COMMUNITY FINANCE PRODUCTS SELECTION CRITERIA

1. OVERVIEW

This selection criteria document defines the guidelines for choosing community finance products. The Catalyst Community Finance Collection features investment products that deploy capital to strengthen the economic foundations of specific communities defined by place, identity, or lived experience of exclusion. Products in this collection channel capital toward initiatives that restore ecological and social resilience, create economic agency for equity-deserving groups, and build systemic capacity across communities that have historically been under-served by conventional financial markets. Prospective Impact Index issuers and products must initially meet the minimum screening requirements, and community finance product issuers must meet more comprehensive additional requirements.

2. MINIMUM SCREENING REQUIREMENTS

These are the fundamental criteria that must be met to be listed on the Impact Index and selected as a potential issuer.

a. **Impact sector alignment** with social, environmental, and/or economic impact focus in a defined community context.
b. **Investment size/scale** with at least $2 million in capital being sought.
c. **Investment structures** exclusively within the private or exempt market domain, encompassing private equity, debt, mixed private structures, and not limited to funds, bonds, revenue-based financing, and outcomes-based financing tools. At this time, we are not considering direct equity in individual for-profit ventures.
d. **Investment availability,** issuers currently in a capital-raising phase or those planning to initiate one in the next 6–12 months.
e. **Canadian domiciled,** eligible for Canadian investors (community impact not necessarily limited to Canada).

Disclosure of any past, current or ongoing criminal or civil legal matters, or violations of securities laws and regulations is a mandatory requirement for inclusion on the Impact Index.

3. COMMUNITY FINANCE PRODUCTS REQUIREMENTS

To be included in the Community Finance Collection, products must meet at least one (1) subcomponent in each of the five (5) criteria categories.

a. Investment into a Specific Geography or Location

Capital must be demonstrably anchored to a defined geographic area (whether a neighbourhood, municipality, region, or rural/remote territory) with intentional place-based impact.

- **Geographic Specificity:** The investment strategy must identify a clearly defined geography, articulate why that place has been prioritized (e.g., disinvestment history, ecological vulnerability, infrastructure gap), and demonstrate that capital flows will produce measurable outcomes within that geography, OR;

- **Place-Based Ecosystem Building:** Where capital is deployed across multiple geographies, the product must demonstrate that each location is engaged as a distinct community of place, with local knowledge integrated into investment decisions and outcomes measurement.

b. Investment into a Specific Equity-Deserving Group

Products must explicitly target one or more equity-deserving communities (groups that face systemic barriers to accessing capital, financial services, land, or economic opportunity) and demonstrate intentionality in how capital reaches and benefits those communities.

- **Direct Beneficiary Alignment:** Capital must flow primarily to, or create material economic benefit for, an identified equity-deserving group, including but not limited to Indigenous Peoples, racialized communities, women and gender-diverse individuals, persons with disabilities, newcomers and refugees, youth, or residents of low-income or rural/remote areas, OR;
- **Structural Barrier Reduction:** The product must demonstrate how its capital structure, terms, or investment thesis actively reduces or removes barriers that have historically excluded the target group from accessing economic opportunity (e.g., flexible collateral requirements, patient capital terms, technical support, or culturally appropriate engagement).

c. Measurable Impact Outcomes Alongside a Financial Return

Products must demonstrate that financial returns are generated alongside, and not in substitution of, clearly defined, measurable, and time-bound social, climate, and/or nature outcomes.

- **Social Outcomes:** Measurable improvements in community economic resilience, access to affordable housing, financial inclusion, employment, health, food security, or other indicators of wellbeing for the target population, OR;
- **Climate Outcomes:** Demonstrated reduction in greenhouse gas emissions, increased climate resilience, or contribution to low-carbon transition within the community or investment geography, OR;
- **Nature Outcomes:** Measurable improvements in biodiversity, ecosystem health, land stewardship, climate mitigation or adaptation, or nature-based solutions, particularly where these are integral to community wellbeing and livelihood.

Issuers must provide a clear theory of change linking their investment strategy to intended outcomes, as well as a credible approach to measurement and verification. Outcomes must be reported at defined intervals and against established baselines.

d. Community Engagement and Representation in Governance

Products must demonstrate governance and management structures that meaningfully embed the voices of the communities being served, reflecting participatory and locally accountable models of decision-making.

- **Governance Representation:** Governance structures (including boards, investment committees, and advisory bodies) must include representation from members of the target community or equity-deserving group. Representation should be substantive and decision-influencing, not merely consultative. Inclusive models such as cooperative or community ownership, Indigenous governance structures, multi-stakeholder boards, or community-controlled entities are examples of how this criterion may be met, OR;
- **Structured Community Consultation:** Where direct community representation in formal governance is not yet possible, management must demonstrate a structured, ongoing, and documented process through which affected communities can meaningfully inform investment decisions, provide feedback on outcomes, and shape strategic direction. This process must be resourced, transparent, and accessible to those with the least power.

e. Catalyst Community Finance Initiative Membership

- **Membership:** The issuer must be a current or pending member of the Catalyst Community Finance Initiative.

4. CLASSIFICATION RANGE FOR COMMUNITY FINANCE PRODUCTS REQUIREMENTS

Each category should include a range of classifications to evaluate with minimum requirements. Products are required to pass at least one subcomponent in the category to meet the criterion.

Requirements	Fail	Pass
Geographic Investment	Lacks a clearly defined geography; capital deployment is diffuse with no place-based rationale or measurable local outcomes.	Identifies a specific geography with clear rationale for prioritization and demonstrates that capital flows will produce measurable outcomes within that place.
Equity-Deserving Group	Lacks an identified target population; investment thesis does not address systemic barriers or centre equity-deserving communities.	Explicitly identifies one or more equity-deserving groups as primary beneficiaries and demonstrates intentional capital structures or terms to overcome historical barriers.
Social / Climate / Nature Outcomes	Lacks measurable outcomes; financial return is the sole stated objective with no theory of change or baseline established.	Defines at least two outcome areas with measurable indicators, a clear theory of change, and a credible approach to measurement and reporting alongside a financial return.

Community Governance & Engagement	Lacks evidence of community representation in governance; no structured consultation processes exist or are planned.	Demonstrates substantive community representation in incorporation, or a structured, resourced, and ongoing consultation process enabling meaningful community influence over decisions.
Catalyst Group Membership	Lacks any relationship to the Catalyst Group; no alignment with shared impact principles or collaborative framework.	Is a current or pending Catalyst member.

5. INCLUSION CRITERIA

Status	Definition
Included	• Passes five (5) or more subcomponents, with at least one subcomponent in each criteria category.
Conditional: Requires Follow-Up	• Passes at least three (3) subcomponents, including the Catalyst membership requirement, and at least one other subcomponent is partially met. • May be reconsidered pending additional documentation, clarification, or a written commitment to achieve the outstanding criterion within a defined timeframe.
Not Included	• Passes less than three (3) subcomponents.

6. RENEWAL

By self-attestation, issuers may renew for two (2) years if an annual impact and financial update is provided to SVX.

7. Data Use and Disclosure

By submitting information in connection with the Impact Index, issuers consent to the use of their data in aggregated or anonymized form for the purpose of producing market reports and related publications. Issuers may withdraw this consent at any time by providing written notice, after which their data will be excluded from future reporting. Withdrawal of consent does not affect any reports already published.

Assessment results may be shared with investors who have subscribed to the Impact Index platform. Issuers acknowledge that their inclusion on the Index and related assessment outcomes may be disclosed to such subscribers as part of the platform's standard reporting and due diligence services.

8. REMOVAL

Issuers may be removed from the platform at the discretion of the SVX team for non-compliance of the requirements or other circumstances in line with non-inclusion on the Index as per Section 5.

9. DOCUMENTATION REQUIREMENTS

f. Incorporation document(s)
g. Financial statements (audited, reviewed or NTR)[1]
h. Offering document(s) or equivalent capital-raise documentation
i. Impact standard, framework, or written commitment to one
j. Catalyst Group membership confirmation

[1] If historical statements are available.

APPENDIX: THIRD PARTY IMPACT STANDARDS

Issuers have the flexibility to leverage various best-practice third-party impact certifications, impact principles, or impact assessment tools as standards to guide their organizational impact.

The following list presents a comprehensive, though not exhaustive, compilation of these standards. In the interest of standardization and comparability among issuers, we have subdivided the list into "Core" and "Non-Core" categories.

Issuers are encouraged to share additional standards for evaluation by the Impact Index Advisors and the operating team.

CORE STANDARDS AND APPROACHES

Common Approach is a set of four impact measurement standards that are created for – and governed by – social purpose organizations:

- The Common Foundations provide guidance for how to measure impact. They are a minimum standard and social purpose organizations can know when their impact measurement practices are 'good enough.'
- The Common Form means that key organizational information and financial numbers can be entered once and used across the network. It makes it easier for social purpose organizations and funders and investors to communicate – and saves time.
- The Common Impact Data Standard is an organization system for your impact data. It provides a place for everything so that everything can be in its place. This makes it easier to share and aggregate data. Software can be more easily designed to support better impact analysis.
- The Common Framework is a way to loosely aggregate the dissimilar indicators used by social purposed organizations. Adopting a flexible standard would permit each organization to choose the measures it finds to be the most meaningful – while also allowing funders, investors, collaborators and networks to analyze the impact of their portfolio.

B Impact Assessment (and formerly, GIIRS) is a comprehensive rating system that evaluates the social and environmental impact of companies and funds. It assesses various dimensions, including governance, workers, community, environment, and customers. Companies that make a long-term commitment to the impact movement can become a Certified B Corporation.

IRIS: IRIS is an initiative by the Global Impact Investing Network (GIIN) that provides a comprehensive set of standardized metrics to measure and report impact across various sectors and themes. An extension of IRIS, IRIS+ offers a broader set of metrics and data on social, environmental, and financial performance, aiming to provide investors with a more comprehensive understanding of impact. You can learn more about IRIS + Impact Management Project.

Impact Issuer Code of Conduct: SVX has developed an internal standard for issuers to review and affirm to reflect their commitment to international standards, protecting human rights, advancing Indigenous reconciliation, promoting labor, gender, and racial equity, environmental sustainability, financial integrity, fostering a positive social impact, and ensuring a transparent, accountable operational ethos.

NON-CORE STANDARDS AND APPROACHES

The International Finance Corporation (IFC) Performance Standards – AIIM Standards: IFC Performance Standards provide guidelines for assessing and managing environmental and social risks in private sector projects, promoting sustainable investments.

Global Real Estate Sustainability Benchmark (GRESB) Infrastructure Assessment: Similar to GRESB for real estate, the Infrastructure Assessment evaluates the ESG performance of infrastructure assets and investments.

Global Reporting Initiative (GRI): GRI provides a widely-used framework for sustainability reporting. It helps companies disclose their economic, environmental, and social impacts, promoting transparency and accountability.

CDP (formerly Carbon Disclosure Project): CDP focuses on environmental impact, specifically carbon emissions, water usage, and deforestation. It allows companies to disclose their environmental data and provides investors with valuable insights.

GRESB (Global Real Estate Sustainability Benchmark): GRESB assesses the ESG performance of real assets, including real estate and infrastructure. It helps investors understand and compare the sustainability performance of different investments.

Climate Bond Standards: The Climate Bonds Standard and Certification Scheme is a labelling scheme for bonds and loans. Rigorous scientific criteria ensure that bonds and loans with Certification, are consistent with the 1.5oC warming limit in the Paris Agreement. The Scheme is used globally by bond issuers, governments, investors and the financial markets to prioritise investments which genuinely contribute to addressing climate change.

The Equator Principles: This is a risk management framework adopted by financial institutions for determining, assessing, and managing environmental and social risks in projects they finance.

Impact Frontiers Norms: From 2016 to 2018, the Impact Management Project (IMP) convened a Practitioner Community of over 3,000 enterprises and investors to build global consensus on how we measure, improve and disclose our positive and negative impacts (otherwise known as “impact management”). The resulting consensus (or “norms”) provide a common logic to help enterprises and investors understand their impacts on people and

the planet, so that they can reduce the negative and increase the positive. These resources migrated to Impact Frontiers following the IMP's conclusion in 2021.

Operating Principles for Impact Management: Impact Principles are a framework for investors for the design and implementation of their impact management systems, ensuring that impact considerations are integrated throughout the investment lifecycle. They may be implemented through different types of systems, each of which can be designed to fit the needs of an individual organization. They do not prescribe specific tools and approaches, or specific impact measurement frameworks.

Sustainalytics Green Bond Verification: With investors further integrating environmental, social and governance (ESG) criteria into their investment decisions, green and sustainability bond demand continues to rapidly grow. Sustainalytics has been a global leader in working with issuers to help in meeting this demand through our Second-Party Opinion (SPO) service for green and sustainability bonds.

SASB: SASB Standards enable organisations to provide industry-based disclosures about sustainability-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, access to finance or cost of capital over the short, medium or long term. SASB Standards identify the sustainability-related issues most relevant to investor decision-making in 77 industries.