years after issuance, with the lookback period reduced from three years to one year and the forward allocation window extended to three years to align with Andorra's budget cycle and investment planning.
- The exclusion list is comprehensive, covering alcohol, tobacco, gaming, armaments and defence, deforestation, fossil fuels, palm oil, and all categories excluded under the EU Paris-Aligned/Climate Transition Benchmarks.

Source: Andorra green, social and sustainability bond framework (September 2026)

Alignment: Excellent

Sustainable Fitch's View

- Andorra's framework is dedicated to financing and refinancing eligible expenditures within the government's budgetary programmes and, where applicable, entities fully owned by Andorra meeting the eligibility criteria, across a broad range of green and social categories.
- Eligible expenditures may include investment expenditures, current expenditures as well as subsidies and transfers, and exclude expenditures already financed through other entities such as the EU or any other earmarked funding.
- The shortened lookback period to one year, combined with a three-year forward allocation window, supports additionality while reflecting the sovereign's budget cycle. The framework does not specify the expected ratio of refinancing to financing. However, based on the historical allocation of the longstanding programmes, proceeds may support both new projects and new beneficiaries, although the exact proportion allocated to these remains difficult to quantify.
- We view positively that Andorra's framework provides a well-defined exclusion list, which supports the integrity of the UoP and ensures proceeds are not used to finance environmentally and socially harmful sectors.

Source: Sustainable Fitch

Evaluation and Selection

Company Material

- All projects must fall within specified eligible categories, and project selection is governed by a structured process that reviews alignment with the EU taxonomy and recognised standards.
- An inter-ministerial working group, coordinated by the Ministry of Finance and comprising the Ministries of Environment, Agriculture and Livestock; Territorial Planning and Urban Development; Presidency, Economy, Work and Housing; Health; Social Affairs; Institutional Affairs, Education and Universities; Culture, Youth and Sports; and Civil Service and Digital Transformation, prepares a preliminary list of eligible green and social expenditures and supporting information.
- A steering committee composed of Ministry of Finance representatives validates the final eligible pool, monitors continued eligibility, checks for double counting or alternative financing, and oversees annual allocation and tracking of proceeds.

Source: Andorra green, social and sustainability bond framework (September 2026)

Alignment: Excellent

Sustainable Fitch's View

- The project evaluation and selection process is aligned with the ICMA GBP, SBP and SBG under the project evaluation and selection pillar.
- The project evaluation and selection process is robust and well defined, with clear separation of roles between evaluation and approval.
- The structured involvement of multiple ministries provides cross-functional expertise and supports comprehensive due diligence, reducing the risk of misallocation.
- The framework incorporates a two-step governance process, whereby expenditures are first reviewed by the inter-ministerial working group and subsequently validated by the steering committee, helping to ensure consistency with the framework's eligibility and exclusion criteria.
- The framework's process reflects strong governance and aligns with market practice for sovereign issuers, supporting credibility in the allocation of proceeds. This approach enables effective oversight throughout the life cycle of eligible projects.

Source: Sustainable Fitch

Management of Proceeds

Company Material

- The framework specifies that net proceeds from green, social and sustainability bonds are deposited in the Central Government Treasury.
- Allocation and tracking are overseen by the steering committee, with tracking managed through internal processes and treasury policy, reflecting a virtual segregation approach.
- The framework provides that, on a best-efforts basis, eligible expenditures will meet or exceed the amount of outstanding bond proceeds. Unallocated proceeds will be managed in accordance with Andorra's treasury and liquidity management practices and the framework's exclusion criteria until full allocation.
- The steering committee is responsible for validating eligible expenditures, confirming alignment with eligibility criteria, and reallocating proceeds within 12 months if any expenditure becomes ineligible.

Source: Andorra green, social and sustainability bond framework (September 2026)

Alignment: Good

Sustainable Fitch's View

- The management of proceeds aligns with the requirements of the ICMA GBP, SBP and SBG.
- A dedicated internal register maintained by the Ministry of Finance supports the tracking and transparent reporting of proceeds and allocations to eligible expenditures. Until allocated, unallocated proceeds will be managed in accordance with Andorra's treasury and liquidity policy. All proceeds will be subject to the exclusion criteria set out in the framework.
- We view positively the presence of an established mechanism to replace expenditures that become ineligible, supporting ongoing compliance with the eligibility criteria. The commitment to reallocate proceeds within a defined timeframe, and annual oversight by the steering committee, provides process integrity.

Source: Sustainable Fitch

Reporting and Transparency	
Company Material	Alignment: Excellent
Sustainable Fitch's View	
- The government of Andorra commits to providing an annual green, social and sustainability bond report until the full allocation of proceeds, or more frequently in case of material changes. - The report will include information on the allocation of proceeds towards eligible green and social expenditures, a breakdown by category, project descriptions, the share of new financing versus refinancing, and the balance of unallocated proceeds. - The impact reporting will be provided, covering quantitative metrics such as estimated annual GHG emissions avoided or reduced, energy savings, number of beneficiaries, and reductions in pollutant levels. - Impact metrics will be calculated using methodologies aligned with ICMA Harmonised Framework for Impact Reporting and, where applicable, EU taxonomy standards. - The allocation report will be subject to independent external verification annually until full allocation, and the results will be made publicly available.	- The issuer's reporting commitments align with the ICMA GBP, SBP and SBG. - Annual allocation and impact reporting until full allocation of proceeds, supplemented by disclosures in the event of material changes, provides investors with regular transparency on the use of proceeds and associated environmental and social impacts. - Allocation and impact reporting will be provided on a bond-by-bond basis at the category level rather than at the level of individual projects. - The impact indicators listed in the framework are specific and measurable; they reflect the environmental and social impact of eligible projects. This meets good practice for impact reporting. - On a best-effort basis, the issuer intends to provide impact reporting, subject to data availability and in accordance with the ICMA Harmonised Framework for Impact Reporting. - Annual external verification of allocation reporting until full allocation strengthens investor assurance over the use of proceeds.
Source: Andorra green, social and sustainability bond framework (September 2026)	Source: Sustainable Fitch



Relevant UN Sustainable Development Goals

- **1.4:** By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance.



- **3.8:** Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.



- **4.4:** By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.



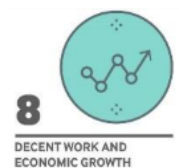
- **6.3:** By 2030, improve water quality by reducing pollution, eliminating dumping and minimising release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.
- **6.6:** By 2020, protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes.



- **7.1:** By 2030, ensure universal access to affordable, reliable and modern energy services.
- **7.2:** By 2030, increase substantially the share of renewable energy in the global energy mix.
- **7.3:** By 2030, double the global rate of improvement in energy efficiency



- **8.5:** By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.



- **9.1:** Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.
- **9.4:** By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.



- **10.2:** By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.





Relevant UN Sustainable Development Goals

- **11.1:** By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums.
- **11.2:** By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons.
- **11.6:** By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.
- **11.b:** By 2020, substantially increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters, and develop and implement, in line with the Sendai Framework for Disaster Risk Reduction 2015-2030, holistic disaster risk management at all levels.
- **12.2:** By 2030, achieve the sustainable management and efficient use of natural resources.
- **12.4:** By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimise their adverse impacts on human health and the environment.
- **12.5:** By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.
- **12.6:** Encourage companies to adopt sustainable business practices and integrate sustainability information into their reporting and decision-making processes.
- **13.1:** Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.
- **13.2:** Integrate climate change measures into national policies, strategies and planning.
- **13.3:** Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.
- **15.1:** By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements.
- **15.5:** Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species.



11
SUSTAINABLE CITIES AND
COMMUNITIES



12
RESPONSIBLE
CONSUMPTION AND
PRODUCTION



13
CLIMATE ACTION



15
LIFE ON LAND

Source: Sustainable Fitch, UN



Appendix A: Principles and Guidelines

Type of Instrument: Sustainability	
Four Pillars	
1) Use of Proceeds (UoP)	Yes
2) Project Evaluation & Selection	Yes
3) Management of Proceeds	Yes
4) Reporting	Yes
Independent External Review Provider	
Second-party opinion	Yes
Verification	Yes
Certification	No
Scoring/Rating	No
Other	n.a.
1) Use of Proceeds (UoP) – based on expected or actual instrument allocation	
UoP as per Green Bond Principles (GBP)	
Renewable energy	Yes
Energy efficiency	Yes
Pollution prevention and control	Yes
Environmentally sustainable management of living natural resources and land use	Yes
Terrestrial and aquatic biodiversity conservation	Yes
Clean transportation	Yes
Sustainable water and wastewater management	Yes
Climate change adaptation	Yes
Certified eco-efficient and/or circular economy adapted products, production technologies and processes	Yes
Green buildings	Yes
Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBP	No
Other	n.a.
UoP as per Social Bond Principles (SBP)	
Affordable basic infrastructure	No
Access to essential services	Yes
Affordable housing	Yes
Employment generation (through SME financing and microfinancing)	Yes
Food security	No
Socioeconomic advancement and empowerment	Yes
Unknown at issuance but currently expected to conform with SBP categories, or other eligible areas not yet stated in SBP	No
Other	n.a.
Target Populations	
Living below the poverty line	No
Excluded and/or marginalised populations and /or communities	Yes
People with disabilities	Yes
Migrants and/or displaced persons	No
Undereducated	No
Under-served, owing to a lack of quality access to essential goods and services	Yes
Unemployed and/or workers affected by climate transition	Yes
Women and/or sexual and gender minorities	No



Type of Instrument: Sustainability

Ageing populations and vulnerable youth	Yes
Other vulnerable groups, including as a result of natural disasters, climate change, and/or climate transition projects that cause or exacerbate socioeconomic inequity	Yes
Other	n.a.

2) Project Evaluation and Selection

Evaluation and Selection

Credentials on the issuer's social and green objectives	Yes
Documented process to determine that projects fit within defined categories	Yes
Defined and transparent criteria for projects eligible for sustainability instrument proceeds	Yes
Documented process to identify and manage potential ESG risks associated with the project	Yes
Summary criteria for project evaluation and selection publicly available	Yes
Other	n.a.

Evaluation and Selection, Responsibility and Accountability

Evaluation and selection criteria subject to external advice or verification	No
In-house assessment	Yes
Other	n.a.

3) Management of Proceeds

Tracking of Proceeds

Sustainability instrument proceeds segregated or tracked by the issuer in an appropriate manner	Yes
Disclosure of intended types of temporary investment instruments for unallocated proceeds	Yes
Other	n.a.

Additional Disclosure

Allocations to future investments only	No
Allocations to both existing and future investments	Yes
Allocation to individual disbursements	Yes
Allocation to a portfolio of disbursements	No
Disclosure of portfolio balance of unallocated proceeds	Yes
Other	n.a.

4) Reporting

UoP Reporting

Project-by-project	No
On a project portfolio basis	Yes
Linkage to individual instrument(s)	Yes
Other	n.a.

UoP Reporting/Information Reported

Allocated amounts	Yes
Sustainability instrument-financed share of total investment	No
Other	n.a.

UoP Reporting/Frequency

Annual	Yes
Semi-annual	No
Other	n.a.



Type of Instrument: Sustainability

Impact Reporting

Project-by-project	No
On a project portfolio basis	Yes
Linkage to individual instrument(s)	Yes
Other	n.a.

Impact Reporting/Information Reported (exp. ex-post)

GHG emissions/savings	Yes
Energy savings	Yes
Decrease in water use	Yes
Other ESG indicators	A full list of impact indicators is included in the framework

Impact Reporting/Frequency

Annual	Yes
Semi-annual	No
Other	n.a.

Means of Disclosure

Information published in financial report	No
Information published in ad hoc documents	Yes
Information published in sustainability report	No
Reporting reviewed	Yes
Other	n.a.

Note: n.a. – not applicable.

Source: Sustainable Fitch, ICMA, LMA, LSTA, APLMA

Appendix B: Definitions

Term	Definition
Debt types	
Green	Proceeds will be used for green projects and/or environmental-related activities as identified in the instrument documents. The instrument may be aligned with ICMA Green Bond Principles or other principles, guidelines or taxonomies.
Social	Proceeds will be used for social projects and/or social-related activities as identified in the instrument documents. The instrument may be aligned with ICMA Social Bond Principles or other principles, guidelines or taxonomies.
Sustainability	Proceeds will be used for a mix of green and social projects and/or environmental and social-related activities as identified in the instrument documents. The instrument may be aligned with ICMA Sustainability Bond Guidelines or other principles, guidelines, taxonomies.
Sustainability-linked	Financial and/or structural features are linked to the achievement of pre-defined sustainability objectives. Such features may be aligned with ICMA Sustainability-linked Bond Principles or other principles, guidelines or taxonomies. The instrument is often referred to as an SLB (sustainability-linked bond) or SLL (sustainability-linked loan).
Blue	Proceeds will be used for blue projects as identified in the instrument documents. The instrument may be aligned with the IFC Guidelines for Blue Finance, the ICMA Bonds to Finance the Sustainable Blue Economy: A Practitioner's Guide, or other relevant principles, guidelines or taxonomies.
Conventional	Proceeds are not destined for any green, social or sustainability project or activity, and the financial or structural features are not linked to any sustainability objective.
Other	Any other type of financing instrument or a combination of the above instruments.
Standards	
ICMA	International Capital Market Association. In the Second-Party Opinion we refer to alignment with ICMA's Bond Principles: a series of principles and guidelines for green, social, sustainability and sustainability-linked bonds, as well as relevant guidance for blue finance.
LMA, LSTA and APLMA	Loan Market Association (LMA), Loan Syndications and Trading Association (LSTA) and Asia Pacific Loan Market Association (APLMA). In the Second-Party Opinion we refer to alignment with Sustainable Finance Loan Principles: a series of principles and guidelines for green, social and sustainability-linked loans.
IFC	International Finance Corporation. In the Second-Party Opinion we refer to alignment with the IFC's Guidelines for Blue Finance: a set of guidelines for financing activities that support sustainable water management, marine and coastal resources, and related blue economy activities.
EU Green Bond Standard	A set of voluntary standards created by the EU to "enhance the effectiveness, transparency, accountability, comparability and credibility of the green bond market".

Source: Sustainable Fitch, ICMA, UN, EC Platform on Sustainable Finance



SOLICITATION STATUS

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