

Sustainalytics Second Party Opinion

IG Development Georgia Green Bond Framework

30, September 2025

Framework owner and location:
IG Development Georgia LLC
Tbilisi, Georgia

Sector:
Real Estate

Overall Assessment

Sustainability Contribution



Principles Alignment

✓ Aligned

Green Bond Principles 2025

Contribution to SDGs



Assessment Summary

IG Development Georgia LLC has developed the IG Development Georgia Green Bond Framework dated September 2025, under which it intends to issue a green bond to fund projects in Georgia in one environmental category.

We have assessed the overall Sustainability Contribution of the Framework as **Strong**, based on the Sustainability Contribution of the Framework's single use of proceeds category.

IG Development Georgia intends to finance and refinance environmental expenditures in Green Buildings, with a focus on the construction of three commercial buildings in Georgia. These buildings have achieved or are expected to achieve the globally recognized EDGE Advanced certification, which will place them among the best performing in Georgia in terms of energy efficiency. However, the criteria do not require the buildings to be fossil fuel-free in relation to on-site energy generation, a key consideration for achieving net zero emissions in the building sector by 2050. Nevertheless, the financed expenditures are expected to substantially reduce emissions from the buildings sector and contribute to its decarbonization.

We have assessed the Framework as **Aligned** with the Green Bond Principles 2025.


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Breakdown per Use of Proceeds Category

We have assessed the overall Sustainability Contribution of the Framework as **Strong**, based on the Sustainability Contribution of the Framework's use of proceeds category.

Category	Sustainability Contribution Level	Weight
Green Buildings	 <p>Neutral Moderate Significant Strong</p>	100%

Issuer Overview & Sustainability Strategy

IG Development Georgia LLC, founded in 2010, is real estate developer headquartered in Tbilisi, Georgia. The Company specializes in the construction and management of large-scale commercial properties, including shopping malls and business centres. It operates as a wholly owned subsidiary of IG International LLC, a Delaware-based company with a diversified investment portfolio spanning renewable energy, real estate, hospitality, retail and other sectors. As of September 2025, IG Development Georgia employs 150 individuals and manages over 150,000 square meters of commercial real estate.¹

The Company integrates environmental and social factors into its sustainability strategy, focusing on: i) developing low-emission, climate-resilient real estate assets; ii) improving resource efficiency and minimizing waste; iii) upholding social responsibility towards employees, tenants, customers and local communities; and iv) ensuring responsible business and governance practices.²

To reduce emissions in its buildings, IG Development Georgia is implementing energy-efficiency measures, including Building Management Systems, LED lighting, high-efficiency HVAC systems, advanced building materials and high-performance insulation. These measures provide energy savings of at least 40% annually compared to typical buildings of the same type in Georgia. The Company is also expanding the use of renewable energy. In September 2025, the Company launched an off-site solar power plant that supplies 1.8MW of clean energy to its buildings, with a second 1.2MW installation expected to become operational by the end of 2025. Together, the two plants will fulfil nearly 50% of the energy demand of the Company's three operating properties. IG Development Georgia also aims to certify its buildings and all new construction projects under globally recognized green building standards such as EDGE,³ BREEAM⁴ and LEED.⁵

To support its resource and waste management objectives, the Company undertakes various initiatives such as using recycled building materials in construction, installing containers for waste segregation, recycling and safe disposal of hazardous materials, and encouraging tenants to adopt circular practices. In terms of social responsibility, the Company focuses on creating inclusive and accessible spaces in its shopping and business centres, equipped with lifts, ramps, recreational areas and restrooms to accommodate all visitors. The Company engages with tenants and local communities to address their needs, promotes a safe and healthy work environment, and prioritizes fair labour practices, equal opportunities, freedom of association and respect for employee rights.⁶

IG Development Georgia's Supervisory Board approves and oversees the Company's sustainability strategy and ESG risk management framework. The General Director ensures the execution of the strategy and supports the board in assessing potential risks and developing mitigation strategies. The Sustainability Committee, consisting of heads of Finance, Legal, Operations and Construction departments, meets quarterly to set ESG goals and evaluate sustainability performance, with support from the Sustainability Manager, who monitors key performance indicators and reports on progress to the committee. The Company is currently developing internal systems to enable regular public sustainability reporting, aiming to establish an ESG data collection system by the end of 2025 and publish its first sustainability report by the end of 2027-2028.⁷

¹ Information is sourced from the Framework.

² IG Development Georgia shared its Sustainability Plan with us confidentially.

³ EDGE: <https://edgebuildings.com/certify/certification/>

⁴ BREEAM: <https://breeam.com/standards/new-construction>

⁵ LEED: <https://www.usgbc.org/leed>

⁶ Information is sourced from the Framework.

⁷ IG Development Georgia shared its Sustainability Plan with us confidentially.

Principles Alignment

We have assessed the IG Development Georgia Green Bond Framework as follows:

Green Bond Principles 2025 - **Aligned**

IG Development Georgia intends to issue a green bond under the Framework.

Principles Alignment Detailed Evaluation

Use of Proceeds

Aligned

Alignment with core requirements

- ▶ The Framework describes eligibility criteria appropriately.
- ▶ All expenditures are expected to provide clear environmental benefits.

Additional considerations

- ▶ The Framework limits refinancing to capex associated with the construction of buildings, with a look-back period of up to eight years from the issuance date of each tranche.
- ▶ IG Development Georgia has committed to the following practices, which go beyond the core requirements:
 - ▶ The Framework discloses the intended financing and refinancing shares that will be financed from the proceeds.
 - ▶ The Framework discloses the projects that will be refinanced from the proceeds.

Project Evaluation and Selection

Aligned

Alignment with core requirements

- ▶ The Framework describes a governance process for the evaluation and selection of eligible projects.
- ▶ The Framework communicates the environmental sustainability objectives of eligible projects.
- ▶ The Framework describes a process to identify and manage perceived environmental and social risks associated with eligible projects.

Additional considerations

- ▶ IG Development Georgia has committed to the following practices, which go beyond the core requirements:
 - ▶ The Company describes how eligible projects support its overarching sustainability strategy and objectives.
 - ▶ The Framework indicates the SDGs to which it expects to contribute through eligible projects.
 - ▶ The Company intends to align the Framework with Georgia's Sustainable Finance Taxonomy.⁸

⁸ National Bank of Georgia, "Sustainable Finance Taxonomy", at: <https://nbg.gov.ge/en/page/sustainable-finance-taxonomy>

Management of Proceeds**Aligned***Alignment with core requirements*

- ▶ The Framework describes a governance structure for the management of proceeds.
- ▶ The Framework describes the processes and systems that will be used to track the proceeds.
- ▶ The Framework describes the intended temporary placement for the balance of unallocated proceeds.

Additional considerations

- ▶ IG Development Georgia has committed to the following practices which go beyond the core requirements:
 - ▶ The Company intends to allocate all proceeds to eligible projects within 36 months of each issuance.
 - ▶ Pending full allocation, temporary proceeds will be held in cash, cash equivalents or other short-term instruments in line with the Company's treasury management policy and will exclude investments in carbon-intensive assets.

Reporting**Aligned***Alignment with core requirements*

- ▶ IG Development Georgia will provide an annual allocation report until full allocation of proceeds and renew it in case of material changes until maturity.

Additional considerations

- ▶ IG Development Georgia has committed to the following practices which go beyond the core requirements:
 - ▶ The Company will report on the projects' qualitative and quantitative impact using relevant metrics, once the proceeds are fully allocated.
 - ▶ The Framework indicates at least one impact metric for the category.
 - ▶ The Company will publish allocation and impact reports on its website.

Sustainability Contribution

IG Development Georgia intends to use the proceeds from the bond issued under the Framework to finance and refinance capex related to green building projects, which are expected to lead to environmental benefits in Georgia.

We have assessed the overall Sustainability Contribution of the Framework as **Strong**, based on the Sustainability Contribution of the Framework’s single use of proceeds category.

Sustainability Contribution



Sustainability Contribution per Use of Proceeds Category

Green Buildings



We have assessed the Sustainability Contribution of the Green Buildings category as **Strong**.

Commercial buildings financed will be certified under a globally recognized green building standard, which is expected to position the eligible buildings among the most energy efficient in Georgia. Although the Framework does not require buildings to be zero-emission-ready, posing a risk of a fossil fuel lock-in, these expenditures are nonetheless expected to strongly contribute to the decarbonization of the buildings sector.

Category Expenditures

Expenditure	Description
Construction of City Mall Saburtalo	<ul style="list-style-type: none"> ▶ Construction of the retail complex City Mall Saburtalo, certified with EDGE Advanced.⁹ ▶ The building has achieved 45% on-site energy savings, 21% water savings and 64% savings in embodied energy in materials.
Construction of City Tower office	<ul style="list-style-type: none"> ▶ Construction of the office building City Tower, certified with EDGE Advanced. ▶ The building has achieved 42% on-site energy savings, 23% water savings and 96% savings in embodied energy in materials.
Construction of City Mall Gldani	<ul style="list-style-type: none"> ▶ Extension of the retail complex City Mall Gldani, expected to achieve EDGE Advanced certification. ▶ The building intends to achieve 43% on-site energy savings, 21% water savings and 27% savings in embodied energy in materials.

Additional details

- ▶ The Framework states that 60% of the proceeds will be used to refinance capital expenditures for City Mall Saburtalo and City Tower office, and 40% to finance the extension of City Mall Gldani.

Analytical Commentary

Buildings operations accounted for 30% of global final energy consumption and 26% of energy-related GHG emissions in 2022.¹⁰ Commercial buildings, including offices and shopping malls,

⁹ EDGE: <https://edgebuildings.com/certify/certification/>

¹⁰ IEA, "Tracking Buildings", (2023), at: <https://www.iea.org/energy-system/buildings>

have a sizeable carbon footprint due to their substantial energy demand for heating, lighting and cooling.¹¹ Decarbonization in the buildings sector must accelerate to achieve net zero emissions by 2050. As of 2020, only 5% of new buildings worldwide were zero-carbon-ready, while this share must increase to 100% by 2030 to keep pace with internationally agreed-upon climate goals.¹² Investments in energy-efficient and zero-emission-ready buildings are critical to bridging this gap and decarbonizing the buildings sector.

The Framework limits financing to three pre-defined commercial buildings that have achieved or are expected to achieve the EDGE Advanced certification level, which will place them among the most energy efficient buildings in Georgia. However, the Framework does not require the buildings to be fossil fuel-free in their energy use, which exposes them to a risk of fossil fuel lock-in. This risk is particularly relevant for new buildings constructed after 2024 due to their long lifespan and critical role in achieving net-zero climate objectives. Nevertheless, as majority of the proceeds will be directed towards the refinancing of existing buildings constructed before 2024, these expenditures are collectively expected to make a strong contribution to the decarbonization of the building sector.

¹¹ U.S. Energy Information Administration, "Using and Saving Energy in Commercial Buildings", at: <https://www.eia.gov/kids/using-and-saving-energy/commercial-buildings.php?>

¹² IEA, "Technology and Innovation Pathways for Zero-carbon-ready Buildings by 2030", (2022), at: <https://www.iea.org/reports/technology-and-innovation-pathways-for-zero-carbon-ready-buildings-by-2030>

Environmental and Social Risk Management

We have identified the following areas of environmental and social (E&S) risks associated with the expenditures eligible under the Framework: land use and biodiversity loss; emissions, effluents and waste; occupational health and safety (OHS); and community relations. IG Development Georgia has the following policies and processes in place to identify and mitigate such risks.

E&S risk identified	Applicable policies, procedures and measures
Overall E&S risk management measures	<ul style="list-style-type: none"> ▶ As part of its Risk Management Policy, IG Development Georgia has established an environmental and social risk management system to identify, assess, mitigate and monitor risks related to health and safety, environmental degradation, pollution prevention, resource efficiency and fair labour practices. This system applies to both the construction and operation phases of the projects and follows a structured approach that includes continued recording of potential risks in each department, scenario analysis, expert consultation and stakeholder engagement to ensure effective risk management.¹³
Land use and biodiversity loss	<ul style="list-style-type: none"> ▶ The Company's Risk Management Policy sets out a commitment to protect and preserve natural habitats and refrain from financing projects that may substantially alter or destroy natural ecosystems.¹⁴ ▶ IG Development Georgia complies with applicable environmental and urban planning legislation, including Decree No. 255 of the Government of Georgia on Regulation of Permission for Construction and Permit Conditions. In line with this decree, the Company ensures that all projects adhere to the K3 land-use coefficient specified in the construction permit, which requires a portion of each land plot to be preserved as green space to prevent land-use changes and protect biodiversity.¹⁵
Emissions, effluents and waste	<ul style="list-style-type: none"> ▶ IG Development Georgia has a Waste Management Plan that establishes procedures for waste handling during the construction and operation of each building, covering waste prevention, collection, segregation and safe disposal of hazardous waste to avoid environmental harm. The plan requires safe transportation of waste, prioritizes recycling and reuse, and prohibits practices, such as long-term accumulation, disposal of hazardous waste in improper containers, incineration of rubber, and discharge of oils, grease or electrolytes into wastewater systems.¹⁶ ▶ The Company's Pollution Prevention Plan identifies the major sources of pollution at each site and sets out measures to prevent and reduce pollution. The plan specifically addresses air emissions from heating systems and vehicles in parking areas, and noise and vibration from ventilation systems. The Company provides training to its workforce and tenants on pollution prevention and waste management, and monitors tenants' compliance with these measures.¹⁷
Occupational health and safety	<ul style="list-style-type: none"> ▶ The Company's Occupational and Community Health and Safety Management Plan outlines measures to assess, monitor and manage OHS risks to protect the health and safety of employees, contractors and local communities. These measures include the use of personal protective

¹³ IG Development Georgia shared its Risk Management Policy with us confidentially.

¹⁴ Ibid.

¹⁵ Ministry of Economy and Sustainable Development of Georgia, "Spatial Development, City-building and Construction", at: <https://www.economy.ge/?page=ecoleg&s=21&lang=en>

¹⁶ IG Development Georgia shared its Waste Management Plan with us confidentially.

¹⁷ IG Development Georgia shared its Pollution Prevention Plan with us confidentially.

equipment, noise and vibration control, hazard prevention from chemical, biological and physical agents, and safe execution of electrical works.¹⁸

- ▶ In accordance with the Georgia's Law on Occupational Health and Safety, the Company requires its OHS specialist to complete an accredited safety programme and provide contractors with adequate instructions and training.¹⁹ The Company has developed an Emergency Response Plan that outlines preventive measures and response actions for employees, tenants and customers in emergency situations, such as fires, gas leaks and structural hazards.²⁰

Community relations

- ▶ IG Development Georgia commits to transparent and regular stakeholder dialogue and community engagement in its operations and decision-making processes. The Company discloses to the public the scope of its projects, planned activities and potential impacts on communities.
 - ▶ The Company maintains a grievance mechanism through which community representatives can anonymously submit complaints, which are then registered and reviewed by a Grievance Resolution Committee. The committee reviews each complaint through face-to-face discussions with residents to understand their expectations and address their concerns.²¹
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¹⁸ IG Development Georgia shared its Occupational and Community Health and Safety Management Plan with us confidentially.

¹⁹ Georgia Fair Labor Platform, "Organic Law of Georgia on Occupational Health and Safety", (2019), at: <https://shroma.ge/wp-content/uploads/2021/10/Organic-Law-of-Georgia-on-Occupational-Health-and-Safety-EN.pdf>

²⁰ IG Development Georgia shared its Emergency Response Plan with us confidentially.

²¹ IG Development Georgia shared its Grievance Redress and Resolution Plan with us confidentially.

Annex 1: Assessment Framework Overview

The following is a brief overview of the Assessment Framework that we use to assess debt instruments and the frameworks that support them. Using this Assessment Framework, we provide two key signals in our Second Party Opinions: **Principles Alignment** and **Sustainability Contribution**.





Principles Alignment indicates a framework's alignment with the requirements of applicable sustainable debt market Principles.²² This assessment is structured according to the four components of the Principles: Use of Proceeds, Project Evaluation and Selection, Management of Proceeds and Reporting. Principles Alignment is expressed at one of following levels:

- ▶ **Aligned:** Meets all requirements across the four components.
- ▶ **Partially Aligned:** Meets requirements on two or three of the four components.
- ▶ **Not Aligned:** Does not meet requirements on most or all of the four components.

In addition, we provide commentary on any shortcomings as well as best practices.

Sustainability Contribution provides a clear and comparable signal of the expected contribution of the use of proceeds to one or more environmental or social objectives. We assess each expenditure defined in a framework by looking at the activities, assets and projects that they finance. This assessment is carried out using a set of factors that we have identified as driving the expenditure's contribution to a primary objective as well as its avoidance of harm to other objectives. The assessment results in one of the four levels of Sustainability Contribution described in the table below.

We determine the average contribution of the expenditures within each use of proceeds category (as defined by the issuer) to produce an expected Sustainability Contribution for each category. We then aggregate across categories to determine the Sustainability Contribution of a framework overall. In most cases, weight is distributed equally across use of proceeds categories. However, we adjust the weighting if information regarding percentage allocation is provided by the issuer.

Level of Sustainability Contribution	Description
 <p style="text-align: right; margin-right: 10px;">▲ Strong</p>	The expenditure finances an activity that makes a strong contribution to an environmental or social objective. The activity is well aligned with credible standards; there are no significant lock-in risks; and the risk of negative impact to other sustainability objectives is low.
 <p style="text-align: right; margin-right: 10px;">▲ Significant</p>	The expenditure finances an activity that makes a significant positive contribution to an environmental or social objective while having minor shortcomings compared to a strong contribution. This is either because the activity falls somewhat short of credible standards; there is some risk of lock-in (in the case of some environmental activities); there is a risk of negative impact to other sustainability objectives; or there is some ambiguity in the criteria for the expenditure.
 <p style="text-align: right; margin-right: 10px;">▲ Moderate</p>	The expenditure finances an activity that represents a step towards an environmental or social objective but has substantial shortcomings compared to expenditures that make a strong contribution. Although the activity will result in benefit over a relevant baseline, either it falls substantially short of credible standards; there is significant risk of lock-in; there is significant ambiguity in the criteria; or there is a risk of significant negative impact to other sustainability objectives.
 <p style="text-align: right; margin-right: 10px;">▲ Neutral</p>	The expenditure finances an activity that entails no net positive contribution to environmental or social objectives. Even in cases where there is some positive contribution to an objective, this is offset by shortcomings in other areas. Alternatively, the eligibility criteria may be unclear to the extent that contribution cannot be determined.

²² These primarily include the Green Bond Principles and the Social Bond Principles, published by the International Capital Market Association (ICMA); and the Green Loan Principles and the Social Loan Principles, published by the Loan Syndications and Trading Association, the Loan Market Association, the Asia Pacific Loan Market Association (LSTA-LMA-APLMA), and the Association of Southeast Asian Nations (ASEAN).

Scope of Work and Limitations

This Second Party Opinion provides a point-in-time independent opinion of the Framework as of the Evaluation Date. Our opinion may consider additional documentation and information that the Framework owner may have provided during the engagement, in addition to public and non-public information. The owner refers to the entity featuring as an issuer, borrower, special-purpose vehicle or any other entity as described in the Framework.

As part of this engagement, we communicated with representatives of the Framework owner, who acknowledged that: i) it is the sole responsibility of the Framework owner to ensure that the information provided is complete, accurate and up to date; ii) they have provided us with all of the relevant information; and iii) that all of the information has been provided in a timely manner.

This Second Party Opinion provides our opinion of the Framework and should be read in conjunction with that Framework. Any update of this Second Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and the Framework owner.

Our Second Party Opinion provides our opinion on the alignment of the Framework with current market standards and practice but provides no guarantee of alignment nor warrants alignment with future versions of any such standards. In addition, it does not guarantee the realized allocation of proceeds towards eligible activities.

No information provided in this Second Party Opinion shall be considered as being a statement, representation, warrant or argument in favour or against the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that the Framework owner may have made available to Sustainalytics for the purpose of this Second Party Opinion.

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