



Investment & Pensions Summit

Session Key Takeaways

Summarised with OtterAI and ChatGPT

ESG is in **course-correction**: less hype, tighter standards, clearer claims; focus on **financial materiality** and real outcomes.

Move from **portfolio decarbonisation metrics** to **financing the real-economy transition**—back firms best placed to navigate it (e.g., grids, electrification, data-centre power demand).

Engagement with escalation is LGPS's primary lever; use exclusions selectively and be explicit on objectives, timelines, and escalation paths.

Be transparent about trade-offs and avoid over-promising—set **common floors, not ceilings**—and link actions to fiduciary duty and member outcomes.

Policy certainty and global context matter: track Asia's transition-finance push; integrate climate, social and nature factors; **tackle misinformation**.

Download this slide from Swapcard from the next break onwards

Session Summary

Summarised with OtterAI and ChatGPT

The panel set the scene with a frank appraisal of ESG's evolution: a boom in the late-2010s led to crowded products and inflated claims; the last few years have brought necessary correction—tougher anti-greenwash rules, demand for evidence, and sharper scrutiny of disclosure costs. Speakers urged a reset around first principles: ESG factors are considered because they are financially material to long-term value, not for branding. That means clearer communication on when issues are material—and when they aren't.

Net-zero pledges were praised for catalysing action, but the panel argued for re-tooling them: fewer headline portfolio-carbon targets, more systems thinking and credible transition plans that guide capital allocation, stewardship priorities and policy engagement. For LGPS funds—with long horizons and public accountability—engagement with escalation remains the most effective route to protect value and influence real-world outcomes, provided objectives, milestones and consequences are transparent. Over-promising erodes trust; instead, define baseline “floors” that all funds meet while leaving room for innovation above them.

Looking ahead, the opportunity set is shifting. Despite policy noise, the energy transition is advancing—creating investable themes in grid infrastructure, electrification and power supply for AI-driven data centres. International signals (notably Asia's emphasis on transition finance) underline the need to integrate climate with social and nature impacts and to push for policy certainty at home. The panel closed with lessons learned: communicate trade-offs honestly, stress-test assumptions (positive and negative), collaborate across pools, and counter misinformation—always tying ESG actions back to fiduciary duty and member outcomes.