



First Quarter 2014

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CELEBRATING TWENTY YEARS OF SHAREHOLDER ACTIVISM

For the past twenty years, shareholders of the Domini Funds have used their investments to enable conversations with executives at some of the largest and most influential corporations in the world on a wide range of social and environmental issues. Domini Funds investors can take credit for helping to convince **JPMorgan Chase**† to hire its first Director of Environmental Affairs and to adopt a comprehensive set of environmental policies. They can take credit for helping to convince **Nucor**, the largest steel producer in America, to adopt stringent human rights policies to address the risk of slavery and illegal deforestation in its Brazilian supply chain. After a five year campaign, they helped convince **Emerson Electric** to ban discrimination against its gay and lesbian employees, and after a three year dialogue, **Toyota Motor**† announced that a major trading partner had ended its joint venture with the Burmese military regime. Domini Funds shareholders have helped convince numerous companies to measure their environmental impacts and to adopt strong protections for vulnerable workers in factories around the world.

Since our first shareholder resolution was submitted in 1993, Domini has filed more than 240 proposals at 95 different corporations. The use of social, environmental and governance standards to select investments, combined with a shareholder activism program to help move companies further in the right direction, has proven to be a powerful vehicle for change.

Archimedes, the ancient Greek scientist, once remarked, “Give me a lever and a place to stand and I will move the earth.” For the past twenty years, Domini has provided “a place to stand” for its mutual fund shareholders, finding as many ways as possible to amplify their voice on some of the most pressing challenges of our time. Over the course of 2014 and beyond, we look forward to sharing more success stories about how Domini Funds investors have helped to create positive change.

For more about Domini’s shareholder activism successes over the past twenty years, read our full essay in the Domini Funds 2014 Semi-Annual Report, available to download at Domini.com.

DE-MILITARIZING AMAZON.COM

In November, Domini wrote a letter to Jeff Bezos, Founder and CEO of **Amazon.com**, raising concerns about the company’s participation in the militarization of the civilian firearms market after we discovered semi-automatic weapon accessories being sold on Amazon that could help gun owners increase the firepower of their weapons. Our letter was signed by 33 institutional investors managing \$490 billion, and was covered by Reuters in December.

In a recent conversation with Amazon executives we learned that our letter was taken quite seriously. Most of the products we identified have been removed from Amazon.com and added to the company’s list of prohibited items. The third-party sellers have been notified that they may no longer offer these items for sale on Amazon. We will continue to engage Amazon to ensure that they are doing everything they can to avoid becoming a marketplace for assault weapons.

Pending Shareholder Proposals

Each year, Domini files shareholder proposals to appear in corporate annual proxy statements as a tool for change. These proposals, which come to a vote at corporate annual meetings, ask companies to address a broad range of social and environmental issues.

Here is a look at the proposals we filed this year:

Companies	Issues
Google	Responsible Tax Policy
AT&T, JetBlue Airways	Political Contributions Disclosure
United Parcel Service*, Verizon Communications	Political Lobbying Disclosure
Chipotle Mexican Grill*	Sustainability Reporting
Energen*, Pioneer Natural Resources*	Methane Emissions
Kraft Foods Group, Mondelez International, PepsiCo	Forestry Practices
PNC Financial Services*	Coal Financing

* Domini is playing a supporting role in these engagements.



ADDITIONAL DIALOGUES

In addition to those discussed in this Update, we also engaged with the following companies during the quarter on these issues:

Advanced Micro Devices (AMD)
General Corporate Social
Responsibility

Bank of America†
Green Bonds

Fujisankei Communications Group
Sustainability Risks

Hitachi†
Human Rights Due Diligence

ABOUT DOMINI SOCIAL INVESTMENTS

Domini Social Investments manages mutual funds for individual and institutional investors who wish to create positive change in society by integrating social and environmental standards into their investment decisions. Visit www.domini.com or call 1-800-582-6757 to learn more.

† Bank of America, Hitachi, JPMorgan Chase and Toyota Motor are not currently approved for Domini's mutual fund portfolios.

As of March 31, 2014, these companies represented the following percentages of the Domini Social Equity Fund's portfolio: Advanced Micro Devices (<.01%), Amazon.com (<.01%), AT&T (0.23%), Chipotle Mexican Grill (0.39%), Energen (0.90%), Google (0.24%), JetBlue Airways (<.01%), Kraft Foods Group (<.01%), Mondelez International (<.01%), Nucor (<.01%), PepsiCo (<.01%), Pioneer Natural Resources (<.01%), PNC Financial Services (1.89%), United Parcel Service (<.01%), and Verizon Communications (1.71%). Emerson Electric and Fujisankei Communications Group are not currently held in any of Domini's mutual fund portfolios. The composition of the Funds' portfolios is subject to change.

FROM FOREST AND FARM TO FORK

The food choices we make have a surprisingly important impact on people and ecosystems around the world. Corporations like Kraft and Pepsi purchase significant quantities of basic commodities like Palm Oil and soy through complex supply chains that may end in a rainforest in Indonesia or a farm in Brazil. We are making a focused effort to work with these companies to ensure that these purchases are not inadvertently driving human rights violations and destruction of critical ecosystems.

DEFORESTATION AND HUMAN RIGHTS: The shareholder proposal is an effective tool for encouraging corporate management to come to the table to discuss our concerns. In January, **Mondelez International** updated its website to explain how it is addressing deforestation in its supply chain—a direct response to Domini's shareholder proposal. We are currently in a focused dialogue on these policies, encouraging the company to provide more robust data to its investors. Our proposal on deforestation also brought **PepsiCo** to the table. We are currently discussing the impact of the company's palm oil, soy, paper and sugar purchases on forests around the world. We hope to convince the company to adopt an over-arching forestry policy, backed by clear public reporting, in order to allow Pepsi's customers and investors to evaluate its progress.

Our proposal at **Kraft** will go to a vote in May.

SUSTAINABILITY REPORTING: **Chipotle Mexican Grill** recently made headlines with a divisive online animated short depicting a lone scarecrow in a dystopian fantasy world trying to provide an alternative to unsustainable factory-processed food. This video is part of a bold marketing strategy that is contributing to an important conversation about our food system, as Chipotle attempts to make a name for itself as a more environmentally friendly fast-food restaurant “dedicated to creating a sustainable, healthful and equitable food future.”

Domini applauds Chipotle for these efforts and for its high-profile challenges to industrial factory-farming techniques. However, we do not take the company's claims at face value—we would like to see substantiating data. That is why we chose to join another investor in submitting a shareholder proposal seeking a sustainability report. During the quarter, we spoke with Chipotle executives about the proposal and about the company's sustainability efforts. The company is committed to improving its level of transparency but was unwilling to produce the report we have requested. Our proposal will go to a vote at the company's annual meeting on May 15, and our dialogue will continue.

Ultimately we would like to see corporate sustainability reporting become universal. What if every company was required to prepare a sustainability report in order to be listed on a public stock exchange? Last year, we worked with the Investor Network on Climate Risk to develop a sustainability reporting “listing standard” to be adopted by the world's stock exchanges. The project was initiated at the request of NASDAQ OMX. This quarter, our proposal was formally submitted to the World Federation of Exchanges for review. Visit Ceres.org for more information.

The Domini Funds are not insured and are subject to market risks, such as sector concentration and style risk. Investing internationally involves special risks, such as currency fluctuations, social and economic instability, differing securities regulations and accounting standards, limited public information, possible changes in taxation, and periods of illiquidity. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. You may lose money. This information is provided for educational purposes only, and should not be considered investment advice with respect to any of the holdings listed.

You should consider the Domini Funds' investment objectives, risks, charges, and expenses carefully before investing. Obtain a copy of the Funds' current prospectus for complete information on these and other topics, by calling 1-800-582-6757 or online at www.domini.com. Please read it carefully before investing or sending money.

DSIL Investment Services LLC, Distributor. 04/14