

Impact Report for Bonds

Slovenian Sovereign Sustainability Bond Framework




Impact Summary

Evaluation Date July 10, 2025


Issuer Location Ljubljana, Slovenia

Sustainalytics has calculated the estimated impact achieved by the Slovenia 2024 Sovereign Social Bond (a dual-tranche social bond), issued by the Republic of Slovenia in September 2024. Since issuance, EUR 312 million have been allocated in the Healthcare and Social Inclusion categories. The projects are located across Slovenia. This report covers the allocation of EUR 145.5 million in the Healthcare category. For a representative year of the bond's term to maturity, Sustainalytics has calculated 1,760 disability-adjusted life years (DALYs) financed per year.

 **€145.5M**
Reviewed allocated funds

 **1,760**
DALYs financed per year

 **12**
Projects

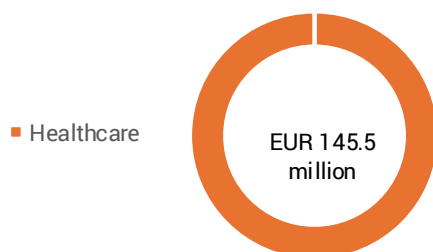
 **39.87**
Number of hospital beds

 **1**
Country

 **46K**
Number of beneficiaries



Reviewed Allocation by Use of Proceeds and Location of Projects by Country



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Introduction

The Republic of Slovenia ("Slovenia" or the "Issuer") is a country in Central Europe with a population of 2.1 million people in 2023 and a GDP of EUR 67 billion as of 2024.^{1,2} Ljubljana, the capital and largest city of Slovenia, has a population of 297,430.³ The country gained independence from Yugoslavia in 1991 and joined the UN in 1992.⁴ Slovenia became a member of the European Union in 2004.⁵ In 2024, Slovenia issued two sustainability bonds and allocated the proceeds according to the Slovenian Sovereign Sustainability Bond Framework (the "Framework").⁶ Sustainalytics provided a Second-Party Opinion on the Slovenian Sustainability Bond Framework, evaluating it as aligned with the Sustainability Bond Guidelines 2021, the Green Bond Principles 2021 and the Social Bond Principles 2021.^{7,8}

Slovenia engaged Sustainalytics to quantify the social benefits of the projects financed with the proceeds from the Slovenian sustainability bonds. This report covers the allocation of EUR 145.5 million under the Healthcare category as part of the EUR 312 million raised in the 2024 issuance. Using established methodologies, Sustainalytics has measured the impact of healthcare projects in Financed Total DALYs. This report presents the details of our findings, including a description of the methodology used to calculate the impacts.

Scope of Work and Limitations

Slovenia has engaged Sustainalytics to calculate the social impacts of the projects financed under the Healthcare category with proceeds from the Slovenia 2024 Sovereign Social Bond issued. For this work, Sustainalytics relied on the data provided by Slovenia on the amounts allocated and the technical data on the projects financed.

Sustainalytics' impact reporting is aligned with ICMA's June 2024 Harmonised Framework for Impact Reporting.⁹ The methodology and assumptions made for the impact calculation are outlined in the methodology chapter.

As part of this engagement, Sustainalytics exchanged information with Slovenia's representatives to understand the sustainability impact of its projects. Through these exchanges, Slovenia's representatives have confirmed that:

- (1) They understand it is the sole responsibility of Slovenia to ensure that the information provided is complete, accurate and up to date;
- (2) They have provided Sustainalytics with all relevant information;
- (3) Any provided material information has been duly disclosed in a timely manner.

Sustainalytics also reviewed relevant public documents and non-public information.

¹ World Bank Data, "Population total - Slovenia", (2023), at: <https://data.worldbank.org/indicator/SP.POP.TOTL?locations=SI>

² Republic of Slovenia, "Gross Domestic Product, Slovenia, annually", (2024), at: <https://pxweb.stat.si/SiStatData/pxweb/en/Data/-/0301910S.px/table/tableViewLayout2/>

³ Statistical Office of the Republic of Slovenia, "Municipality Ljubljana", (2023), at: <https://www.stat.si/obcine/en/Municip/Index/82>

⁴ Republic of Slovenia, "Slovenia in the UN", at: <https://www.gov.si/en/topics/slovenia-in-the-un/>

⁵ Republic of Slovenia, "Short history of Slovenia", (2021), at: <https://www.gov.si/en/news/2021-04-14-a-short-history-of-slovenia/>

⁶ Republic of Slovenia, "Slovenian Sovereign Sustainability Bond Framework", (2023), at: <https://www.gov.si/assets/ministrstva/MF/Zakladnistvo/Trajnostna-obveznica-ang/Slovenian-Sovereign-Sustainability-Bond-Framework-January-2023.pdf>

⁷ Sustainalytics, "Second-Party Opinion – Slovenian Sovereign Sustainability Bond Framework", (2023), available at: [https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/slovenian-sovereign-sustainability-bond-framework-second-party-opinion-\(2022\).pdf?sfvrsn=24221f1f_5](https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/slovenian-sovereign-sustainability-bond-framework-second-party-opinion-(2022).pdf?sfvrsn=24221f1f_5)

⁸ International Capital Market Association (ICMA), "The Principles, Guidelines and Handbooks", (2023), at: <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks>

⁹ ICMA, "Handbook - Harmonized Framework for Impact Reporting", (2024), at [Handbook-Harmonised-Framework-for-Impact-Reporting-June-2024.pdf](https://www.icmagroup.org/handbook-harmonised-framework-for-impact-reporting-june-2024.pdf) (icmagroup.org)

Impact Findings

For reporting, Sustainalytics follows the ICMA Harmonised Framework for Impact Reporting¹⁰ and the ICMA Harmonised Frameworks for Impact Reporting on Social Bonds,¹¹ which synthesize market expectations and outlines recommendations for impact reporting to create a standardized reporting structure and to enhance the understanding of the impact to all stakeholders, including investors.

Table 1 below provides a summary of the projects for which Sustainalytics has calculated the impacts at the portfolio level. Tables 2 provides project level details for the allocated projects by use of proceeds financed under this bond. Project-level Financed Total DALYs can be found in Appendix 1. These metrics correspond to a representative year during the financial instruments' term to maturity and are based on the share of project financing.

Table 1: Summary of Social Impact – Portfolio Level¹²

Total Allocated Amount	Bond Tenor	Financed Total DALYs	Financed DALYs/ M EUR
EUR	Years	DALYs	DALYs/M EUR
145,473,204.5	3.2	1,760	12.10

Table 2: Summary of Social Impact – Healthcare

Category	Allocated Amount	Financed Number of Beneficiaries	Financed Number of Hospital Beds	Financed Total DALYs	Financed Total DALYs /M EUR
	EUR			DALYs	DALYs/M EUR
Health care system development	125,841,223	937	31.47	1,522	12.10
Health institutions construction, renovation and equipping	19,631,982	45,000	8.40	237	12.10

¹⁰ ICMA, "Handbook - Harmonized Framework for Impact Reporting", (2024), at [Handbook-Harmonised-Framework-for-Impact-Reporting-June-2024.pdf](https://www.icmagroup.org/assets/documents/Handbook-Harmonised-Framework-for-Impact-Reporting-June-2024.pdf) (icmagroup.org)

¹¹ ICMA, "Harmonised Framework for Impact Reporting on Social Bonds", (2023), at: <https://www.icmagroup.org/assets/documents/Sustainable-finance/2023-updates/Harmonised-framework-for-impact-reporting-for-social-bonds-June-2023-220623.pdf>

¹² Since issuance, EUR 312 million have been allocated in the Healthcare and Social Inclusion categories. This report covers the social impact of one of the two Use of Proceeds, namely Healthcare, that Slovenia has allocated a total of EUR 145.5 million to.

Methodology

Healthcare

Healthcare-related activities financed using bond proceeds are deemed to contribute to improving overall health outcomes, as they address healthcare needs that may not have been met otherwise. Sustainalytics quantifies the number of disability-adjusted life years (DALYs) averted as the primary metric for measuring the health impact. DALYs are a widely used health economics metric intended to assess the cost effectiveness of healthcare treatments and represents a life-year lost to death or lived with the burden of disease. Averting one DALY therefore represents one year lived without the burden of disease or death. DALYs are measured based on the severity of a disease or disability on a scale of zero to one.

The financed number of DALYs averted is estimated using:

- a) Project-level data, including the total cost of healthcare projects, provided by Slovenia.
- b) The country average cost of averting DALYs in general healthcare.
- c) Financed DALYs averted are calculated by using the share of project financing of the total project DALYs averted from the above calculations.

Data Sources and Assumptions

- For the projects included in this report, the type of healthcare activity, location and allocation were provided by Slovenia.
- To measure the DALYs averted per euro, Sustainalytics leveraged methodologies for estimating costs per DALY averted sourced from studies by Ochalek et al (2015)¹³ and Daroudi et al (2021).¹⁴
- Recent data on the current cost of healthcare and Slovenian burden of disease (measured in DALYs) used to measure the country average costs of averting DALYs are sourced from the World Health Organization.^{15,16}
- The bond tenor is calculated as the weighted average number of years, based on the issuance amounts of the two tranches of the Slovenia 2024 Sovereign Social Bond.

¹³ Ochalek et al, "Cost Per DALY Averted Thresholds for Low- and Middle-Income Countries: Evidence From Cross Country Data", (2015), available at: https://eprints.whiterose.ac.uk/135883/1/CHERP122_cost_DALY_LMIC_threshold.pdf

¹⁴ Daroudi et al, "Cost per DALY averted in low, middle- and high-income countries: evidence from the global burden of disease study to estimate the cost-effectiveness thresholds", (2021), available at: <https://resource-allocation.biomedcentral.com/counter/pdf/10.1186/s12962-021-00260-0.pdf>

¹⁵ Global Health Expenditure Database, WHO, accessed 2024, at: <https://apps.who.int/nha/database/Select/Indicators/en>

¹⁶ The Global Health Observatory, WHO, accessed 2024, at: <https://www.who.int/data/gho/data/themes/mortality-and-global-health-estimates/global-health-estimates-leading-causes-of-dalys>

Appendix 1: Impact of Healthcare Projects

Project Name	Category	Allocated Amount	Share of Total Project Financing	Financed Number of Beneficiaries	Financed Number of Hospital Beds	Financed Total DALYs	Financed total DALYs/M EUR
		EUR	%			DALYs	DALYs/M EUR
CZBO Šentvid pri Stični - new building, adaptation	Healthcare system development	4,795,324	42%	-	29.40	58	12.10
Measures to control infectious diseases	Healthcare system development	927,987	3%	-	-	11	12.10
NC CRSS - arrangement of the premises of the national centre	Healthcare system development	57,821	5%	-	-	0.7	12.10
RRF - digital transformation of healthcare	Healthcare system development	14,750	1%	-	-	0.2	12.10
UMC MB - new construction of the infectious disease clinic	Healthcare system development	1,648,546	3%	-	2.07	20	12.10
Postgraduate training of health workers	Healthcare system development	92,782,553	25%	937	-	1,122	12.10
Implementation of tasks in the field of public health	Healthcare system development	15,924,378	19%	-	-	193	12.10
Regulation and development of the healthcare system	Healthcare system development	207,125	8%	-	-	3	12.10
Supplements of salary group J	Healthcare system development	5,995,571	47%	-	-	73	12.10
Monitoring the effects of the environment on health	Healthcare system development	3,487,168	18%	-	-	42	12.10
ESF - eHealth	Health institution construction, renovation and equipping	8,188,993	10%	45,000	-	99	12.10
UKC Maribor - expansion of oncology activity	Health institution construction, renovation and equipping	11,442,989	20%	-	8.40	138	12.10

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