
HOUSE CONCURRENT RESOLUTION

ENCOURAGING AND REQUESTING A REPORT ON SOCIALLY RESPONSIBLE
INVESTMENT.

1 WHEREAS, Socially Responsible Investment (SRI), also known
2 as triple-bottom line investment, mission-related investment,
3 and natural investing, is the rapidly growing practice in the
4 United States of basing investment decisions on considerations
5 of societal values and concerns as well as financial returns,
6 thus balancing the investor's financial aims and needs with an
7 investment's impact on society by the operations of the
8 corporation or entity in which the investment is made; and
9

10 WHEREAS, distinct but related aspects involved in an SRI
11 strategy are:

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- 13 (1) Avoiding companies whose record conflicts with the
14 investor's values;
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 - 16 (2) Seeking out companies whose record is consistent with
17 the investor's values;
 - 18
 - 19 (3) Targeting investments directly into communities; and
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 - 21 (4) Taking an active role as a shareholder in influencing
22 corporate policies; and
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24 WHEREAS, socially conscious investors will often include in
25 their investment portfolios corporations with positive records
26 on product quality, consumer relations, environmental
27 performance, corporate citizenship, and employee relations while
28 screening out corporations involved in industries such as
29 alcohol, tobacco, gambling, military weapons, and nuclear power;
30 and
31



1 WHEREAS, investments that are sound from a fiduciary
2 standpoint and which also promote equality of opportunity,
3 environmental protection, and other causes critical to Hawaii's
4 long-term future, have what is known as a "triple bottom line"
5 return; and
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7 WHEREAS, SRI has its roots in the colonial era when
8 abolitionist Quakers refused to invest in any business
9 associated with slavery, and blossomed in the 1970s, influenced
10 by strong social movements focusing on the environment, fair
11 employment practices, the military-industrial complex, and the
12 rights of minorities and women; and
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14 WHEREAS, in the 1980s, anti-apartheid activists brought the
15 idea of socially responsible investing into full public view by
16 insisting that their schools and churches stop investing in
17 companies which did business in South Africa; and
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19 WHEREAS, this very successful campaign to remove foreign
20 capital from South Africa marked a powerful new era for SRI; and
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22 WHEREAS, the SRI movement has rapidly increased its
23 strength since the early 1990s as the financial world became
24 more aware of the force of social movements; and
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26 WHEREAS, as SRI funds have become well established, they
27 have demonstrated their financial soundness showing that not
28 only are social and environmental concerns not a handicap in
29 investing, but that social and environmental values and
30 standards can actually correlate with superior financial
31 performance; and
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33 WHEREAS, SRI can have significant beneficial consequences
34 for the State of Hawaii in that SRI can help promote the growth
35 of mercantile entities presently doing business here and who
36 engage in business practices that enhance and promote Hawaii's
37 fragile environment and contribute to the well-being of Hawaii's
38 population, and can also be helpful in attracting other
39 businesses that engage in similar practices; and
40

41 WHEREAS, the Legislature wishes to encourage our state's
42 financial institutions, financial advisors, banks, trust
43 companies, trustees of our state's funded and landed trusts,
44 trustees of the State of Hawaii Employees' Retirement System,



1 and all other individuals and entities handling and managing
2 financial investments, to become more familiar with the
3 principles of SRI and to apply those principles to their
4 financial advice and decisions; and
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6 WHEREAS, a lot has changed in the industry since the last
7 study was conducted ten years ago that would likely result in a
8 more favorable conclusion about the inclusion of sustainable and
9 responsible investment within the state retirement system; and
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11 WHEREAS, during the 2011 Regular Session the Legislature
12 passed and the Governor enacted Act 209, which authorizes a
13 designation and code of conduct for a business corporation to
14 offer entrepreneurs and investors the option to build and invest
15 in businesses that operate in a socially and environmentally
16 sustainable manner; and
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18 WHEREAS, the Legislature appreciates and recognizes that
19 value of SRI to the State, and wishes to foster and encourage
20 wider discussion, understanding, acceptance, and practice of SRI
21 in the community; now, therefore,
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23 BE IT RESOLVED by the House of Representatives of the
24 Twenty-sixth Legislature of the State of Hawaii, Regular Session
25 of 2012, the Senate concurring, that the Legislature encourages
26 the Chief Investment Officer, Administrator, and trustees of the
27 State Employees' Retirement System to apply the principles of
28 SRI in their investment practices and decisions, and encourages
29 other investment counselors and money managers to also apply SRI
30 to their investment portfolios; and
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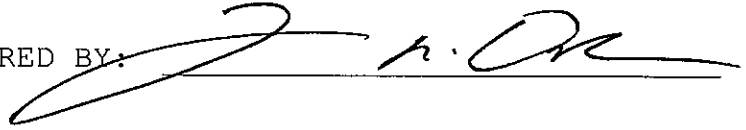
32 BE IT FURTHER RESOLVED that the Legislative Reference
33 Bureau is requested to submit a report of findings and
34 recommendations to the Legislature no later than twenty days
35 prior to the convening of the 2013 Regular Session; and
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37 BE IT FURTHER RESOLVED that certified copies of this
38 Concurrent Resolution be transmitted to the Governor, the
39 Employees' Retirement System, the Department of Business,
40 Economic Development, and Tourism, the Chamber of Commerce of
41 Hawaii, and the Director of the Legislative Reference Bureau.
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H.C.R. NO. 123

OFFERED BY:

A handwritten signature in black ink, appearing to be "J. R. O'Rourke", written over a horizontal line.

MAR 13 2012

