



Pilot Social Equity Lens Investment (SELI) Coding System

Backgrounder

Last updated in October 2025



Employment and
Social Development Canada

Emploi et
Développement social Canada

Canada

PILOT SOCIAL EQUITY LENS INVESTMENT (SELI) CODING SYSTEM

The Social Finance Fund (SFF) is a long term, \$755 million initiative to accelerate the growth of Canada's social finance market.

The initial \$400 million of the SFF to be allocated over the first five years of the program (2023-2027) is managed by three wholesalers: Realize Capital Partners, Boann Social Impact, and CAP Finance – le Fonds de finance sociale. To learn more about the SFF's design and implementation, click [here](#).

The SFF was designed through a social equity lens to address systemic bias, encourage decisions that remove barriers, and ultimately ensure investments reach and support equity-deserving communities and underserved populations. For more information on the SFF, please visit [Employment and Social Development Canada \(ESDC\)](#).

Social Equity Lens Investments (SELI) and Gender Lens Investments (GLI) unlock opportunities for equity-deserving groups within the finance sector. The SFF is committed to investing a minimum of 35% of capital into SELIs, **including a minimum of 15% into GLIs**.

The Pilot Social Equity Lens Investment (SELI) Coding System is a taxonomy that will enable the SFF to track and measure its progress towards its SELI and GLI investment targets.

This backgrounder provides more details on the objectives and design of the Pilot SELI Coding System.

For more details on the implementation of the SELI taxonomy, including details on the flexible indicators and reporting, please refer to the ***SELI Technical Guide for Social Finance Intermediaries (SFIs)*** and the ***SELI Technical Guide for Social Purpose Organizations (SPOs)***.

While this taxonomy was developed for the SFF, other investors are encouraged to integrate the taxonomy within their due diligence and impact measurement and management (IMM) processes. If you are not currently receiving investments through the SFF and have questions about enhancing your social equity practices, please visit the [Social Finance Fund Hub](#).

Contact us: social_innovation_sociale@hrsdc-rhdcc.gc.ca



PILOT SOCIAL EQUITY LENS INVESTMENT (SELI) CODING SYSTEM

TABLE OF CONTENT

1. The Social Finance Fund’s Social Equity Lens	4
Context.....	4
Process Metrics on Power Dynamics	4
Social Equity in Processes and Outcomes	5
The Social Equity Principles	6
2. The Social Finance Fund and Indigenous Social Finance	8
3. Designing the Pilot Social Equity Lens Investment (SELI) Coding System	9
Literature Analysis.....	9
Stakeholder Engagement	9
Subject-Matter Expert Recommendations	10
4. The Pilot Social Equity Lens Investment (SELI) Coding System	11
Purpose of the SELI	11
Defining a Social Equity Lens Investment (SELI) and a Gender Lens Investment (GLI)	12
Foundational Guidelines	13
Taxonomy Criteria	15
Thresholds – Levels 1 and 2.....	17
5. Acknowledgements	19
ANNEXES	19
Annex A – SELI Glossary.....	19
Annex B – SELI Taxonomy	19



PILOT SOCIAL EQUITY LENS INVESTMENT (SELI) CODING SYSTEM

1. The Social Finance Fund's Social Equity Lens

Context

The Social Finance Fund (SFF) recognizes that current financial and economic systems stand on historical contextual factors that have created the marginalization and exclusion of equity-deserving groups¹:

- Entrepreneurs belonging to equity-deserving groups face greater barriers than their peers in accessing social finance capital. Intersecting identities create additional disparities and affect how groups experience these systemic barriers (i.e., the combination of norms and practices that limit access to opportunities for equity-deserving groups).
- The disparities experienced by equity-deserving entrepreneurs exist at all levels of the social finance ecosystem (e.g., bias in risk assessment, etc.).

Social finance is recognized as an important tool in addressing inequities present in the traditional finance ecosystem. The SFF was designed through a social equity lens to ensure that investments reach and support diverse equity-deserving communities and enhance overall adoption of more equitable practices in social finance.

Process Metrics on Power Dynamics

In 2019-2020, ESDC partnered with Criterion Institute to analyze power dynamics within the social finance sector. Together, they reviewed existing literature and held a design-thinking session with key stakeholders in January 2020. This research revealed a tendency to prioritize investor perceptions of risk over the capital needs of equity-deserving groups and communities.

The resulting [Process Metrics that Analyze Power Dynamics in Investing](#) report informed the design of the SFF's Social Equity Lens and identified key systemic barriers as it relates to the design and allocation of social finance capital.

¹ These groups face particular and significant barriers due to their intersecting identities, including race, sex, sexual orientation, gender identity or expression, religion, age, language and disability. Equity-deserving groups include, among others: women and gender diverse people; First Nations, Métis and Inuit peoples; Black peoples; Racialized peoples; 2SLGBTQIA+ communities; Official Language Minority communities; persons living with a disability; First Generation Immigrants, Refugees & Newcomers. See Annex A for the SELI Glossary.



PILOT SOCIAL EQUITY LENS INVESTMENT (SELI) CODING SYSTEM

Social Equity in Processes and Outcomes

Consideration of the needs and barriers faced by equity-deserving groups is built into the SFF in its 1) processes and 2) outcomes.

Processes refer to the intentional incorporation of a social equity lens in product design, operational practices and other internal activities to tackle systemic barriers and promote equitable opportunities for all that lead to desired results (outcomes).

By incorporating social equity considerations into its processes, the SFF will promote a shift in behaviour, practice, and distribution of power in the Canadian social finance ecosystem, particularly amongst the suppliers of capital, as well as SFF wholesalers, social finance intermediaries (SFIs) and social purpose organizations (SPOs). For example, SFF wholesalers will:

- Integrate diverse representation within their funds (building on the [50-30 challenge](#)), with a minimum 50% representation of women and gender diverse people and 30% representation of people belonging to other equity-deserving groups within their governing bodies (e.g., Board of Directors, Committees), and senior management;
- Build programs supporting emerging SFIs, particularly focused on those led by and serving equity-deserving groups; and,
- Design and implement social equity informed due diligence processes to ensure the needs of equity-deserving groups are considered.

Outcomes refer to results achieved because of intentional and deliberate integration of a social equity lens throughout investment activities. The capital provided by the SFF will enable wholesalers to invest in SFIs, and SFIs to then invest in a range of diverse SPOs. SFF wholesalers are allocating a minimum of 35% of their investments into initiatives promoting greater social equity (i.e., Social Equity Lens Investments, or SELI). This includes a minimum of 15% into initiatives promoting greater gender equality (i.e., Gender Lens Investments, or GLI).

The Pilot Social Equity Lens Investment (SELI) Coding System is a taxonomy that will enable the government to track progress towards its SELI and GLI targets. It will also improve adoption of equitable practices in the social finance ecosystem and promote activities which advance Canada's progress towards its commitments in support of Indigenous Reconciliation.



PILOT SOCIAL EQUITY LENS INVESTMENT (SELI) CODING SYSTEM

The Social Equity Principles

The SFF activities are rooted in action according to the principles of addressing systemic bias, encouraging decisions that remove barriers, and ensuring investments reach and support equity-deserving communities:



PILOT SOCIAL EQUITY LENS INVESTMENT (SELI) CODING SYSTEM

Contextualization

Ensure the investment approach recognizes the unique dynamics inherent in geography, socio-economic factors, stakeholder types, asset class, etc.

Inclusion

Promote investment processes, decision-making, and underlying organizational culture and processes underpinned by representative lived experience and the needs of those served by capital, with equitable and meaningful participation underpinning this principle. Ensure efforts to be inclusive and representative reflect the intersectionality of equity-deserving groups, meaning the reality that people are often disadvantaged by multiple sources of discrimination: their race, class, gender identity, sexual orientation, religion, ability, and other identity markers.

Accessibility

Develop opportunities, tools, processes and practices in investment-making to meet the needs of people with diverse abilities and other identity markers, by providing resources, ongoing education and training to remove barriers, foster meaningful inclusion and recognize access dynamics whereby investors determine who is considered 'worthy' to access capital and resources.

Accountability

Ensure investment strategies are responsive to community needs and that community perspectives are incorporated in a collaborative manner. Develop mechanisms to track and measure progress against stated goals and allocation commitments and demonstrate how power shifts are being realized. Model transparency and accountability in reporting as it relates to impact and performance in social impact.



PILOT SOCIAL EQUITY LENS INVESTMENT (SELI) CODING SYSTEM

2. The Social Finance Fund and Indigenous Social Finance

The SFF and its ecosystem are building their efforts to strengthen relationships with First Nations, Inuit and Métis in Canada based on a renewed, nation-to-nation, government-to-government and Inuit-Crown relationship; and on self-determination and the recognition of rights, respect, trust, cooperation and partnership.

Building on the Canadian Government's ratification of the [United Nations Declaration on the Rights of Indigenous Peoples](#), as well as commitments to implement [the Truth and Reconciliation Commission's Calls to Action](#), [the National Inquiry into Missing and Murdered Indigenous Women and Girls Calls for Justice](#), and the [Inuit Nunangat Policy](#), the SFF investment activities should be informed by relationship-building with First Nations, Inuit, and Métis nations, governments, organizations, and leaders. The SFF wholesalers are expected to advance Indigenous self-determination by respecting Indigenous rights and supporting and complementing thriving Indigenous social finance ecosystems where appropriate.

In recognition of the distinct relationship context inherent to advancing Indigenous Reconciliation, the Pilot SELI Coding System does not predetermine or assess actions contributing to advancing Reconciliation with Indigenous peoples. Rather, the SELI Coding System provides an overarching imperative for actors to embed relationship-building and concrete actions throughout their investment activities. The SFF will remain engaged to reflect on and advance its contributions to meaningful Indigenous Reconciliation.

To learn more, please consult the resources below (non-exhaustive list):

- **Truth and Reconciliation Commission of Canada** – [National Center for Truth and Reconciliation](#)
- **Steps to create your own Indigenous Reconciliation plan** – [National Center for Truth and Reconciliation](#)
- **Implementing the United Nations Declaration on the Rights of Indigenous Peoples Act** – [The Action Plan](#)
- **The United Nations Declaration on the Rights of Indigenous Peoples Act** – [United Nations Declaration on the Rights of Indigenous Peoples](#)
- **Congress of Aboriginal Peoples** – [Reconciliation Toolkit For Business Leaders - Congress of Aboriginal Peoples \(CAP\)](#)
- **The [Reconciliation and Responsible Investment Institute \(RRII\)](#)**



PILOT SOCIAL EQUITY LENS INVESTMENT (SELI) CODING SYSTEM

3. Designing the Pilot Social Equity Lens Investment (SELI) Coding System

The Pilot SELI Coding System is a taxonomy to determine what counts as a Social Equity Lens Investment (SELI) or Gender Lens Investment (SELI) to ensure that the social equity and gender equality investment targets of the SFF, respectively 35% and 15% of wholesaler investments, are met and have the desired impact. The Pilot SELI Coding System will:

- Enable wholesalers, social finance intermediaries, and social purpose organizations to assess whether an investment can be classified as a “social equity lens investment” or “gender lens investment”;
- Enable Employment and Social Development Canada (ESDC) to track and report progress on social equity and gender equality investment targets; and,
- Introduce a new taxonomy to build a baseline within the social finance sector to enhance social equity practices that tackle systemic barriers and biases and ultimately promote equal opportunity for all.

The Pilot SELI Coding System was designed in 2023-2024 through the following process:

Literature Analysis

ESDC conducted a literature analysis to support the development of the Pilot SELI Coding System, reviewing over 50 resources and identifying key themes and pattern. ESDC focused on the following questions:

1. How do we define the advancement of gender equality and social equity in the context of social finance?
2. Which existing frameworks can we build from domestically and globally?
3. How is the advancement of gender equity and social equity in social finance measured? How should it be improved?

The literature analysis informed the design process and stakeholder engagement sessions conducted in 2023.

Stakeholder Engagement

During Fall and Winter 2023, ESDC engaged over 60 key stakeholders working on social equity in the Social Innovation and Social Finance ecosystem, with input collected through group and individual discussions and an online input form with the option to provide anonymous feedback.

This input served as a foundational tool to develop a taxonomy responsive to the existing practices of the ecosystem and the gaps. A summary of the discussions can be requested by emailing social_innovation_sociale@hrsdc-rhdcc.gc.ca



PILOT SOCIAL EQUITY LENS INVESTMENT (SELI) CODING SYSTEM

Subject-Matter Expert Recommendations

In January 2024, [SVX](#), a nonprofit financial services firm focusing on impact and a leader in gender-lens investing, was hired through a competitive procurement process to provide recommendations to ESDC on the recommended taxonomy and its implementation processes. Recommendations were provided to ESDC in March 2024. More information can be found [here](#).

Developing the Final Pilot SELI Coding System

In Spring and Summer 2024, ESDC leveraged the findings from its ongoing engagement with key stakeholders and the SVX recommendations to define the themes, criteria, indicators, thresholds, and implementation processes of the Pilot SELI Coding System. Alignment with the SFF's Impact Data Standard (i.e., the Common Impact Data Standard) was a key design consideration in collaboration with the SFF wholesalers and [Common Approach to Impact Measurement](#). Common Approach is Canada's leading community of practice for impact measurement and management and is supporting the SFF's IMM strategy and related tools.

ESDC also built on the [2X Criteria](#) and other recognized frameworks such as [BDC's templates to track Environmental, Social and Governance \(ESG\) metrics and Diversity, Equity and Inclusion \(DEI\) metrics](#) and [the B Lab's Standards for B Corp Certification](#), to align with current best practices and mitigate additional data burdens on SFIs and SPOs.

The Pilot SELI Coding System was launched in November 2024 at the Sustainable Finance Forum, alongside an announcement of \$1.35 million in technical assistance and ecosystem-building funding to support the implementation of the Pilot SELI Coding System across the social finance ecosystem.



PILOT SOCIAL EQUITY LENS INVESTMENT (SELI) CODING SYSTEM

4. The Pilot Social Equity Lens Investment (SELI) Coding System

Purpose of the SELI

The Pilot SELI Coding System is a taxonomy that will screen, assess, and track progress towards the SFF's social equity and gender equality investment targets, enabling the SFF wholesalers, SFIs, and SPOs to use the SELI Coding System to categorize relevant investments as a “social equity lens investment (SELI)” or “gender lens investment (GLI)” based on the established criteria and thresholds.

ESDC will track and report progress on the investment targets to advance greater social equity (minimum 35% of capital) and greater gender equality (minimum 15% of capital).

The taxonomy will help:

- Understand and assess an SFI or SPO’s integration of social equity practices into their strategy, products, and processes at due diligence;
- Provide a classification of the organization within the SELI and GLI taxonomy;
- Track progress of the SFI or SPO as part of regular Impact Measurement and Management (IMM) monitoring activities; and,
- Identify and share resources that can support an SFI or SPO in improving their social equity practices.

The Pilot SELI Coding System is an element of the [SFF's Impact Measurement and Management \(IMM\) Strategy](#). An IMM framework is being developed, including a core data standard (i.e., the Common Impact Data Standard) to align data collection and sharing between SPOs and social finance investors, while establishing a flexible reporting framework and limiting reporting burdens.



While initially designed for the SFF, the Pilot SELI Coding System is valuable for screening, assessing, and tracking social equity and gender equality objectives for any financial investment or project throughout due diligence, as well as IMM activities.



PILOT SOCIAL EQUITY LENS INVESTMENT (SELI) CODING SYSTEM

Defining a Social Equity Lens Investment (SELI) and a Gender Lens Investment (GLI)

A Social Equity Lens Investment (SELI) - or an investment advancing social equity - intentionally seeks to enhance the status and well-being of equity-deserving groups by meaningfully considering benefits and opportunities for them. A SELI also contributes to challenging biases and power dynamics and tackling key barriers in the design and allocation of capital to equity-deserving groups throughout the investment process.

A SELI includes investments that qualify as Gender Lens Investment (GLI), as all GLIs qualify as SELIs. A GLI is a subset of a SELI.

A Gender Lens Investment (GLI) or an investment advancing gender equality intentionally seeks to enhance the status and well-being of women and/or gender-diverse people by meaningfully considering benefits and opportunities afforded to them. A GLI also contributes to challenging biases and power dynamics and tackling key barriers in the design and allocation of capital to women and gender diverse people throughout the investment process.

A GLI is considered a subset of a Social Equity Lens Investment (SELI) as all GLIs also qualify as a SELI.

For the full SELI and GLI definitions, please refer to the SELI Glossary in ANNEX A.



PILOT SOCIAL EQUITY LENS INVESTMENT (SELI) CODING SYSTEM

Foundational Guidelines

The SELI is built on the following Foundational Guidelines:

1. Embedding a Social Equity Lens

The SFF strives to integrate its Social Equity Lens Principles (see p. 7) throughout all design elements of the SFF, including the Pilot SELI Coding System. These principles are: 1. Contextualization; 2. Inclusion, 3. Accessibility, and 4. Accountability.

2. Advancing Indigenous Reconciliation

Indigenous Reconciliation is the process of working to advance and renew relationships with First Nations, Inuit and Métis, based on recognition of rights, respect, cooperation and partnership.

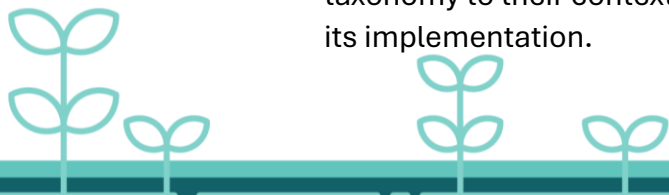
Organizations are invited to reflect on how they can advance Reconciliation with Indigenous peoples in a manner that aligns with their specific context, size and capacity. This involves reflecting on and committing to concrete actions, particularly on advancing Economic Reconciliation and [Call to Action #92](#) from the [Truth and Reconciliation Commission](#). This call urges “the corporate sector in Canada to adopt the [United Nations Declaration on the Rights of Indigenous Peoples](#) as a reconciliation framework and to apply its principles, norms, and standards to corporate policy and core operational activities involving Indigenous peoples and their lands and resources”.

3. Collecting & Reporting Disaggregated Data

The SFF requires the collection of self-reported disaggregated demographic data obtained from the leadership of investees. Organizations are expected to integrate best practices in relation to disaggregated data collection and reporting, in proportion to their size, capacity and context. Activities should align with SFF Impact Measurement and Management (IMM) practices and Impact Data Standard (i.e., the Common Impact Data Standard), supported by Common Approach. For more information, please refer to [these resources on the Common Approach website](#).

Additionally, the following key design features are embedded in the Pilot SELI Coding System:

- **Centring Community Needs:**
 - The SELI taxonomy is meant to provide a flexible framework to complement existing practices and provide a baseline to advance mutual social equity goals. Many SFIs and SPOs, particularly those led by and serving equity-deserving groups, are already undertaking this crucial work and have adopted frameworks and processes in alignment with their diverse contexts and their community needs. Communities are invited to adapt the SELI taxonomy to their context and promote their respective lived experience in its implementation.



PILOT SOCIAL EQUITY LENS INVESTMENT (SELI) CODING SYSTEM

- Both formal (e.g., defined in a policy with a monitoring mechanism) and informal (e.g., not written in an official policy) practices are meant to be captured throughout the SELI assessment process. SFIs and SPOs can also provide a time-bound commitment to meet specific criteria.
 - This approach particularly ensures the context and efforts of emerging funds and social purpose organizations are recognized. It will also ensure sustainable and meaningful impact measurement frameworks are adopted.
- **Minimizing Data Burdens:**
 - Throughout the design process of the SELI taxonomy, efforts to minimize the data collection and reporting burdens on SFIs and SPOs were a core consideration. This approach aims to enhance consistency in data quality. The SFF remains committed to balancing meaningful data collection while limiting burdens.
 - In recognition of the need to bolster capacity in data collection and reporting, the SFF has made technical assistance funds available to support the implementation of the Pilot SELI Coding System.
- **Evergreen tool:**
 - The SFF acknowledges that the social finance and social equity landscapes will change over the course of the sixteen-year fund. As such, the taxonomy is intended to be dynamic, provide flexibility and evolve over time. The SELI is an evergreen product and will continue to evolve to ensure it remains meaningful and relevant over the SFF's lifecycle.



PILOT SOCIAL EQUITY LENS INVESTMENT (SELI) CODING SYSTEM

Taxonomy Criteria

The **taxonomy for social finance intermediaries (SFIs)** is organized around **4 themes: 1) Portfolio Alignment, 2) Leadership, 3) Organizational Culture & Practices, 4) Investment Cycle**. Each of these themes are further defined within nine criteria. This approach ensures that both social equity processes and outcomes of an SFI are considered in its assessment, while also taking into consideration the organization's size and maturity. The minimum thresholds under each of the four themes in order to be considered a SELI or/and a GLI are outlined below.

The full SELI Taxonomy, including the flexible indicators, can be found in ANNEX B. For more details on the implementation of the SELI taxonomy, including details on the indicators and reporting, please refer to the *SELI Technical Guide for Social Finance Intermediaries* and the *SELI Technical Guide for Social Purpose Organizations*.

Theme	SFI Criteria	SELI/GLI screen		Coding System Thresholds	
		SELI screen	GLI screen	Level 1 Threshold	Level 2 Threshold
Portfolio Alignment	1. Investment thesis or/and financial products of the Social Finance Intermediary are designed to target initiatives advancing social equity and the well-being of equity-deserving groups.	X		AT LEAST ONE CRITERION IS MET	
	2. Investment thesis or/and financial products of the Social Finance Intermediary are designed to target initiatives advancing gender equality and the well-being of women and gender diverse people.	X	X		
Leadership	3. Leadership of the Social Finance Intermediary is representative of equity-deserving groups.	X		AT LEAST ONE CRITERION IS MET	TWO OR MORE CRITERIA ARE MET
	4. Leadership of the Social Finance Intermediary is representative of women and/or gender-diverse people.	X	X		
	5. Community engagement and relationship-building is valued and included in the leadership or/and decision-making mechanisms of the Social Finance Intermediary. The Social Finance Intermediary strives for transparent and participatory decision-making processes and values the lived experience of target investees from equity-deserving groups.	X			
Organizational Culture and Practices	6. The Social Finance Intermediary meaningfully integrates social equity practices in its internal organizational culture.	X	X	MANDATORY	
Investment Cycle	7. Deal sourcing and due diligence are conducted using inclusive and transparent practices, while recognizing power dynamics in the flow of social finance capital.	X	X	AT LEAST TWO CRITERIA ARE MET	THREE CRITERIA ARE MET
	8. The Social Finance Intermediary demonstrates community accountability and builds a two-way feedback process with both successful and unsuccessful social purpose organizations.	X	X		
	9. The Social Finance Intermediary demonstrates progress towards supporting capacity building and knowledge exchange efforts in social equity and/or gender equality practices in social finance.	X	X		



PILOT SOCIAL EQUITY LENS INVESTMENT (SELI) CODING SYSTEM

The taxonomy for social purpose organizations (SPOs) is organized around 3 themes: 1) Mission Alignment, 2) Leadership, 3) Culture & Practices, which in turn are further defined within eight criteria. This approach ensures that both social equity processes and outcomes of a SPO are considered in its assessment, while taking into consideration the organization’s size and maturity. The minimum thresholds under each of the three themes in order to be considered a SELI or/and a GLI are outlined below.

The full SELI Taxonomy, including the flexible indicators, can be found in ANNEX B. For more details on the implementation of the SELI taxonomy, including details on the indicators and reporting, please refer to the *SELI Technical Guide for Social Finance Intermediaries* and the *SELI Technical Guide for Social Purpose Organizations*.

Theme	SPO Criteria	SELI/GLI screen		Coding System Thresholds	
		SELI screen	GLI screen	Level 1 Threshold	Level 2 Threshold
Mission Alignment	1. Products or/and services are designed by the Social Purpose Organization to target initiatives advancing social equity and the well-being of equity-deserving groups.	X		AT LEAST ONE CRITERION IS MET	
	2. Products or/and services are designed by the Social Purpose Organization to target initiatives advancing gender equality and the well-being of women and gender diverse people.	X	X		
	3. The Social Purpose Organization conducts a social equity analysis in the development of their products or/and services and integrates mitigation strategies as applicable.	X			
	4. The Social Purpose Organization conducts a gender equality analysis in the development of their products or/and services and integrates mitigation strategies as applicable.	X	X		
Leadership	5. Leadership of the Social Purpose Organization includes lived experience from equity-deserving groups.	X		AT LEAST ONE CRITERION IS MET	
	6. Leadership of the Social Purpose Organization includes lived experience from women and/or gender diverse people.		X		
	7. Leadership of the Social Purpose Organization is informed by participatory processes from lived experience of target clients/customers from equity-deserving groups.	X	X		
Organizational Culture and Practices	8. The Social Purpose Organization meaningfully integrates social equity practices in its internal organizational culture. <i>Assessed only for Social Purpose Organizations in operation for over 2 years and employing 5 full-time staff or more.</i>	X	X	OPTIONAL	MANDATORY



PILOT SOCIAL EQUITY LENS INVESTMENT (SELI) CODING SYSTEM

Thresholds – Levels 1 and 2

SFIs and SPOs will receive a rating once they have been assessed against the SELI and GLI criteria. Each criteria sets a minimum requirement to be considered as a SELI or/and GLI. The aggregate assessment will then qualify SFIs and SPOs as a 0 (Not Qualified), 1 (Good Practices – Qualified) or 2 (Exceeding Expectations – Qualified):

ASSESSMENT	TRESHOLD	DESCRIPTION
<p><u>NOT CLASSIFIED AS A SOCIAL EQUITY LENS INVESTMENT (SELI) OR A GENDER LENS INVESTMENT (GLI)</u></p>	<p>✘ Level 0 - Not Qualified</p>	<p>Evidence that social equity or/and gender equality has been evaluated and considered in the context of the organization.</p> <p>However, further activities are required to meet the SELI/GLI minimum thresholds.</p>
<p><u>CLASSIFIED AS A SOCIAL EQUITY LENS INVESTMENT (SELI) OR A GENDER LENS INVESTMENT (GLI)</u></p> <p><i>A GLI is considered a subset of a Social Equity Lens Investment (SELI) as all GLIs also qualify as a SELI.</i></p>	<p>☑ Level 1 - Good Practices Qualified</p>	<p>> The organization is enhancing the status and well-being of equity-deserving groups or/and women or/and gender-diverse people, through efforts to integrate social equity practices within its processes and outcomes.</p>
	<p>☑ Level 2 - Exceeding Expectations Qualified</p>	<p>> The organization is significantly enhancing the status and well-being of equity-deserving groups or/and women or/and gender-diverse people, through a robust integration of key social equity practices within its processes and outcomes.</p>

- SFF wholesalers must invest at least 35% of their capital into SFIs which meet the SELI Level 1 or 2 classification.
- SFF wholesalers may use the classification for investment decision-making to achieve their investment targets throughout the course of their capital deployment. However, investments which do not qualify as SELI or GLI may still receive capital from the SFF wholesalers.
- An organization may be reassessed in subsequent years to improve their qualification as their circumstances change.



PILOT SOCIAL EQUITY LENS INVESTMENT (SELI) CODING SYSTEM

These SELI and GLI thresholds establish minimum requirements for integrating social equity and gender equality practices among emerging and established funds and SPOs. While these thresholds are necessary for classification as a SELI and/or GLI, they do not constitute a minimum requirement for receiving SFF capital.



The thresholds are responsive to current domestic and global ecosystem practices identified through a literature analysis, community engagement sessions, and recommendations from an ecosystem subject-matter expert.



This exercise is not meant to be punitive. Rather, it is meant to expand the adoption of social equity practices in the social finance ecosystem. Therefore, both informal and formal practices contributing to the criteria and the SELI and GLI classifications are meant to be captured throughout the SELI assessment process. SFIs are encouraged to work with their investor to enhance their practices and meet additional criteria through a time bound commitment as applicable.



The built-in flexibility for meeting the criteria and thresholds account for emerging fund managers and diverse context and capacities, while pushing for a wider adoption of meaningful social equity practices in social finance. SFF wholesalers can be contacted for information on available market building supports.



Ultimately, the SELI taxonomy provides a framework to adopt best practices which can also strengthen the viability, impact and financial returns of the SFI or SPO by building stronger governance, operations, and more responsive and resilient products.



SFIs and SPOs can also use the classification (Levels 1 and 2) to attract capital from mission-aligned investors and other Government programs.

The full SELI Taxonomy, including the flexible indicators can be found in Annex B. For more details on the implementation of the SELI taxonomy, including details on the flexible indicators and reporting, please refer to the *SELI Technical Guide for Social Finance Intermediaries (SFIs)* and the *SELI Technical Guide for Social Purpose Organizations (SPOs)*.



PILOT SOCIAL EQUITY LENS INVESTMENT (SELI) CODING SYSTEM

5. Acknowledgements

The development of the Pilot SELI Coding System has greatly benefited from the close collaboration and ongoing feedback provided by the social finance ecosystem. A wide range of organizations and thought leaders generously shared their time, experiences, and perspectives throughout its development. Their contributions are deeply appreciated.

Continued collaboration remains essential to advancing evidence-based policy and delivering meaningful outcomes for Canadians from Coast to Coast to Coast.

ANNEXES

Annex A – SELI Glossary

Annex B – SELI Taxonomy

