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The concept of fiduciary duty has come under the microscope over the past year or so for various reasons, from pension schemes being challenged over investments in weapons manufacturers, to fears that it is being threatened by the government's 'mandation' plans in the Pension Schemes Bill.

Most recently, pensions minister Torsten Bell announced that the government would explore new "statutory guidance" to enable a wider interpretation of fiduciary duty.

I've often heard it said that fiduciary duty can be unclear when it comes to considering how the effects of climate change can be taken into account when making investment decisions – for example, divesting from fossil fuel companies.

But others contend that it's far simpler than that. Hywel Robinson, a partner at law firm Temple Bright and a font of great legal tidbits on LinkedIn, posted this week on fiduciary duty, stating simply: "When trustees make investment decisions, they should do so having regard to the best financial interests of their members."

He warned that "misleading information about trustees' fiduciary duties continues to be published" (not by *Pensions Expert*, hopefully!), meaning that "we ought to state the correct position with similar regularity".

Robinson's point is that fiduciary duty currently is focused only on the **financial** best interests of a scheme's membership. So, when considering non-financial factors, trustees must still take into account how these might affect the returns they get.

Why am I waffling on about this? Well, this week brought a worrying new report from the Institute and Faculty of Actuaries and the University of Exeter. Arguably, the biggest headline from it was the finding that previous estimates of the economic impact of climate change may have been substantially underestimating the potential hit to global GDP.

The report cites research from the UK's Climate Financial Risk Forum, which suggests a "plausible, severe combined climate and nature shock scenario" could lead to a global economic contraction of between 15% and 20%. For context, the global economy shrank by 3.4% during the Covid-19 pandemic, according to Statista.

This means that it is on all of us, especially those making investment decisions on behalf of pension scheme members, to take these reports seriously and consider how to incorporate this risk into short-, medium-, and long-term decision making.

Pension schemes can't save the world alone, but they can make a serious positive impact on the environment and the world into which their members will retire.

Nick Reeve

Editor, *Pensions Expert*

Story of the week

Salary sacrifice cap risks higher costs and lower pension saving, SPP warns

By Sara Benwell | 12 January 2026

The Society of Pension Professionals (SPP) has warned that restricting salary sacrifice for pension contributions is likely to increase costs for employers and employees and reduce levels of pension saving.

Appointments: Opperman joins Aptia as strategic adviser

The latest hires, promotions and appointments for the week ending 16 January 2026.

Upcoming Events

LAPF Strategic Investment Forum February

2nd – 3rd February, 2026 | Fairmont Windsor Park Hotel

The LAPF Strategic Investment Forum is the leading investment conference for senior LGPS fund investment officers and their advisers. It is organised by DG Publishing and attracts high quality officers in strong numbers.

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