IMPACT INDEX+ PRODUCTS SELECTION CRITERIA

1. OVERVIEW

This selection criteria document defines the guidelines for choosing Impact Index+ issuers on the SVX Impact Index platform. Prospective Impact Index+ issuers/products must initially meet the minimum screening requirements, and beyond these initial standards, additional requirements will help determine the final curated list.

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 economic impact focus.
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, 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 (impact not necessary in 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. IMPACT INDEX+ CRITERIA

These requirements will help in further streamlining the list of issuers and determine the final curated list.

a. Management and Governance

1. **Track Record:** Demonstrated track record for active and established issuers, or previous track record of the team and partners for new and emerging issuers.
2. **Team Capability:** Aligned team experience, skills, and performance.

b. Impact Management and Standards

1. **Intentionality:** Explicit goal to create positive social and/or environmental impact for underserved communities, the planet and natural systems, and/or other areas of public interest.
2. **Management and Measures:** Presence of defined impact management strategies, including measurable impact goals and indicators.
3. **Impact Data:** Impact performance data related to the impact investment strategy and management framework, including a track record of historical data for established funds.
4. **Standards:** Impact standards calibrated to the scale and context of the investment. List of the third-party impact standards are available in the appendix for reference.

We can categorize issuers based on progressive levels:

- Advanced: External verification, KPIs in decision-making, robust theory of change.
- Developed/Emerging: Defined indicators with informal tracking/framework.
- Basic/Minimal: Intentional impact but limited structure.
- Absent/Misaligned: No clear impact strategy beyond ESG.

Notes on Impact

- Alignment with the UN Sustainable Development Goals (SDGs) may be used as a supporting reference but is not considered a standalone standard for impact measurement or verification.
- ***ESG vs. Impact Investing****. Impact Index+ prioritizes impact. It is not an ESG screening tool. Issuers must demonstrate a clear intention to generate measurable positive outcomes, beyond avoiding harm.*

  Core characteristics include:
  - ***Intentionality****: Explicit goal to create social/environmental impact for underserved communities or public interest.*
  - ***Additionality****: The investment enables outcomes that wouldn't otherwise occur.*
  - ***Measurement****: Transparent, consistent tracking of impact metrics*

  ESG integration alone is not sufficient without these elements.

c. Finances: Sustainability, Structure and Exit Strategy

1. **Financial Sustainability:** A strong financial model and clear path to long-term sustainability.

2. **Financial Return:** Clearly stated return expectations: concessionary, below-market, market-rate, or above-market are all acceptable.
3. **Risk Management:** The issuer must identify and address financial, operational, and impact-related risks through clear mitigation strategies (e.g., governance, reserves, due diligence processes).
4. **Exit Strategy:** A responsible exit plan that supports long-term impact continuity for issuers, investors, and communities.

d. Equity: Racial and Gender Equity

1. **Equity Commitment:** Issuers must demonstrate a clear and intentional commitment to advancing racial and gender equity across governance, operations, and investment practices. This may include:
    a. A written equity or gender lens investment thesis
    b. Inclusive internal policies and hiring practices
    c. Board, management, or investment committee diversity
    d. Portfolio strategies that benefit underrepresented or equity-seeking groups

Participation in recognized frameworks (e.g., 2X Challenge, 50/30 Challenge) may also be accepted as evidence of compliance.

4. INCLUSION CRITERIA

Status	Definition
Included in Impact Index+	Meets both requirements: • Passes 8 or more subcomponents • Passes at least one subcomponent in every category
Conditional: Requires Follow-Up	• Passes 6 of 10 subcomponents, but all 4 categories are partially met (i.e., no full category is failed) • May be reconsidered pending additional documentation, clarification, or commitment to achieving specific criteria within an agreed upon timeframe
Not Included in Impact Index+	Either: • Passes 5 or fewer subcomponents • Fails an entire category (i.e., both or all subcomponents in any single category are marked Fail) • Violations of Canadian securities laws or regulations, material criminal or civil legal matters, material misstatements, lack of

	disclosure of material information

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

6. 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.

7. SAMPLE REVIEW
Issuers may be subject to a sample review to demonstrate compliance with the Impact Index+ requirements. This review will only take place with a small portion of Impact Index+ issuers.

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 4.

9. DOCUMENTATION REQUIREMENTS

Evaluation Area	Required Information
I. Management & Governance	• Articles of incorporation or registration documents • Bios or CVs of key team members • Organizational chart showing team structure and decision-making roles • Overview of governance bodies (e.g., Board, Investment Committee)
II. Impact Management & Standards	• Impact thesis, strategy statement or theory of change • Evidence of alignment with recognized

	frameworks (e.g., IRIS+, OPIM, GIIRS) • Sample metrics and/or logic model • Prior impact report(s)
III. Finances: Sustainability, Return, Risk, and Exit	• Most recent financial statements (audited, reviewed, or Notice to Reader) • Pro forma financial model or budget • *Capitalization plan or fundraising history* • *Risk management summary or overview*
IV. Racial and Gender Equity	• Equity statement or DEI policy • Narrative on inclusive hiring, governance, or investment practices • Board or leadership diversity data

Note: Issuers are not required to submit separate documents for each item listed above. Information may be consolidated within materials such as investor decks, offering memoranda (PPM), due diligence questionnaires (DDQs), or similar comprehensive documents.

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.