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## THE REPUBLIC OF SLOVENIA FIRST SOVEREIGN SUSTAINABILITY-LINKED BOND FRAMEWORK PUBLISHED

The Republic of Slovenia today announces the publication of its inaugural **Sustainability-Linked Bond Framework (SLBF)**, marking a significant milestone as **the first European sovereign** to adopt this innovative approach to sovereign financing.

This landmark framework allows Slovenia to issue bonds linked to its ambitious climate and energy targets, reinforcing the Republic's commitment to advancing its sustainable development agenda, the objectives of the Paris Agreement on climate change and the European Green Deal. The framework was structured with the support of BNP Paribas.

Slovenia envisages issuing its inaugural Sustainability-Linked Bond under the Framework in the coming months.

### The Republic of Slovenia Sovereign SLBF as a Companion to the Updated National Energy and Climate Plan

The envisaged Sustainability-Linked Bond is intended to act as a **financial commitment** backing the environmental goals laid out in Slovenia's **National Energy and Climate Plan (NECP)**. NECPs were agreed as part of the Clean energy for all Europeans package, and lay down member states' medium-term environmental and energy goals, as well as policies action plans for the achievement thereof.

The coupon of Sustainability-Linked Bonds will be directly tied to the Republic of Slovenia's performance against key environmental targets as outlined in the NECP. The key performance indicators focus on:

- Greenhouse Gas Emissions Reductions – targeting the total greenhouse gas emissions produced in Slovenia (excluding LULUCF);
- Renewable Energy – increasing the share of renewable energy in gross final energy consumption; and
- Energy Efficiency – improving energy efficiency to help reduce overall energy consumption.

### A Complementary Approach to Use of Proceeds Financing

The Republic of Slovenia is a committed issuer of use-of-proceeds sustainability and social bonds. In **June 2021**, the Republic of Slovenia made its debut in the Sustainability Bond market with a **10-year issuance of EUR 1 billion** (EUR 1.249 billion including subsequent reopenings). Building on this, Slovenia issued its **second 10-year Sustainability Bond in January 2023**, this time with a larger volume of **EUR 1.25 billion**. More recently in **September 2024**, the Republic made its inaugural foray into the Samurai bond market with a dual-tranche (3- and 5-year) **JPY 50 billion Social Samurai** bond.

Unlike traditional green or sustainability bonds, which earmark proceeds for specific projects, sustainability-linked bonds provide a dynamic financial incentive for the issuer to achieve measurable sustainability outcomes. If Slovenia **outperforms** its predefined targets, it may benefit from a **step-down** in the coupon rate. Conversely, **underperformance** against its targets could trigger a **step-up** mechanism, reinforcing the government's commitment to delivering on its climate strategy.

### Publication and Further Information

The SLB Framework has been developed in accordance with the ICMA Sustainability-Linked Bond Principles and has received a Second Party Opinion from S&P Global Ratings, confirming its credibility, transparency, and alignment with international best practices.

The Framework and the SPO can be found on the Republic of Slovenia's [Investor Relations page](#).

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