



# REPUBLIC OF SLOVENIA

## Inaugural Sustainability-Linked Bond

June 2025



Ministry of Finance  
Republic of Slovenia



# Agenda

- **Preliminary – Slovenia as an active ESG labelled bond issuer**
- Slovenia's path towards sustainable future – Strategic documents serving as the basis for the SLBF
- Inaugural Sustainability-Linked Bond Framework





# Preliminary

Slovenia has been an active issuer in ESG labelled bonds since 2021

## Overview

- The Republic of Slovenia is committed to financing sustainable development, having made its debut in the Sustainability Bond market in 2021.
- Building on this, Slovenia issued its **2<sup>nd</sup> Sustainability Bond** in **January 2023** and a dual-tranche (3- and 5-year) **JPY 50bn Social Samurai** bond in September 2024.

## 2021 sovereign sustainability bond

- In **June 2021** the Republic of Slovenia issued its 1<sup>st</sup> Sustainability Bond in the amount of EUR 1bn. The initial issue was followed by reopenings, bringing the **total outstanding amount to EUR 1.24 billion**.
- The proceeds from the bond were used to finance projects that contribute to Slovenia's environmental (33%) and social goals (67%). Slovenia obtained pre-issuance second-party opinion, as well as the allocation and impact report verification from external verifier Sustainalytics.

### Links:

- [Framework](#)
- [SPO](#)
- [Allocation and impact table](#)
- [Bond report](#)
- [Annual review](#)

## 2023 sovereign sustainability bond

- In **January 2023**, Slovenia issued its 2<sup>nd</sup> Sustainability bond, this time in the amount of **EUR 1.25bn**. The bond was well-received by investors, with a large **order book of EUR 8.4 billion** and participation from **210 investors**.
- The second sustainability bond in comparison to the first one includes a commitment that it will follow EU Taxonomy Regulation and Climate Delegated Act on Climate Mitigation and Climate Adaptation to the greatest extent possible.

### Links:

- [Framework](#)
- [SPO](#)
- [Allocation table](#)
- [Impact table](#)
- [Bond report](#)
- [Annual review](#)





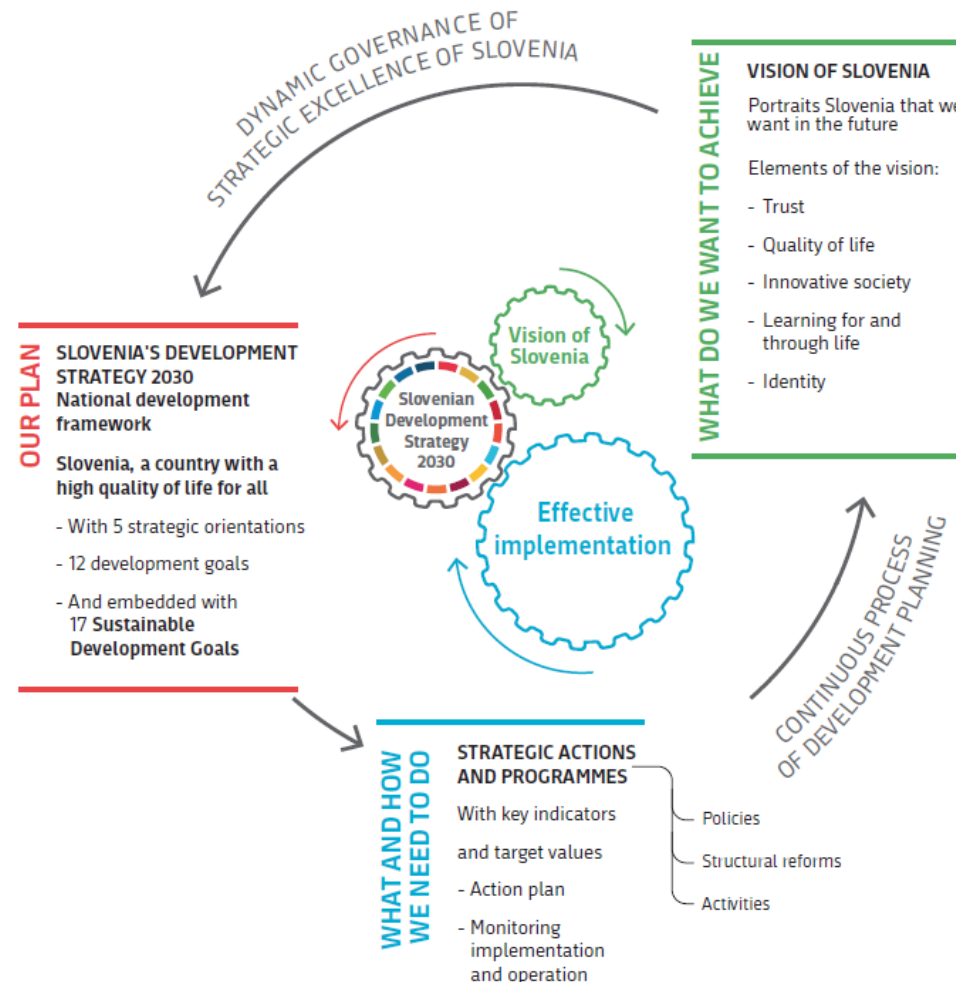
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# Slovenia's path towards sustainable future

## Slovenian Development Strategy 2030

The Slovenian Development Strategy 2030 represents the country's core development framework. It outlines not only its international environmental commitments, but also paints a vision of Slovenia that encompasses more green and social future.



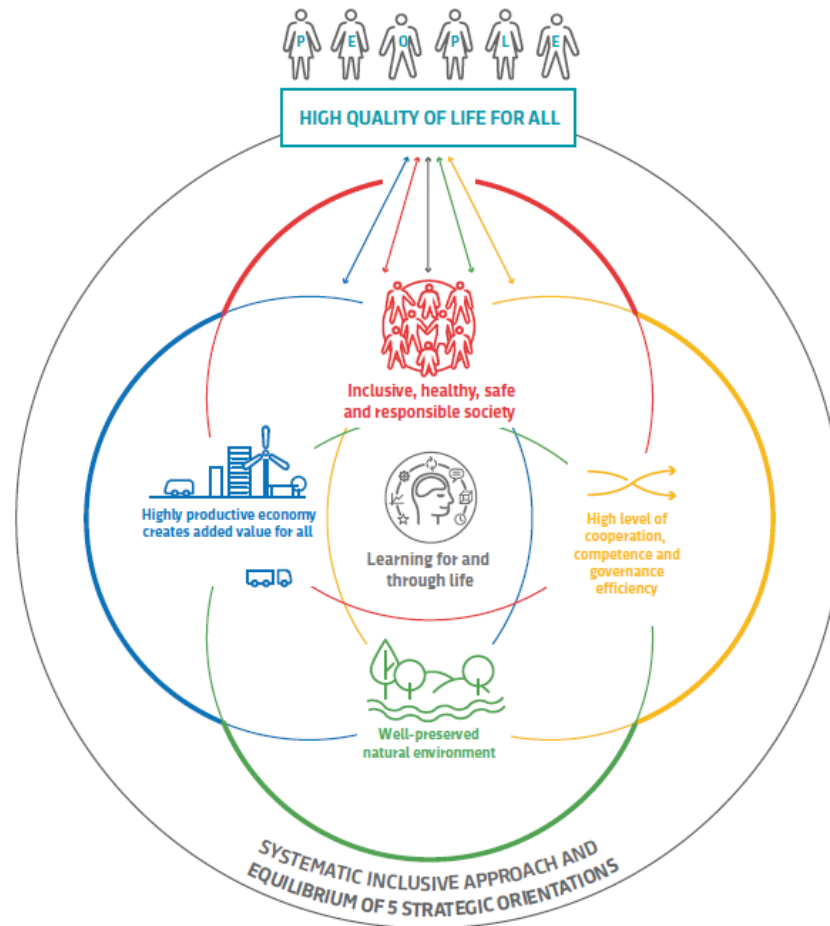
Link:

- [Slovenian Development Strategy 2030](#)

# Slovenia's path towards sustainable future

## Slovenian Development Strategy 2030 – goals and strategic orientation

The Slovenian Development Strategy 2030 represents the country's core development framework



The realisation of the strategic objectives is monitored through six main indicators:

- Healthy life years
- PISA scores - Mathematics, Reading and Science
- People at risk of social exclusion
- GDP p.c. PPP
- Employment rate
- Share of renewable energy in total energy consumption

and numerous supporting indicators, such as:

- Gender equality index
- Income inequality
- Labour productivity
- GHG emission intensity
- Ecological footprint
- Trust in public institutions etc.

# Slovenia's Sustainability Approach - Key Environmental Policies

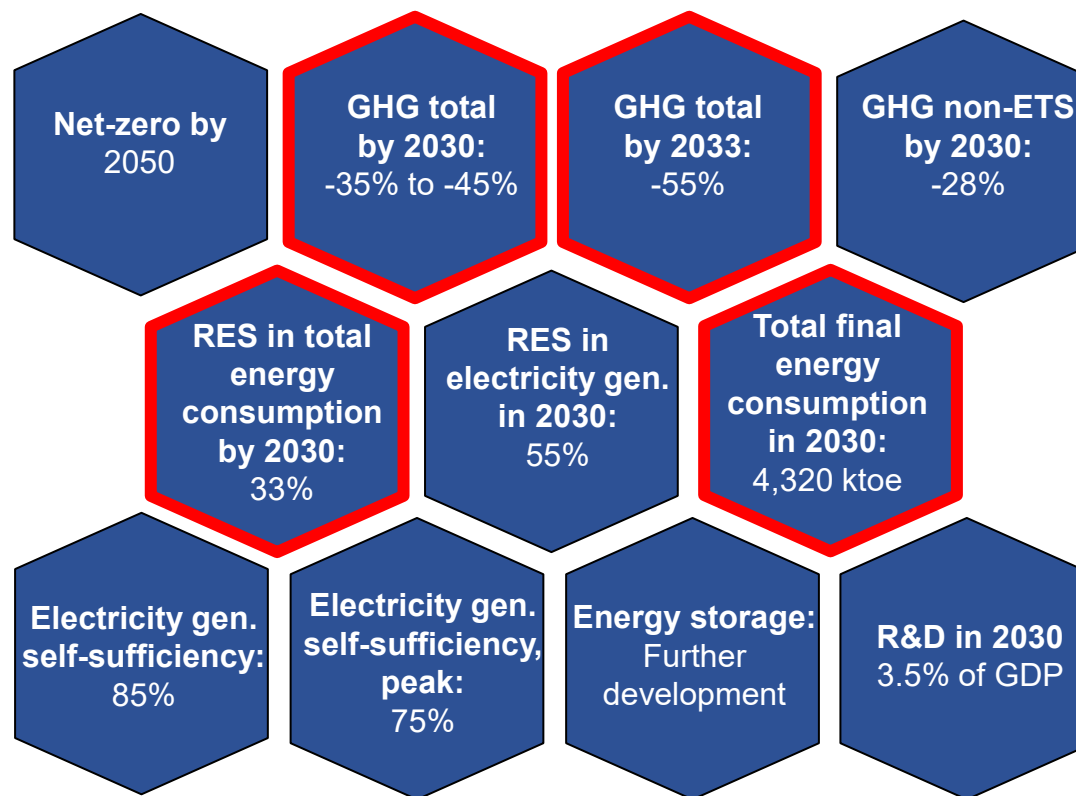
## National Energy and Climate Plan (NECP)



NECP serves as a operational medium-term blueprint for green transition

The NEPN is an operational document setting out objectives, policies and measures in the five dimensions of the Energy Union for the period up to 2030 (with a view to 2040): *decarbonisation, energy efficiency, energy security, internal market, and research, innovation and competitiveness.*

It provides for the plan for reduction of the reliance on fossil fuels for electricity generation, as well as implementation of sustainable transport solutions, industrial transition and sustainable construction standards.



Targets outlined in **red** are related to the Sustainability-Linked Bond Framework.

Link:

• [NECP](#)



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# Inaugural Sustainability-Linked Bond (SLB)

## Overview of the SLB Structure

### Rationale – Slovenian SLB as a companion to the updated NECP

The Sustainability-Linked Bond Framework published 21<sup>st</sup> March 2025 has been structured, with the support of BNP Paribas, to enable the issuance of future Sustainability-Linked Bonds (SLB) aligned to the ICMA SLB principles.

The inaugural SLB is intended to act as a **firm financial commitment** backing the environmental goals in **National Energy and Climate Plan (NECP)**.

#### Links:

- [SLB Framework](#)
- [SPO](#)
- [NECP](#) ([ENG](#) and [SLO](#))
- [Annex to NECP](#) ([ENG](#) and [SLO](#))

### Transaction Overview

Issue size	EUR 1bn +
Tenor	10 years
Base coupon	TBC
Applicable KPI	<b>KPI 1 – Total annual GHG emissions</b> Annual GHG emissions produced in Slovenia, including energy, industrial processes, agriculture, and waste. Land use, land use change and forestry emissions are excluded from the KPI
Applicable SPT	<b>SPT 1.1:</b> 35% decrease of total GHG emissions by 2030 relative to 2005 baseline. <b>SPT 1.2:</b> 45% decrease of total GHG emissions by 2030 relative to 2005 baseline.
Step-up Event	If the SPT 1.1 <b>has <u>not</u> been met</b> (GHG emissions reduction < 35%)
Step-down Event	If the SPT 1.2 <b>has been met</b> (GHG emissions reduction > 45%)
SLB Financial Characteristics	<b>± 50 bps</b> on last coupon only
Target observation date	31st December 2030
Reporting	Reporting on the achievement thereof (and thus on the fulfillment of the step-up / step-down condition) to follow within 36 months of the target observation date (i.e. by 31 December 2033).



# Inaugural Sustainability-Linked Bond

## Overview of the KPI and SPTs

### KPI 1: Total annual greenhouse gas emissions

The KPI is defined as the annual greenhouse gas emissions produced in Slovenia, including energy, industrial processes, agriculture, and waste. Land use, land use change and forestry emissions are excluded from the KPI.



### SPTs 1.1 – 1.2: Total Greenhouse Gas Emissions

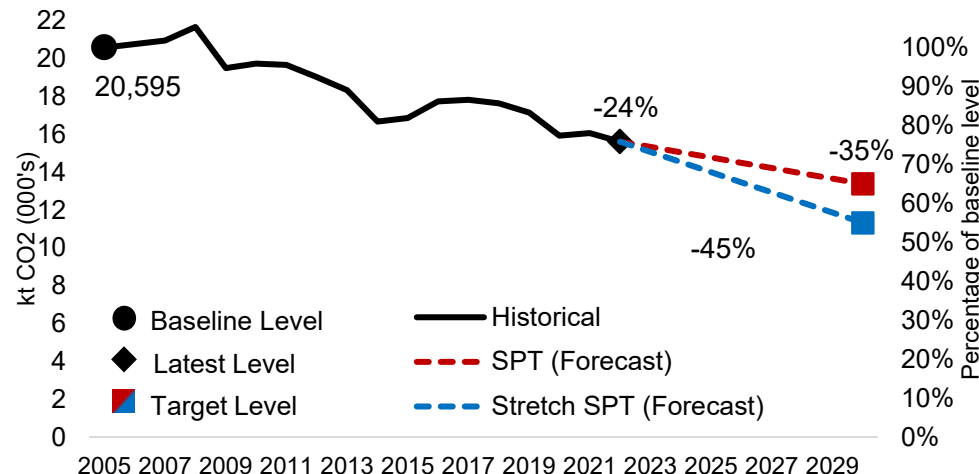
**Target observation date:** 31st December 2030

- **SPT 1.1:** 35% decrease of total GHG emissions by 2030 relative to 2005 baseline.
- **SPT 1.2:** **Stretch** for step-down: 45% decrease of total GHG emissions by 2030 relative to 2005 baseline.

#### Action plan and levers to achieve the SPT:

- EU Emissions Trading System
- Prioritisation of rail transport and sustainable mobility
- Phase out of coal mining and use of coal for energy by 2033

*For the avoidance of doubt, SPTs 1.3. and 1.4 will not be used for this specific transaction.*



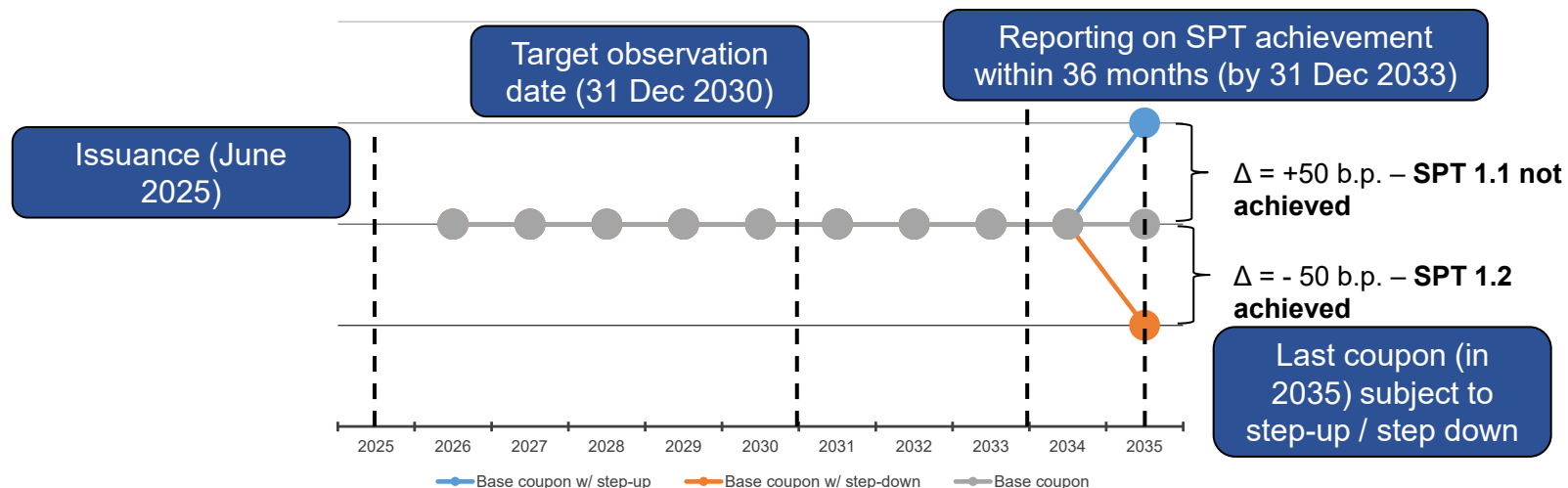
**Ambitiousness of the SPT: S&P rating of Advanced stating** “We think the targets are ambitious, as they require greater effort in terms of absolute emissions reduction rates than Slovenia has achieved previously..... the issuer’s targets demonstrate stronger-than-average performance than peers.... we positively note that under ASCOR, Slovenia’s SPT 1.1 and SPT 1.2 are aligned with a 1.5° C fair share scenario.”



# Inaugural Sustainability-Linked Bond Framework

## Bond Characteristics, Recalculation & Reporting

### Bond characteristics, illustration



### Recalculation

KPI(s) and/or Baseline(s) shall be adjusted as a result of any material:

- changes in the calculation methodology of KPI(s); and/or
- discovery of significant data errors or material improvement in data accessibility;



in each case, if the External Verifier deems the adjustment to be materially relevant to ensure at least the same level of ambitiousness as the existing SPTs.

### Reporting

Slovenia will publish and keep easily accessible annual Sustainability-Linked Bond Progress Reports on the Ministry of Finance's website. The reports will contain quantitative and/or qualitative information on the KPIs and will be published within 36 months after each year-end.





## Republic of Slovenia

Ministry of Finance

