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Towards Net Zero

Investment Governance for Not-for-Profits

From climate commitments to credible policy, manager oversight and practical implementation

For boards, trustees and investment committees of charities, foundations and endowments.

Doug Sumner
October 2026

PURPOSE

Fund the mission.

POLICY

Know the mandate.

EVIDENCE

Challenge the claim.

OVERSIGHT

Make delivery accountable.

THE RIGHT INSIGHTS. THE RIGHT TOOLS. THE RIGHT OUTCOMES.

Research cut-off: 21 October 2026 • Updated from the September 2024 primer

EXECUTIVE SUMMARY

A credible policy, not just a commitment

A not-for-profit (NFP) investment portfolio exists to sustain the organisation's purpose. Climate considerations belong in that responsibility, but they do not create a single investment answer for every charity, foundation or endowment. The board must distinguish protecting financial capacity, avoiding conflict with its mission, expressing ethical preferences and seeking measurable climate impact. These objectives can reinforce one another; they can also involve different constraints and trade-offs.

The September 2024 primer established a useful sequence: set objectives, assess the portfolio, adjust policy, engage managers and monitor progress. Its generic emissions milestones, blanket divestment example and manager-compliance attestations now need a more discriminating approach. This white paper retains the practical sequence while replacing automatic prescriptions with explicit decisions, evidence and accountability. [1]

Five conclusions for boards

Start with authority and financial requirements. Establish the organisation's legal powers, governing-document and donor restrictions, spending needs, liquidity and risk capacity before adopting climate constraints. Do not promise that a particular strategy will protect returns in every market. Australian and England-and-Wales charity guidance provide useful, but jurisdiction-specific, reference points. [15][17]

Do not confuse a cleaner portfolio with a cleaner economy. Reported financed emissions can change because holdings, valuations or data change, even when an issuer's emissions do not. Pair the footprint with an explanation of change, evidence of investee transition and the actions the investor or manager actually took. [3]

Choose and govern the investment mechanism. Exclusion, engagement, transition investment and climate-solution finance serve different purposes. A values-based exclusion can be legitimate without being presented as proof of additional emissions reductions. Engagement needs milestones and consequences; transition investment needs a credible business and capital-spending case. [20][21][22]

Assess the fund, not merely the manager's badge. The March 2026 Net Zero Investment Framework (NZIF) external-funds addendum is especially relevant to delegated portfolios. Firm-wide commitments are a starting point for questions, not evidence that the specific fund meets the NFP's mandate. [4]

Make the policy proportionate and revisable. A smaller NFP can begin with a clear mandate, reliable holdings data and disciplined manager review. A larger endowment can add asset-level analysis and more extensive assurance. Neither should conceal data gaps or make a public claim broader than its evidence.

> **SHORELINE PERSPECTIVE**
>
> Govern what the organisation controls; hold managers accountable for what they can influence; and explain what depends on other actors. The first deliverable is a defensible investment policy—not an unsupported promise of a particular portfolio footprint or investment return.

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PUBLICATION OVERVIEW

How to use this paper

Read the analysis first, then use the board tools to convert the discussion into decisions. The sample Investment Policy Statement (IPS) clauses are an adaptation starting point, not a mandate to adopt unchanged.

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Evidence and interpretation

Research cut-off: **21 October 2026**. References distinguish published standards, voluntary guidance, future-effective amendments and draft work. Investor case studies are attributed reports, not independent proof of financial or environmental causation. Tables labelled “Shoreline” are original proposed governance tools. Legal examples are explicitly jurisdiction-bound; they are not a global statement of trustees’ duties.

IMPORTANT DISCLAIMER

This paper provides general educational and investment-governance guidance. It is not investment, financial, legal or tax advice, a recommendation to buy or sell any asset, or an assurance that a strategy will achieve a particular return or climate outcome. Application depends on the organisation’s jurisdiction, legal form, governing documents, donor restrictions, financial position and mandate. Decisions remain solely with its authorised board or delegates, supported by appropriately qualified professional advisers. Illustrative policy clauses and measures require adaptation and approval before use.

Prepared by Shoreline Asia • Doug Sumner • October 2026
Updated from the author’s September 2024 primer. All online references were checked during this review; their status may change after the research cut-off.

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01 / THE CHANGED LANDSCAPE

What has changed since 2024

The central change is not that every investor must abandon—or adopt—net-zero investing. It is that boards have a stronger basis for demanding specificity: which assets, which objectives, which evidence, and which responsibilities? A policy should survive changes in labels and initiative membership because its reasoning is documented.

Development	Status at the research cut-off	Implication for an NFP
NZIF implementation	NZIF 2.0 was published in June 2024, before the original primer. January 2026 guidance sharpened the explanation of portfolio decarbonisation and attribution. [2][3]	Assess the reasons for a footprint change, rather than imposing a mechanical reduction rule.
External fund oversight	A March 2026 addendum addresses funds where allocators have delegated investment decisions. It is voluntary guidance. [4]	Translate the NFP's objectives into fund-level evidence and manager-review requirements.
Emissions accounting	The Partnership for Carbon Accounting Financials (PCAF) released the third edition of its financed-emissions standard in December 2025, with additional methods and guidance. [6]	Record the method and version used, and explain changes in coverage or calculation.
Transition disclosures	International Financial Reporting Standards (IFRS) Foundation transition-plan disclosure guidance was issued in June 2025. Targeted emissions amendments to Climate-related Disclosures (IFRS S2) issued in December 2025 take effect from 1 January 2027, with early application permitted. [8][9]	Distinguish disclosure obligations from the quality of a transition strategy. Check local adoption separately.
Manager initiatives	The Net Zero Asset Managers (NZAM) initiative relaunched in February 2026 with an updated commitment. [10][11]	Read the current commitment and the actual mandate. Do not import an old membership promise into a contract.
Net-zero standard development	The International Organization for Standardization (ISO) Draft International Standard (DIS), ISO/DIS 14060, remains under development; its catalogue records the close of draft voting in September 2026. It is not a final published standard. [13]	Do not require or advertise compliance with a final standard that does not yet exist.

Political and regulatory divergence does not remove the decision

NZAM's revised language explicitly recognises client mandates, legal obligations and the enabling policy environment. [11] Shoreline's interpretation is that a board should neither outsource conviction to an alliance nor mistake an alliance change for an investment-risk assessment. Ask what changed in the manager's people, mandate, voting, portfolio and reporting—not only in its public affiliation.

WHAT TO RETAIN

Keep the original baseline–policy–implementation–review sequence. Replace dates and labels used as shortcuts with a documented investment objective and evidence that the selected approach is capable of serving it.

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02 / STANDARDS AND INITIATIVES

Different instruments, different jobs

A commitment, an accounting method, a disclosure standard and an investment process are not interchangeable. “Compliant with net zero” is therefore not a sufficiently precise manager-selection condition. The board should identify the requirement, its owner, the portfolio it covers and how compliance will be tested.

Instrument	What it contributes	What it does not establish
NZIF 2.0 and addenda	Voluntary investment strategy and alignment guidance, including application to externally managed funds. [2][4]	A legal duty for every NFP, a guaranteed pathway, or independent certification of a fund.
Greenhouse Gas (GHG) Protocol / PCAF	Emissions-accounting boundaries and methods; investment-related emissions sit within the investor’s relevant Scope 3 accounting. [5][6]	That an investor caused an emissions reduction, or that a low-footprint asset is financially suitable.
Disclosure standards and local adoption	General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1) and IFRS S2 are sustainability-related financial disclosure standards. The 2025 guidance explains transition-plan information under IFRS S2; IFRS S2 does not itself require an entity to have a transition plan. [8]	Approval of a fund’s sustainability credentials, a portfolio target, or automatic applicability to a charity.
Principles for Responsible Investment (PRI)	A voluntary responsible-investment initiative and principles covering investment and ownership practices. [14]	Assurance that every product, holding or vote meets the NFP’s own policy.
NZAM	A voluntary manager initiative with a revised 2026 commitment, including near-term targets, implementation disclosure and annual reporting, subject to stated conditions. [10][11]	An asset-owner membership requirement or a substitute for contractual fund obligations.
ISO net-zero work	International Workshop Agreement (IWA) 42:2022 provides organisational guidance. Its intended successor, ISO/DIS 14060, is still a draft at this cut-off. [12][13]	A final ISO 14060 certification requirement or a financial-product suitability test.

Use standards selectively and describe adoption accurately

A small NFP may use selected disclosure concepts to improve board reporting without claiming full compliance with an entire standard. A manager may follow a measurement method while using estimates and incomplete coverage. A company may publish a transition plan without having demonstrated delivery. These are distinct propositions and should be recorded separately.

Before inserting a reference into the IPS, ask: is this mandatory for this legal entity; voluntarily adopted for a defined purpose; contractually required of a manager; or simply a source of useful guidance? Assign a person to track revisions and local applicability. A change in an international standard should trigger assessment, not an unexamined rewrite of the investment mandate.

Names in brief: Institutional Investors Group on Climate Change (IIGCC); Net Zero Investment Framework (NZIF); Partnership for Carbon Accounting Financials (PCAF); Principles for Responsible Investment (PRI); greenhouse gas (GHG); International Organization for Standardization (ISO).

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03 / PURPOSE AND MANDATE

Decide what the portfolio is for

The first climate-investment decision is an organisational one. Start with the resources the portfolio must provide: grants, service delivery, working capital, reserves or long-term endowment support. A climate policy that weakens the organisation's ability to perform its approved purpose requires a clear explanation and lawful authority—not a slogan.

Objective	Decision being made	Evidence the board should request
Financial resilience	How should material climate risks and opportunities affect investment selection and oversight?	Financial assumptions, exposures, diversification, liquidity and plausible downside effects.
Mission consistency	Would specified investments conflict with the organisation's purposes or materially undermine its work?	Connection to the actual mission, governing-document constraints and reasoned assessment of alternatives.
Ethical preferences	Which activities should the organisation avoid even where their financial prospects are acceptable?	A defined policy, stakeholder rationale, implementation costs and authorised treatment of trade-offs.
Climate contribution	What real-world change is the organisation trying to help bring about?	A plausible investment or stewardship mechanism, milestones and evidence beyond portfolio selection alone.

Shoreline framework. These are separate questions, not competing labels for the same investment product. Legal authority must be checked for the organisation concerned; the table is not a statement of universal fiduciary duties.

Make trade-offs visible before appointing a manager

Consider a foundation whose mission concerns public health. It may have a compelling reason to exclude a harmful activity, while still expecting a diversified portfolio and a competitive long-term return. A separate catalytic-investment allocation might deliberately accept a different risk, liquidity or return profile to advance the mission. The latter should not be hidden inside an ordinary investment mandate. Its authority, budget, expected benefit and financial concession should be approved explicitly.

Likewise, a donor's enthusiasm for climate action does not override restricted-gift terms. Establish which pools of money are available for which purpose. Record any conflicts between a donor preference, beneficiary needs, an ethical position and the organisation's governing documents. Where the boundary is uncertain, obtain legal advice rather than assuming that a charitable mission resolves it.

> **THE BOARD'S FIRST RESOLUTION**
>
> Approve the purpose and scope of the climate-investment policy, the financial requirements it must respect, the trade-offs the board is willing and authorised to consider, and the decisions reserved to the board. Do this before selecting a target or a "sustainable" fund.

This mandate-first approach is consistent with the emphasis on charitable interests and responsible decision-making in the Australian and England-and-Wales guidance discussed next. Those sources operate within different legal systems; neither should be treated as a worldwide investment rule. [15][17][18]

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03 / LEGAL AND REGULATORY BOUNDARIES

Check the entity, not just its label

Australia: governance duties and reporting scope are separate

For charities subject to Australian Charities and Not-for-profits Commission (ACNC) Governance Standard 5, the framework addresses the duties of Responsible People, including care and diligence, acting in the charity's best interests and purposes, conflicts, responsible financial management and insolvency. It does not prescribe a universal fossil-fuel exclusion or a net-zero portfolio deadline. [15]

Australia's mandatory sustainability-reporting regime is not triggered simply because an organisation has investments or calls itself an NFP. The Australian Securities and Investments Commission (ASIC) explains that the entity must be required to prepare a Chapter 2M financial report and meet an applicable section 292A threshold. Registered charities without that Chapter 2M obligation are outside this reporting requirement. Other NFP entities need their own assessment. Reporting phases began in January 2025, with subsequent cohorts from July 2026 and July 2027. [16]

England and Wales: a reasoned charity-specific decision

The Charity Commission's Investing charity money: a guide for trustees (CC14) permits trustees to consider factors relevant to their charity, including conflicts with purposes and potential reputational effects, alongside financial considerations. Its legal underpinning explains the decision-making context. This is not an instruction that every charity must divest, nor a rule that ethical considerations are always irrelevant to financial investment. The jurisdiction is England and Wales—not automatically Scotland, Northern Ireland or another country. [17][18]

Other jurisdictions and cross-border structures

Obtain local advice on trust or corporate powers, charitable-purpose restrictions, investment delegation, prudence, disclosure, tax and any concessionary or programme-related investment. An overseas manager's regulatory obligations do not necessarily become the NFP's obligations. Conversely, an NFP exemption does not excuse a manager from duties applying to its products or services.

Confirm before approval	Keep as decision evidence
Legal form, jurisdiction and governing instruments	Trust deed or constitution; applicable investment powers; restricted-fund analysis.
Decision authority and conflicts	Board/committee terms, delegated limits, declarations and independent advice where needed.
Mandatory reporting versus voluntary ambition	Written applicability assessment identifying the entity, threshold, reporting period and responsible adviser.
Financial and mission trade-offs	Options considered, expected costs and risks, beneficiary implications and reasons for the decision.

GOOD PRACTICE, NOT A NEW LEGAL TEST

The decision records and controls proposed in this paper are Shoreline governance recommendations. They do not replace legal advice on what a particular board or trustee is required or permitted to do.

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03 / FINANCIAL SUSTAINABILITY

Protect the capacity to fund the mission

An NFP needs more than a return objective. It needs a spending and liquidity plan that can withstand adverse markets without forcing untimely sales or interrupting essential services. Climate investment choices should be tested within that plan, not reviewed in a separate sustainability compartment.

Evaluate the whole portfolio consequence

Ask the investment adviser to compare the proposed approach with credible alternatives using consistent assumptions. Examine concentration, geographic and currency exposures, liquidity, fees, transaction costs and the possibility of prolonged benchmark underperformance. A lower-carbon label is not evidence that these risks have been reduced. Equally, a conventional benchmark is a comparison tool, not proof that its climate exposures are appropriate for the NFP.

For an illiquid climate-solutions investment, test commitment pacing, capital calls, exit timing and the ability to keep making grants during a downturn. For a screened public-market fund, examine the portfolio that remains after the screen, not just the excluded names. Avoid financing a long-term mission commitment with assets that cannot be realised when funds are needed.

Consider transition risk and physical resilience together

Policy, technology, demand and business-model changes may affect an issuer's prospects. Physical hazards require a different set of questions about sites, supply chains, operating interruption and protection measures. IIGCC's November 2025 Physical Climate Risk Appraisal Methodology (PCRAM) 2.0 guidance connects physical-risk appraisal with financial decision-making, including real estate, infrastructure and insurability. [26]

Shoreline recommends that the board ask for a small number of decision-relevant stress tests, rather than an elaborate model with unexplained precision. For example: what happens to spending capacity if market values fall while an infrastructure investment needs additional resilience capital? What if insurance becomes more expensive or narrower while grant demand rises? The answer should identify management actions and liquidity consequences, not just a projected loss number.

> **LOW EMISSIONS DOES NOT MEAN LOW CLIMATE RISK**
>
> A renewable-energy asset may still be vulnerable to heat, flood or storm damage. A low-footprint portfolio may also have concentrated geographic or operational dependencies. Assess the investment's ability to operate and preserve value, alongside its role in mitigation. [26][27]

Agree what would cause reconsideration

Set review triggers before results disappoint: a material liquidity shortfall, persistent mandate breach, unacceptable concentration, an unsupported impact claim, or a manager unable to explain its exposures. A response may involve remediation or redesign rather than immediate liquidation. Record the rationale for continuing as carefully as the rationale for changing course. Climate ambition should neither immunise an investment from challenge nor become the automatic explanation for every poor result.

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04 / PORTFOLIO AND REAL-ECONOMY CHANGE

A footprint is not an impact measure

Financed emissions allocate a share of investee emissions to an investor using defined accounting methods. They are useful for understanding exposure and tracking a consistent inventory. They are not, by themselves, a measure of the emissions caused—or prevented—by the investor. IIGCC's 2026 attribution guidance stresses the need to explain underlying drivers of portfolio change. [3][6]

An illustrative valuation effect

Consider a simplified corporate-bond holding in a listed issuer. Assume a constant outstanding investment, unchanged issuer emissions and the same accounting boundary. Under the relevant PCAF attribution approach, the outstanding investment is divided by enterprise value including cash (EVIC), then multiplied by issuer emissions, expressed in tonnes of carbon dioxide equivalent (tCO_2e). [6]

Input / result	Baseline	Later measurement
Outstanding bond investment	$1 million	$1 million
Issuer EVIC	$100 million	$200 million
Issuer annual emissions	100,000 tCO_2e	100,000 tCO_2e
Attributed financed emissions	1,000 tCO_2e	500 tCO_2e
Actual issuer emissions change	—	0%

Hypothetical arithmetic, not investor data or a performance forecast. All other factors are held constant. The example uses a bond holding; it does not assume an equity holding's value stays fixed while its share price changes. tCO_2e means tonnes of carbon dioxide equivalent. Formula basis: PCAF Part A, third edition, page 44. [6]

The calculated portfolio figure falls by half without any physical emissions reduction. Selling the bond could remove its attributed emissions from this investor's inventory, but would not establish that the issuer stopped emitting. These distinctions do not make the inventory useless; they define what the board may legitimately conclude from it.

Require three explanations, not one headline

What changed in the portfolio? Identify purchases, sales, capital flows and changes in coverage. **What changed at the assets?** Explain investee emissions, production and transition delivery using comparable boundaries. **What did the investor contribute?** Document financing terms, voting, engagement or other actions, distinguishing a plausible contribution from proven causation.

The empirical research supports caution. Heath and colleagues found that socially responsible funds in their sample selected companies with better environmental and social characteristics, but did not find corresponding changes in firm behaviour attributable to that investment. This is a finding about the studied setting—not a verdict that all sustainable investment is ineffective. [20]

> **BOARD INTERPRETATION**
>
> Celebrate a reported reduction only after asking why it occurred. A portfolio can become better aligned through investee improvement, while a strategically useful investment in transition may initially make its footprint look worse.

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04 / INVESTMENT RESPONSES

Choose the mechanism deliberately

Exclusion, engagement and new financing are not rival answers to one identical question. Exclusion may address a mission conflict; engagement seeks changed behaviour; financing may enable an activity that otherwise lacks suitable capital. A policy can combine them, but should state the purpose and limits of each.

Approach	When it may fit	Main governance test
Exclude or divest	An activity conflicts with an approved mission or ethical constraint; a risk is unacceptable; or engagement has failed the policy's escalation test.	Define the activity, threshold and indirect exposure. Assess costs and replacement exposures. Do not claim automatic real-world abatement.
Retain and engage	The investor or manager has a credible channel to influence a material issue and can assess progress.	Specify the requested change, milestone, evidence, responsible person and consequence of non-delivery.
Finance transition	A high-emitting activity has a plausible, financeable route to material improvement and the investment meets the mandate.	Test business strategy, capital expenditure, dependencies, safeguards and the danger of locking in emissions.
Finance climate solutions	A product, project or service addresses a defined mitigation or resilience need.	Test commercial viability and contribution separately. A useful technology can still be an unsuitable or overpriced investment.

Engagement should not become indefinite permission

Count meetings as activity, not success. Ask whether the company changed a decision, budget, disclosure, incentive or operating practice relevant to the objective. A useful escalation sequence might move from a written request to senior dialogue, voting action where available, mandate restrictions or exit consideration. The sequence and timing should reflect the investor's powers and the issue, rather than become a universal timetable.

Marti and colleagues' multidisciplinary review describes several mechanisms through which sustainable investment can influence companies, including direct and indirect channels. It supports considering the route to influence, not assuming that one label guarantees impact. In Oehmke and Opp's theoretical model, creating impact requires a mandate willing to trade financial performance against social benefits; financing constraints shape how capital can enable cleaner production. That model is not empirical proof that every real-world impact investment requires a return concession. [21][22]

Pooled-fund reality

An NFP generally selects a pooled product rather than rewriting its holdings or votes. Establish whether the fund can actually implement the intended exclusion or stewardship requirement. A manager's willingness to "take the policy into account" is different from a binding restriction. Where a mismatch is material, choose an implementable alternative or disclose the limitation; do not describe a preference as a control.

Shoreline decision framework, informed by the cited evidence. No approach is recommended universally, and no allocation percentage is prescribed.

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05 / CREDIBILITY AND CLAIMS

Test the plan behind the target

A transition plan is a proposition about future action, not a certificate of achievement. The board's task is to understand how the manager evaluates that proposition and what it does when delivery falls short. IFRS's June 2025 guidance assists disclosure of transition-related information; it does not turn disclosure into an investment endorsement. [8]

Follow the money and the operating decisions

Shoreline proposes a practical challenge: do the business strategy, capital budget, operating milestones and management incentives support the stated ambition? Ask whether the plan addresses the material sources of emissions, how progress is checked and which assumptions are outside the company's control. A pathway dependent on an unfinanced technology, unavailable infrastructure or an unapproved policy deserves different confidence from a funded operational change.

For a transition investment, examine the period during which existing assets will continue to operate, the financing of replacement or conversion, and any risk that today's capital spending prolongs high-emission activity. Ask who pays if the transition is delayed. Incorporate material community, workforce and supply-chain consequences into the assessment rather than treating them as an unrelated reputational appendix.

Separate three very different carbon propositions

Proposition	Appropriate treatment
Emissions reduced within a measured inventory	Report the boundary, baseline, period and measurement basis. Explain changes in business activity and methodology.
Emissions avoided compared with a counterfactual	State the alternative scenario and assumptions. Report separately from financed emissions; do not subtract avoided-emissions estimates to manufacture a net-zero inventory. [7]
Offsets or carbon removals	State their role separately from gross reductions. Assess what is claimed, verification, durability, reversal risk, ownership and double-counting safeguards. Do not assume a credit purchase validates the whole portfolio strategy.

Approve the public wording as carefully as the investment

ASIC's greenwashing guidance for financial products emphasises accurate, supportable claims and clarity about sustainability features and targets. [19] As a governance recommendation, an NFP should apply the same discipline to its own investment communications without assuming identical legal obligations. Identify exactly what is covered, what is excluded, the date of the evidence and whether the statement concerns ambition, process or results.

> **A BETTER CLAIM**
>
> Prefer a bounded description such as "we assessed the covered public-equity funds against our approved transition criteria and identified these gaps" to an unqualified "our endowment is net-zero aligned". Use the stronger claim only when its meaning, scope and supporting evidence are established.

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05 / MEASUREMENT

Build a defensible baseline

Begin with an investment inventory reconciled to the custodian or financial records: asset class, manager, fund, value, mandate and available look-through. Then define which exposures can be measured consistently. Missing information is a limitation to manage, not a zero-emissions result.

Keep the accounting boundaries distinct

An investee's Scope 1 covers its direct emissions; Scope 2 relates to purchased energy; Scope 3 covers other value-chain emissions. For an investor, investment-related emissions fall within the relevant Scope 3 Category 15 boundary. Do not confuse that investor category with the investee's own Scope 3 emissions, or simply add overlapping portfolios and issuer scopes as if they were unique global tonnes. [5]

Measure	Useful question	Limitation to make visible
Absolute financed emissions	What emissions are attributed to the covered investments under the chosen method?	Moves with holdings and attribution inputs; does not establish investor causation.
Emissions intensity	How emissions-intensive are comparable exposures relative to a stated denominator?	Specify whether the denominator is revenue, investment value or physical output. Different ratios answer different questions.
Weighted average carbon intensity	How exposed is a corporate portfolio to revenue-normalised issuer emissions, using portfolio weights?	Not an ownership allocation of tonnes. Revenue and sector mix affect the result.
Alignment / transition indicators	How much of the covered portfolio meets defined, forward-looking criteria?	A target or plan is not delivery. State the test, denominator, evidence and assessment date.
Coverage and data quality	How much of the investment universe is represented and how reliable is the information?	Show estimated and reported data separately where possible, with lags and unassessed holdings.

Definitions draw on GHG Protocol, PCAF and NZIF; the board questions and reporting cautions are Shoreline's synthesis. Use the method appropriate to the instrument rather than forcing one corporate metric onto all assets. [2][5][6]

Create a repeatable measurement protocol

Record the portfolio date, emissions reporting year, currency conversion, source provider, methodology version and treatment of missing data. Keep a restatement rule: when improved data or a changed boundary materially alters the baseline, show both the reason and the effect. Require a reconciliation from the investment inventory to the measured universe and a log of exceptions.

Do not spend a small NFP's budget producing a precise-looking inventory that will not change any decision. Start with the most material and measurable exposures, agree a plan for the gaps, and make coverage explicit. Larger investors should test methodology and data lineage independently where the significance of the claims warrants it.

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05 / TARGETS AND ACCOUNTABILITY

Set objectives that can be defended

The original primer's example of a 25% reduction by 2025 has expired; its 50% by 2030 figure has no specified portfolio baseline or measurement boundary. These should not simply be rolled forward to new dates. An NFP target needs a defined purpose, a credible pathway and a clear account of what the investor can influence. [1]

Use a target specification, not a headline percentage

Specify	Question to resolve before approval
Purpose and legal authority	Is the objective financial resilience, mission consistency, an ethical constraint, climate contribution—or a defined combination?
Scope and baseline	Which pools, funds, instruments and emissions scopes are covered? What is the baseline year and current data coverage?
Metric and method	Is the measure tonnes, intensity, asset alignment, stewardship progress or a mix? Who calculates it and under which version?
Pathway and dependencies	Which changes in assets or manager practice are expected? What depends on policy, technology, company action or data?
Financial constraints	How will spending, liquidity, diversification and risk requirements be protected or explicitly reconsidered?
Milestones and response	Who reviews progress, what constitutes material slippage, and what happens if delivery or the original assumptions fail?

Pair outcome ambitions with controllable commitments

A board can commit to completing an exposure review, contracting for specified manager reports and escalating unaddressed mandate breaches. These are governance deliverables. They do not equal an environmental outcome, but they make an environmental ambition more credible. Conversely, adopting an ambitious date without changing mandates or resources does not create a delivery mechanism.

For the emissions objective, show the expected direction and the basis for interim milestones, alongside a portfolio-alignment assessment and a manager action plan. IIGCC describes a portfolio decarbonisation reference objective rather than treating each year's inventory result as a self-sufficient instruction to sell. [3] An NFP should therefore explain temporary increases, data revisions and changes in climate-solution exposure, rather than engineer a cosmetic result.

> **ILLUSTRATIVE TARGET STRUCTURE**
>
> "By [date], assess [defined proportion] of [specified assets] against [criteria], establish an approved baseline with disclosed gaps, and agree corrective actions for material manager mismatches. Consider the proposed longer-term emissions and alignment objectives once the pathway, costs and constraints have been reviewed." Fill the brackets from evidence; do not treat them as pre-approved targets.

Review objectives at least annually and after material changes in the mandate, portfolio, law, methodology or financial circumstances. Distinguish a transparent recalibration from quietly moving the goalposts: retain the prior commitment, explain the change and obtain approval for the revised basis.

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06 / DELEGATED INVESTMENT

Make the manager mandate do the work

Most smaller NFPs influence the investment process through an adviser, outsourced investment office or pooled-fund manager. That makes selection, contractual expectations, monitoring and the ability to change provider central to the policy. It does not mean the NFP can honestly claim control of each underlying investment.

The March 2026 NZIF external-funds guidance provides six assessment dimensions: ambition, governance, targets, decarbonisation plan, disclosure and climate performance. Its focus on the fund is a useful corrective to relying on firm-wide statements. The guidance remains discretionary, not a compulsory rating or regulatory requirement. [4]

Replace the original attestation with a specific evidence schedule

The 2024 proposal required managers to be PRI signatories and attest to IFRS sustainability compliance. Those requirements conflate initiative participation, entity disclosure and investment practice. [1][8][14] A better mandate states what the NFP requires of the actual portfolio and what evidence demonstrates it. A manager can be a signatory and still offer a fund that does not meet a particular exclusion or transition policy.

Mandate provision	Evidence to receive
Fund and authority	Exact fund/share class or segregated mandate, investment universe, discretion, voting rights and restrictions that are genuinely binding.
Implementation	How the policy changes research, portfolio decisions, investment terms or stewardship; named accountable roles and controls.
Reporting	Holdings/look-through, measurement coverage, policy exceptions, transition assessments and explanation of changes.
Stewardship	Selected issue-level records showing the request, action, company response, outcome claimed and escalation decision.
Exceptions and change	Prompt notice of material breach, mandate change, methodology change or a departure from a relevant commitment; remediation and termination provisions.

Evaluate evidence, not document volume

Ask the adviser to demonstrate one decision that changed because of the policy, one difficult holding and one unsuccessful engagement. Request the same structured response from competing managers. A large sustainability report may describe the firm while leaving the relevant product opaque; a shorter fund-specific response may be much more useful.

Apply proportionality without accepting ambiguity. For a pooled fund, document the gaps the NFP cannot negotiate and whether alternatives are feasible. For a segregated mandate, establish explicit restrictions and reporting duties. Check fees, conflicts, financial suitability and service quality alongside climate capability. Do not reward an adviser simply for recommending more expensive bespoke work.

> **THE DELEGATION TEST**
>
> Could the board identify a material mismatch, require a response and make an informed decision to retain, remediate or replace the provider? If not, the climate policy is not yet supported by an effective oversight process.

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06 / ASSET-CLASS APPLICATION

Different assets require different levers

A common governance policy does not require identical metrics or interventions across the endowment. The following matrix is a Shoreline application guide. It identifies questions to put to the adviser; it is not an asset-allocation recommendation.

Exposure	Relevant influence and assessment	Specific caution
Listed equities	Manager selection, company analysis, voting and engagement; test transition delivery and the basis for exclusions.	A secondary-market purchase is not automatically fresh project finance. A portfolio's lower intensity may reflect sector selection.
Corporate bonds / private credit	Issuer analysis and engagement; terms, covenants and refinancing where bargaining power exists; borrower cash-flow and resilience.	Debt ownership does not generally carry equity voting rights. A sustainability-linked label requires scrutiny of the actual terms and incentives.
Property and infrastructure	Asset-level operational plans, capital budgets, energy use, location hazards, adaptation and insurance; owner/manager accountability.	Illiquidity and necessary resilience spending can conflict with grant funding or capital-call capacity.
Private equity / venture capital	Manager due diligence, governance rights, operational plans, data development and exit assumptions.	Technology promise is not investment viability; valuation, cash-flow and execution uncertainty remain.
Sovereign / sub-sovereign bonds	Country or issuer policy and physical-risk analysis, suitable accounting methods and engagement where practicable.	Do not treat national emissions as interchangeable with company emissions or count them as unique additional tonnes.
Cash / pooled / multi-asset exposures	Counterparty and product review, look-through where available, liquidity and reconciliation of overlaps.	Do not assign missing data a zero footprint or assume a manager's firm-wide target covers every underlying vehicle.

Resilience is a separate investment question

For material real assets, request the link from hazard to operational consequence, cash flow, adaptation options and residual risk. IIGCC's PCRAM 2.0 and its 2026 engagement discussion support moving beyond a generic risk score towards location- and asset-specific appraisal. [26][27]

For example, an NFP considering an infrastructure fund should ask how the manager budgets for resilience, tests insurance availability and decides whether to adapt, transfer risk or accept exposure. This analysis should inform price and mandate suitability, not be an exercise performed only after the investment is approved.

Climate solutions can involve carbon-intensive construction or supply chains before providing a longer-term service. IIGCC notes that a solutions allocation can increase a portfolio's measured footprint. [29] Treat this as a reason for better explanation and lifecycle scrutiny—not permission to label every high-emitting investment "transition".

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07 / DOCUMENTED EXPERIENCE

Three examples, three lessons

These examples show different governance practices and failure modes. They are not a league table or proof that a strategy causes superior returns. The first two rely on investor-reported information; the third is a regulator's account of a court outcome.

Rockefeller Brothers Fund (RBF): combine tools, disclose definitions

RBF's assessment published in September 2026 reports its position at September 2025. It combines fossil-fuel divestment with mission-aligned investment and ownership practices. The report records 0.2% fossil-fuel exposure under its stated reserve-based methodology and notes data and classification qualifications. Its reported 23.3% impact figure is commitments relative to portfolio value, not necessarily invested net asset value and not a measure of climate investment alone. [24][25]

Board lesson: a clear mission can be implemented through several investment levers, but percentages require definitions. **Limit:** a reported exposure or commitment does not establish additional emissions reductions or prove that this strategy caused a particular financial result.

Wellcome: distinguish commitments from achieved outcomes

Wellcome's investment-climate reporting states that, at September 2025, 38% of portfolio value was in companies with declared net-zero targets, 24% with near-term science-based targets and 11% with science-based net-zero commitments. These categories overlap and should not be added together. Wellcome also describes manager engagement and escalation. [23]

Board lesson: track different levels of target credibility and examine the manager relationship. **Limit:** target coverage is not a measure of delivered emissions reductions. Comparisons with another endowment require matching scope, definitions and measurement dates.

Active Super: the gap between a claim and a portfolio

In March 2025 ASIC reported that the Federal Court ordered Active Super to pay a $10.5 million penalty for misleading sustainability representations. The case concerned investments inconsistent with publicly promoted restrictions, including indirect exposures. This is an Australian superannuation enforcement example, not an NFP legal precedent. [28]

Board lesson: approved wording, screening rules and look-through controls must agree. **Limit:** the case does not determine every charity's legal duties; it demonstrates why a manager's label is not enough evidence for an NFP's own claims.

> **APPLY THE LESSON, NOT THE BRAND**
>
> For any proposed investment, ask: what exactly was promised; how was it implemented; what evidence supports the result; and which conclusions remain unproven? Use those questions even when the provider has a strong reputation or a persuasive sustainability narrative.

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08 / SHORELINE DECISION FRAMEWORK

Six decisions before a public pledge

The framework below is Shoreline's proposed governance sequence. It is designed to prevent a commitment from getting ahead of authority, investment analysis or operating capability. A board may decide to proceed, proceed with conditions, narrow the scope, obtain further evidence or decline the proposed approach.

Decision gate	Evidence required	Decision / accountable owner
1. Mandate	Purpose, powers, restricted funds, financial requirements and intended climate objective.	Board approves the objective and boundaries; legal advice where needed.
2. Baseline	Reconciled investment inventory, risk exposures, data coverage, current manager practices and known gaps.	Finance lead and adviser establish an evidence baseline; committee challenges completeness.
3. Options	Comparison of exclusion, engagement, transition and solutions approaches; cost, liquidity and risk implications.	Investment committee recommends an implementable option and records rejected alternatives.
4. Delivery	Fund/manager capability, mandate terms, milestones, roles, budget and escalation arrangements.	Board or authorised delegate approves implementation within explicit limits.
5. Evidence and claims	Metric definitions, data limitations, measurement protocol and substantiation for proposed public wording.	Finance and communications leads prepare; designated authority approves the claim.
6. Review and response	Dashboard, exceptions, financial and climate evidence, changes in assumptions and unresolved issues.	Committee recommends retain, remediate, replace or revise; board decides reserved matters.

Keep the decision record short but complete

A useful board paper states the decision requested, evidence, assumptions, alternatives, financial implications, advice received, conflicts and unresolved conditions. Separate what is known from what the manager expects. Record which condition must be satisfied before investment, publication or expansion—not merely that "further work will follow".

Make delegation explicit

The board owns the policy and any material change in ambition or risk tolerance. The investment committee oversees implementation within its authority. Management maintains records and reporting. Advisers and managers perform the agreed analysis and investment functions. An independent reviewer, where justified, tests the evidence rather than repeating the manager's conclusion.

> **STOPPING RULE**
>
> Do not publish an unqualified portfolio-wide claim while material unassessed assets, unenforceable mandate assumptions or unresolved financial constraints make it indefensible. A bounded statement of work in progress is preferable to a pledge that the organisation cannot govern.

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09 / IMPLEMENTATION

A staged route from policy to practice

The timetable below is illustrative and concerns governance delivery, not a prescribed emissions-reduction trajectory. Scale the work to the portfolio, available resources and the decisions that matter. Avoid a lengthy policy project that leaves existing mandates unexamined.

Stage	Bounded work and output	Ownership / review
First 30 days	Confirm powers, financial requirements and decision authority. Map investment pools, managers and existing commitments. Produce a scope and gap note.	Finance lead and adviser; chair/committee confirms scope and legal questions.
Days 31–60	Obtain a consistent manager evidence pack; assess material exposures and data gaps. Compare realistic policy options, costs and mandate limitations.	Investment committee challenges the options and requests missing evidence.
Days 61–90	Approve revised IPS, manager expectations and reporting definitions. Assign exception owners. Approve only substantiated public wording.	Board or delegated authority signs off policy, implementation conditions and budget.
Months 4–6	Implement agreed mandate changes; resolve priority data gaps; run the first dashboard and test a sample of holdings/claims.	Management reports exceptions and remediation; committee evaluates capability.
Months 7–12	Review financial effects, manager actions and early evidence. Decide whether to strengthen targets, replace a provider or adjust the scope.	Board receives an annual assessment and approves material policy changes.

A minimum viable approach for a smaller NFP

Use one approved policy, one reconciled investment inventory and one common manager questionnaire. Focus initially on material exposures and decisions the organisation can influence. Require periodic reporting and an annual recorded manager review. Use external specialist work for difficult legal, measurement or investment questions rather than attempting a bespoke technical model internally. Disclose any unmeasured or unassessed allocation.

A more developed approach for a substantial endowment

Add look-through analysis, asset-class-specific pathways, scenario and liquidity testing, a structured stewardship register and targeted independent verification of material data or claims. Integrate financial, transition and resilience reviews. Strengthen contractual data rights where feasible and maintain a controlled methodology register so comparisons survive manager or provider changes.

> **DO NOT MEASURE SUCCESS BY POLICY LENGTH**
>
> The test after a year is whether decisions and oversight improved: clearer mandates, understood exposures, resolved mismatches, better evidence and appropriate financial discipline. Training and documentation help only when they change how the portfolio is governed.

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10 / BOARD MONITORING

An illustrative dashboard

This is a proposed reporting design, not actual NFP performance data. Populate it with an agreed baseline, latest value or assessment, trend, explanation, owner and next action. Use “not established” or “not assessed” where appropriate; do not invent a green status.

Board lens / measure	What to show	Escalation question
Financial sustainability	Net return and agreed benchmark over suitable periods; spending coverage, liquidity, fees and concentration.	Is the portfolio still capable of funding the mission within approved risk limits?
Policy implementation	Value and proportion of assets covered by the policy; binding versus preference-only mandates; exceptions.	Is public wording broader than what can actually be implemented?
Emissions inventory	Covered financed emissions with scopes, date, method and comparison basis.	Is a movement caused by issuer activity, holdings, valuation, currency or changed data?
Data confidence	Measured/estimated/unavailable coverage; information lag; reconciliations and unresolved discrepancies.	Is the evidence adequate for the investment decision or claim being made?
Transition alignment	Proportion of assessed assets meeting defined criteria; gaps between ambition, plans and delivered milestones.	Are important holdings improving, stalling or being assessed on stale information?
Stewardship	Priority cases: objective, milestone, evidence of response, escalation and next review.	Are we counting activity or observing relevant change?
Physical resilience	Material exposures, adaptation plans, costs, insurance constraints and outstanding asset reviews.	Could an unaddressed exposure impair cash flow, value or required liquidity?
Solutions / impact	Exposure or commitments with clear denominator; contribution thesis and outcome evidence.	Are commitments being mistaken for deployment, or avoided emissions for inventory reductions?
Mandate / claims assurance	Breaches, remediation age, tested holdings, evidence gaps and approved wording.	Does a material mismatch require a decision now rather than routine monitoring?

Traffic lights should describe action, not confidence theatre

Use **red** for a material breach, unsupported material claim or unresolved threat requiring a decision. Use **amber** for a significant evidence gap or off-track milestone with an owned response. Use **green** only where an agreed test is met on current evidence. Distinguish “not assessed” from a pass. These are proposed internal meanings, not external certification categories.

Shoreline dashboard design, informed by the measurement, disclosure and oversight discussion in this paper. Thresholds and review frequency must be approved for the organisation; the table deliberately contains no universal investment or emissions targets.

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11 / PROVIDER DUE DILIGENCE

Ask for evidence, not assurances

Use these questions for both selection and annual review. Require answers for the exact product or mandate under consideration. Rate each response as evidenced, partially evidenced, not evidenced or not applicable, with a reason and follow-up owner.

Question to the adviser or manager	Evidence to request / test
1. How does this portfolio serve our financial and mission requirements?	Written suitability rationale, liquidity analysis, costs, risk exposures and alternatives. Clarify any assumed return concession.
2. Which climate obligations are binding on this fund?	Governing fund documents and mandate clauses; exact exclusions, thresholds, indirect-exposure rules and exception process.
3. Who owns implementation and challenge?	Named decision-makers, oversight arrangements, relevant resources, conflicts and control testing.
4. What changes in investment decisions because of the policy?	One actual buy/hold/sell or financing decision, the supporting analysis and a difficult counterexample.
5. How do you judge a transition plan?	Evidence on business strategy, spending, dependencies and milestones—not merely the existence of a target.
6. How are the emissions figures produced?	Method/version, boundaries, look-through, sources, estimates, data lag, restatements and a reconciliation to holdings.
7. What have you achieved through stewardship?	Issue-level requests, actions, company responses and escalation. Distinguish claimed contribution from causal proof.
8. How do you assess physical risk and resilience?	Material exposures and financial implications; adaptation and insurance analysis where relevant to the assets.
9. What does your initiative membership actually cover?	Current commitment, covered assets and products, exceptions and evidence of implementation. Explain departures or changes.
10. What independent checking supports your statements?	Scope and limitations of assurance, control reviews or data verification. A logo or signatory status is not an assurance opinion.
11. What happens when a requirement fails?	Breach notification, remediation timetable, decision rights, reporting, and feasible exit or replacement arrangements.

An appointment decision should state its conditions

Document the strengths, unresolved limitations and reasons for selecting the provider. Define which gaps are tolerable with disclosure, which require remediation, and which are disqualifying under the NFP's policy. Verify important responses in contractual documents rather than relying on a sales presentation. Reassess after material changes in people, process, ownership, mandate or reporting quality.

Original Shoreline checklist. The six-dimension external-fund assessment in NZIF is a useful reference, but this checklist adds organisation-specific financial, contractual and claims controls; it is not an official IIGCC scorecard. [4]

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12 / ILLUSTRATIVE POLICY CLAUSES

IPS clauses | Purpose and control

Adaptation note. These sample clauses are governance drafting aids, not legal advice or recommended investment terms. Replace bracketed fields, resolve legal authority and test implementation with the adviser. Do not adopt an obligation the chosen funds cannot meet. The clauses assume the organisation has separately approved its investment purpose, financial objectives and risk limits.

1. Purpose and financial requirements

"The investment portfolio shall support [organisation's purposes and funding needs] within the financial objectives, spending policy, liquidity requirements and risk limits set out in this IPS. Material climate-related financial risks and opportunities shall be considered in investment analysis and oversight. Mission-related constraints and any separately authorised impact or concessionary investments shall be identified explicitly; no assumption is made that a climate strategy guarantees returns or removes investment risk."

2. Policy scope and authority

"This policy applies to [specified pools and mandates]. Restricted gifts and other legally constrained funds shall be assessed separately. The Board reserves approval of the policy, material changes in objectives or risk limits, and [other reserved decisions]. The Investment Committee and management may implement the policy only within their delegated authority. Conflicts of interest and relevant professional advice shall be recorded."

3. Climate objectives and target approval

"The organisation's climate-investment objectives are [financial resilience / mission consistency / defined ethical constraints / specified contribution objectives]. Each approved target shall state its scope, baseline, metric, method, date, dependencies and review process. Interim milestones shall be supported by an implementation pathway. Targets shall not be represented as assured outcomes, and reductions in attributed portfolio emissions shall not automatically be described as reductions caused in the real economy."

4. Investment constraints and permissible approaches

"The approved schedule shall define any excluded activities, thresholds, data sources, indirect-exposure treatment and exceptions. Other investments shall be assessed using the financial mandate and the agreed transition or resilience criteria. Engagement, transition investment and climate-solution allocations may be used where justified and permitted. No universal divestment deadline or allocation percentage is created by this clause; any such constraint requires separate Board approval and an implementation assessment."

5. Adviser and manager responsibilities

"Providers shall demonstrate how the specific fund or mandate implements the agreed requirements, identify material limitations and supply the evidence schedule approved by the organisation. Initiative membership and disclosure-standard reporting may inform due diligence but shall not be treated as proof of portfolio suitability or policy compliance. Material mandate breaches and relevant changes in approach shall be notified within [agreed period], with proposed remediation."

BEFORE SIGNATURE

Check that the clauses agree with the organisation's powers, existing IPS, manager contracts, product documents and delegations. A board policy does not itself amend a pooled fund's investment terms.

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12 / ILLUSTRATIVE POLICY CLAUSES

IPS clauses | Evidence and review

6. Stewardship and escalation

“Where stewardship is part of the approved approach, the provider shall identify material priorities, desired changes, milestones and evidence of response. Voting and engagement shall reflect the relevant mandate and available rights. The provider shall explain unsuccessful engagement and proposed escalation. Continued ownership, restriction or exit shall be considered on the evidence, financial implications and policy requirements; engagement activity alone shall not be reported as a successful outcome.”

7. Measurement and data quality

“The organisation shall maintain a reconciled investment inventory and an approved measurement protocol. Reports shall identify covered assets, emissions scopes, portfolio and emissions dates, methodology version, data sources, estimates and gaps. Material changes in boundaries or methods shall be explained and, where appropriate, comparatives restated. Unavailable data shall not be treated as zero emissions. Where material, movements shall be explained by investee change, portfolio composition, financial inputs and data changes.”

8. Claims, avoided emissions and credits

“Public statements shall distinguish ambition, process, exposure and achieved results and shall be approved by [authority] against retained evidence. Avoided-emissions estimates shall be reported separately from the financed-emissions inventory. Any proposed use of offsets or removals shall receive specific approval of its purpose, quality criteria, accounting treatment and claim. Credit purchases shall not be used to imply that gross emissions reductions or transition delivery have occurred where they have not.”

9. Financial, transition and resilience reporting

“Management shall provide [quarterly] board or committee reporting on financial performance, liquidity, policy coverage, material climate exposures, data quality, transition and stewardship progress, exceptions and required decisions. Physical-risk and resilience information shall be included where material. An annual review shall assess whether the approach remains suitable for the organisation’s purpose and financial requirements and whether provider capability and evidence remain adequate.”

10. Exceptions and corrective action

“Exceptions shall record the requirement, exposure, reason, financial implications, proposed response, owner, review date and approving authority. Temporary tolerance shall not silently become a permanent exemption. A material breach, unsupported claim or failure to implement agreed remediation shall be escalated to [authority], which may require further evidence, remediation, restriction, provider replacement or another lawful and proportionate response.”

11. Review and change control

“The IPS shall be reviewed at least annually and following material changes in law, governing constraints, funding needs, portfolio structure, provider arrangements or measurement practice. Changes in targets or scope shall preserve a record of the prior position and explain the reasons and consequences. Regulatory applicability shall be assessed for this organisation; voluntary guidance shall not be described as law. Any revised commitment requires approval before public communication.”

Original Shoreline illustrative drafting, informed by the preceding analysis. Square brackets denote decisions to be made locally. These clauses do not constitute a complete IPS, an investment recommendation or a legal opinion.

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13 / CONCLUSION AND REVISION RECORD

From ambition to an accountable policy

A credible net-zero investment policy does not require every not-for-profit to use the same deadline, portfolio or provider. It requires the organisation to know what it is trying to achieve, why that is within its purpose and powers, what financial constraints apply, and how its chosen investment process can contribute.

The strongest policy connects an approved mandate to specific manager obligations and a disciplined review of evidence. It neither substitutes an emissions number for investment judgement nor uses measurement uncertainty as a reason to avoid oversight. A board can make progress with incomplete information when the limits are explicit, priorities are material and someone is accountable for resolving the gaps.

Shoreline's conclusion is therefore practical: retain ambition, but make it governable. Protect the capacity to fund the mission. Distinguish portfolio characteristics from investor contribution. Require evidence from the actual fund. Keep claims narrower than—or equal to—the evidence supporting them. Revisit the policy when circumstances change, and record why.

Substantive changes from the September 2024 primer

Original proposition	Treatment in this white paper
Six-step transition plan	Retained and expanded into a decision framework, delegated responsibilities and staged implementation.
25% by 2025 / 50% by 2030 examples	Removed as generic prescriptions. Replaced with defined scope, baseline, pathway, dependencies and approved milestones.
Full fossil-fuel divestment by 2030	Replaced with an organisation-specific choice among exclusions, engagement and financing approaches, with explicit trade-offs.
Maintain returns while transitioning	Qualified: assess expected returns, costs, liquidity and downside; no guarantee of financial or climate outcomes.
PRI membership and IFRS attestations	Replaced with fund-level mandate evidence. Separated initiative participation, accounting, disclosure, investment process and assurance.
Broad standards and net-zero language	Updated for 2025–26 developments, future-effective amendments and draft status; distinguished voluntary use from legal applicability.
Annual footprint and policy review	Expanded to an integrated financial, transition, resilience, stewardship and claims dashboard, with explicit data limitations.

What remains uncertain

Issuer data quality, transition delivery and the causal effect of investor action remain uneven. Legal authority and reporting obligations depend on the entity and jurisdiction. Future regulation and standards may change after this cut-off. These uncertainties are reasons for bounded claims, professional advice and continuing review—not for treating every option as equally credible.

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SOURCES / RESEARCH RECORD

Sources and research notes

This is a targeted research and governance review, not a systematic evidence review or an investment performance study. Primary standards, regulator guidance and original research take precedence over marketing material. The cases are attributed reports. All online sources were checked by the research cut-off of 21 October 2026.

Numbered citations link to this list; linked source titles open the original material. Future-effective amendments and drafts are labelled explicitly. No underlying fund holdings, private manager records or assurance work were independently audited for this paper.

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08 IFRS Foundation

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22 January 2026.

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18 March 2025. Regulator account of a court outcome; used as a historical enforcement example.

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3 June 2025.

KEEP THE RESEARCH DATE VISIBLE

Check for subsequent changes in law, initiative commitments, accounting methods and standard status before adopting policy clauses or making new public claims. Investor reporting dates are not necessarily the publication dates of the source reports.

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