

# **Government of Andorra**

Independent Assurance Report on the  
Eligible Expenditures included in the  
Allocation Report of Client

## **INDEPENDENT ASSURANCE REPORT ON THE ELIGIBLE EXPENDITURES INCLUDED IN THE ALLOCATION REPORT OF CLIENT**

To the Government of Andorra,

We have been engaged by Government of Andorra (hereinafter, “Client”) to perform a limited assurance engagement in relation to the eligible expenditures included in the “Allocation Table” section 4 “Description of the portfolio” of the Inaugural Sustainability Bond Report 2022 (hereinafter, “Report”) issued by Client prepared in accordance with the criteria described in the Green, Social and Sustainability Bond Framework (hereinafter “GSSBF”) defined by Client in April 2021 in accordance with the Green Bond Principles 2018 (GBP) and the Social Bond Principles 2020 (SBP). These eligible expenditures have been selected from those proposed by Client according to the Second-party opinion letters issued by Vigeo Eiris in April, 2021 available in its website <https://www.finances.ad/emissions-de-deute-public> with the green, social and sustainability bond issued in order to comply with the Green Bond Principles (GBP).

Our work was limited solely to verification of the content of the “Allocation Table” section 4 “Description of the portfolio” of the Report above mentioned, in which Client has included selected eligible expenditures to comply with the current and projected objectives of the Action Plan for the period 2020-2023.

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### **Responsibilities of Government of Andorra Management**

The preparation and contents of the Report are the responsibility of the Client in accordance with the criteria established by the Government, and the definition of these criteria according to the GSSBF of Client. It is also responsible for the selection and presentation of the eligible expenditures of the Report from those proposed by the Second-party opinion letters associated with the green, social and sustainability bond issued.

This responsibility includes defining, adapting and maintaining the management and internal control required to ensure that the eligible expenditure included in the Report are free from any material misstatement due to fraud or error.

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## Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), which is based on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Control 1 (ISQC 1) and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our engagement team consisted of professionals who are experts in reviews of non-financial information and, specifically, in information about economic, social and environmental performance.

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## Our Responsibility

Our responsibility is to issue a limited assurance report based on the procedures applied in our review. We conducted a limited assurance engagement in accordance with the International Standard on Assurance Engagements 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standard Board (IAASB) of the International Federation of Accountants (IFAC).

The procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement and, consequently, the level of assurance provided is also substantially lower.

Our work consisted in requesting information from the Government of Andorra and the various units of it that participated in the preparation of the Report and carrying out the following analytical procedures and sample-based review tests:

- Understanding of the process used to compile the data presented in the Report through meetings with relevant management and personnel involved in providing information for the Report.
- Inquiries of management personnel in relation to the existence of interpretations regarding the description and/or calculation of eligibility expenditures and verify that they are consistent with the disclosures (or information reported) contained in the “Allocation Table” section 4 “Description of the portfolio” of the Report.

- Review that the eligible expenditures included in the “Allocation Table” section 4 “Description of the portfolio” of the Report are consistent with the eligibility criteria defined by Client in the GSSBF.
- Review of the quantitative data included in the “Allocation Table” section 4 “Description of the portfolio” of the Report regarding the reliability of the information, by using analytical procedures and review and recalculation testing based on sampling from the total amount of expenditures included in the portfolio. Verify that this information has been appropriately compiled from the data provided by Ministerial information sources of Client.
- Obtainment of a representation letter from the Management of Client.

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### Conclusion

Based on the procedures performed and the evidence obtained, no matter has come to our attention that causes us to believe that the “Allocation Table” section 4 “Description of the portfolio” of the Report was not prepared, in all material respects, in accordance with the eligibility criteria defined by Client in the GSSBF.

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### Use and Distribution

The Report is prepared by Client in order to satisfy the requirements (or statements or the content) of the GSSBF. As a result, the Report may not be suitable for another purpose. Accordingly, this independent assurance report may be published together with the Report and may not be distributed or furnished to third parties separately or used for any other purpose without the express consent in writing of Deloitte Andorra Auditors i Assessors, SLU.

DELOITTE ANDORRA AUDITORS I ASSESSORS, SLU



Iván Rubio Borrallo

December 12, 2022



# Inaugural Sustainability Bond Report 2022



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Govern d'Andorra

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# 1. Editorial



**Minister Jover,  
Eric Jover Comas,  
Minister of Finances  
and Spokesperson**

The multi-layer post-global pandemic crisis aggravated by the war in Ukraine, inflation rising worldwide and the subsequent problems related to the energy supply make the choice for sustainable finance a top priority for Governments across the board. In this deteriorating context, making sure that nobody in our societies is left behind and prioritising qualitative investments to foster the two-sided green and digital transitions that help to build a more resilient and sustainable future for next generations has become a must. In order to support the enhancement of this developing market and to ensure investor confidence, it is of the utmost important to provide clear and transparent information on the projects funded in the budget as well as on their potential impact in people's life and the environment. Thus, this first Sustainability Bond Report is fully in line with these efforts and underlines Andorra's commitment to develop sustainable finance both at home and globally.

In 2021, Andorra issued its first sustainability bond as an expression of its commitment to sustainable and inclusive finance. This pioneering action meets the objective of the country to foster cohesion in its social and environmental dimensions and it contributes to the development and enhancement of a sustainable international bond market.

We believe that sustainability is a crosscutting challenge and hence we have devoted our investment efforts to achieve a more sustainable environment in which the relationship between available resources, population and economic activity will not compromise the equilibrium of future generations.

To foster social cohesion we have made a clear movement to put the citizen at the very heart of our social policies and we have promoted projects to face the current sociodemographic challenges: aging population, support to children and youngsters and promotion of the personal autonomy of persons with disabilities. In a nutshell: We are developing a holistic health system matching the challenges of today's world.

To become environmentally self-responsible and in line with these goals over the last four years, Andorra has stepped up its efforts to fight climate change with a strong focus in projects promoting sustainable mobility and the preservation of landscape, biodiversity and better quality of living. To achieve that objective

we have supported the extension of renewable energy and the diversification of energy sources reducing polluting emissions. In the private sphere, direct aid has been granted to rehabilitate buildings to make them more sustainable (Renova program) or to promote electric vehicles (Engega program).

After a successful and encouraging first issuance, I am now happy to present the first combined allocation and impact reports of our sustainability bonds to meet the highest standards of transparency and inform the investor community by providing detailed insights on the methodology and data used.

The Ministry of Finance of Andorra is willing to make itself accountable through this document for the allocation of the use of proceeds raised to (re)finance eligible green and social expenditures between budget years 2018-2021, identified in accordance with our Sustainability Bond Framework published in 2021. The proposed allocation hereby has been verified by independent auditors in line with the market best practices in this field.

Finally, I would like to express my gratitude to all the actors involved in producing this first report on Andorra's Sustainability Bond and I hope you will find this reading useful to get valuable insights on our country and its public spending policy.

## 2. Key figures

<b>Issuer</b>	Principality of Andorra
<b>Issue type</b>	Senior Unsecured
<b>Nominal Amount</b>	EUR 0.5 bn
<b>Settlement Date</b>	6 May 2021
<b>Maturity Date</b>	6 May 2031
<b>Coupon</b>	Fixed, Annual, Act/Act
<b>Listing</b>	EMTN/Luxembourg
<b>Use of Proceeds</b>	Eligible project under the Principality of Andorra's Sustainability Bond Framework.
<b>Second Opinion</b>	Vigeo Eiris
<b>ISIN</b>	XS2339399946
<b>Bookrunners</b>	Citi, Credit Agricole CIB and Santander

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Eligible Expenditures might be from: the three years preceding the issue, the year of the issue and future voted expenditures (up to one year after the issue).

The Steering Committee monitors the allocation and tracking process on an annual basis. In case some Eligible Expenditures no longer comply with the Use of Proceeds, the Steering Committee reallocates the proceeds on a best effort basis.

## 4. Reporting

The Government of Andorra is committed to providing investors with an annual Sustainability Bond Report until full allocation of the proceeds, including information on:

- the allocation of proceeds towards Eligible Expenditures ("Allocation Reporting"), including total amount issued, categories breakdown, emblematic project description;
- where feasible, information on the environmental and/or social impact of those expenditures ("Impact Reporting").

## 3. Overview of Andorra's Sustainability Bond Framework

Andorra's Sustainability Bond Framework aligns with the 2021 edition of the Sustainability Bond Guidelines ("SBC") and follows its four core components:

### 1. Use of Proceeds

The Eligible Green and Social Expenditures are distributed across 12 categories (seven Green and five Social) described in section 4. Any expenditure related to the following activities are excluded:

- Alcohol, tobacco, gaming
- Armament and defense sector
- Deforestation, degradation of forest
- Fossil fuel production and power generation
- Palm oil industries
- Nuclear Power

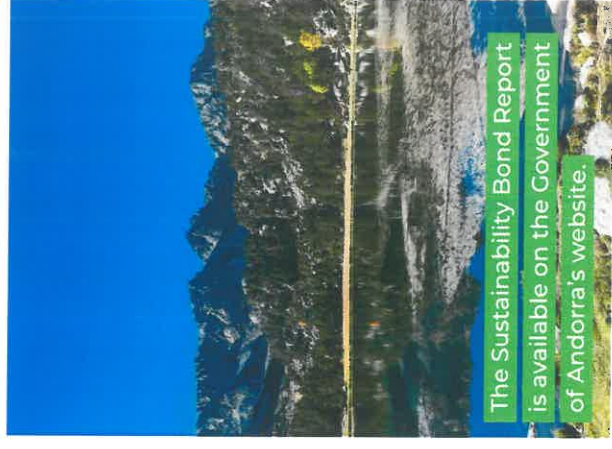
### 2. Process for Project Evaluation and Selection

First, an Inter-Ministerial Working Group (IMWG) coordinated by the Ministry of Finance ensures that each relevant ministry submits a list of Eligible Expenditures and collects the necessary data to demonstrate the alignment with the Use of Proceeds.

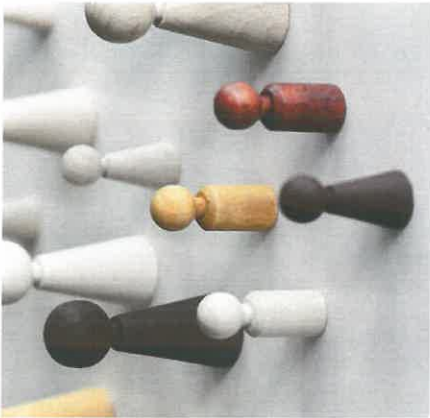
Secondly, a Steering Committee then validates the final list of Eligible Expenditures to be financed by Andorra's Sustainability Bond issuance. The Steering Committee is responsible for managing any future updates of the Framework. Following allocation, the IMWG monitors the eligibility of selected Expenditures to determine any necessary changes (e.g. cancellation, ineligibility).

### 3. Management of Proceeds

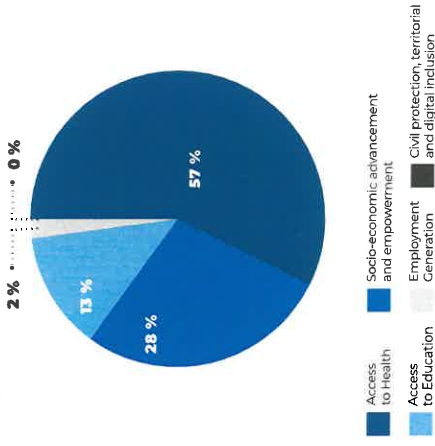
After approval by the Steering Committee, an amount equal to the net proceeds is allocated to Eligible Green and Social Expenditures on nominal equivalence basis within 24 months following the issuance of Andorra's Sustainability Bond.



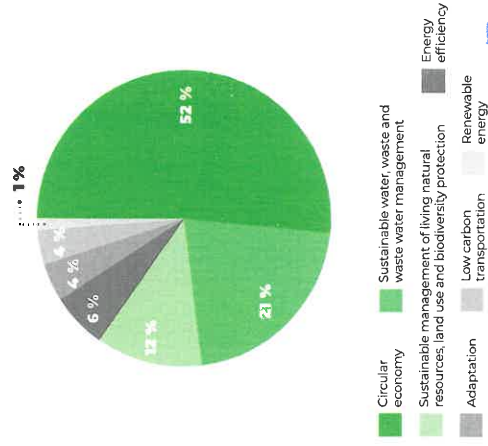
## 4. Description of the portfolio



### Social portfolio breakdown by category



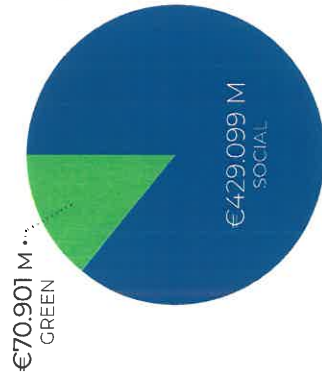
### Green portfolio breakdown by category



The eligible expenditures under the Sustainability Bond are distributed as follows:

86% of the proceeds are allocated to the macro category **Social** while the macro category **Green** gathers the remaining 14% of the proceeds. Three social categories particularly stand out: **Access to Health** (49% of total amount), **Socio-economic advancement and empowerment** (24%) and **Access to Education** (11%), summing up to 84% of the €500 M total amount.

### Portfolio breakdown between social and green



## Allocation Table

Distribution of proceeds between 2018 and 2021:

	2018	2019	2020	2021	Total	%
Social	€100 435 304	€102 462 194	€122 417 280	€103 783 893	€429 098 670	86%
Green	€18 552 721	€17 627 076	€17 680 652	€17 040 880	€70 901 330	14%
Total	€118 988 024	€120 089 271	€140 097 932	€120 824 773	€500 000 000	100%

Funding has been fairly stable during the four-year period, revolving around an average of €125 M a year.

Allocation table, with most important budgetary programs:

	2018	2019	2020	2021	Total	%	% in macro category	Most important budgetary programs
Access to Health	€587 M	€597 M	€742 M	€532 M	€2,458 M	49%	57%	- Financing of CASS* - Financing of SAAS*
Socio-economic advancement and empowerment	€275 M	€276 M	€311 M	€325 M	€1,188 M	24%	28%	- Socio-health field - Primary care - Support to sports organisations
Access to Education	€125 M	€137 M	€147 M	€146 M	€555 M	11%	13%	- Specialised education - School infrastructures - Grants and assistance to students
Employment generation	€16 M	€14 M	€24 M	€35 M	€88 M	2%	2%	- Job creation for people with disabilities
Civil protection, territorial and digital inclusion	€01 M	€01 M	€00 M	€00 M	€02 M	0%	0%	- E-services for vulnerable populations
Circular economy	€91 M	€92 M	€93 M	€89 M	€365 M	7%	52%	- Data management and environmental parameters
Sustainable water, waste and wastewater management	€39 M	€40 M	€38 M	€35 M	€152 M	3%	21%	- Data management and environmental parameters
Sustainable management of living natural resources, land use and biodiversity protection	€31 M	€19 M	€21 M	€13 M	€84 M	2%	12%	- Treatment of rivers and streams - Protection and conservation of the environment
Energy efficiency	€08 M	€10 M	€10 M	€15 M	€43 M	1%	6%	- Energy and Climate Change
Adaptation	€07 M	€08 M	€07 M	€08 M	€30 M	1%	4%	- Energy and Climate Change - Data management and environmental parameters
Low carbon transportation	€08 M	€04 M	€06 M	€09 M	€27 M	1%	4%	- Low carbon transportation
Renewable energy	€02 M	€03 M	€02 M	€02 M	€09 M	0%	1%	- Energy and Climate Change
Total	€119 M	€120 M	€140 M	€121 M	€500 M	100%		

As indicated, different categories may concern common budgetary programs, e.g. the program "Energy and Climate Change" falls under three Green categories. It is worth noting that the top 3 categories of both Social and Green macro categories represent a very significant proportion of their allocated proceeds: respectively 98% for Social and 85% for Green.

\*CASS: Caixa Andorrana Seguretat Social - SAAS: Servei Andorrà d'Atenció Sanitària



## 5. Impact report focusing on the top categories



The general policy of this first impact report is to focus on the most funded Social and Green categories. Instead of trying to compile the full range of impacts, it aims at prioritising the analysis on available data related to the most significant programs. Further analysis will focus on the top 3 Social categories (88% of Social portfolio) and the top 3 Green categories (85% of Green portfolio). Nonetheless, one should bear in mind that there are emblematic projects funded among the six minority categories not reported, for instance:



### Energy efficiency.

The "Renova" program (total expenditure: €5.7 M) aims at promoting the refurbishment of existing buildings to improve their energy efficiency and promote the implementation of renewable energies in those buildings.



### Low carbon transportation.

The "Engaga 2021" plan (total expenditure: €2.8 M) refers to the financing of electric vehicles by the Andorran Government. €750,000 have been released to finance 115 vehicles (subsidising as much as 35% of the purchase price).

**Note: description of the minority categories not reported.**

## SOCIAL

**Employment generation.** Professional insertion of people with disabilities into the labour market.

**Civil protection, territorial and digital inclusion.** Programs to enable increased access to digital administration and e-services for vulnerable populations; digital alphabetisation programs, online health assistance for elderly or dependent people facing difficulties to access the healthcare facilities.

## GREEN

**Energy efficiency.** Improvement of energy efficiency in both public and private sectors leading to energy savings.

**Adaptation.** Improvement of resilience and adaptive capacities with the goal of facing climate change consequences.

**Low carbon transportation.** Subsidies to support the development of low carbon public and individual transportation means such as electric, hybrid or biofuel vehicles.

**Renewable energy.** Production, acquisition, operation, distribution and transmission of renewable energy such as: solar photovoltaic, concentrated solar power, wind power, hydropower, bioenergy, and geothermal.

## SOCIAL

### Access to Health

**Description:** Expenditures relating to provision of healthcare infrastructures and services as well the promotion of healthy habits.



Amount allocated by Andorra  
**€246 M**

**23 760**  
Average number of vulnerable people insured

Among which:  
**2 202** Average number of beneficiaries with 100% complement  
**12 765** Average number of beneficiaries < 18 years old  
**8 665** Average number of beneficiaries > 65 years old  
**128** Average number of beneficiaries with disability

Weight in the portfolio  
**49%**

**73 201**  
Average number of people insured

**177**

Average number of beds: conventional and others (critical, special, reserve)

## Socio-economic advancement and empowerment

**Description:** Expenditures relating to the reduction of social and economic inequalities and promotion of social and economic inclusion.

Amount allocated by Andorra  
**€119 M**

**123**

Average number of sport licenses financed by subsidies, in addition to awards to high-level athletes (including paralympic) from the "ARA" program: Alt rendiment d'Andorra

Weight in the portfolio  
**24%**

**1 241**

Average number of beneficiaries of Personal autonomy promotion

**2 000**

Average number of children (10 to 16 years old) receiving Training in First Aid from Red Cross

**54**

Average number of youth benefiting from youth reinsercion on a monthly basis, with 18 workshops organised on average

**746**

Average number of families benefiting from support for dependent children



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## Access to Education

**Description:** Expenditures relating to provision of public education in infrastructures and services.



Amount allocated by Andorra  
**€55 M**

Weight in the portfolio  
**11%**

**1 857**  
Average number of scholarships for compulsory and higher education

**306**  
Average number of students benefiting from Abonandbus (public bus transportation)

**60 665**  
Average number of documents available in public library

**274**  
Average number of pupils in the "progrés" program in Private foundation Nostra Senyora de Meritxell (dedicated to offering care and support to people with intellectual or developmental disabilities and their families)  
With **73** educators and **43** assistants on average

## Sustainable water, waste and wastewater management

**Description:** Expenditures relating to the development, construction, operation and maintenance of projects that contribute to the improvement of river water quality, as well as wastewater collection and treatment.



Amount allocated by Andorra  
**€15 M**

Weight in the portfolio  
**3%**

**20 517 300**  
Average number of cubic meters of wastewater treated yearly

**35 237**  
Average number of tons of waste treated yearly

## GREEN

### Circular Economy

**Description:** Expenditures relating to the change from a linear economy to a more efficient and sustainable economic model. The circular model also promotes responsible and efficient



consumption by reducing waste generation and optimizing its management, increasing reuse and recycling and minimizing less efficient waste management options.

Amount allocated by Andorra  
**€37 M**

Weight in the portfolio  
**7%**

**18 112**  
Average number of tons of waste recycled yearly

**124**  
Average number of tons of waste treated as "Preparation for Reuse" yearly

## Sustainable management of living natural resources, land use and biodiversity protection

**Description:** Expenditures relating to the development of sustainable agriculture or projects that contribute to the preservation and restoration of natural landscapes, improving the quality of life of citizens.



Amount allocated by Andorra  
**€8 M**

Weight in the portfolio  
**2%**

**23**  
Average number of refuges open and maintained

**6**  
Average number of long hiking trails (Gran Recorregut) managed

**5**  
Average number of automatic stations monitoring atmospheric environment  
And **90** measuring points of NO<sub>2</sub>

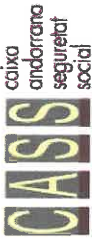
**28**

Average number of maintenance operations of rivers and streams  
With **27** kilometers of banks cleaned and conserved on average



## 6. Case studies

### CASS: Caixa Andorrana Seguretat Social



Amount allocated by bond  
**€145 M**

#### SOCIAL

The CASS is the body in charge of the administrative, financial and technical management of the Andorran social security system. Following article 30 of the Andorran Constitution, its objective is to guarantee the protection, in its contributory and non-contributory modalities, of insured people, directly or indirectly, by means of the appropriate benefits.



### SAAS: Servei Andorrà d'Atenció Sanitària



Amount allocated by bond  
**€84 M**

#### SOCIAL

The bond contributes to the financing of the SAAS. Created in 1986, the SAAS assumes the management and administration of all public resources - human, material and financial - dedicated to health care. It mainly aims to:

- Promote the most efficient use of all available resources to improve the level of health of the population of Andorra.
- Provide individual or collective health services for the entire population residing or passing through Andorra.
- Establish the appropriate organisation to facilitate health care that includes preventive, curative and rehabilitative aspects, in a coordinated manner between the different levels of care.
- Integrate all public health resources into a single administrative and functional body.
- Guarantee the quality of healthcare provision and control expenditures.

### PNR: Pla nacional de residus

A plan to foster circular economy



Amount allocated by bond  
**€37 M**

#### GREEN

The Waste Management Plan is designed to encourage reuse (through non-profit associations), promote selective collection (in particular for textiles and organic matter), and optimise the waste management model. It consists of 5 programs. Here are the highlights developed during 2021:

- **WASTE PREVENTION PROGRAM**, in order to reduce the amount of waste generated and minimize the harm to nature or health of any type of waste.
- **REUSE AND RECYCLING PROGRAM**, in order to promote preparation for reuse and continue to promote selective collection.

### Pla de sanejament de les aigües

Based on four sanitation systems



Amount allocated by bond  
**€15 M**

#### GREEN

The Sanitation Plan of the Principality of Andorra divides the country into four main sanitation systems. Four general collectors collect all the raw water from the communal networks with, at the end of each collector, a wastewater plant called Estació depuradora d'aigües residuals (EDAR). One major sanitation system is the South system: approximately 20.4 km of general collector gathering wastewater from Encamp to Sant Julià de Lòria, passing through Escaldes-Engordany, and Andorra la Vella.

## 7. Disclaimer

### IMPORTANT LEGAL INFORMATION AND CAUTIONARY STATEMENTS CONCERNING FORWARD-LOOKING STATEMENTS

Certain statements contained herein may be forward-looking statements including, but not limited to, statements that are predictions of or indicate future events, trends, plans, expectations, or objectives. Undue reliance should not be placed on such statements because, by their nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause the results to differ materially from those expressed or implied in such forward looking statements or any other material discussed in this presentation. This presentation does not disclose all the risk and other significant issues related to the investment in the bonds described in this presentation (the **Notes**) and it has not been approved by any regulatory authority. This presentation is strictly confidential and for information purposes only and does not constitute an offer to sell or the solicitation of an offer to buy any Note, and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of that jurisdiction. The distribution, publication or release of this presentation or any information contained therein or relating thereto may be prohibited by law in certain jurisdictions. Persons into whose possession this presentation or any related verbal or written communications in connection with it, and information comes are required to inform themselves and to observe their restrictions. Persons reading this presentation agree to be bound by the limitations contained herein in relation to the existence of said presentation and all information (including without limitation, any statements, targets, estimates or forecasts or opinions contained herein or in connection with, Non-compliance with these restrictions may result in the violation of legal restrictions in such jurisdictions. The Principality of Andorra does not accept any liability to any person in relation to the distribution of such presentation or information in any jurisdiction.

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### IMPORTANT LEGAL INFORMATION AND CAUTIONARY STATEMENTS CONCERNING FORWARD-LOOKING STATEMENTS

The Notes referred to herein are not intended to be offered, sold, or otherwise made available to and should not be offered, sold or otherwise made available to, and no action has been or will be undertaken to offer, sell or otherwise make available any Notes, to any retail investor in the EEA. For the purpose of this provision, (a) "retail investor" means a person who is on or more of the following: (i) a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of EU MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II. Consequently, no key information document, required by Regulation (EU) No 1286/2014 (the **PRIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIPs Regulation.

Additionally, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to, any retail investor in the United Kingdom (UK). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (EUWA); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA, to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014, as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIPs Regulation.

The Notes referred to herein may only be offered, sold or distributed in the Principality of Andorra in accordance with the requirements set forth by the laws of Andorra, in particular, Law 7/2013, of 9 May (Law 7/2013) and Law 8/2013, of 9 May (Law 8/2013), as well as any other related regulation that may be in force from time to time, as further amended, supplemented or restated governing the issue, offer and sale of Notes in Andorra. Accordingly, the Notes can only be publicly offered, marketed, promoted or negotiated in Andorra by locally licensed financial entities "entitats operatives del sistema financer andorrà", as defined in Law 8/2013, as long as the selling of such Notes is expressly solicited by such investors.

## 8. Appendix

The Govern d'Andorra has collaborated with UTOPIES, a pioneering sustainability advisory firm created in 1993, to build the methodologies and to format this Sustainability Bond Report.

The impact data calculation has required data collection from several Ministries (Education, Sport, Environment, etc.). Impact data is given on a yearly basis (e.g. number of scholarships granted each year), and is computed as an average from 2018-2021 data. When data of some years are missing, an estimate is realized using data from available years.

### Access to Health

Top budgetary programs	
Financing of CA55	€145 M
Financing of SASS	€84 M
Others	€16 M
Top expenses	
Financing of general branch and social security	€123 M
Operation subsidy to Hospital Nostra Senyora de Meritxell	€62 M
Financing of non contributive complements and pensions	€22 M
Others	€38 M

### Socio-economic advancement and empowerment

Top budgetary programs	
Socio-health field	€51 M
Primary care	€31 M
Support to sports organisations	€15 M
Others	€23 M
Top expenses	
Promotion of personal autonomy	€43 M
Personal and familial care	€31 M
Federations and clubs	€15 M
Private foundation Nostra Senyora de Meritxell	€9 M
Others	€21 M

### Access to Education

Top budgetary programs	
Specialised education	€15 M
School infrastructures	€13 M
Education	€11 M
Grants and assistance to students	€11 M
Others	€5 M
Top expenses	
Meritxell school	€14 M
School transport	€11 M
Study aids	€9 M
School center of Andorra la Vella	€7 M
School centers (Territorial Planning)	€5 M
Others	€9 M

basis (e.g. number of scholarships granted each year), and is computed as an average from 2018-2021 data. When data of some years are missing, an estimate is realized using data from available years.

Please find below the top budgetary programs and expenses, representing at least 80% of the proceeds of each Top Social and Green category:

### Circular Economy

Top budgetary programs	
Data management and environmental parameters	€37 M
Top expenses	
Circular economy	€37 M

### Sustainable water, waste and wastewater management

Top budgetary programs	
Data management and environmental parameters	€15 M
Others	€1 M
Top expenses	
Water	€15 M
Others	€1 M

### Sustainable management of living natural resources, land use and biodiversity protection

Top budgetary programs	
Treatment of rivers and streams education	€4 M
Protection and conservation of the environment	€3 M
Others	€1 M
Top expenses	
Protection of streams and rivers	€4 M
"Cos de Banders" environmental body	€3 M
Others	€1 M





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