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NA'-NUK INVESTMENT FUND 2, L.P. ESG INVESTMENT POLICY

APPROVED February 23, 2023

Background & Corporate Commitment

This Statement applies to McKinley Alaska Private Investment's Na'-Nuk Investment Fund 2, L.P. ("Na'-Nuk Fund 2"). McKinley Alaska Private Investment, LLC ("McKinley Alaska") is a subsidiary of McKinley Management, LLC. McKinley Management has a corporate Environmental, Social, and Governance ("ESG") Investment Policy that governs both McKinley Capital Management, LLC and McKinley Alaska Private Investment, LLC. The guidelines outlined in this document are consistent with the firm's Corporate ESG Policy and are meant to further define and specify Na'-Nuk Fund 2's ESG commitment.

McKinley Management, LLC is a signatory to the United Nations Principles For Responsible Investment (UNPRI).

ESG at McKinley Alaska Private Investment, LLC

McKinley Alaska believes the prudent application of ESG practices is key to value-creation and risk management. As Alaskans, we believe the application of such practices is essential to being good citizens of our diverse and dynamic homeland. Our investment practices are guided, in part, by the Arctic Investment Protocol ("AIP") from the Arctic Economic Council and the principles it offers as a responsible framework for Na'-Nuk Fund 2 investments.

McKinley Alaska recognizes that there is not a single framework of ESG-related principles that may be uniformly applied to its diverse investment opportunities and that only certain factors will be relevant for each individual investment. McKinley Alaska also expects ESG evaluation and monitoring will evolve over the life of Na'-Nuk Fund 2 and that it is our intent to adapt with the goal of continual improvement.

Philosophy

McKinley Management is a signatory to the UN PRI and McKinley Alaska is committed to



implementing these [Principles](#). McKinley Alaska is also guided, in part, by the principles laid out in the Arctic Investment Protocol. It is our intention that investments made by the Na'-Nuk Fund 2 will be evaluated for alignment with these objectives:

- *Build resilient societies through economic development*
- *Respect and include local communities and indigenous peoples*
- *Pursue measures to protect the environment of the Arctic*
- *Practice responsible and transparent business methods*
- *Consult and integrate science and traditional ecological knowledge*
- *Strengthen pan-Arctic collaboration and sharing of best practices*

Investment Process

McKinley Alaska is the manager of the Na'-Nuk Investment Fund 2 ("Na'-Nuk Fund 2") and in this capacity, McKinley Alaska's investment team will apply the following principles to the management of the Na'-Nuk Fund 2:

- As part of Na'-Nuk Fund 2's investment evaluation process, the investment team intends to consider investment opportunities based on their alignment with the AIP and UNPRI,
- The result of each evaluation will be quantitatively scored in an Impact section of the Preliminary and Final Investment Memorandums. Scoring will be done subjectively by the Investment Team using a 1-5 scale. 5 = positive impact and high alignment with AIP/UNPRI and 1 = negative economic/environmental impact and low alignment with AIP/UNPRI. In addition, we intend to address each of the six AIP principles in the narrative discussion of the prospective investment.
- An investment's Impact score may not preclude it from moving forward in the formal diligence process; however, the investment team plans to take it into account and incorporate the Impact score in Na'-Nuk Fund 2 Investment Committee decisions.
- In partnership with [Novata](#), with guidance provided by the [ESG Data Convergence Initiative](#), McKinley Alaska's Na'-Nuk Fund 2 investment team plans to collect data annually for all portfolio holdings (both direct and fund managers) at the stage of Series B or later.
- McKinley Alaska's Na'-Nuk Fund 2 investment team plans to encourage and support all portfolio companies in building and implementing ESG policies consistent with this policy. It is expected that early-stage companies (Series Seed-A/B) may not have

formal policies developed and that McKinley Alaska's influence may vary depending on ownership percentage and degree of control.

Reporting

- McKinley Alaska, in its role as manager of the Na'-Nuk Fund 2, intends to provide an annual report produced by Novata summarizing Na'-Nuk Fund 2's portfolio company ESG reporting and analytics data. It is the firm's intention that this report will be sufficiently detailed to provide useful, performance-based, comparable ESG data for Na'-Nuk Fund 2 LP investors.
- As appropriate, McKinley Alaska's investment team intends to report on ESG-related matters in Na'-Nuk Fund 2 investor reporting.

Governance

- McKinley's ESG Council sets ESG corporate level objectives, assigns responsibilities, and approves ESG reporting/disclosure statements. The group is comprised of the Chief Executive Officer, Chief Investment Officer, Chief Compliance Officer, General Counsel, Chief Operating Officer, Chief Strategy Officer, two members from the investment teams, (Public and Private), Director of Sustainability, Director of Global Distribution, and Director of Human Resources. This policy will be reviewed at least annually by McKinley's ESG Council.

Legal statements

McKinley Alaska Private Investment, LLC is registered as an investment adviser with the U.S. Securities and Exchange Commission under the Investment Advisers Act of 1940. We comply with the U.S. regulatory guidance statements and guidelines regarding ESG and are committed to transparency regarding our future ESG developments. We also commit to reviewing this Policy on an annual basis while updates and amendments may be adopted at any time throughout the year.

McKinley Capital Management, LLC, McKinley Alaska Private Investment, LLC, McKinley Alaska Growth Capital (Alaska Growth Capital BIDCO, Inc.), and McKinley Research Group are subsidiaries of McKinley Management, LLC.