BUSINESS FORUM: Turbo boosting ethical food business and challenging convenient myths

Theme: The power and responsibilities of investors, boards and pension funds – including drawing on The Illusion of Resilience in a Degrading Supply Chain Inside Track memo published in October 2026.

Insights we heard:

- Companies pay an enormous amount of attention to what their investors tell them *and yet*…
- Investors don't necessarily have the knowledge to make more ethical choices
- Markets are less good at rewarding investment that solves an issue 5-10 years away, instead focussing on short-term solutions involving 'agile' supply chain management
- Whilst environmental awareness is increasing across boards, there is still relatively little focus on public health perspectives
- This is despite recent changes in consumer behaviour (e.g. influence of GLP1 medications prompting shift to smaller portions and healthier choices)
- Where shifts are happening, there is generally a commercial case, with examples cited of companies taking steps to promote 'healthier' choices
- Commonly cited barriers to change include risks to profit margins and not wanting to be the first to act on an issue
- Tools that can be mobilised towards positive change include collaboration between companies to call for improved regulations and the setting of shareholder resolutions with targets to ensure accountability
- Whilst investors do hold a huge amount of power, what isn't well understood is how difficult it is to pull the levers of change
- There's a real need to engage with the finance sector in familiar language and to recognise the constraints that are often in place
- The myth of growth at all costs continues to dominate but some insiders are raising the alarm
- Whilst some businesses want change, a focus on 'adaptability' leads to short-term approaches as the default setting
- If an Investor Relations manager speaks to the Head of Sustainability, it's often seeking a 'good news' story, rather than to ask challenging questions
- Investors are well-versed in bottom-up analysis, competitor analysis – but it is systems change that is needed in the food space, not a winner takes all approach
- This is an iterative process – we need to keep the conversation live with industry and investors alike
- The investment community can be viewed as (i) individual investors managing funding portfolios and (ii) major finance groups managing major funds (e.g. pensions)
- At both levels, it is vital to understand the questions we need to ask to work towards change

Key learnings: Investors hold significant power. If industry insiders and campaigners speak to them in their language and encourage them to ask the right questions, there is potential for positive change with a longer-term view. Collective action is seen as vital in order to minimise the perceived risk of first-mover disadvantage.

Countering (in)convenient myths

"Industrial food supply chains are resilient." Instead of shifting sourcing, businesses need to focus on long-term planning and investing in/partnering with source regions in longer-term relationships.

"Responsible businesses should swim permanently against the commercial tide." Instead, businesses need to work to change the tide, through calling for better regulation via sustained collective action and investor pressure.

"Investors won't support it" / *"businesses can't afford to pay"* unless at consumers' cost. Instead, businesses need to consider the cost of failing to act, whilst shifting framing from 'consumer' to 'citizen' to build purpose, belonging and agency

The power of pensions

- Powerful lever for change in the UK with auto-enrolment for most employees.
- Providers typically default to low-risk investment options, seeking to maximise portfolio returns as far as possible.
- Potential for trickle-up effect in advocating for more ethical investment approaches, with employers in a crucial position to effect change (sometimes complicated by pension management through hard-to-reach parent companies).
- Change is possible, with a major UK provider recently shifting £billions from a US hedge fund that failed to align with their sustainability commitments.

The role of regulation and collaboration

- Reality is that many agrifood businesses are operating in silos, lacking in-house systems-wide knowledge due to business models based on subcontracting and outsourcing, which in turn risks diluting transparency and accountability.
- The stubborn perception that it is simply too difficult for businesses to work together persists
- Competition law may currently serve as a barrier to collaboration efforts (albeit relaxed during the Covid-19 pandemic, which shows that change is possible).
- Mandatory disclosure requirements on key risk areas would be helpful.
- A Better Business Act would be welcome, alongside other legislation that seeks to fundamentally challenge and change the purpose of business.

SOME ACTIONS IDENTIFIED:

- Encourage the relevant senior person in your business to select an ethical pension provider.
- If you're working in the out-of-home, hospitality or food service sector, consider whether you can engage with Inside Track.
- Join up as movements (e.g. B Corp members) to push for bolder, preventative action on key risk areas.
- Challenge your Board members to ask harder questions about long-term business models.

The Food Ethics Council held an in-person Business Forum meeting on **6th October 2026** on the subject of '*Turbo boosting ethical food business and challenging convenient myths*'. Speakers were **Catherine Howarth**, Chief Executive of ShareAction and **Ana Cuddeford**, Director of Investor Engagement at Inside Track. Discussions were held under the Chatham House rule, meaning that points remain anonymous and quotes are unattributed. This summary report captures some of the insights that were shared and discussed at the meeting.

In 2026, the overarching theme for our Business Forum community to explore was *'where commercial meets ethical: opportunities for ethical approaches in an unethical world*'. This included exploring explore whether food businesses that are wanting to be more ethical are being held back by genuine commercial realities, or by rules, incentives and assumptions that nobody has seriously challenged.