



Pilot Social Equity Lens Investment (SELI) Coding System

Technical Guide for Social Finance Intermediaries (SFIs)

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Employment and
Social Development Canada

Emploi et
Développement social Canada

Canada

PILOT SOCIAL EQUITY LENS INVESTMENT (SELI) CODING SYSTEM

The Pilot Social Equity Lens Investment (SELI) Coding System is a taxonomy that will enable the Social Finance Fund (SFF) to track and measure its progress towards its social equity (minimum of 35%) and gender equality (minimum of 15%) investment targets. We believe the taxonomy will help you:

- **Meet your Social Equity Lens Investment (SELI) and Gender Lens Investment (GLI) reporting obligations to SFF wholesalers** by assessing integration of social equity practices as an SFI and assessing and classifying the social purpose organizations (SPOs) in your portfolio.
- **Track your social equity progress** as part of your regular impact reporting and monitoring activities.
- **Attract new capital from mission-aligned investors** beyond the SFF by leveraging your classification and adoption of social equity practices.
- Enable your SFF wholesaler to identify and share resources that can support you in **improving your social equity practices and strengthen your viability, impact and financial returns**, by building more robust governance, operations, and more responsive and resilient products.

This Technical Guide for Social Finance Intermediaries (SFIs) provides more details on applying the criteria and reporting on the Pilot SELI Coding System.



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



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The social finance and social equity landscapes will continue to evolve over the course of the SFF's sixteen-year program. Likewise, the SELI taxonomy is an evergreen product that will evolve alongside the ecosystem to remain meaningful and relevant over the SFF's lifecycle. Your SFF wholesaler will share updates on the Pilot as the implementation unfolds. Please share any questions or suggestions with your SFF wholesaler.

For more details on the objectives and design of the Pilot SELI Coding System, please refer to the ***SELI Backgrounder***. If you are a SPO, please refer to the ***SELI Technical Guide for Social Purpose Organizations (SPOs)***.

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How to use the technical guide

This technical guide includes resources to better understand the SFF’s Social Equity Lens Investment (SELI) and Gender Lens Investment (GLI) requirements, and *why, how, and when* the data will be collected and reported.

The SELI taxonomy is meant to provide flexible criteria to complement existing practices and provide a baseline/reference point for the ecosystem to advance our mutual social equity goals. Many social finance intermediaries (SFIs) and social purpose organizations (SPOs), particularly those led by and serving equity-deserving groups, already undertake this crucial work and have adopted frameworks and processes in alignment with their diverse contexts and community needs.

This technical guide will assist you in implementing the SELI taxonomy by providing more details and examples. The SELI classification exercise is not meant to be punitive, but rather, to expand the adoption of social equity practices in the social finance ecosystem. Flexibility is built into the criteria and thresholds to account for emerging fund managers, which often have leaner organizations, as well as diverse contexts and capacities, while pushing for a wider adoption of meaningful social equity practices in social finance.

Elements of this process might differ slightly for each SFF wholesaler. Please connect directly with your SFF wholesaler as you implement the SELI taxonomy.

The SELI taxonomy is aligned with, and complementary to, the SFF’s impact measurement and management (IMM) approach and integrated into data collection processes and tools (e.g., the [Common Impact Data Standard](#)). This technical guide is meant to be used in conjunction with other tools and guidance provided by your SFF wholesaler.



PILOT SOCIAL EQUITY LENS INVESTMENT (SELI) CODING SYSTEM

1. What is 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, social finance intermediaries (SFIs), and social purpose organizations (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 (35%) and greater gender equality (15%).

The taxonomy will help you:

- Meet your SELI and GLI reporting obligations to SFF wholesalers by assessing integration of social equity practices as an SFI and assessing and classifying the SPOs in your portfolio;
- Track your social equity progress as part of your regular impact reporting and activities;
- Attract new capital from mission-aligned investors beyond the SFF by leveraging your classification and your adoption of social equity practices; and,
- Enable your SFF wholesaler to identify and share resources that can support you in improving your social equity practices and strengthen your viability, impact and financial returns, by building more robust governance, operations, and more responsive and resilient products.

The Pilot SELI Coding System is the first Canadian Government domestic framework for Social Equity and Gender Lens Investing. It builds a common language for the social finance ecosystem to advance our mutual social equity goals. Many SFIs and SPOs, particularly those led by and serving equity-deserving groups, already undertake this crucial work and have adopted frameworks and processes in alignment with their diverse contexts and their community needs. For more details on the objectives and design of the Pilot SELI Coding System, please refer to the *SELI Background*.

The Pilot SELI Coding System is an element of the SFF's impact measurement and management (IMM) approach. The SFF's IMM approach and Impact Data Standard (i.e., the Common Impact Data Standard) are organized to align data collection and sharing between SPOs and social finance investors, while establishing a flexible reporting framework and limiting reporting burdens. The SELI Coding System is being integrated into wider IMM processes and resources.



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Q. How will the SFF wholesalers use the criteria in the due diligence process?

SFF wholesalers must invest at least 35% of their capital into SFIs which meet the SELI Level 1 or 2 classification, including at least 15% into SFIs which meet the GLI Level 1 or 2 classification.

SFF wholesalers may use the classification for investment decision-making to ensure they are on track to achieve their investment targets throughout the course of their capital deployment. However, investments that do not qualify as SELI or GLI may still receive capital from the SFF wholesalers.



Q. How often will I be assessed as a fund on the SELI/GLI criteria?

Pre-investment, you will respond to a number of questions as a prospective investee throughout your due diligence process to assess whether you meet the SELI or/and GLI criteria. If you meet the minimum threshold for each of the four themes, you will be classified as a Level 1 or 2 SELI or/and GLI.

Post-investment, if you qualify as a SELI or/and GLI Level 1 or 2, you will report on the SELI criteria every 4 years or at investment exit, whichever comes first. The 4-year interval is intended to align with disaggregated demographic data collection, to give organizations time to strengthen practices, and reduce administrative burden. Voluntary updates may be provided at any time, including as part of regular annual reporting.

If you did not qualify as Level 1 or 2, you can request a voluntary re-assessment if there are changes in circumstances. See more details in the *“How will you be assessed as a Social Finance Intermediary”* section.



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Q. I already have many reporting requirements to investors, the collection and reporting of SELI and disaggregated demographic data seems burdensome, how does it align with my other requirements?

Throughout the development of the SELI taxonomy, efforts to minimize data collection and reporting burdens on SFIs and SPOs were a core consideration. The structure of the SELI questions and data is aligned with the Common Impact Data Standard, which SFIs and SPOs are already adopting as part of the SFF. This means that if your organization uses tools or templates aligned with the Data Standard, your SELI data can fit right in. It makes it easier to share the same information across multiple funders, helping to reduce repeated requests and improve consistency.

ESDC also developed the SELI taxonomy by building on the [2X Criteria](#) and other recognized frameworks such as [Business Development Canada - BDC's ESG and DEI templates](#) 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.

Please share any questions or suggestions with your SFF wholesaler.



Q. What is the value of the Pilot SELI Coding System for me?

Research shows that adopting social equity practices can strengthen the viability, impact and financial returns of an SFI or SPO, by building stronger governance and operations. It can also improve product design by developing more market responsive and resilient solutions. Ultimately, the SELI taxonomy provides a framework for organizations to adopt these best practices and improve their businesses.

SFIs and SPOs can also use the classification (Levels 1 and 2) to attract capital from mission-aligned investors and other Government programs. The SFF will also use the SELI data to support performance measurement activities for the SFF, particularly related to broadening the reach of social finance and to enhancing social equity practices in the social finance market.



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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.



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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 Annex B) 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](#).



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2. What data will be collected and reported on?

The Social Finance Intermediaries (SFIs) 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 SFF investment into 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:

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		




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1. PORTFOLIO ALIGNMENT

To meet these criteria, your investment thesis and/or your financial products assessed by the SFF wholesaler must be specifically designed to target initiatives that are advancing social equity or gender equality. The social equity or gender equality impacts cannot be incidental or a byproduct of your investment activities.

A Gender Lens Investment (GLI) is considered a subset of a Social Equity Lens Investment (SELI) as all GLIs also qualify as a SELI. Therefore, if your fund meets the criteria for a GLI, it is automatically considered a SELI.

THEME	CRITERIA	CRITERIA DETAIL	SELI AND GLI CLASSIFICATION	THRESHOLD RATIONALE
 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.	Is your investment thesis or are your financial products designed to support equity-deserving groups and promote social equity? <i>Provide a yes or no answer.</i>	SELI	SELI/GLI Levels 1 and 2: At least one criterion from “PORTFOLIO ALIGNMENT” (#1 or #2) must be met. This means that you target initiatives which are advancing social equity or/and gender equality, and your SELI or/ GLI impacts are intentional.
	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.	Is your investment thesis or are your financial products designed to support women and gender-diverse people and promote gender equality? <i>Provide a yes or no answer.</i>	GLI and SELI	



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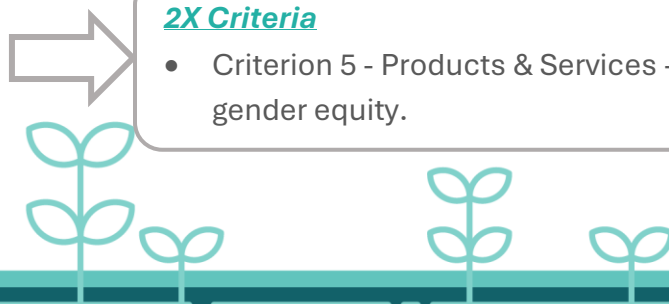
Illustrative examples

	SELI	GLI	RATIONALE
Fund A	✓	✓	Fund A's investment thesis targets SPOs tackling women's health issues. Fund A meets criteria 1 and 2 and is on track to be classified both a SELI and GLI Level 1 or 2.
Fund B	✓	✗	<p>Fund B's investment thesis, as outlined in their Investment Policy, explicitly states that it funds businesses tackling gaps in education for people with disabilities. Over 70% of fund B's portfolio is investing in SPOs that design products for women with disabilities.</p> <p>However, fund B's investment thesis does not explicitly target women. Fund B meets criteria 1 as a SELI, but does not meet GLI criteria 2 and therefore, cannot be further screened as a GLI.</p>
Fund C	✗	✗	Fund C's investment thesis targets SPOs that tackle affordable housing but is agnostic about target communities. A significant portion of the SPOs the fund has invested in support areas with a high portion of refugees. Fund C does not meet criteria 1 or 2 as its investment thesis does not explicitly support equity-deserving groups. Since it does not meet the minimum <i>Portfolio Alignment</i> threshold, it also cannot be further considered for classification as a SELI and a GLI.

Alignment with other frameworks:

2X Criteria

- Criterion 5 - Products & Services - Product(s) or service(s) enhance(s) well-being of women/girls and/or drives gender equity.




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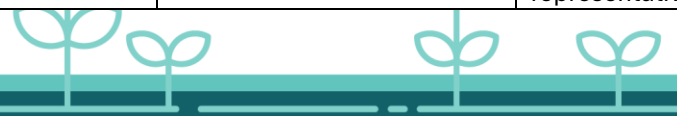
2. LEADERSHIP

To meet these criteria, your leadership must be diverse and representative of your context. Specifically, your target investees must be included in the makeup of your leadership and/or your organization has mechanisms for target investees contribute to decision-making. Flexibility is built-in to account for the realities of emerging or smaller funds that may require more time to build robust and diverse leadership teams. For more details on how to collect and align with your overall demographic data collection, please connect with your SFF wholesaler.


SFI leadership refers to the senior management and governance bodies of a SFI, which hold decision-making responsibilities for the fund’s investment strategy and fund operations. E.g., C-suite level executives, Board of Directors, Advisory Committee, Investment Committee, Managing Partners, Partners. Refer to Annex A – SELI Glossary for definitions.

A Gender Lens Investment (GLI) is considered a subset of a Social Equity Lens Investment (SELI) as all GLIs also qualify as a SELI. Therefore, if your fund meets the criterion for a GLI, it is automatically considered a SELI. For these criteria, you must meet at least criterion 4 to be considered a GLI Level 1 (and a SELI Level 1). If you meet two criteria or more, you can qualify for GLI and SELI Level 2.

THEME	CRITERIA	CRITERIA DETAIL	SELI AND GLI CLASSIFICATION	THRESHOLD RATIONALE
 <p>LEADERSHIP</p>	<p>3. Leadership of the Social Finance Intermediary is representative of equity-deserving groups.</p>	<p>Does your leadership (i.e. senior management and governance bodies) include at least 50% of women and gender diverse people, who come from diverse backgrounds (e.g. age, race, geographic location, etc.)?</p> <p><i>The 50-30 requirement builds on the Government of Canada's 50-30 Challenge. In this context, it encourages leadership which includes at least 50% women and gender-diverse people, and at least 30% from other equity-deserving group.</i></p> <p>IF YES: You include at least one of these inclusive practices in your leadership whether formally or informally:</p> <ul style="list-style-type: none"> ○ At least 50% representation of women and gender diverse people and at least 30% of other equity-deserving groups AND/OR ○ At least 50% representation of your target investees from equity-deserving groups in your leadership, with intersectional lived experience in mind (e.g. age, race, geographic location, etc.) <p>FOR EMERGING FUNDS, IF NONE OF THE ABOVE APPLY: Criterion is considered met if you can demonstrate intention through a plan to build representative leadership team by integrating the 50-30 challenge and/or</p>	<p>SELI</p>	<p>SELI/ GLI Level 1: At least one criterion from “LEADERSHIP” (#3, #4, or #5) is met.</p> <p>SELI/ GLI Level 2: Two or more criteria from “LEADERSHIP” (#3, #4, or #5) must be met.</p> <p><i>*In order to classify as a Level 2 SELI or GLI, you must meet the required Level 2 thresholds for all themes/criteria.</i></p>



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 <p>LEADERSHIP</p>		integrating at least 50% of your target investees from equity-deserving groups, with intersectional lived experience in mind. Timeline expectations to be discussed with the Wholesaler to adapt to your size and context.		
	<p>4. Leadership of the Social Finance Intermediary is representative of women and/or gender-diverse people</p>	<p>Does your leadership (i.e. senior management and governance bodies) include at least 50% of women and/or gender diverse people, who come from diverse backgrounds (e.g. age, race, geographic location, etc.)?</p> <p>IF YES. You integrate at least 50% of representation of women and/or gender diverse people in your leadership, with intersectional lived experience in mind (e.g. age, race, geographic location, etc.)</p> <p>FOR EMERGING FUNDS, IF THE ABOVE DOESN'T APPLY: Criterion is considered met if you can demonstrate intention through a plan to build gender parity, with intersectional lived experience in mind in your leadership. Timeline expectations to be discussed with the Wholesaler to adapt to your size and context.</p>	GLI and SELI	<p>SELI/ GLI Level 1: At least one criterion from “LEADERSHIP” (#3, #4, and/or #5) is met.</p> <p>SELI/ GLI Level 2: Two or more criteria from “LEADERSHIP” (#3, #4, and/or #5) must be met.</p> <p><i>*In order to classify as a Level 2 SELI or GLI, you must meet the required Level 2 thresholds for all themes/criteria.</i></p>
	<p>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.</p>	<p>Do you provide formal and/or informal ways for the communities you are targeting in your investment activities to participate in your leadership and decision-making?</p> <p>IF YES. You offer informal and/or formal channels, with transparent and participatory decision-making processes for direct community involvement (e.g. a community advisory committee set up through an open call, stakeholder mapping, consultation surveys, informal engagement, etc.), which is reflective of your target investees from equity-deserving groups.</p> <p>FOR EMERGING FUNDS, IF THE ABOVE DOESN'T APPLY: Criterion is considered met if you can demonstrate intention through a plan to build informal or/and formal channels, with transparent and participatory decision-making processes for direct community involvement which are reflective of your target investees from equity-deserving groups. Timeline expectations to be discussed with the Wholesaler to adapt to your size and context.</p>	SELI	



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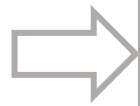
Illustrative examples

	SELI	GLI	RATIONALE
Fund A	✓	✓	<p>Fund A is focused on investing in SPOs advancing solutions for people with disabilities. The two co-founders are women. One has direct lived experience. The fund particularly focuses on SPOs led by and serving women and gender-diverse people.</p> <p>The co-founders have created a plan to set up a governance structure to meet the 50-30 challenge, and plan to prioritize candidates within their governance bodies, and senior management, who have lived experience. Fund A meets Criteria 3, 4 and 5 and is on track to be considered for classification as a SELI and GLI Level 2. Fund A will have to meet the Level 2 threshold for all criteria/themes in order to be classified a SELI and GLI Level 2.</p>
Fund B	✗	✗	<p>Fund B is focused on investing in Black-led SPOs. The founder, a woman who does not identify as Black, noticed the funding gap while working at a previous fund. The founder has not set up a plan to ensure lived experience is integrated into governance and senior management.</p> <p>Fund B does not meet any of the <i>Leadership</i> criteria. Since it does not meet the minimum <i>Leadership</i> threshold, it also cannot be further considered for classification as a SELI and a GLI.</p>



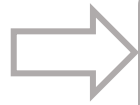
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Alignment with other frameworks:



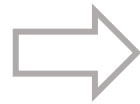
[Diversity, equity and inclusion \(DEI\) reporting template for Canadian GPs \(Business Development Canada - BDC\)](#)

- Ownership of the General Partner ("GP") (%)
- Investment Committee Composition ("IC") (#)
- Investing & Monitoring: Has diversity investment targets (diversity on boards, senior management, other)



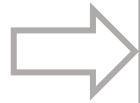
[Venture Capital Catalyst Initiative \(VCCI\) Inclusive Growth Framework \(Innovation, Science and Economic Development Canada - ISED\)](#)

- Implement policies and practices that promote the enhancement of DEI internally.



[2X Criteria](#)

- Entrepreneurship & Ownership (A. Share of women ownership and B. Business founded by a woman)
- Leadership (A. Share of women in senior management and B. Share of women on the Board or Investment Committee)



[B Lab Standards for B Corp Certification](#)

- JEDI2 The company chooses and implements JEDI actions. (e.g., JEDI2.d The company's highest governing body and executive team reflect the diversity of its community. [Foundation])
- PSG2 The company considers its impacts on stakeholders in decision-making.
- PSG2.1 The company has a mechanism to consider or involve its stakeholders and represent their interests in decision-making.




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3. ORGANIZATIONAL CULTURE & PRACTICES


To meet this criterion, you must demonstrate commitment to integrating and monitoring tangible social equity practices in your internal organizational culture. This could be done through formal (e.g., defined in a policy with a monitoring mechanism) or informal (e.g., not written in an official policy) channels, the latter of which is particularly relevant for smaller and emerging funds.

The examples below outline tangible practices to integrate into your processes. However, they are not exhaustive and can be adapted to your context. Through the design process of the SELI taxonomy, SFIs and SPOs identified the desire to provide their own indicators to measure impact where applicable. You can reflect on your own practices which meet the criterion.

A Gender Lens Investment (GLI) is considered a subset of a Social Equity Lens Investment (SELI) as all GLIs also qualify as a SELI. For this criterion, both a SELI and GLI must demonstrate commitment to more equitable internal organizational culture.

THEME	CRITERIA	CRITERIA DETAIL	SELI AND GLI CLASSIFICATION	THRESHOLD RATIONALE
 <p>ORGANIZATIONAL CULTURE AND PRACTICES</p>	<p>6. The Social Finance Intermediary meaningfully integrates social equity practices in its internal organizational culture.</p>	<p>Have you built meaningful social equity practices within your internal organizational culture?</p> <p>IF YES, you ensure you are providing a safe, anti-discriminatory and equitable work environment, which could include the following internal policies as tangible practices (non-exhaustive list):</p> <ul style="list-style-type: none"> ○ Anti-discriminatory policy ○ Diversity, Equity and Inclusion policy ○ Anti-racism policy ○ Accessibility policy ○ Flexible work policies such as flexible working hours and remote working to accommodate individual circumstances including childcare and caregiver responsibilities ○ Wage equity, fair and living wage compensation policies ○ Training to combat discrimination, racism and sexual harassment ○ Designing accessible hiring practices to attract diverse talent from equity-deserving groups 	<p>SELI and GLI</p>	<p>SELI and GLI Levels 1 and 2: Mandatory to meet criteria #6 from “ORGANIZATIONAL CULTURE AND PRACTICES”.</p> <p>Building a robust and equitable organizational culture is crucial to the sustainability and growth of a Social Finance Intermediary and to ensuring social equity is integrated in internal processes.</p>

PILOT SOCIAL EQUITY LENS INVESTMENT (SELI) CODING SYSTEM

 <p>ORGANIZATIONAL CULTURE AND PRACTICES</p>		<ul style="list-style-type: none"> ○ Providing mentorship programs for career development and leadership growth <p>A formal or informal system is in place to monitor compliance, implementation, and application of measures.</p> <p>FOR EMERGING FUNDS, IF NONE OF THE ABOVE APPLY: Criterion is considered met if you can demonstrate intention through a plan to build infrastructure to provide a safe, anti-discriminatory and equitable environment for all staff with a formal or informal system in place to monitor compliance, implementation and application of measures. Timeline expectations should be discussed with your SFF wholesaler and adapted to your size and context.</p>		
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PILOT SOCIAL EQUITY LENS INVESTMENT (SELI) CODING SYSTEM

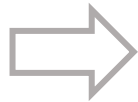
Illustrative examples

	SELI	GLI	RATIONALE
Fund A	☑	☑	<p>Fund A is an emerging fund. Fund A is still building its human resources capacity but plans to establish a board of directors to build HR policies that include a DEI policy and a wage equity policy as well as a mechanism to review them every 2 years.</p> <p>Fund A and wholesaler A agree to touch base within the scope of the first annual report to review progress made. Fund A meets this criterion and can be further considered for classification as a SELI or/and GLI.</p>
Fund B	✗	✗	<p>Fund B is an established fund with written HR policies. However, their HR policies do not have a mechanism built it to monitor and review the efficiency and gaps of the policies.</p> <p>Since fund B does not meet the minimum <i>Organizational Culture and Practices</i> threshold, it also cannot be further considered for classification as a SELI and a GLI. However, fund B has the opportunity to commit to a plan to strengthen integration of social equity practices within their internal organizational culture in order to be considered for classification as a SELI or/and GLI.</p>



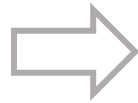
PILOT SOCIAL EQUITY LENS INVESTMENT (SELI) CODING SYSTEM

Alignment with other frameworks:



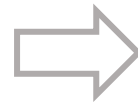
[Venture Capital Catalyst Initiative \(VCCI\) Inclusive Growth Framework \(Innovation, Science and Economic Development Canada - ISED\)](#)

- Implement policies and practices that promote the enhancement of DEI internally (e.g., Steps to remove bias from hiring processes and/or widen the applicant pool beyond traditional sources.)



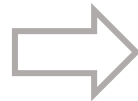
[Diversity, equity and inclusion \(DEI\) reporting template for Canadian GPs \(Business Development Canada - BDC\)](#)

- Staff Movement (last 12 months): Hires, Promotions and Departures disaggregated
- Policies & Practices: for example, steps to remove bias from hiring processes and/or widen applicant pool beyond traditional sources; mental health support to its employees and/or portfolio companies; mentorship/training programs tailored to diverse hires.



[2X Criteria](#)

- Employment - Share of women in the workforce AND One “quality” Employment indicator beyond compliance (e.g., gender-balanced interview panels, anonymized resume screening, trainings for recruiters on unconscious bias; Training on unconscious bias and/or diversity, equity and inclusion; paid primary carer (or maternity) leave, flexible work policies, childcare support)



[B Lab Standards for B Corp Certification](#)

- JEDI1 The company collects data to inform its JEDI actions (e.g., JEDI1.1 The company facilitates a discussion or survey about JEDI principles in the workplace. [Within the Workplace])
- JEDI2 The company chooses and implements JEDI actions. (e.g., JEDI2.e The company carries out an equity audit. [Within the Workplace])
- FW2 The company implements fair wage practices.
- FW4 The company measures workplace culture and takes action to improve it.



PILOT SOCIAL EQUITY LENS INVESTMENT (SELI) CODING SYSTEM

4. INVESTMENT CYCLE


To meet these criteria, you must demonstrate commitment to tackling power dynamics in the design and allocation of social finance capital. Investment processes have historically lacked transparency, community engagement and commitment to supporting the growth of emerging SFIs and SPOs.

These criteria outline best practices to integrate into your processes. However, they are not exhaustive and should be adapted to your context. Through the design process of the SELI, SFIs and SPOs identified the desire to provide their own indicators to measure impact where applicable. You can reflect on your own practices which meet the criteria. The activities could be done through formal (e.g., defined in a policy with a monitoring mechanism) or informal (e.g., not written in an official policy) channels, the latter of which is particularly relevant for smaller and emerging funds. Please contact your SFF wholesaler for additional details.

A Gender Lens Investment (GLI) is considered a subset of a Social Equity Lens Investment (SELI) as all GLIs also qualify as a SELI. For these criteria, both a SELI and a GLI must demonstrate commitment to more equitable practices within the investment cycle.




PILOT SOCIAL EQUITY LENS INVESTMENT (SELI) CODING SYSTEM

THEME	CRITERIA	CRITERIA DETAIL	SELI AND GLI CLASSIFICATION	THRESHOLD RATIONALE
 <p>INVESTMENT CYCLE</p>	<p>7. Deal sourcing and due diligence are conducted using inclusive and transparent practices, while recognizing power dynamics in the flow of social finance capital.</p>	<p>Have you built deal sourcing and due diligence practices which ensure inclusivity, transparency, and address barriers for equity-deserving groups?</p> <p>IF YES, you ensure inclusivity, transparency and tackle barriers for equity-deserving groups throughout deal sourcing and due diligence by incorporating at least three of these practices:</p> <ul style="list-style-type: none"> ○ Taking concrete measures to source deals underserved by the current market ○ Office hours for Social Purpose Organizations ○ Open requests for investments available for potential investees ○ Application support for first-time applicants is offered ○ Commitment to scoping and seeking to address systemic accessibility concerns ○ Transparency on criteria required is set, clear, accessible, substantiated, and shared effectively across each phase. ○ Open communication with capital recipients to account for urgency around capital need in timing of capital flow ○ Supporting capacity building and network growth by providing access to mentors and connections ○ Consistent evaluation of internal investment processes and decision-making bodies to mitigate risk of unconscious bias ○ Other indicator(s) that you can define to align to your context. Please describe. <p>FOR EMERGING FUNDS, IF NONE OF THE ABOVE APPLY: Criterion is considered met if you can demonstrate intention through a plan to build infrastructure to conduct deal sourcing and due diligence using inclusive and transparent practices, and by addressing key barriers faced by equity-deserving groups. Timeline expectations to be discussed with the Wholesaler to adapt to your size and context.</p>	<p>SELI and GLI</p>	<p>SELI/GLI Level 1: At least two criteria from “INVESTMENT CYCLE” (#7, #8, and/or #9) are met.</p> <p>SELI/GLI Level 2: Three criteria from “INVESTMENT CYCLE” (#7, #8, and #9) must be met.</p> <p><i>*In order to classify as a Level 2 SELI or GLI, you must meet the required Level 2 thresholds for all themes/criteria.</i></p>



PILOT SOCIAL EQUITY LENS INVESTMENT (SELI) CODING SYSTEM

 INVESTMENT CYCLE	<p>8. The Social Finance Intermediary demonstrates community accountability and builds a two-way feedback process with both successful and unsuccessful social purpose organizations.</p>	<p>Have you built a two-way feedback process with successful and unsuccessful investees to demonstrate community accountability?</p> <p>IF YES, you demonstrate community accountability by meeting at least one practice:</p> <ul style="list-style-type: none"> ○ Capturing feedback through a survey, etc. from successful and unsuccessful capital recipients related to areas of strengths and growth for the SFI on its investment processes (e.g. due diligence, term sheet negotiations, etc.). ○ Providing feedback to SPOs related to areas of strengths and growth to secure investments, recognizing the particular barriers faced by equity deserving groups in accessing capital. ○ Other indicator(s) that you can define to align to your context. Please describe. <p>FOR EMERGING FUNDS, IF NONE OF THE ABOVE APPLY: Criteria is considered met if you can demonstrate intention through a plan to build infrastructure to integrate community accountability with successful and unsuccessful investees. Timeline expectations to be discussed with the Wholesaler to adapt to your size and context.</p>	<p>SELI and GLI</p>	<p>SELI/GLI Level 1: At least two criteria from “INVESTMENT CYCLE” (#7, #8, and/or #9) are met.</p> <p>SELI/GLI Level 2: Three criteria from “INVESTMENT CYCLE” (#7, #8, and #9) must be met.</p> <p><i>*In order to classify as a Level 2 SELI or GLI, you must meet the required Level 2 thresholds for all themes/criteria.</i></p>
	<p>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.</p>	<p>Have you built in supports for capacity building and knowledge exchange to advance social equity and gender equality in the wider ecosystem?</p> <p>IF YES, you demonstrate commitment to capacity building of the ecosystem by meeting at least one practice:</p> <ul style="list-style-type: none"> ○ Providing in-kind or/and non repayable support for capacity building of equity-deserving groups (e.g. fellowship opportunities, incubation activities, monetary or in-kind grants) ○ Building a community of practice among portfolio companies to share best practices in social equity or/and gender ○ Providing capacity building for staff on how to conduct investment activities through a social equity and gender lens ○ Other indicator(s) that you can define to align to your context. Please describe. <p>FOR EMERGING FUNDS, IF NONE OF THE ABOVE APPLY: Criteria is considered met if you can demonstrate intention through a plan to enhance capacity building and knowledge exchange efforts in social equity and/or gender equality practices in social finance. Timeline expectations to be discussed with the Wholesaler to adapt to your size and context.</p>	<p>SELI and GLI</p>	

PILOT SOCIAL EQUITY LENS INVESTMENT (SELI) CODING SYSTEM

Illustrative examples

	SELI	GLI	RATIONALE
Fund A	☑	☑	<p>Criterion 7: Fund A integrates many best practices throughout the investment process. For example, the fund 1) provides application support for first-time applicants is offered, and 2) provides transparency on criteria required to receive capital. Fund A is also piloting a model to provide compensation to investees who make it past the initial screening.</p> <p>Criterion 8: Fund A provides feedback to SPOs related to areas of strength and required growth to better secure future investments</p> <p>Criterion 9: Fund A provides capacity-building grants to SPOs that have operated for under 2 years.</p> <p>Fund A meets 3/3 criteria and can be further considered for classification as a SELI or/and GLI Level 2.</p>
Fund B	✗	✗	<p>Fund B is an emerging fund. Its intake process and investment criteria are not defined. Fund B is part of a community of practice on gender-lens investing to improve their practices.</p> <p>Fund B currently only meets 1/3 criteria. Therefore, fund B does not meet the minimum <i>Investment Cycle</i> threshold and cannot be further considered for classification as a SELI or/and a GLI.</p> <p>Fund B may be considered a SELI or/and GLI Level 1 or Level 2 if it commits to a plan to strengthen its equitable investment practices.</p>



PILOT SOCIAL EQUITY LENS INVESTMENT (SELI) CODING SYSTEM

Alignment with other frameworks:



[Venture Capital Catalyst Initiative \(VCCI\) Inclusive Growth Framework \(Innovation, Science and Economic Development Canada - ISED\)](#)

- Portfolio: Implement investment policies and practices that aim to reduce biases and promote the enhancement of DEI within the portfolio.
- Ecosystem: Implement policies and practices that promote the enhancement of DEI in the community.



[Diversity, equity and inclusion \(DEI\) reporting template for Canadian GPs \(Business Development Canada - BDC\)](#)

Investing & Monitoring:

- Tracks and reports on deal flow demographics
- Incorporates DEI questions during diligence

Ecosystem and Community Impact:

- Volunteers for or partners with any associations or initiatives promoting DEI
- Provides office hours for underrepresented founders
- Seeks diverse speakers for Firm events



[B Lab Standards for B Corp Certification](#)

- JEDI1 The company collects data to inform its JEDI actions (e.g., JEDI1.1 The company facilitates a discussion or survey about JEDI principles in the workplace. [Within the Workplace])
- JEDI2 The company chooses and implements JEDI actions. (e.g., JEDI2.e The company carries out an equity audit. [Within the Workplace])
- FW2 The company implements fair wage practices.
- FW4 The company measures workplace culture and takes action to improve it.



PILOT SOCIAL EQUITY LENS INVESTMENT (SELI) CODING SYSTEM

HOW DO YOU ADVANCE INDIGENOUS RECONCILIATION WITHIN YOUR WORK?

*****This question will not be aggregated as part of your SELI/GLI threshold assessment but will track contributions towards advancing Indigenous Reconciliation as part of the SFF. Your SFF wholesaler may also use these details to discuss capacity building resources to further advance your efforts towards Indigenous Reconciliation.***

In recognition of the distinct relational context inherent to advancing Indigenous Reconciliation, the Pilot SELI Coding System does not predetermine or assess actions contributing to Indigenous Reconciliation. 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.

For more details, please refer to the “the Social Finance and Indigenous Social Finance” section of the SELI Backgrounder.

Indigenous Reconciliation is the process of working to advance and renew relationships with First Nations, Métis and Inuit, based on recognition of rights, respect, cooperation and partnership. Activities to advance Indigenous Reconciliation incorporate concrete actions to respect and uphold Indigenous rights and address the historical and ongoing injustices faced by Indigenous Peoples due to colonization, systemic racism, and discriminatory policies.

Resources (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](#)
- Reconciliation and Responsible Investment Initiative (RRII): [All-Hands-on-Deck-Opportunities-for-Investment-Management-Firms-to-Advance-Reconciliation-2021](#)
- Congress of Aboriginal Peoples: [Reconciliation Toolkit For Business Leaders - Congress of Aboriginal Peoples \(CAP\)](#)



PILOT SOCIAL EQUITY LENS INVESTMENT (SELI) CODING SYSTEM

3. How and when will you be assessed under the SELI Coding System as a prospective investee?

1. PRE-INVESTMENT

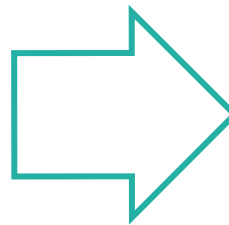


You will respond to a number of questions as a **prospective investee throughout your due diligence process to assess whether you meet the SELI or/and GLI criteria.**

The format will be determined by your SFF wholesaler — for example, it may be completed in Excel, or through their own software system.

Depending on your wholesaler's approach, the results of the assessment may be visible within the tool you use or provided to you.

Annex D provides a reference version of the SELI questionnaire and full taxonomy.



This assessment will be used by the SFF wholesaler to gather initial information. If you meet the minimum threshold for each of the four themes, you will be classified as a Level 1 or 2 SELI or/and GLI.

If you meet some criteria, but do not meet the minimum threshold for each of the four themes, then you cannot be considered a SELI or GLI.

*Reminder: The SELI criteria and thresholds **are not** a minimum requirement to receive SFF capital.*

2. POST-INVESTMENT



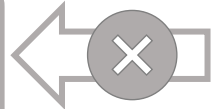
PILOT SOCIAL EQUITY LENS INVESTMENT (SELI) CODING SYSTEM

2. POST-INVESTMENT

SFIs that qualify as a SELI or/and GLI Level 1 or 2 will report on SELI criteria every 4 years or at investment exit, whichever comes first. Voluntary updates may be provided at any time, including as part of regular annual reporting.



Funds that did not qualify as Level 1 or 2 can request a voluntary re-assessment if there are changes in circumstances. *Reminder: The SELI criteria and thresholds **are not** a minimum requirement to receive SFF capital.*



SFF wholesalers will report on SELI and GLI classifications only (i.e., 0, 1, or 2 for each investment) to ESDC through their annual reports.



ESDC will report publicly on aggregate SELI and GLI classification progress to ensure it is meeting its SELI (minimum of 35% of SFF capital) and GLI (minimum of 15% of SFF capital) investment targets.



If not already visible to you, the SFF wholesaler will share the results of your SELI/GLI assessment. The SFF wholesaler may discuss with you elements of your assessment to ensure there is a common understanding among both parties.

This approach aligns with what ESDC heard during community engagement sessions conducted in Fall 2023, during which SFIs and SPOs requested mechanisms that provided transparency and capacity building support to enhance adoption of social equity practices.



PILOT SOCIAL EQUITY LENS INVESTMENT (SELI) CODING SYSTEM

Thresholds – Levels 1 and 2

SFIs will receive a rating once they have been assessed against the SELI and GLI criteria. Each theme 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>At least 35% of SFF capital must be invested into SELIs, including at least 15% into GLIs.</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>	



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. 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. Please refer to *SELI Backgrounder* for more details on the design of the Pilot SELI Coding System.



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 in 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. Please connect with your SFF wholesaler to learn more about 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.



PILOT SOCIAL EQUITY LENS INVESTMENT (SELI) CODING SYSTEM



Wholesaler A invested in SFI 1 in 2025 and exited SFI 1 in 2027. For SFI 1, there will be two SELI/GLI assessments completed, stored and reported dated 2025 and 2027.

Wholesaler A invested in SFI 2 in 2025 and as of 2030 SFI 2 is still in the portfolio of Wholesaler A. For SFI 2, there will be two SELI/GLI assessments completed, stored and reported dated 2025 and 2029.



Q. I am receiving capital from multiple SFF wholesalers, how will it impact my SELI assessment?

It is not your responsibility to ensure SELI assessment and classification alignment. SFF wholesalers will continue their ongoing collaboration to provide complementary capital and capacity building supports to the ecosystem. They will work together to ensure consistency in the SELI assessment of funds.



Q. Are there resources to support capacity building of IMM and the SELI Coding System Implementation?

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. Please contact your SFF wholesaler to learn about the available supports.



PILOT SOCIAL EQUITY LENS INVESTMENT (SELI) CODING SYSTEM



Q. How will my data be shared to ESDC?

Your detailed assessment for each criterion will not be shared with ESDC as part of ongoing reporting activities. However, ESDC may request access to this information as part of future program audits or evaluations. It is expected that your SFF wholesaler will retain your detailed SELI assessment data to support these potential activities. Your individual classification results will not be shared publicly by ESDC. See section below on *Data privacy and sovereignty*.

Data privacy and sovereignty

The purpose of the SELI data is to track progress towards the SFF SELI and GLI investment targets, while enhancing the adoption of social equity practices in the ecosystem. The SFF will also use the SELI data to better understand the gaps and strengths of the ecosystem and inform the current and future design of the SFF.

The SELI taxonomy has built-in flexibility to account for different contexts and organizational capacity. It is not meant to be punitive, but rather to expand adoption of social equity practices in the social finance ecosystem. Your SFF wholesaler may want to discuss elements of your assessment to ensure alignment between both parties or, if needed, to set a time-bound commitment to meet select criteria.

Your detailed assessment for each criterion will not be proactively shared with ESDC – Solely your classification as a SELI or/and GLI will be shared with ESDC as part of regular reporting. However, ESDC requests, and your investor(s) may require, that you keep your detailed SELI assessment data to support future possible SFF program auditing and evaluation activities.

ESDC will report publicly on aggregate progress made towards SELI and GLI targets. Therefore, your individual classification results will not be shared publicly. For additional details on data privacy and sovereignty, please refer to Annex C.



PILOT SOCIAL EQUITY LENS INVESTMENT (SELI) CODING SYSTEM

4. How and when will you assess Social Purpose Organizations (SPOs) under the SELI Coding System?

Social Purpose Organizations (SPOs) Criteria

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:

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

1. PRE-INVESTMENT

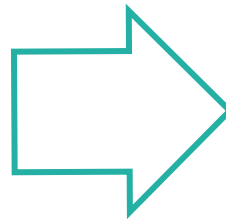


As part of your due diligence process, you are required to assess each SPO's alignment with the SELI and/or GLI criteria.

You have flexibility in how they carry out this assessment and may choose from the approaches below.

These elements should be covered as part of your data collection and reporting guidelines. Please connect with your SFF wholesaler for more details.

1. Ask the SELI/GLI questions as part of your existing due diligence processes and complete the assessment yourself;
2. Conduct the assessment collaboratively with the SPO; or
3. Ask the SPO to complete a self-assessment.



The results of the assessment may be shared with the SPO and discussed to ensure a shared understanding of how the organization aligns (or not) with the SELI and/or GLI criteria.

You may use your own internal tools for this process.

Common Approach has developed an Excel version of the SELI questionnaire (tab 2 of the Excel - for reference see Annex E - it can be used as a standalone tab). This version is integrated into the Common Impact Data Standard, enabling you to use aligned digital tools to import SELI results as structured indicators and easily report on them to your SFF wholesaler.

2. POST-INVESTMENT



PILOT SOCIAL EQUITY LENS INVESTMENT (SELI) CODING SYSTEM

2. POST-INVESTMENT



You must ensure each SPO's SELI and/or GLI assessment is updated every four years or at exit, whichever comes first. You can decide whether to update the assessment using your own system or through an updated Common Impact Data Standard export from the SPO SFF impact reporting template. SPOs may also request a reassessment if significant changes occur.



SFIs who have aligned their digital tools with the Data Standard will be able to integrate SELI results alongside other impact data and streamline reporting to your SFF wholesaler.



Illustrative examples

SFI A invested in SPO 1 in 2025 and exited SPO 1 in 2027. For SPO 1, there will be two SELI/GLI assessments completed, stored and reported dated 2025 and 2027.

SFI A invested in SPO 2 in 2025 and as of 2030 SPO 2 is still in the portfolio of SFI A. For SFI 2, there will be two SELI/GLI assessments completed, stored and reported dated 2025 and 2029.

For the full SELI taxonomy, please refer to Annex D.



PILOT SOCIAL EQUITY LENS INVESTMENT (SELI) CODING SYSTEM

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 – Social Equity Principles

Annex C – Data Privacy Notice

Annex D – SELI Taxonomy

