

# ETHICS

## Promotion of ethical practices within the financial industry

Position paper by the  
DVFA e.V. Ethics Panel,  
under direction of  
Prof. Dr. Julian Nida-Rümelin

Version 1.0

September 2015

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## Statement by Stefan Bielmeier, Chairman of the Board DVFA e.V.

Ladies and gentlemen, fellow investment professionals and members of DVFA,

For a long time, the Board of DVFA e.V. has been considering ways to highlight the topic of ethics, without being perceived as moralistic or coming across as ‘holier than thou’.

In itself, the word ‘ethics’ covers a broadly defined and extremely abstract field of meaning. Moreover, ethics is often conflated with morality – but ethics and morals are not the same thing! Ethics relates to the theory of acting with an understanding of the difference between good versus evil, while morals are normative, setting forth specific ways of acting.

In its quest to help restore the trust lost in the people and institutions that make up the financial markets, the DVFA Board decided in 2012 to form an independent Ethics Panel. Under the direction of Munich-based philosopher and former Minister of State Julian Nida-Rümelin, 15 respected capital market professionals and academics were brought together to compile a list of Guiding Principles, on which investment professionals can orient themselves to ensure ethically unassailable conduct.

For the financial industry as a whole, as well as for me personally, valuable lessons can be learned from the results of the Ethics Panel. Not only has the panel developed Guiding Principles for investment professionals, it has also characterised the impact of regulatory density. Compliance, after all, is no replacement for ethics – and can even stand in the way of ethical conduct in some instances.

As is often the case when expert panels are created, the panel participants expect independence from the founding organisation, in order to safeguard their integrity.

The Board of DVFA e.V. unreservedly stands behind the results of the DVFA Ethics Panel, even if there are individual points which may be open to debate.

The dialogue with the Ethics Panel has been, and remains, constructive and enlightening. The members have my sincere thanks for their committed engagement.

As an organisation representing the entire profession – the “Guild” for investment professionals as it were – we will bring a stronger focus onto ethics in the financial industry over the coming months, and carry this message to the markets. A portal will be set up as a platform for communicating individual positions, and publishing articles and case studies on various topics related to ethics, integrity and professional conduct. We invite you to join in the discussion.

As you read further, don’t expect to find a catalogue of ethically acceptable and unacceptable behaviours or products. That would contradict our understanding of professionalism – and simply wouldn’t be feasible. Our appeal is for a resurgence of ethical values among actors in the financial industry. What may that mean for the individual? This position paper aims to provide some help in answering that question.

I hope you will find this paper to be as interesting and valuable as I have.

All the best,



Stefan Bielmeier





## 1. Mission Statement of the DVFA Ethics Panel

The task of the Ethics Panel created by DVFA e.V. is to identify, analyse and evaluate unfolding developments in socially responsible, integrity-based conduct by financial and business professionals on the basis of the latest economic, socio-ecological, behavioural and philosophical insights, and to use the findings to construct a modern and sustainable model for principled and ethical business and investment practices.

“... since moral virtue is a state of character concerned with choice, and choice is deliberate desire, therefore both the reasoning must be true and the desire right, if the choice is to be good ...“

Aristotle (Nicomachean Ethics)

## 2. Executive Summary

- The DVFA Ethics Panel considers it imperative for banks to establish an Integrity Management function, alongside the existing Compliance Management structures. Whereas Compliance Management sets out the rules governing outward conduct, Integrity Management would serve to promote a critical examination by investment professionals of their motivations, objectives and the tools used to achieve them.

	<b>COMPLIANCE VS. INTEGRITY MANAGEMENT</b>	
	<b>Compliance Management</b>	<b>Integrity Management</b>
Motivation	extrinsic	intrinsic
Basis	Concrete rules (company, legislature, regulators)	Company / public discourse on values
Objective	Legality: Guidance for legally permissible conduct	Legitimacy: Guidance for values-oriented conduct
Tools	Sanctioning mechanisms: monitoring and punishment	Rules and norms: leading by example and censure

(Figure 1. Compliance vs. Integrity Management)

- Compliance neglects to consider intrinsic motivation, i.e. the personal motivation of investment professionals to act in an ethical manner. Intrinsic motivation is an essential counterpart to regulation and compliance. (see figure 1).
- Because banks and financial services companies bear responsibility not only for generating profits, but also for making capital and credit available to the economy, attention must be paid to various interests, needs and rights.
- Without a highly developed and stable ethos, which proves its practical usefulness, the industry will not recover from the reputation damage suffered in response to past financial market excesses. The future of the industry depends not only on economic and political developments, but also on cultural and ethical resources.
- Respectful conduct in relation to other market participants, employees, clients and investors, as well as interest and stakeholder groups grows out of personal attitudes and points of view.
- Banks and financial services companies create a stable cooperation structure, safeguard their public reputation and ensure their long-term success in the market by promoting a culture of mutual respect and appreciation.
- Ideally, the approach taken by the DVFA Ethics Panel complements current regulatory practice. But, it is also well suited to highlight the limits of government regulation: ultimately, no system of incentives and sanctions alone can replace intrinsic motivation.
- The DVFA Ethics Panel is convinced that strong and effective political regulation of global financial markets is crucial in order to reduce the likelihood of crises of the sort seen in recent years. At the same time, however, the responsibility of the state to provide a level playing field stands in a complementary relationship with the responsibility of individual investment professionals. Only at that point where intrinsic motivation engenders the public trust can government (and others) set effective standards. Whenever regulation and sanctioning seek to supplant intrinsic motivation, they become ineffective and excessive.
- Investment professionals should orient their conduct on the four Cardinal Virtues: Wisdom, Courage, Restraint and Integrity.

### 3. Responsibilities of Banks and Financial Services Companies

Prof. Dr. Julian Nida-Rümelin

The following Guiding Principles for the financial industry are the result of an intensive exchange of ideas on the role of ethics in the finance business. To this end, DVFA formed an expert panel under the direction of Munich-based philosopher Julian Nida-Rümelin, the membership of which comprises respected individuals from the fields of ethics, risk research, business and the financial industry (see Appendix for full membership list).

The aim of DVFA in publishing this paper is to contribute to the debate surrounding the social responsibility of banks and investment professionals. Because banks and financial services companies bear responsibility not only for generating profits, but also for making capital and credit available to the economy, an overarching responsibility for the health of the economy must be accepted by both. Only through prudent and judicious handling of money and the financial system itself can sustainable wealth be achieved for all. Respectful conduct in relation to other market participants, employees, clients and investors, as well as interest and stakeholder groups grows out of personal attitudes and points of view. Banks and financial services companies create a stable cooperation structure, safeguard their public reputation and ensure their long-term success in the market by promoting a culture of mutual respect and appreciation.

Ethics are not a set of prescriptive maxims. The focus of discussions by the Ethics Panel was on the ethical dimension of financial industry actions, rather than on regulatory ambitions; on ethos, rather than compliance – even if there is flexibility in the boundaries between the two. The approach taken was chosen to complement current regulatory practice. But, it is also well suited to highlight the limits of government regulation, because ultimately, no system of incentives and sanctions alone can take the place of intrinsic motivation among investment professionals. Without a highly developed and stable ethos, which proves its practical usefulness for market players, the reputation damage suffered by the industry in response to past financial market excesses will never be repaired. The future of the industry depends not only on economic and political developments, but also on cultural and ethical resources.

Whereas modern ethics are generally based on the notion of ‘right action’ - (Kantian ethics and utilitarianism), we deemed it important to take a broader view, considering aspects such as personality, character traits and behavioural positions – in other words, ‘Virtue Ethics’ as traced in Europe back to Aristotle and Plato. The practical importance of these attributes is nothing new to HR managers and senior staff in the financial industry.

**Virtue** (*Greek areté*) is a fundamental characteristic that remains constant over time and in various situations. Virtue cannot be attained through individual decisions or experiences, but grows rather out of a mindset developed through a long process based on positive role models, gathered experience and gradual adjustment. It refers – more specifically – to ethical values, which must be acquired through practical experience, adaptation and persistent behavioural practice. Going forward, education and training for investment professionals must do more to take this into account, just as managers are aware of their role modeling and culture-forming functions.

**Intrinsic Motivation:** One aspect common to all ethical practices is that they are not (merely) extrinsic, but rather always stem from intrinsic motivation. The actual basis for principled “virtuous” conduct therefore lies in the relevant (virtuous) perspective itself and, ideally, requires no further incentive. Still, incentives and sanctions can make sense, as a way to anchor and spread desired attitudes. At least equally important, though, are the company culture, role models and non-material rewards.



## Responsibilities of banks and Financial Services Companies

Prof. Dr. Julian Nida-Rümelin

**It is no coincidence that the panel arrived at the four Cardinal Virtues, which have retained their stability and guiding strength despite reinterpretations and cultural transformation over time:**

**Wisdom** (*Greek sophia*) is the ability, despite a wealth of differing opinions, to reliably judge a situation, based on solid evidence and largely free of momentary influences. Financial industry activities are governed less today by principles of the knowledge economy than by influences of the big data economy. All actors are confronted with an overabundance of data, the reliability and relevance of which must be assessed. Knowledge is certainly based on dependable and accurate information. The instability of financial markets is partly attributable to an overall lack in this area, e.g. blind faith in ratings in the run-up to the Global Financial Crisis. This has led to a general state of mistrust both among market participants and in relation to available data and information, which – in addition to risk-averse over-regulation under the Basel Process – explains the squeeze in bank lending.

**Courage** (*Greek andreia*) is the strength of will to act in accordance with a wise judgment, and not to be deterred. It is the practical counterpart to Wisdom, expressed in the coherence of financial industry practice and the rationality of its primary principles. An example could be sticking with a decision when markets – as is their nature – overreact.

**Restraint** (*Greek sophrosyne*) is knowledge of the limits of one's own abilities and expertise, and the considerate behaviour that results. This applies, e.g. to the degree of risk that one is willing to take. Such a decision should always take into account the possibility of errors in judgment. Dedicated teamwork, trust among staff and between management and employees, as well as readiness to of all team members to cooperate, makes it possible to openly address risks and limits potential for wrong decisions.

**Integrity** (*Greek dikaiosyne*) is the personality trait that assures the intrinsic character of Wisdom, Courage and Restraint, and integrates them to a coherent whole. The integrity of an investment professional is manifest, e.g. in the ability to observe the same rules of conduct no matter what the context, or that changes in the way of doing things follows clearly definable rules. Such an actor defines and transparently communicates the grounds for his decisions and effectively maintains adherence to the above three principles. His individual personality and manner of cooperation with peers and clients are characterised by fairness, transparency and dependability.

## 4. Guiding Principles

Below are the Guiding Principles developed by the DVFA Ethics Panel for investment professionals. These Guiding Principles, however, cannot be used to full advantage by investment professionals unless banks create an environment conducive to their effectiveness. But, even absent the right conditions at work, investment professionals are encouraged to begin the process of examining their motivations, and the rationales behind their actions.

In this context, the DVFA Ethics Panel considers it necessary for a dynamic to be established, giving investment professionals a forum to address ethical issues relating to their work – because such an approach is welcomed by their employers – and that this ethical deliberation results in companies delegating greater responsibility to their employees when it comes to pursuing practices firmly grounded in ethical principles.

	<b>Investment professionals are called upon</b>	<b>Institutions are called upon</b>
1. Wisdom: dependability and realism	<ul style="list-style-type: none"> <li>to reflect on the objectives of their employers and compare them with their own personal moral convictions.</li> <li>to critically examine the tools: models, assumptions, strategies, rules and conventions provided by their companies.</li> <li>to abide by the laws established by the legislature/regulator, not merely the letter – but also the spirit of the laws.</li> </ul>	<ul style="list-style-type: none"> <li>to recognize the ethics, i.e. the well-founded, moral convictions of their Investment Professionals, and to respect the resulting consequences and decisions – especially in controversial cases.</li> <li>to bring their tools: models, assumptions, strategies, rules and conventions into line with the interests of the state and civil society.</li> <li>to comprehensively inform their employees regarding proper compliance with the laws established by the legislature/regulator, and to promote and recognize observance of the spirit of those laws.</li> </ul>
2. Courage: effectiveness and consistency	<ul style="list-style-type: none"> <li>to engage themselves to identify and address potential ethical dilemmas.</li> <li>to defend well-founded convictions, even against resistance and especially in cases when you risk personal disadvantages – such as income disadvantages.</li> <li>to enter only into such risks, the consequences of which are fundamentally reversible and/or to explicitly point out when clients take on risks that could endanger their existence.</li> <li>to identify and account for not only the direct, short-term consequences, but also the indirect, long-term economic consequences of an action.</li> </ul>	<ul style="list-style-type: none"> <li>to establish a regime of personal responsibility, which censures unethical conduct – even if it appears rational from a short-term economic perspective (“selective optimisation”).</li> <li>to create a working environment that permits and promotes ethical insights and acts, (e.g. development and implementation of a code of ethics or conduct).</li> <li>to improve their risk management and, in particular, to identify the limits of what can be handled using objective quantitative methods.</li> <li>to integrate sustainability into their company objectives.</li> </ul>

## Guiding Principles

	<b>Investment professionals are called upon</b>	<b>Institutions are called upon</b>
3. Restraint: respect and cooperation	<ul style="list-style-type: none"> <li>to recognize the interests, needs and rights of third parties.</li> <li>to realistically assess the limits of their own skill and knowledge.</li> <li>to actively and consistently pursue prudence, accuracy and concentration, in short: a posture of heedfulness. This requires a rejection of ethical relativism, overload and ostentation, as well as a genuine representation of personal performance.</li> <li>to formulate realistic remuneration expectations in relationship to sustainable economic success (from the client perspective).</li> </ul>	<ul style="list-style-type: none"> <li>to examine their company objectives in relation to the interests, need and rights of the state and civil society, and to expand them as necessary.</li> <li>to offer investment professionals the possibility to critically and continually reflect on their own skill and knowledge. This also includes the ability to deliberate openly within the working environment (e.g. workshops, discourse, participation by Investment Professionals in integrity management) without fear of sanctions.</li> <li>to promote adherence by Investment Professionals to recognized technical and professional Standards in line with the professional ethos of investment analysis (in place of one-sided, revenue-oriented investment marketing).</li> <li>to reform their bonus systems, so that (a) their structures (esp. severance packages) do not set false incentives, which would reward risk taking or underestimation of systemic risks and (b) performance assessments take into account both ethical and unethical conduct – with the possibility of regress claims and criminal prosecution.</li> </ul>
4. Integrity: responsibility and person- ality	<ul style="list-style-type: none"> <li>to accept responsibility for their investment decisions and their consequences.</li> <li>to make the consequences of investment decisions and other actions as transparent as possible to all relevant stakeholders (e.g. ensuring products are not overly complex, so that clients can fully comprehend the risks involved).</li> </ul>	<ul style="list-style-type: none"> <li>to detoxify compliance regimes, in order to establish the highest possible degree of personal responsibility for investment decisions among Investment Professional.</li> <li>to seriously accept their social responsibility by establishing a company culture that integrates the societal importance of banks, asset managers and financial services (definition of products and services in light of state societal objectives).</li> </ul>

## 5. Ethic Panel Members

### Professor Dr. Julian Nida-Rümelin (Chairman)

Julian Nida-Rümelin (\*1954) was born in Munich into a family with a long artistic tradition. He studied philosophy, physics, mathematics and political sciences, worked as an assistant professor and completed his PhD in philosophy under Wolfgang Stegmüller at the University of Munich in 1989.

After spending time in the US as a visiting professor, he was appointed to the chair of the Centre of Science Ethics at the University of Tübingen, followed by a professorship in philosophy at the University of Göttingen. Thereafter, he applied for and was awarded a full professorship at the chair of Political Theory and Philosophy of the Scholl Institute at Ludwig Maximilian University in Munich, of which he was Director from 2004 to 2007. In 2009, he moved as part of a Retention to the Department of Philosophy, where he served as Dean between 2009 and 2013.

Nida-Rümelin was the Head of the Municipal Department of Arts & Culture of Munich as well as Federal Minister for Culture and Media. From 2009 to 2011 he was President of the German Philosophical Society, in which function he organised the conference: "A World of Reasons" („Welt der Gründe“) in September 2011.

Between 2004 and 2012, he served as Head Curator of the German Studies Award (Deutscher Studienpreis). He is cofounder and chairholder of the Masters programme Philosophy, Economics, Politics at the University of Munich, a continuing education curriculum for working professionals. Since 2011, he has headed the interdisciplinary Munich Centre for Ethics.

Julian Nida-Rümelin is an honorary professor at Humboldt University of Berlin, as well as a full member of the Berlin-Brandenburg Academy of Sciences and Humanities, the European Academy of Sciences and Arts, and the German Academy for Ethics in Medicine (AEM).



## Ethic Panel Members

### Erhard H. Arent †

Erhard H. Arent (1954 - 2014) married, one son, graduated from the Bochum University of Applied Sciences Business School (Diplom-Betriebswirt). Between 1977 and 2000, he worked at Deutsche Bank AG and multiple subsidiaries within Germany and abroad in the areas of securities research, equity analysis and asset management, and served from 1992 to 1994 as Head of Equity Trading at Deutsche Bank and between 1994 and 1998 as Director and Product Manager of Equity and Derivatives at Deutsche Morgan Grenfell in Dusseldorf. From April 2000 to February 2002, Erhard H. Arent was a member of the Management Board at brokerage firm Schnigge AG, Dusseldorf. In 2002, he moved on to become Managing Director and Head Financial Institutions/Public Sector at HSBC Trinkaus and Burkhardt. In the same period, he was Managing Director at HSBC Trinkaus Consult GmbH. Beginning 2012, Erhard H. Arent served as Managing Director and Senior Advisor for HSBC Trinkaus and Burkhardt AG, and most recently took up a position on the Supervisory Board of SX-Capital AG. Erhard H. Arent passed away in October 2014.



### Jürgen Danzmayr

In 1970, immediately after successfully completing his school leaving examinations (Matura) at Khevenhüller Gymnasium in Linz/Oberösterreich, Jürgen Danzmayr (\*1950) began his career at the Allgemeine Sparkasse Oberösterreich in Linz. After 22 years, he went on to become CEO of Salzburger Kredit- und Wechsel-Bank AG (SKWB), then a subsidiary of Bayerische Hypotheken- und Wechsel-Bank AG in Munich. After the merger of SKWB with Schoellerbank AG (former subsidiary of Bayerische Vereinsbank AG) in 1998, Mr Danzmayr served until 2009 as CEO of the merged bank, interrupted by a 9-month posting on the Management Board of Creditanstalt Bankverein AG, which was integrated into HypoVereinsbank Group together with Bank Austria AG. In 2009, Mr Danzmayr was appointed to the Management Board of UniCredit Bank Austria AG, where he was responsible for Private Banking at Bank Austria (incl. Schoellerbank AG). From July 2011 to July 2014, he headed the Private Banking business unit of UniCredit Bank AG/HypoVereinsbank (HVB) as a member of the Management Board. Since July 2014, Mr Danzmayr has helped Private Banking employees at HVB in their customer relations work.



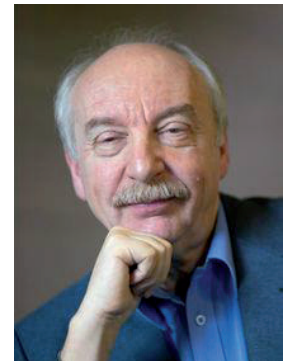
## Ethic Panel Members

### Prof. Dr. Gerd Gigerenzer

Academic background:

Dr. phil. in Psychology, 1977, University of Munich  
PhD in in Psychology, 1982, University of Munich

Since 1997, Gerd Gigerenzer has been Director of the Max Planck Institute for Educational Research in Berlin, as well as the Harding Centre for Risk Literacy, founded 1999 in Berlin. His previously held positions include a professorship at the University of Chicago and a period as John M. Olin Distinguished Visiting Professor at the University of Virginia School of Law. He is also Batten Fellow at UVA's Darden Business School and member of the Berlin-Brandenburg Academy of Sciences and Humanities (BBAW), as well as the German Academy of Sciences (Leopoldina). He has received numerous awards, including the American Association for the Advancement of Science (AAAS) prize for Best Article in the behavioural sciences and the Association of American Publishers award for Best Book in the social and behavioural sciences. In his latest release (together with Sir Muir Gray): "Better Doctors, Better Patients, Better Decisions", he demonstrates how improved risk literacy among doctors and patients can lead to improved healthcare at a lower cost. Managers, Federal Judges in the US and German physicians have taken part in his seminars on the art of decision making and dealing with risk and uncertainty.



### Ass.-Prof. Dr. phil. Hajo Greif

Hajo Greif attained his degree on philosophy (M.A.) from J.W. Goethe University in Frankfurt am Main, and completed his postgraduate work (doctorate) at the Darmstadt University of Technology (TU Darmstadt). In 2004, he received his PhD in philosophy as part of the "Technification and Society" („Technisierung und Gesellschaft“) programme in Darmstadt. He has been a Fellow at the Science Studies Unit of the University of Edinburgh (2001) and at IAS-STIS in Graz, Austria (2003-2004).

Following teaching engagements at his home universities, Hajo Greif spent 2005 to 2009 as an assistant professor for the Inter-University Research Centre for Technology, Work and Culture (IFZ) in Graz, where he headed the Information and Communication Technologies department. Since the autumn of 2009, he has been assistant professor at the STS – Institute of Science, Technology and Society Studies at Alpen-Adria University in Klagenfurt.

As of 2013, Hajo Greif serves as the Erwin-Schrödinger-Fellow at the Munich Center for Technology in Society.



## Ethic Panel Members

### Prof. Dr. Ludger Heidbrink

Ludger Heidbrink received his PhD in philosophy in 1992 from the University of Hamburg. He has been a research assistant and instructor at the universities of Hamburg, Rostock, Lüneburg and Kiel. In 2002, he was awarded full professorship credentials (Dr. habil.) in the field of philosophy from the University of Kiel, where he was a private tutor starting in 2003.

Beginning in 2004, he headed the research group “Cultures of Responsibility” („Kulturen der Verantwortung“) at the Institute for Advanced Study in the Humanities (KWI) in Essen. Since 2007, Ludger Heidbrink has been Director of the Center for Responsibility Research at the KWI; since 2009, professor for corporate responsibility and corporate citizenship at Witten-Herdecke University.

As of October 2012, he holds the chair for Practical Philosophy at Kiel University.

The focus of his work and research is on: responsibility ethics, corporate and business ethics, political philosophy, as well as social and cultural philosophy.



### Dr. Irina Kummert

Since 1997, active in financial centres throughout Germany and internationally as a human resources consultant for banks, family offices, foundations, asset managers and family-owned companies, as well as associations and public sector institutions.

In 2013, she was awarded a graduate degree in the context of a part-time programme at Goethe University in Frankfurt am Main for work on the topic of moral strategies in the capital market. The scientific study was published in September 2013 by SpringerGabler, and contains 38 interviews conducted by Irina Kummert with capital market professionals on their understanding of ethical questions. She has also been a regular guest on panels – including the German Forum on Security Policy, regarding the issue of whether the financial crisis represents a crisis of the system.

Since the summer of 2013, Irina Kummert has served as honorary President of the German Economic Ethics Council (Ethikverbands der Deutschen Wirtschaft e.V.), which was founded in 2003 by a group of experts including Prof. Dr. Rupert Lay SJ. Since April 2014, upon invitation by Hildegard Müller, she has acted as volunteer counsel to the Central Committee of German Catholics (ZDK) in relation to economic and social matters. Her aim in this role is to help bridge the gap between the Catholic Church, civil society and commerce through a shift in perspective vis-à-vis relevant societal themes.

Since 2009, instructor at Humboldt University of Berlin and, since 2012, at Georg-August University in Göttingen.



## Ethic Panel Members

### Dr. Sabine Machhausen

Sabine Machhausen (\*1975) studied law at Johannes Gutenberg University in Mainz and at Johann Wolfgang Goethe University in Frankfurt am Main. Her legal dissertation “Scharia-konforme Investmentfonds: Eine Analyse islamischer Finanzinstrumente und ihrer Rechtsrisiken unter dem Investmentgesetz”, which examined islamic financial instruments in view of legal risks under German law, was voted Best Postgraduate Paper by the law department of Johannes Gutenberg University in 2011.

Between 2006 and 2008, Sabine Machhausen worked as an attorney for various esteemed firms, with a focus on property transactions as well as banking and capital markets law. From 2009 to 2013, she served a Junior Policy Advisor (Regierungsrätin) for the Investment Law section of the German Federal Financial Supervisory Authority (BaFin); since 2013 she is Special Counsel in the Securities Supervision section at BaFin.



### Dr. Henning Meyer

Henning Meyer (\*1978) is Senior Visiting Fellow at the London School of Economics and Political Science. He has studied political science as well as economics and management. He is also Director of New Global Strategy Ltd. and publisher of a leading online publication.

Henning Meyer has served as Head of the Europe programme of the Global Policy Institute London and Visiting Fellow at the School of Industrial and Labor Relations at Cornell University in the US. He is a regular commentator on international economic policy topics in newspapers, such as ZEIT and the Guardian, as well as on television news channels like Al Jazeera International and BBC News.



### Prof. Dr. Max Otte

Max Otte received his PhD from Princeton University, and is professor for general business administration and finance, as well as Director and founder of the independent data and analysis provider Institut für Vermögensentwicklung GmbH (IFVE) in Cologne. Professor Otte has also served since 2006 as Executive Director of Zentrum für Value Investing e.V.

Max Otte has been an advisor on management issues to numerous companies and organisations, and is the author of many books covering economic and financial topics. Among his well-known releases is “Der Crash kommt” (“The Crash is Coming”) where he warned already in 2006 of the threat from US credit and lending and its impact on the global economy.





## Ethic Panel Members

### Dr. Henrik Pontzen

Henrik Pontzen (\*1980) studied philosophy, economics and history in Bonn and Copenhagen, and wrote his doctoral dissertation entitled: "Risk Ethics: Rational Handling of Morally Relevant Risks" at the University of Hagen (FU Hagen).

Since 2009, he worked for HSBC in Germany, currently as Head of Custody Sales / Insurances & Asset Manager. Previously, he held the position of Head of Business Risk Control Management in charge of erecting operational risk management as the first line of defence for HSBC in Germany and eight other European countries. Between 2007 and 2009, he was a consultant at Capco – The Capital Markets Company, where he led risk management projects for various global financial services companies.

Various publications on risk management, with a focus on operational risk management, reputation risk, risk ethics and technology assessment. Since 2013, lecturer at the University of Wuppertal chair for Finance and Corporate Governance. Henrik Pontzen has also been in charge since 2014 of a partnership between the University of Cologne chair for Company Development and Business Ethics and HSBC, to research the quality factors of the 'four-eyes principle'.



### Prof. Dr. Dr. h.c. Ortwin Renn

Ortwin Renn is a sociologist, economist and sustainability researcher. He is chairholder for Technology and Environmental Sociology at the University of Stuttgart, and is Director of the gemeinnützige Forschungsinstitut Dialogik. Ortwin Renn is an internationally recognized risk researcher and Chairman of the Sustainability Council of Baden-Württemberg (NBBW).

After studying economics and sociology (Diplom-Volkswirt) at Cologne University with a social sciences focus, he achieved his PhD in social psychology in 1980.

From 1986 to 1992, Ortwin Renn was professor of environmental sciences at Clark University in Worcester, USA, and from 1992 to 1993, visiting professor for the Environmental Systems Science department at ETH Zurich. Between 1992 and 2003, he was a member of the Governing Board of the Academy of Technology Assessment (Akademie für Technikfolgenabschätzung) in Baden-Württemberg; from 2001 to 2003 as Executive Director. Since December 2003, he has served as Director of the Centre for Interdisciplinary Risk Research and Sustainable Technology Development (ZIRN) at Stuttgart University's International Centre for Cultural and Technology Research (IZKT). He was President of the European Society for Risk Analysis (SRA-Europe) in 1996-1997.



## Ethic Panel Members

### Dr. Kevin Schaefers

Kevin Schaefers (\*1970) is member of management at Feri Institutional & Family Office GmbH, Bad Homburg. In addition to advising family office clients, he advises foundations and provides strategic financial planning and sustainable investment advice.

He studied philosophy and German literature in Konstanz and Austin (USA), as well as financial economics at the European Business School (ebs) in Oestrich-Winkel. He joined Feri in 2001 after working for various financial industry companies in Munich and Hamburg.

In 2006, he received his certification as a financial planner (CFP). Since 2008, he has been Lecturer for Wealth Management at the Banking University in Ho Chi Minh City (Vietnam). At the Institute for Business Ethics at the University of St. Gallen, Kevin Schaefers also completed his doctoral degree with a dissertation on consulting concepts for sustainable investment.



### Dr. Susanne Schmidt

Susanne Schmidt is a freelance financial journalist, after 30 years spent working in the City of London: as a manager in commercial banking, political analyst in investment banking research and host Bloomberg TV. Her book „Markt ohne Moral“ (“Markets without Morals”) received the 2010 German Business Book Award (Deutschen Wirtschaftsbuchpreis), and was followed two years later by „Das Gesetz der Krise“ (“The Law of Crisis”). Schmidt has a doctoral degree in economics and lives in England.



## Ethic Panel Members

### Marlehn Thieme

Marlehn Thieme (\*1957) was born in Lübeck. She studied law and social sciences.

From 1986 until the end of 2013, she has been with Deutsche Bank AG. After a traineeship in Remscheid, Wuppertal and Milan, she moved to the central HR division in Frankfurt. In 1995, she became Director of the foundation: Stiftung Alfred Herrhausen „Hilfe zur Selbsthilfe“ („Help towards Self-help“). Beginning 2001, Marlehn Thieme worked in the retail division, and has been Director of Corporate Social Responsibility (CSR)/Corporate Citizenship from 2005 to 2013. Between 2008 and 2013, she served as employee representative on the Supervisory Board at Deutsche Bank AG; since 2015, she is Chairwoman of the supervisory board of the Bank for Church and Diakonia (KD-Bank).

Marlehn Thieme is a member of the Council of Protestant Churches in Germany (EKD). Her charity work also includes membership in the ZDF Television Council.

Since 2004, she has been a member of the Council for Sustainable Development, where she served from July 2010 to February 2012 as deputy Chairwoman; she was elected Chairwoman on 29 February 2012.

Marlehn Thieme is married and has two daughters.



### Hubertus Väth

Hubertus Väth (\*1960), married, is an economist (Diplom-Volkswirt). Until 1991, he was Head of Communications and Economic Research at the Regional Head Office Singapore of Deutsche Bank AG. Up to 1996, he was Head of Marketing in Private Asset Management at Deutsche Bank AG headquarters in Frankfurt, and Chief Editor of the client magazine „Anlage-Management“. Hubertus Väth, is founder and Managing Director of NewMark Finanzkommunikation. He is Lecturer for subjects including strategic marketing, international marketing, market segmentation, customer retention and change management at USW (Universitätsseminar der Wirtschaft) and Telekom Leadership Academy in Bad Honnef.



## Ethic Panel Members

### Ralf Frank (Secretary)

Ralf Frank (\*1963) joined DVFA in 2002. He is Managing Director of DVFA since 2004, and Secretary General of the association since 2011. Prior to his current positions Ralf held several senior management positions at a US-American industrial machinery manufacturer and was senior staff at a pan-European management consulting firm. He studied in Brussels, Essen, Manchester and Sheffield and holds an M.A. in Sociology and Communications from Essen University/Germany and an MBA from Sheffield Hallam University/UK.

His current focuses are on: professionalizing the investment profession, ethics and integrity in the financial sector, sustainability (ESG) and application of behavioral economics approaches to investment decisions (Behavioral Finance).

He is author of several articles and publications on finance, banking, financial communication and sustainability, as well as an appreciated speaker and panellist in Germany and abroad.



## IMPRINT

Chief Editor: DVFA e.V.  
V.i.S.d.P.: Ralf Frank

Amtsgericht Frankfurt am Main  
VR 8158

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