



**Centesimus Annus Pro Pontifice Foundation (CAPP) - German Section
National Conference & 30th Anniversary Celebration of the Foundation.**

"The good measure in entrepreneurial action"

On the implementation of Christian Social Ethics in Leadership and Finance

October 13th – 14th, 2023 in Freiburg i.Br.

at the Catholic Academy of the Archdiocese Freiburg

The two-day conference marking the 30th anniversary of the Foundation was a forum for deep discussion and reflection on the role of Catholic Social Teaching in today's complex world. Participants, including theologians, economists and business leaders, explored how leadership, entrepreneurship and investment can be made ethically responsible.

Catholic Social Teaching - more relevant than ever

The conference highlighted the essential role of authentic, ethical leadership and the integration of Christian Social Teaching into everyday business life. The central function of the Church in stabilizing society and the different reception of religious messages worldwide were discussed. In business ethics, the practical application of Social Teaching was the focus of the discussion, emphasizing the importance of integrity and compliant action. The concept of impact investing was critically examined, with challenges such as measuring "impact", the risk of "greenwashing" and the need for ethical investment discussed. The discussions culminated in a discussion of the role of Christian entrepreneurs in the modern economy, the importance of ethical considerations and the promotion of holistic human development through responsible investment.

Inspiring encounter with Archbishop Burger

To kick off the conference, conference participants gathered in Freiburg Cathedral to celebrate a solemn pontifical mass presided over by **H. E. Archbishop Stephan Burger**.

In his homily, Archbishop Burger reflected on the "plagues of locusts" of modern times, symbolic of humanitarian crises. He stressed the importance of living from the Gospel and shaping our society, even in the face of dwindling Christian influences. In doing so, he emphasized the crucial role of church works, which serve as living testimonies of faith.

The Archbishop recalled the encyclical "Centesimus Annus", which is based on "Rerum Novarum". These important documents place the human being in his or her dignity and likeness to God at the center and call for a stand against negative influences that threaten these fundamental values. In conclusion, Archbishop Burger emphasized that Christ does not force us, but offers us love: It is this divine love, he said, that should guide us to make a positive impact in a world full of challenges and crises and to embody the Gospel in our daily lives.

In the subsequent lunch meeting at the Catholic Academy of the Archdiocese, it was emphasized that papal letters often go unheeded, because they call for radical changes that are undesirable in politics. The inclusion of social ethics in education, especially among teachers and priests, was considered essential. The Church should act as a stabilizing element, especially in combating the causes of flight through self-help. The different reception of papal messages in different parts of the world was highlighted, as well as the need for internal church reforms to be closer to the people, not for the sake of structural changes. The importance of diversity within the Catholic Church and the practical application of social teaching in leadership was underlined.

Day 1 - Ethical Leadership

In his welcome address, **Matthias Hirschbolz**, CAPP German Section Freiburg, pointed out the importance of the city and its particular relevance for the conference by recalling the Freiburg School in its contribution to the German social order with its orientation towards freedom and democracy and as a cradle for the development of the "Social Market Economy".

Dr. Ulrich Schürenkrämer, CAPP Coordinator for Germany and Chairman of the German Section, thanked Matthias Hirschbolz for the organization and all those present, including moderators, speakers and panelists, for their commitment. He highlighted CAPP's 30th anniversary and recalled the importance of the encyclical "Centesimus Annus", which prioritizes social market economy and ethical entrepreneurship, especially after the collapse of communist regimes. In the current challenging economic and social environment, he said, the implementation of these principles is crucial. He stressed the need for financial actions to follow words, pointing to the growing expectation of investors that financial decisions should have a positive impact on people and the planet.

This was followed by greetings from **PD Dr. Dr. Thomas Rusche**, CAPP Vice-Chairman and a video message from **Prof. Anna Maria Tarantola**, CAPP Chairwoman, from Vatican, showing the international connectedness of the German Section. She referred to the remarkable progress over the last 30 years of CAPP's Christian Academic Program for Leadership and Finance to integrate the principles of

Christian Social Ethics into the world of business and finance, and to the deeply touching words of Pope Francis about the noble vocation of responsibility in finance and business leadership at recent audience on the occasion of the 30th anniversary to the members and friends of CAPP. Looking to the future and sharing personal experiences on the importance of impact investing, her greeting concluded with thanks to all participants and best wishes for a successful conference.

P. Prof. Dr. Dr. Elmar Nass, CAPP Deputy Ecclesiastical Counsellor for Germany, Prorector and Chair, Christian Social Sciences and Social Dialogue, Cologne University for Catholic Theology, introduced the first theme day on the question of ethical leadership. In his speech, Prof. Nass emphasized that good leadership is not necessarily ethical. The authenticity of attitudes is key. He stressed the need to understand leadership principles theoretically as well as to apply them practically. Efficiency, Nass said, has an ethical value of its own, and a true leadership ethic requires a Christian foundation that goes beyond a purely discursive consensus. This includes being a role model for staff, he said. Ethics, he concluded, must take into account the whole person, not just the economic aspects.

Prof. Dr. Silke Geithner, Rector, Protestant University of Applied Sciences Dresden, highlighted in her presentation that psychological safety, although sought rarely found by employees, plays a crucial role in corporate commitment. She referred to Prof. Amy Edmondson's concepts of an anxiety-free organization and emphasized that leaders have a significant impact on psychological safety. Geithner linked this to the need for a strong error culture and creating a sense of purpose for work, which strengthens employee commitment. She also mentioned Edmondson's methods that leaders can use to foster such a supportive environment, like explaining overarching meaning of work, engaging employees and responding productively to their input.

In his co-lecture, **P. Prof. Dr. Dr. Elmar Nass** shed light on various aspects of corporate culture and ethical leadership. He warned against the danger of seeing appreciation merely as a means to increase profitability and emphasized that employees are more than just resources. He discussed different corporate cultures and their impact on identity as well as management methods. Nass criticized metaphysics-free approaches such as those advocated by Homann and his students, who favor a pure culture of adaptation. Instead, he argued passionately for a Christian approach. This, Nass argued, offers a stronger basis for leadership because of its firm foundation of values, which is biblically based. He argued that such an approach is more resilient in all dimensions of leadership, especially in terms of a metaphysical value base, a phenomenologically grounded mission and vision, and a synthetic holistic style and understanding of culture.

In the discussion that followed, conference participants explored the topic of trust in relation to reducing complexity and its role in the digital age, especially in relation to hybrid working models. The need for a strong corporate culture and leadership ethics was highlighted, with the challenges of home office and the relevance of "purpose" discussed in this context. There was an exploration of different ethical approaches, with Homann's ideas and discourse ethics seen as contrasting. The use of AI was also addressed, emphasizing that its use should depend on a clearly defined image of humanity that places human dignity at the forefront.

Ethical Leadership - Practical Implementation

During the panel discussion on the practical implementation of ethical leadership, different perspectives and experiences were exchanged. The discussion, moderated by **Prof. Dr. Alexander Kracklauer**, University of Applied Sciences Neu-Ulm, highlighted challenges such as depression and burnout that can arise from leadership styles, especially in American companies.

Catherine Adelman, CEO, Fosera Solarsystems GmbH & Co. KGaA, emphasized the importance of "Purpose" both for market positioning and for attractiveness on the labor market. **Dr. h.c. Eleonora Bonacossa**, Founder & Leadership Consultant, ARETA, emphasized that true leadership focuses on others, not on oneself. **Dr. Thomas Hesse**, Founder & CEO, Dreamstage Inc., spoke about the role of corporate culture, especially in conflict situations, and the need to communicate values and passion. **Susanne Kunschert**, Managing Director, Pilz GmbH & Co. KG, saw self-leadership as fundamental to effective leadership.

Important topics were the transmission of values in large and cross-cultural organizations, the challenges for start-ups and family businesses and the need to maintain integrity and credibility. It was acknowledged that power is seductive, can influence the ego and obscure the true self. Christian humility was seen as a means to devote oneself in a balanced way to people as well as to the matter, thus remaining more authentic and doing equal justice to everything.

The panelists agreed that ethical leadership is measurable, for example through employee satisfaction, sick days, staff turnover and productivity. The possibility of a moral assessment when hiring employees was also discussed. In conclusion, it was stated that ethical leadership and shareholder value do not have to be in conflict, but can work together successfully in the long term, especially in a "purpose economy".

Anniversary banquet with "intellectual delicacies" as well

At the end of the first conference day and to celebrate the anniversary, a large banquet was held in the evening at Freiburg's Colombi Hotel. In addition to culinary delicacies, there were also intellectual delicacies "prepared" by **Prof. Dr. Nils Goldschmidt**, University of Siegen, Chairman of the Aktionsgemeinschaft Soziale Marktwirtschaft e.V. (Social Market Economy Action Group).

In his dinner speech "Challenges for the Social Market Economy in the 21st Century", Goldschmidt explained various aspects that should be taken into account in modern society and economy. He emphasized the need for a differentiated approach to resources, contrasting people-intensive approaches such as school social work with technology-centered measures such as digitalization. He underlined that both approaches have their justification, but need to be carefully weighed to achieve the desired results. Furthermore, he emphasized the importance of boredom and calmness in decision-making processes. In our hectic times, it is important to take time and create space for reflection in order to make quality decisions. This is also relevant in the context of "sunset laws", i.e. laws that provide for automatic review or termination

after a certain period of time, in order to promote more dynamic thinking adapted to current circumstances. Goldschmidt also argued for the feasibility of a carbon tax, which, properly implemented, could encourage sustainable action and incentivize greener practices. These measures could help address the pressing environmental challenges of our time more effectively. He concluded his keynote speech with confidence in the continued positive development of the Social Market Economy.

Day 2 - Impact Investing

After a welcome by **Sylvia Trimborn-Ley**, CAPP Deputy Chairwoman of the German Section, and a spiritual introduction by **Father Johannes H. Zabel OP**, Prior, Dominican Monastery Worms, who pointed out the terminological affinities between economic and theological terms, the second day of the conference began with the topic of impact investing in theory and practice.

Msgr. Prof. Dr. Peter Schallenberg, Chair of Moral Theology and Ethics at the Faculty of Theology, Paderborn; Director, Catholic Social Science Central Office, Mönchengladbach, and former Consultor, Dicastery for the Integral Development of the Human Being, Vatican, reflected in his lecture, with recourse to the document "Mensuram Bonam", on the deeper meanings of impact investing, highlighting the link between economics and theological concepts. He spoke about the need to find a "good measure" in financial ethics, inspired by reflections on the Court of the Dead, where individual decisions are judged by objective standards. He emphasized that although Christians and non-Christians may perform similar actions, a Christian's motivations stem from a deep spiritual foundation.

This principle also guides the concept of faith consistent investment, which sees investments not only as financial ventures, but also as a means to promote holistic human development. Schallenberg reminded us that the vocation of the entrepreneur is not only economic, but also plays a role in improving the world. This approach, he explained, requires constant reflection on our ethical principles and choices, built on a long tradition of reflection and focused on the pursuit of a meaningful life.

In her co-presentation, **Elena Eberle**, Board Member, 4L Capital AG, spoke about the nuances of impact investing, stressing that a clear definition of "impact" is still missing, despite the remarkable growth of this sector in Germany. She underlined the need for a disruptive approach that could make positive contributions to addressing global challenges, especially with regard to sustainable development goals and climate neutrality. Eberle highlighted that impact investing is a layer beyond traditional ESG criteria, with strategies being either finance- or impact-oriented without necessarily sacrificing returns. She made it clear that this approach is not only ethically valuable, but also a strategy to minimize risk by focusing on positive investment choices. The speaker pointed out the challenges of measuring impact due to the lack of standardized methods and the often complex nature of data, especially for smaller companies. Despite the use of different frameworks and thresholds, impact assessment is a multi-faceted process that takes into account different aspects and can be reviewed over time through reports, he said. Eberle concluded by reflecting on the regulatory landscape and whether it encourages or hinders innovation, a key point that will influence the future of impact investing.

The subsequent plenary discussion highlighted the flexibility and complexity of impact investing. Participants discussed how criteria emerge, often through ongoing analysis and case-by-case decisions, without an absolute moral guideline. It was debated whether passive investment strategies that require less analysis can still achieve real "impact" or are ethical at all. Diverging opinions suggested that minimum standards or specialized sustainable indices could make this possible, although individually tailored impact investing is not necessarily cost-effective and, from the perspective of "Mensuram Bonam", restraint would be more advisable when making investment decisions that cannot be surveyed. However, future technological developments could bring about changes. Furthermore, the potential risks of paternalistic tendencies in expert assessments and danger of volatility were addressed. These aspects underline the need for a balanced view and ongoing consideration of the long-term benefits of ethical investment approaches.

Practical implementation of impact investing: challenges & opportunities

The intensive panel discussion on the practical implementation of impact investing, moderated by **Prof. Dr. Patrick Peters**, consultant and publicist, brought various expert opinions to the stage. **Sylvia Trimborn-Ley**, Chief Compliance Officer, Bank Pictet & Cie (Europe) AG, opened the discussion with insights into the role of banks with regard to client objectives. She stressed how essential it is that the products offered meet the objectives and understanding of the clients. She also pointed out the different regulatory frameworks applied by supervisory authorities and underlined the importance of cooperation and exchange in the ESG environment, especially with regard to public-private partnerships.

Jürgen Fitschen, former Co-CEO, Deutsche Bank AG, co-partner ESG BOOK, addressed the practical challenges of data collection, noting that although volumes in impact investing are not yet overwhelming, the "ESG related" sector represents a significant share of cross-border money flows. He warned against complicating the field through over-regulation and highlighted the urgent need for standardization in ESG scoring. In addition, he said, supervisory boards have a stronger role to play in selecting managing directors and promoting ESG-related management approaches. He mentioned the dilemma of the German Supply Chain Act and the difficulty of collecting credible data on actual impacts along the supply chain.

Dr. Klaus Schraudner, Chairman of the Board, PAX Bank eG, and **Kai Keller**, Founder of Afya Capital Partners and Initiative Lead at World Economic Forum, shared their perspectives and experiences, especially in context of faith-based investments and improving the supply with medicines in Africa. They discussed how impact products are positioned and how institutional investors deal with them. The topic of credible ESG ratings was also addressed, with Fitschen emphasizing that these ratings facilitate decision-making and allow for a convergence of excess return and positive social impact.

Also global aspects were discussed, especially the acceptance that other countries may be able to produce more efficiently, which could lead to job losses. They spoke about

the need for a public-private approach for Africa and the challenges posed by the lack of a global governance structure.

The problem of greenwashing was discussed intensively, with Fitschen emphasizing the need for annual improvement and monitoring. The discussion ended with a forward-looking view on ESG, with participants foreseeing increased awareness on the topic, greater integration of impact into investment portfolios and a positive response to stakeholder initiatives. It was emphasized that the transition will be painful, but that technology will reveal new opportunities and increase European responsibility for global challenges.

Outlook at the end: To the next 30 years

In his closing words, **Dr. Ulrich Schürenkrämer** thanked everyone for the successful event, the exchange and the organization. He recalled Pope Leo XIII's encouragement from "Rerum Novarum" (RN, 45) and stressed the need to put the messages discussed into practice and to exert a positive influence. **P. Prof. Dr. Dr. Elmar Nass** rounded off the conference with a blessing that conveyed hope and inspiration for future action.

J. Daniel H. Schmitz/translated by US/STL/19.Oktober 2023