

The Role of ESG Criteria in Public Pension Fund Investments

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INTRODUCTION

Environmental, Social, and Governance (ESG) investing has become one of the most significant trends in contemporary investment management practices and has stirred significant controversies among legislatures, policymakers, business people, and investors. ESG focuses on sustainable investment and corporate governance, but using them in the administration of public pension funds in the United States, which controls more than \$5 trillion in assets, has challenges and prospects. According to O'Connor and Lebowitz (2017), unlike the private equity markets, public pension funds have legal and moral responsibilities to protect the interests of beneficiaries, especially retirees. These obligations are frequently linked to political and ideological differences; therefore, adopting ESG factors is contentious (Center for Retirement Research, 2020).

This paper avers that ESG investing, with drawbacks, strengthens the long-term financial sustainability of public pension funds. Hence, through managing systematic risks, responding to stakeholders' needs, and integrating with new social standards, ESG tools offer a strong impetus to manage fiduciary obligations alongside social and environmental responsibilities. Studies suggest that integrating ESG factors enhances risk-adjusted returns and somehow increases portfolio resilience, especially during periods of economic turmoil (Chen et al., 2023; Friede et al., 2015).

Examples from progressive, moderate, and conservative states are used to explain both the operational and political consequences of ESG integration. For example, progressive states like California have championed ESG as leverage to transform the status quo, while on the other end, conservative states like Texas have aggressively opposed ESG roles while painting them as a

threat to fiduciary duties (Yousofi & Connolly, 2024). These different approaches underpin the need to consider the characteristics of public pension funds, such as their stewardship to different categories of users and vulnerability to political pressure.

This paper also assesses the quantitative effect of ESG factors, especially as they relate to financial outcomes, management of stakeholders, and corporate actions. Solutions to problems such as lack of standard and stakeholder disclosure are proposed to guide policymaking for developing ESG frameworks integrated into the public pension funds' fiduciary mandates. Ultimately, the paper proves that ESG integration is not a fad but a way forward for achieving sustainable and stable financial returns for the present and future generations.

HISTORY AND EVOLUTION OF ESG IN PUBLIC PENSION FUNDS

Environmental, Social, and Governance (ESG) principles in public pension funds have changed over the past five decades to match new societal and financial industry trends. To address some of the millions of people's retirement needs, public pension funds have occasionally incorporated ESG factors, which have been influenced by various political, economic, and social trends (Almeida et al., 2008).

The modern process of ESG investing is said to have begun in 1971 with the launch of Pax World Fund, the first mutual fund in the world to utilize ESG factors (Center for Retirement Research, 2020). In the case of public pension funds, ESG practices in the early stages involved practices of exclusion, for example, exclusion from 'sin stock' industries, including tobacco, alcohol, and gambling. Such a strategy aligned with the best ethical principles of the period rather than the overall attempt to increase revenues (Miller et al., 2021).

From the 1980s and 1990s, ESG in public pension funds also broadened its themes to cover apartheid in South Africa and weapons proliferation during the Iraq War (White, 1991). Public awareness of climate change began in the early 2000s, and there were demands for fossil fuel companies and weapons manufacturers' divestment. For instance, CalPERS, one of the most significant public pension funds in the U.S., started excluding specific industries to satisfy stakeholder's ethical outlooks (Ropes & Gray, 2023).

ESG has evolved from exclusion or separate management to integration over the past few years. This approach differs from the previous tendency to exclude specific industries from investment, as many public pension funds now evaluate particular businesses based on their ESG scores to minimize future risks and enhance their strength. On the other hand, the implementation of ESG criteria is still in its early stage in the United States due to the influence of policies, the political system, and the pressure from stakeholders (Yousofi & Connolly, 2024).

Even now, implementing ESG issues in public pension funds is still controversial. There are two primary criticisms wherein ESG may conflict with fiduciary responsibilities; one is addressing social and environmental concerns at the potential cost of better financial performance (O'Connor & Lebowitz, 2017). On the other hand, advocates argue that ESG integration improves returns by considering existing structural issues and adapting investments to such markets' trends (Sautner & Starks, 2023).

ESG DIVIDE IN PUBLIC PENSION FUNDS

The incorporation of ESG principles in public pension funds is still patchy in the United States due to the influence of different and sometimes opposing factors such as political beliefs, legal

requirements, and stakeholders' interests. While investors select strategies in private equity markets, public pension funds face challenges such as balancing beneficiaries' demands, political players, and societal concerns. This diversity has led to three distinct approaches to ESG adoption: conservative, moderate, and liberal.

Conservative Stance: Restricting Esg Adoption

Floridian, Texan, and West Virginian officials have been vocal in opposing ESG integration, labeling it as an ideological trickle that harms fiduciary duties instead of helping. These states contend that ESG brings into focus non-financial goals and objectives at the expense of potential returns on investment. For instance, in 2022, Florida withdrew \$2 billion in assets with BlackRock-managed funds because the firm's ESG priorities were inconsistent with Florida's financial objectives (Investopedia, 2023). Similarly, Texas passed a law banning the state from contracting with financial institutions that the state believes are boycotting various industries, including fossil fuels or firearms (Ropes & Gray, 2023). These measures also illustrate how political affiliations influence state-level governance of public pension fund investment decisions, focusing on the financial returns and not ESG factors.

Moderate Stance: Balancing Esg and Fiduciary Duties

Swing states like Colorado and Nevada adopt a sensible attitude, only incorporating ESG standards when they improve performance noticeably. This strategy measures the relationship between the rejection of ESG principles and the active embrace of those principles. For instance, in Nevada, the government planned on withdrawing investment from companies that manufacture assault weapons, but only if their withdrawal would not affect the fund's

performance (Yousofi & Connolly, 2024). Colorado also adds ESG as the secondary criterion; meanwhile, state interests and legal duties as fiduciaries remain the main priority, with environmental or social threats or challenges reduced when possible. These moderate stances demonstrate how some states seek to find ethnic plus dollar solutions, which are situated between typical ideological polarizations.

Progressive Stance: Aggressive Esg Integration

According to public documents, progressive states like California, Maine, and New York have relied on ESG integration as part of the implementation strategy for their public pension funds. These states see ESG criteria as levers to effect structural change and manage extended risks. For instance, Maine was the first state to pass legislation that requires complete withdrawal from fossil fuel investments out of pension funds set for the public with a deadline of 2026 (Ropes & Gray, 2023). As for California, CalPERS created an internal ESG team to assess investment plans from the sustainability and governance perspective, while New York's Common Retirement Fund aims to minimize GHG emissions by 2040 (Sautner & Starks, 2023). They show that pension funds can take on the role of activism and use their excellent purchasing muscle to further environmental and social goals.

These three approaches are ideologically polarized, yet they raise fundamental questions as to the function of public pension funds. Should these funds accord primacy to their legal stewardship obligations, or should they leverage their massive pool of resources to engage corporate managers? This debate highlights the need to assess the elements of business value that can be attributed to ESG initiatives, especially the effectiveness of such strategies in strengthening financial positions and satisfying the various needs of the stakeholders.

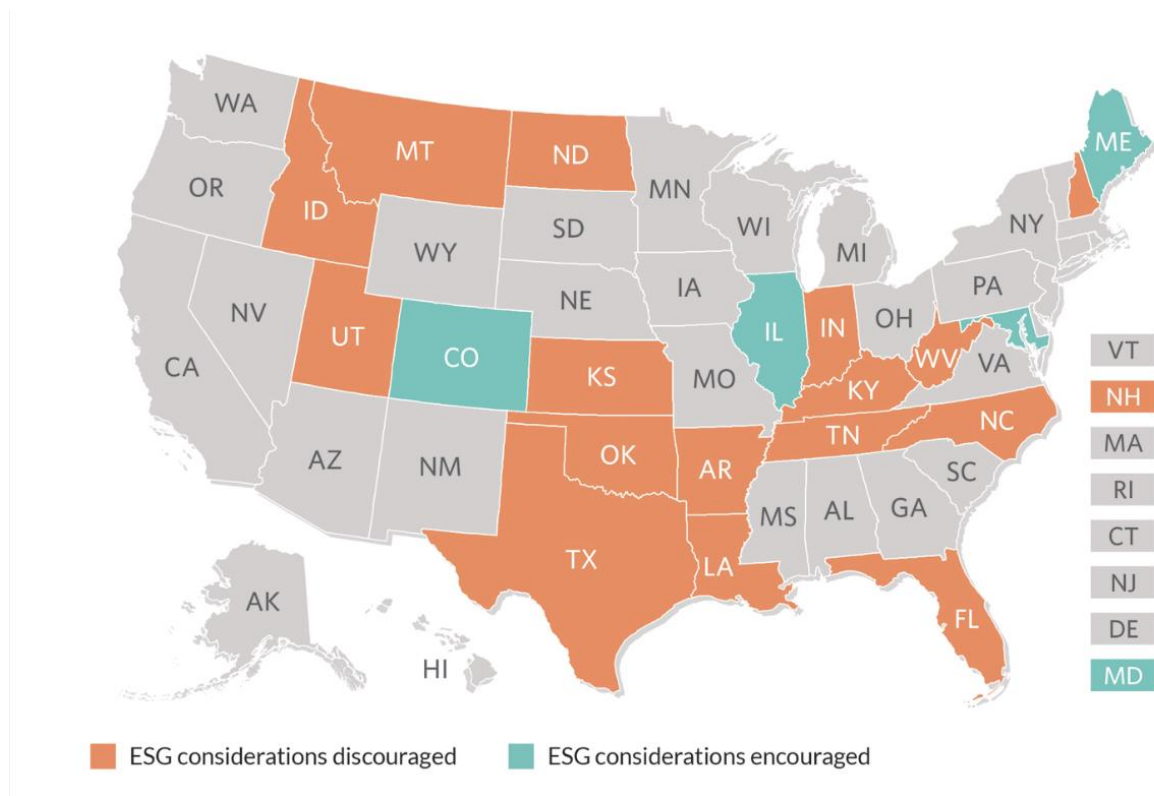


Figure 1. State Policies on ESG Considerations for Public Pension Funds. (Yousofi & Connolly)

CHALLENGES WITH ESG INVESTMENT IN PUBLIC PENSION FUNDS

Therefore, the integration of ESG principles into the management of public pension funds has implications and challenges related to fiduciary duty, ethical consideration, and economic realities. These challenges show that sustainable development, on the one hand, can easily conflict with the short-term requirement to finance the pension beneficiaries.

Fiduciary And Ethical Issues

Legal duties are the foundation of most public pension fund governance, entailing that fiduciaries should act only in the interest of the beneficiaries. Nevertheless, incorporating ESG factors makes this mission more challenging due to the presence of extra goals, which are wider than earning good money. Some scholars claim that pursuing these two objectives may be at odds with the core mandate of, among other duties, delivering the best returns on investment (Gary, 2019).

Of these, the most hotly debated issue in the context of ESG for public pension funds is the issue of proxy voting, where the trustees of the pension funds cast votes on behalf of the beneficiaries in corporate management decisions. Scholars find that public pension funds may have inadequate procedures for engaging beneficiaries in voting policies because fiduciary decisions are out of sync with beneficiary desires (Dressler & Mugerman, 2023). For instance, beneficiaries interested in financial results may not support divestment from industries that provide high returns, such as the fossil industry. On the other hand, religious folks may want higher ESG standards to be met by receiving companies; this shows why it will be challenging to balance the needs of beneficiaries with diverse characteristics (Center for Retirement Research, 2020).

Moreover, public awareness of voting practices remains limited, with many beneficiaries unaware of how their funds influence corporate governance, and only a few beneficiaries understand how their funds impact corporate governance. This lack of transparency can weaken the public's confidence and cause doubts as to whether pension funds serve their beneficiaries' best interests (Luban, 2020). In order to manage these issues, pension funds should improve the

communication of their voting policies and show how ESG issues are integrated with fiduciary duty.

Studies today prove that companies that align themselves with ESG factors perform better in the long term, especially in downside risk management. For example, research shows that businesses with better ESG ratings generate higher excess returns relative to the risk and perform better during a crisis stage (Sautner & Starks, 2023). These findings contradict the received opinion that the integration of ESG metrics conflicts with fiduciary duties. Instead, they argue that ESG can contribute to long-term improvements in the financial value of funds while mitigating potential risks to the pension fund business, including climate change and governance breakdowns.

Critically, it is crucial to admit that ESG must be integrated ethically, meeting financial and non-financial goals. Organized around ESG goals and outcome-based methods, public pension funds can meet fiduciary duties while creating more awareness. This alignment also enhances beneficiaries' confidence and brings pension funds to the forefront of sustainable investment.

Economic Concerns

Environmental, social, and governance integration into investment decision-making has economic advantages and disadvantages, mainly when done with proper risk analysis. ESG integration into a company's portfolio results in additional costs of reshaping the portfolio and, consequently, affects the level of diversification and sometimes the level of returns. For instance, Indiana's State Office of Fiscal and Management Analysis estimated that investing in ESG risk

factors could be costly and reach as much as \$6.7 billion of damages to the investment income of the state over the coming decade as a result of constrained diversification (Ropes & Gray, 2023).

Other examples also support the potential financial consequences of the companies' pursuit of non-financial goals. Through an in-state investment program designed to support economic development and create jobs, Kansas lost between \$100 and \$200 million (Schwimmer, 1992); Connecticut's pension fund lost \$25 million to save Colt Industries for the state (White, 1991). These examples illustrate that ESG policies can oppose the primary mission of securing financials.

Investing in companies with good ESG scores usually requires the investor to pay a relatively higher price. For example, removing fossil fuel investments to reinvest in the ESG classified companies proves costly, with the annual cost estimated at up to \$ 0.27% of the portfolio (Moran, qt in Risteski, 2024). Nevertheless, when accumulated, such losses add up and can have real-life implications, including losing funding or having less money for retirees. They, therefore, call for fiduciary responsibility and financial responsibility to be given due consideration by public pension funds when integrating ESG. Failing to have specific plans to contain the costs and align the stakeholders' expectations, ESG measures risk turning into more of a negative value than an added value.

THE CASE FOR ESG IMPLEMENTATION IN PUBLIC PENSION FUNDS

Despite the backlash on ESG investing by critics, who claim it poses financial and fiduciary risks, advocates of ESG practices argue that incorporating ESG elements in the management of public pension funds yields long-term benefits. In this way, we want to show that ESG can be a

valuable means to strengthen the financial stability of public pension funds by managing systemic risks and adapting to the changing expectations of stakeholders (Forbes Advisor, 2024).

Structural And Organizational Model for Long Term Risk Management

Public pension funds are, in one way or another, involved in systematic risks within the confines of their environment, such as natural disasters, infringement on human rights, bad governance, and corruption. The various ideas within ESG integration can be used to create a structured approach to manage such risks once recognized before the impacts can be translated into losses. For instance, Sautner and Starks (2003) argue that firms with ESG scores exhibit better shockproof, thus providing better stability to investors in turbulent times.

The increase in intangible assets, which include brand, customer relations, and patents, shows the importance of ESG integration even more. It is established that intangible assets make up about 90 percent of the total value of the S&P 500 firms, up from 17 percent in 1975 (Ocean Tomo, cited in Sautner & Starks, 2023). The Volkswagen emissions scandal shows that ESG assets and any associated competitive advantages can be eliminated and cause potentially substantial reputational and financial damage to an organization through failures in governance or environmental responsibility. As such, through ESG metrics, public pension funds can prevent such important but sensitive aspects of investment from being eroded.

Resilience And Economic Benefits of Esg Integration

Integrating Environmental, Social, and Governance (ESG) principles into public pension fund management presents various opportunities beyond financial returns. The evidence shows that through the use of ESG frameworks, public pension funds can manage systemic risks, improve

their image, and meet new trends in society. These opportunities explain why ESG is relevant in dealing with multifaceted financial and ethical realities.

Protecting And Leveraging Intangible Assets

Another major challenge, which is also an opportunity within the ESG framework, relates to the safeguarding and enhancement of other non-financial assets, including reputation, brand image, and stakeholder trust. Research in this area shows that firms with high ESG scores are less vulnerable to reputation and regulatory risks, which makes them more effective in periods of volatility (Chen et al., 2023). Consequently, for public pension funds, the investment in ESG-aligned companies protects these non-financial assets and enhances the very identity of pension funds as prudent and responsible fiduciaries.

Specifically, ESG protects intangible assets, wherein the market value and book value figures can be used for assessment. ESG companies with better performance can fetch higher market value because of the perceived sustainability and high governance standards that deliver better returns for investors than average ESG firms (Sharfman, 2022). For instance, firms from industries that work in the environmental sector and have good ESG disclosure policies show a positive relationship between ESG scores and stock returns, proving that sustainability is beneficial (Chen et al., 2023).

Enhancing Long-Term Financial Resilience

The ESG framework offers public pension funds a way to mitigate systematic risks like climate change, social injustice, and poor governance that will likely erode portfolio value. Numerical data show that sustainable investing surpasses ordinary investment strategies more than in the long run. For instance, Friede et al. (2015) meta-analysis observed that 62.9% of the research

works focusing on ESG and firm performance feature a positive relationship and only a small portion revealed negative impacts.

This resilience is evidenced by lower operational exposure to high-risk industries and enhanced risk-adjusted returns. Analysis of the robustness and resilience of firms throughout the COVID-19 pandemic showed that firms with sustainable ESG have been more resilient to adverse shocks than peers and recovered more quickly, thereby supporting the economic rationality of ESG integration (Chen et al., 2023). These results strengthen the notion that ESG standards are not mere ethicalities but are helpful approaches to managing risks that may affect an organization's financial stability.

Driving Innovation and Competitive Advantage

ESG integration drives innovation by forcing organizations to embrace sustainable business methods and strategies. Coulson and Tarca's (2014) arguments suggest that public pension funds that consider ESG for investment bring about societal objectives, including carbon neutrality and social equity, to gain a competitive edge in attracting beneficiaries and stakeholders. For instance, it should be noted that the target customers of ESG-aligned funds, particularly young people, have a tendency to prefer sustainable investments (Center for Retirement Research, 2020).

Furthermore, it is also the case that public pension funds can act as change agents for corporations and the system due to their enormous pooled fund base. This way, these funds actively participate in the portfolio companies' work and encourage the adoption of better ESG standards – all of this makes them agents of change and growth. This double-edged mandate makes public pension funds strategic actors in transforming a more sustainable financial system.

Capitalizing on these opportunities allows the public pension funds to maximize the practical application of fiduciary duties about sustainable investment objectives. It also improves their financial results while strengthening their position as industry leaders in sustainable investing.

POLICY RECOMMENDATIONS

Achieving more in ESG integration, public pension funds require a more broadly strategic and policy-oriented approach where sustainability objectives are aligned with fiduciary duties. The following recommendations outline pragmatic courses of action for ESG integration based on standardization, stakeholder involvement, and performance evaluation.

Strengthening an Esg Integrated Framework

The absence of a uniform approach to evaluating ESG factors results in variations in the application of the approach and can be politicized. Therefore, a single framework comparable to the principles used under ERISA could help bring some coherence to the situation. Of specific interest is that ERISA permits consideration of ESG factors in the investment process on condition that they are proven to positively impact the returns, thus fulfilling the requirements of fiduciary duty (U.S. Department of Labor, 2016).

This framework could include rules for ESG incorporation into investment decisions where sustainability plans are more financially relevant rather than political. For example, SASB's themed reporting metrics adopted by global funds can prevent ESG impacts from becoming dispersed and assist funds in explaining them systematically (Chen et al., 2023). : would increase

the level of transparency, decrease political influence, and improve the level of trust from other stakeholders.

Enhancing Stakeholder Engagement

For public pension funds, this paper argues that engaging the beneficiaries in formulating ESG strategies is essential to ensure their implementation. According to the survey, around 70% of the pension fund's beneficiaries, especially the youth, are interested in sustainable investing.

However, they need to be made aware of their fund's ESG practices (Center for Retirement Research, 2020). The primary concern concerns the alignment and governance of investment portfolios with ESG goals, objectives, and related performance indicators and voting records, which can help fill the current information gap.

The former might include providing beneficiaries with the choice of selecting which parts of their contributions will fund specific initiatives within the ESG fund. The flexibility also satisfies diverse stakeholders' preferences while eliminating the possibility of losing beneficiaries who care more about monetary gains than social missions (Sharfman, 2022).

Incorporating Quantitative Performance Metrics

In order to support the positive financial returns agenda of ESG investments in the context of public pension funds, improved performance measurement techniques are indispensable. As Friede et al. (2015) meta-analyses show, ESG-integrated portfolios perform better in terms of risk-adjusted returns in the long run. Funds should use such data to show how ESG approaches can affect financial returns, improving the quality of such strategies.

Also, funds have great opportunities to influence the improvement of ESG disclosure and management in companies they invest. This activist approach enhances the ESG results and brings credit to the public pension funds as change agents for responsible investment, which causes ripple effects across sectors (Chen et al., 2023).

Maintenance Of Federal and Localism In Es G Policies

Last, policymakers need to understand the division of roles played by federal and local governments regarding ESG factors. Even though federal regulations, for example, under ERISA, may prescribe specific standards that allow for implementing similar measures across state jurisdictions, local governments can make sustainability actions tailored to a region's interests. Such division of responsibilities helps to relieve the pension funds and, at the same time, achieve greater social value.

With the help of these policy recommendations, public pension funds will be able to go through various challenges related to the integration of ESG. A strategic and quantitative approach helps improve their legal responsibility and increase their ability to achieve environmental and social change.

Developing A Standardized Esg Framework

For ESG integration, one of the key problems is that there needs to be standard rules or requirements to follow. Today, state programs for pension funds are governed by different state policies based on regional political and economic conditions. Such lack of standardization creates room for variation in practice; in some states, pension funds are used to push political agendas (Ropes & Gray, 2023).

These inconsistencies may be solved by adopting a standard ESG framework similar to the ERISA model. Specifically, the ERISA requires fund managers to consider ESG factors only when doing so meets the duties of a fiduciary and in pursuit of financial goals (U.S. Department of Labor, 2016). Applying similar federal-level standards to public pension funds would remove politics from ESG and guarantee that investment is based on financial responsibility. The same would also improve transparency and accountability and give the reviewers a precise reference point when assessing ESG outcomes.

However, a common approach could embed some of the favorable practices we encountered, including considering ESG factors as second-order criteria instead of using negative screening approaches. Research shows that this approach leads to better returns, and the results suggest that it complies with fiduciary duties (Whelan et al., 2021). When integrated with financial goals, ESG goals sometimes threaten public pension funds but can be a way to balance the investment.

Alternative Approaches to Esg Integration

Although there has been increasing interest in ESG investing, not all sustainability goals should be achieved through pension fund portfolios. Local governments can contribute in another way by adopting strategies that support environmental and social goals in areas beyond investment. Some of the measures like, like getting membership in global climate action networks like C40 Cities or the Global Covenant of Mayors for Climate & Energy, enable the governments to pursue sustainability goals while not putting too much pressure on pension fund managers (C40 Cities; Global Covenant of Mayors, 2024).

Individually, addressing beneficiaries with an option to invest part of their contributions into ESG-relevant funds can be the solution for sustainable investing. This flexibility guarantees ESG initiatives can work well with the preferred need and the first fund's fiduciary orientation. For example, there could be additional ESG funds that are developed to address particular environmental or social needs so that public pension funds are in a position to address different stakeholder desires while at the same time maintaining general monetary goals.

Enhancing Stakeholder Engagement

A growing interest in ESG investments in public pension funds is noticeable due to changes in the public consciousness regarding sustainable investing. Chen et al. (2023), in their paper) focused on financial performance and other benefits that firms with good ESG practices achieve. They also reported that firms will be more attractive to other stakeholders, including pension fund beneficiaries, in 2023. However, this demand differs for different demographic and ideological categories, which defines the degree of ESG integration by public pension funds.

The people who benefit from public pension funds include a wide variety of people, most of whom may have different levels of engagement with the investment market. In contrast to other private equity markets retail investors, pension beneficiaries are not concerned with long-term guaranteed benefits but rather with specific strategies. A study indicates that whereas some beneficiaries appreciate the ethical and environmental implications of ESG investments, others are still equally unconcerned or even skeptical about the business impacts of such practices (Sharfman, 2022). This divergence shows an issue in practice: how fund managers can address ESG strategies to cater to the diverse beneficiary group.

A discussion of the U.S. public pension landscape indicates that only some practices directly interact with beneficiaries over ESG policies. For instance, as with the case of CalPERS, significant pension funds have adopted ESG policies without seeking approval from their user; instead, such decisions are made based on internal and external audits and pressure from special interest groups (Chen et al., 2023). Such opacity diminishes trust and further amplifies impressions of conflict between the duty of loyalty and the beneficiary's interest (Sharfman, 2022).

Nevertheless, consumers' and investors' demand for sustainable investments increases due to the rising awareness of climate change, social problems, and corporate management worldwide. Recent studies have found that Gen Y and Gen Z investors are more likely to support active ESG investing, thus changing the beneficiaries' outlook over time (Center for Retirement Research, 2020). Pension funds attentive to these shifts in preference by providing ESG-oriented investment choices or enhancing public disclosure on ESG practices are more likely to earn trust among their stakeholders.

Most importantly, public pension funds are different from those of other buy-side institutions in that their goal is not only to seek the best returns on investments but also to do so in a manner that is in the best interest of the public. For that reason, when integrating the beneficiary feedback and reporting ESG outcomes, public pension funds can operate in these complexities when meeting the growing need to address socially responsible investment.

Last, the management of public pension funds should ensure that their organizations engage their beneficiaries and other stakeholders productively. It is also possible to reduce the risk of conflicts when there is communication about the general ESG policies, performance indicators,

and relevant reasoning as to investment decisions. This transparency is essential for tackling skepticism about the ethical aspect of ESG integration, including proxy voting policies and the notion of the financial- versus extra-financial approach (O'Connor & Lebowitz, 2017).

CONCLUSION

Implementing principles of Environmental, Social, and Governance (ESG) in the management of public pension funds is a reformist innovation that can unlock sustainable value creation through tactical strategy and investment. This paper has shown that ESG investing improves public pension funds' capacity to manage systemic risks, increase financial robustness, and respond to stakeholder interest. However, these potential benefits come with many problems, such as legal and fiduciary responsibilities, politicization, and low levels of stakeholder involvement.

Therefore, this paper postulates that ESG investing is more than an ethical or an ideological decision; it is a business necessity for public pension funds in the current complex investment world. Of course, experience also supports the concept of ESG compliance as a sign of sound economics, including the fact that ESG-aligned companies, as already noted in Chen et al. (2023) and Friede et al. (2015), outperform the average market during a recession. This situation is because by tackling long-term issues like climate change and corporate governance failings, ESG frameworks bring solidity to protecting pension fund portfolios.

Furthermore, the nature of public pension funds as the legal trustees for various categories of beneficiaries then calls for radical reforms that would enhance public accountability and stakeholder engagement. However, unlike other institutions on the buy side, public pension funds have financial obligations to their beneficiaries and legal obligations to the public, making

ESG integration a natural part of their fiduciary duties. The following actions remain beneficial since they demonstrate transparency and address stakeholder expectations: Preemptively disclosing ESG policies, presenting investment choices based on beneficiary preference, and calling for improved legal standards (Sharfman, 2022).

Recommendations for further policy include adopting a single ESG classification system and using quantitative performance indicators to manage ESG integration challenges successfully. All these strategies hinge on standardization, disclosure, and evidence that ESG programs are consistent with fiduciary duties and make a positive difference in society. Federal funding for pensions and complementary local governments allows public pension funds to manage sustainability goals without straying from their fiduciary responsibilities.

Lastly, ESG integration is most appropriate as a rational and progressive approach to managing public pension funds. By leveraging their significant assets under management, public pension funds have the potential to influence corporate behavior, drive innovation, and promote sustainability at scale. There is still a lot to be done, but integrating fiduciary duties with ESG solutions is an attractive vision of a way forward for securing corporate finance and building value for today's and future generations.

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