



2016 Year in Review

The year 2016 was one of dramatic activity around the globe. With the Caux Round Table (CRT) having principled inputs in the worlds of government and business, 2016 was a very busy year. From the continuation of civil war and a refugee crisis in the Middle East and Europe to 'Brexit,' to the U.S. presidential election, to the Wells Fargo and Panama Papers scandals, there was much happening and the CRT had much to say.

The focus of the CRT has been, to paraphrase a recent round table participant, "To put ethics back into business." The ideas and purview of business ethics has been gradually expanded by the international community to include the idea of sustainability and, specifically, the U.N.'s new Sustainable Development Goals. Throughout the year, the CRT was instrumental in bringing together business and community leaders around the world to ensure that the engines of growth could provide input to the appropriate U.N. governing body.

Generous Grant from Thailand Sustainable Development Foundation

The CRT has continued this important work throughout 2016 by partnering with Oxford Analytica to create a rubric for measuring companies' sustainability and recognizing their excellence in moral capitalism. This work has been funded by a generous grant from our partners at the Thailand Sustainable Development Foundation and will continue into 2017.

Election of Brad Anderson, former CEO of Best Buy, as Co-Chairman

A very exciting change in leadership at the CRT was the addition of ex-Best Buy CEO, Brad Anderson, as Co-Chairman. Brad's interest in moral capitalism focuses especially on the interface between the firm and its employees and on the quality of vocation, which the firm can provide to those who carry out its vision and mission. Mr. Anderson has already showcased his energy and interest by participating in several episodes of our new CRT podcast, as well as co-moderating one of our recent round table discussions.

We express our gratitude to our retiring Co-Chairman, Bob MacGregor, not only for his creativity in proposing the CRT's Principles for Business, but for his generous gifts of time and effort over the years to sustain the CRT's work around the world. Bob embodies the commitment of John F. Kennedy in his 1961 inaugural address that "Here on earth, God's work must truly be our own."

Participant in Oxford University and Deloitte Consulting Study on Inclusive Capitalism

The CRT was asked to participate in a groundbreaking study on non-governmental organizations that are working to improve business and capitalism. The study, titled "In Pursuit of Inclusive Capitalism: Business and Approaches to Systemic Change," was conducted by the SAID Business School, University of Oxford, and the Social Impact practice of Deloitte Consulting, who were supported by a grant from the Ford Foundation. The purpose of the study was to "conduct research on forty non-governmental organizations active in the space around inclusive economies" - what the CRT typically refers to as "moral capitalism."

The CRT was included in this study for our work on influencing strategies by convening leaders and influencers and by serving as a thought leader in the inclusive economy space. Furthermore, the CRT was recognized specifically for creating new standards for businesses and consumers.

The CRT is in excellent company, as the report found that the main strategy for influencing business leaders was 'network/convene leaders' and 'research/thought leadership,' both of which the CRT excels at.

The report noted that the three main purposes of business are to deliver excellent goods and services, provide livelihoods and meaning to employees and deliver returns to providers of capital. Additionally, the report goes on to note that "most of the organizations in our research exist in part due to their conviction that a naive shareholder capitalism model has significant shortcomings." These identified purposes and the concern for short-termism are in line with what the CRT has been promoting for over two decades.

United Nations Economic and Social Council

Following on our White Paper on moral capitalism and sustainable development of 2015, the CRT convened a round table for the leadership of the U.N.'s Economic and Social Council (ECOSOC) in New York City on the need for social and human capitals to achieve the new 17 U.N. Sustainable Development Goals. Two supporting papers were submitted to ECOSOC.

Global Dialogue

In July, the CRT held its annual Global Dialogue, in partnership with the Convention of Independent Financial Advisors and Berkshire Capital, at the Harvard Club in New York City. The context and theme for this year's event was 'A World in Confusion.' It featured scholars and leaders from business, NGOs and religious organizations from around the world.

Monthly Newsletter *Pegasus*

We have continued to publish original, timely and interesting content in our monthly publication, *Pegasus*. In each issue, we look to root an important topic in the principles of the CRT. This year, we covered a wide array of topics ranging from global inequality to Catholic Social Teachings to corrosion of moral purpose under the weight of bureaucracy to moral corporate leadership, to name a few.

Kenyan Government Leaders Delegation

In May, several government leaders from Kenya visited us to learn how the U.S. practices governance and public administration.

Islamic Project

Other work that we have been pursuing throughout 2016 is the preparation of teaching materials for Muslim youth on the intersection between the U.S. Constitution and Koranic guidance, in line with the CRT Principles of Government. This work is funded by a Youthprise grant that the CRT was successful in procuring with local partners.

In a related development, the CRT has licensed to Magni Asset Management a proprietary company assessment inquiry to align a company's outcomes with Islamic ethical standards in harmony with the CRT's Principles for Business. Magni has introduced this company assessment and ranking possibility to several conferences on Islamic finance. Interns at Magni have now assessed companies included in the S&P 500 index which are also Shari'a compliant for their scores on the Islamic Stewardship assessment. In a preliminary finding, those companies which score highly see their shares perform better on stock exchanges.

Business and Public Policy Round Table

Here in Minnesota, where the CRT is headquartered, we held several round table events this year on a variety of topics, including:

- "Illicit Financial Flows" with Raymond Baker, President of Global Financial Integrity;
- "Solving Minnesota's Talent Shortage," an open discussion at Saint Paul College about the need for technical education;
- "An Embittered Populace: A New Elite or Dysfunctional Old Elites?" with David Lebedoff, an attorney with Gray Plant Mooty and the author of two well-received books on elites;
- "One Person's Trash is Another Person's Raw Material" with Brad Anderson, former CEO of Best Buy;
- and an open discussion about the outcome of the 2016 presidential election

Website and Social Media

The CRT continued its series of video interviews with our Global Executive Director, Steve Young, on YouTube. In addition, we have worked diligently to increase our social media presence. This includes our activities on Twitter, Facebook, our blog on Medium and our newest addition – a podcast. We have three episodes of the podcast currently available with big plans for future episodes to contain expanded interviews and in-depth investigations. Our podcast episodes are currently housed on Soundcloud and are free to stream or download. Mr. K.L. Lam and Chan Corner of Cornerstone Ltd. in Malaysia provided the highest quality administrative and technical support for our website throughout the year.

Speeches and Presentations

Steve had a remarkably busy year participating in discussions and conferences on behalf of the CRT. Importantly, he spoke at the 125th Christian Social Conference in The Netherlands on the Common Good and at a conference on terrorism at Qatar University. He attended a conference of the Stewardship Institute in Singapore and the annual meeting of the Fondazione Centesimus Annus Pro Pontifice at the Vatican. He also presented the Vatican with ways to help companies align their business models with the ethics of Catholic Social Teachings and filmed numerous interviews for our interview series on YouTube.

Bob MacGregor spoke to a number of groups as well, including the Heartland Institute, Naperville League of Women Voters, Harvard Club of New York, as well as some rotary clubs and religious organizations.

Looking Toward 2017

Moving into 2017, we will be continuing the important and needed work of bringing business and community leaders together, both in round table events here in Minnesota, in New York City and at our 2017 Global Dialogue to be held in Wittenburg, Germany. Our Dialogue will focus special consideration on the impact of Martin Luther and the Protestant Ethic on capitalism today, in collaboration with the Wittenberg Center for Ethics. The CRT will also be initiating an international conference to be held in Minnesota focusing on sustainable development and the unique work being done towards the new U.N.'s Sustainable Development Goals.

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