



# Pilot Social Equity Lens Investment (SELI) Coding System

## Technical Guide for Social Purpose Organisations (SPOs)

*Last updated in October 2025*



Employment and  
Social Development Canada

Emploi et  
Développement social Canada

Canada

## PILOT SOCIAL EQUITY LENS INVESTMENT (SELI) CODING SYSTEM

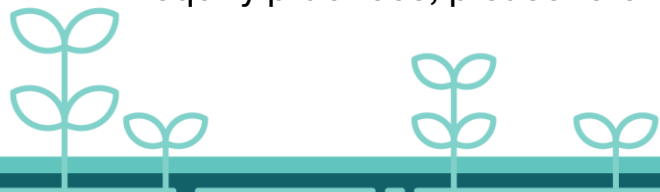
The Pilot Social Equity Lens Investment (SELI) Coding System is a taxonomy that will enable the Social Finance Fund (SFF) to track and measure its progress towards its social equity (minimum of 35%) and gender equality (minimum of 15%) investment targets. We believe the taxonomy will help you:

- **Meet your Social Equity Lens Investment (SELI) and Gender Lens Investment (GLI) reporting obligations to SFF Social Finance Intermediaries (SFIs)** by assessing integration of social equity practices as a Social Purpose Organization (SPO).
- **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 investor 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 SPOs* 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 and social purpose organizations are encouraged to integrate these criteria within their practices. 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](#).



## PILOT SOCIAL EQUITY LENS INVESTMENT (SELI) CODING SYSTEM

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 and will evolve alongside the ecosystem to remain meaningful and relevant over the SFF's lifecycle. Your SFF investor will share updates on the Pilot as the implementation unfolds. Please share any questions or suggestions with your SFF investor.

For more details on the objectives and design of the Pilot SELI Coding System, please refer to the ***SELI Backgrounder***. If you are an SFI, please refer to the ***SELI Technical Guide for Social Finance Intermediaries (SFIs)***.

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# PILOT SOCIAL EQUITY LENS INVESTMENT (SELI) CODING SYSTEM

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# PILOT SOCIAL EQUITY LENS INVESTMENT (SELI) CODING SYSTEM

## 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 investor (i.e., wholesaler or SFI). Please connect directly with your SFF investor 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 investor.



# 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. Employment and Social Development Canada (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 SFIs by assessing integration of social equity practices as a SPO;
- 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 investor 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.



## PILOT SOCIAL EQUITY LENS INVESTMENT (SELI) CODING SYSTEM



### **Q. How will the SFF Social Finance Intermediaries (SFIs) 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.

The SELI classification may be used for investment decision-making to ensure the SFF is on track to achieve its investment targets throughout the course of their capital deployment. However, SPOs that do not qualify as SELI or GLI may still receive SFF capital.



### **Q. How often will I be assessed as a Social Purpose Organization (SPO) 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, SPOs 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. 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.

SPOs that did not qualify as Level 1 or 2 can request a voluntarily re-assessment if there are changes in circumstances. See more details in the *“How will you be assessed as a Social Purpose Organization”* section.



## PILOT SOCIAL EQUITY LENS INVESTMENT (SELI) CODING SYSTEM



### **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 to my other requirements?**

Throughout the development of the SELI taxonomy, efforts to minimize data collection and reporting burdens on SPOs were a core consideration. The structure of the SELI questions and data is aligned with the Common Impact Data Standard, which 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 investor.



### **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 a 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.



# 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 enhances 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 enhances 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 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](#).



# PILOT SOCIAL EQUITY LENS INVESTMENT (SELI) CODING SYSTEM

## 2. What data will be collected and reported on?

### The 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. MISSION ALIGNMENT


To meet these criteria, your products or/and your services as a SPO must be specifically designed to advance social equity and the well-being of equity-deserving groups. 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 you meet the criteria for a GLI, you are automatically considered a SELI.*

THEME	CRITERIA	CRITERIA DETAIL	SELI AND GLI CLASSIFICATION	THRESHOLD RATIONALE
 <b>MISSION ALIGNMENT</b>	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.	<b>Are your products/services designed to support equity-deserving groups, and promote social equity?</b> <i>Provide a yes or no answer.</i>	SELI	<b>SELI/GLI Levels 1 and 2:</b> At least one criterion from “MISSION ALIGNMENT” (#1, #2, #3 and/or #4) 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. 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.	<b>Are your products/services designed to support women or/and gender-diverse people and promote gender equality?</b> <i>Provide a yes or no answer.</i>	GLI and SELI	



## PILOT SOCIAL EQUITY LENS INVESTMENT (SELI) CODING SYSTEM

 <p><b>MISSION ALIGNMENT</b></p>	<p>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.</p>	<p><b>Do you integrate a social equity analysis while developing your products/services?</b></p> <p><b>If yes,</b> you include at least one of these practices:</p> <ul style="list-style-type: none"> <li>○ Conduct a full social equity analysis or audit while designing your products/services to ensure the design is reflective of the realities of equity-deserving groups.</li> <li>○ Consider the benefits and potential harms to equity-deserving groups in the design of your products or/and services and integrate mitigation strategies as applicable.</li> <li>○ Other indicator(s) that you can define to align to your context. Please describe.</li> </ul> <p><b>IF NONE OF THE ABOVE APPLY:</b> Criterion is considered met if you can demonstrate intention through a plan to integrate a social equity analysis, and mitigation strategies as applicable. Timeline expectations to be discussed with the Social Finance Intermediary to adapt to your size and context.</p>	<p><b>SELI</b></p>	<p><b>SELI/GLI Levels 1 and 2:</b> At least one criterion from “MISSION ALIGNMENT” (#1, #2, #3 and/or #4) must be met.</p> <p>This means that you target initiatives which are advancing social equity or/and gender equality, and your SELI or/ GLI impacts are intentional.</p>
	<p>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.</p>	<p><b>Do you integrate a gender analysis while developing your products/services?</b></p> <p><b>If yes,</b> you include at least one of these practices:</p> <ul style="list-style-type: none"> <li>○ Conduct a full gender equality analysis or audit while designing their products/services to ensure the design is reflective of the realities of women and gender diverse people.</li> <li>○ Consider the benefits and potential harms to women and gender diverse people in the design of your products or/and services and integrate mitigation strategies as applicable.</li> <li>○ Other indicator(s) that you can define to align to your context. Please describe.</li> </ul> <p><b>IF NONE OF THE ABOVE APPLY:</b> Criterion is considered met if you can demonstrate intention through a plan to integrate a gender equality analysis, and mitigation strategies as applicable. Timeline expectations to be discussed with the Social Finance Intermediary to adapt to your size and context.</p>	<p><b>SELI and GLI</b></p>	




## PILOT SOCIAL EQUITY LENS INVESTMENT (SELI) CODING SYSTEM

### Illustrative examples

	SELI	GLI	RATIONALE
SPO A	✓	✓	SPO A's mission tackles women's health issues. SPO A meets criteria 1 and 2 and is on track to be classified both a SELI and GLI Level 1 or 2.
SPO B	✓	✗	<p>SPO B's mission explicitly states that it tackles gaps in education for people with disabilities. Over 70% of SPO B's activities supports women with disabilities.</p> <p>However, SPO B's mission does not explicitly target women. SPO B meets criteria 1 as a SELI, but does not meet GLI criteria 2 and therefore, cannot be further screened as a GLI.</p>
SPO C	✗	✗	<p>SPO C's mission tackles affordable housing but is agnostic of target communities. A significant portion of the population they have served and supported is refugee communities. SPO C has not conducted any type of work to explore how their housing initiatives could support or harm refugee communities. SPO C does not meet criteria 1,2, 3 or 4.</p> <p>Since it does not meet the minimum <i>Mission Alignment</i> threshold, it also cannot be further considered for classification as a SELI and a GLI.</p>

### 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.

# PILOT SOCIAL EQUITY LENS INVESTMENT (SELI) CODING SYSTEM

## 2. LEADERSHIP


To meet these criteria, your leadership must be diverse and representative of your target clients. Specifically, your target clients must be included in the makeup of your leadership or/and your organization has mechanisms for target clients to contribute to decision-making. Flexibility is built-in to account for the realities of emerging SPOs 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 investor.

*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 SPO meets the criterion for a GLI, it is automatically considered a SELI. For these criteria, you must meet a 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
 LEADERSHIP	5. Leadership of the Social Purpose Organization includes lived experience from equity-deserving groups.	<p><b>Is your leadership (i.e. founder, owner, and/or senior management) composed of member(s) of an equity-deserving group?</b> <i>Provide a yes or no answer.</i></p> <p><i>SPO leadership refers only to the founder, owner, and/or senior management of a SPO, who hold decision-making responsibilities for the organization’s overall strategy and mission. E.g., C-suite level executives, Executive Director, Managing Director, Founder, Owner.</i></p>	SELI	<p><b>SELI/ GLI Level 1:</b> At least one criterion from “LEADERSHIP” (#5, #6, and/or #7) is met.</p> <p><b>SELI/ GLI Level 2:</b> At least one criterion from “LEADERSHIP” (#5, #6, and/or #7) is met.</p>



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 <p><b>LEADERSHIP</b></p>	<p>6. Leadership of the Social Purpose Organization includes lived experience from women and/or gender diverse people.</p>	<p><b>Is your leadership (i.e. founder, owner, and/or senior management) composed of women or/and gender-diverse people?</b> <i>Provide a yes or no answer.</i></p> <p><i>SPO leadership refers only to the founder, owner, and/or senior management of a SPO, who hold decision-making responsibilities for the organization’s overall strategy and mission. E.g., C-suite level executives, Executive Director, Managing Director, Founder, Owner.</i></p>	<b>GLI</b>	<p><b>SELI/ GLI Level 1:</b> At least one criterion from “LEADERSHIP” (#5, #6, and/or #7) is met.</p> <p><b>SELI/ GLI Level 2:</b> At least one criterion from “LEADERSHIP” (#5, #6, and/or #7) is met.</p>
	<p>7. Leadership of the Social Purpose Organization is informed by participatory processes from lived experience of target clients/customers from equity-deserving groups.</p>	<p><b>Do you provide formal or/and informal ways for your clients/customers to inform your product design, decision making, etc.?</b></p> <p><u>If you have been operating for over two years and employ five full time staff or more:</u></p> <ul style="list-style-type: none"> <li>○ If yes, you offer informal or/and formal channels, for community involvement (e.g. a community advisory committee set up through an open call) reflective of the lived experience of your target clients/customers.</li> </ul> <p><u>If you have been operating for under two years and employ under five full time staff:</u></p> <ul style="list-style-type: none"> <li>○ Criterion is considered met if you demonstrate intention through a plan to build informal or/and formal channels as your grow. The include opportunities for direct involvement of your target clients/customers from equity-deserving groups. Timeline expectations to be discussed with the Social Finance Intermediary to adapt to your size and context.</li> </ul>	<b>SELI and GLI</b>	



## PILOT SOCIAL EQUITY LENS INVESTMENT (SELI) CODING SYSTEM

### Illustrative examples

	SELI	GLI	RATIONALE
SPO A	☑	☑	<p>SPO A is focused on advancing solutions for people with disabilities. The two co-founders are women. One has direct lived experience. They tend to particularly focus on serving women and gender-diverse people.</p> <p>They 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. SPO A meets Criteria 5 and 6. They are on track to be classified both a SELI and GLI.</p>
SPO B	✗	✗	<p>SPO B is focused on advancing solutions for women’s health. The founder is a man who noticed the service gap. The founder has not set up a plan to ensure lived experience is integrated into governance and senior management (Leadership). SPO B does not meet any of the Leadership criteria.</p>

### Alignment with other frameworks:



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

- Disaggregated data on the Management Team and the Board of Directors
- Self Reported Gender & Diversity Metrics



## PILOT SOCIAL EQUITY LENS INVESTMENT (SELI) CODING SYSTEM

### Alignment with other frameworks (continued):



#### [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)



#### [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.




# PILOT SOCIAL EQUITY LENS INVESTMENT (SELI) CODING SYSTEM

## 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, 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><b>ORGANIZATIONAL CULTURE AND PRACTICES</b></p> <p><i>Assessed only for Social Purpose Organizations in operation for over 2 years and employing 5 full-time staff or more.</i></p>	<p>8. The Social Purpose Organization meaningfully integrates social equity practices in its internal organizational culture.</p>	<p><b>Have you built meaningful social equity practices within your internal organizational culture?</b></p> <p><u>If you have been operating for over two years and employ five full time staff or more:</u></p> <p><b>If yes</b>, 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"> <li>○ Anti-discriminatory policy</li> <li>○ Diversity, Equity and Inclusion policy</li> <li>○ Anti-racism policy</li> <li>○ Accessibility policy</li> <li>○ Flexible work policies such as flexible working hours and remote working to accommodate individual circumstances including childcare and caregiver responsibilities</li> <li>○ Wage equity, fair and living wage compensation policies</li> <li>○ Training to combat discrimination, racism and sexual harassment</li> </ul>	<p><b>SELI and GLI</b></p>	<p><b>SELI/ GLI Level 1:</b> Optional</p> <p><b>SELI/ GLI Level 2:</b> mandatory</p>



## PILOT SOCIAL EQUITY LENS INVESTMENT (SELI) CODING SYSTEM

 <p><b>ORGANIZATIONAL CULTURE AND PRACTICES</b></p> <p><i>Assessed only for Social Purpose Organizations in operation for over 2 years and employing 5 full-time staff or more.</i></p>		<ul style="list-style-type: none"> <li>○ Designing accessible hiring practices to attract diverse talent from equity-deserving groups</li> <li>○ Providing mentorship programs for career development and leadership growth</li> </ul> <p><b>A formal or informal system is in place to monitor compliance, implementation, and application of measures.</b></p> <p><b>IF NONE OF THE ABOVE APPLY:</b> 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 to be discussed with the Social Finance Intermediary to adapt to your size and context.</p>		
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## PILOT SOCIAL EQUITY LENS INVESTMENT (SELI) CODING SYSTEM

### Illustrative examples

	SELI	GLI	RATIONALE
SPO A	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<p>SPO A is an emerging social purpose organization. SPO 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>SPO A and SFI A agree to touch base within the scope of the first annual report to review progress made. SPO A meets this criterion and can be classified as a SELI and GLI.</p>
SPO B	<input type="checkbox"/>	<input type="checkbox"/>	<p>SPO B is an established SPO with HR policies which tackle many social equity considerations such as wage equality and flexible work arrangements. However, their HR policies do not have a mechanism built it to monitor and review the efficiencies and gaps. SPO B does not meet this criterion.</p> <p>Since, as an established SPO, it 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. SPO B has the opportunity to commit to a plan to integrate a monitoring and review mechanism.</p>



## PILOT SOCIAL EQUITY LENS INVESTMENT (SELI) CODING SYSTEM

### Alignment with other frameworks (continued):

#### 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)

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

- Internal: 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)

- Code of Conduct or Anti-Discrimination Policy in place
- DEI Policies, Practices or Initiatives in place
- Disaggregated data on employees

#### 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 investor 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 Social Purpose Organization?

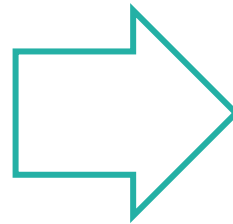
### 1. PRE-INVESTMENT



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 investor — for example, it may be completed in Excel, or through their own software system.

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



This assessment will be used by the SFF investor to gather initial information on whether you meet the SELI or/and GLI criteria.

### 2. POST-INVESTMENT



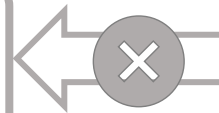
# PILOT SOCIAL EQUITY LENS INVESTMENT (SELI) CODING SYSTEM

## 2. POST-INVESTMENT

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



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



**SFIs will report to SFF wholesalers solely on SELI and GLI classifications (i.e., 0, 1, or 2 for each investment).**



Through data from SFF wholesalers, 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, your SFF investor will share the results of your SELI/GLI assessment. The investor 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 (See *SELI Backgrounder* for more details), 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

SPOs 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>&gt; 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>&gt; 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 provide minimum requirements to meet when integrating social equity and gender equality practices for emerging and established 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 and SPOs 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 investor to learn more about market building supports available.



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



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 SPO 2, there will be two SELI/GLI assessments completed, stored and reported dated 2025 and 2029.



**Q. I am receiving capital from multiple SFF Social Finance Intermediaries, how will it impact my SELI assessment?**

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



**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 investor 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 investor 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 investor 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

## 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

