



SECOND QUARTER 2010

Current Shareholder Proposals

- **AT&T and JPMorgan Chase** (political contributions, omitted at SEC)
- **Cisco Systems** (Internet freedom, pending annual meeting in November)
- **Coca-Cola** (toxins in consumer products, 22% vote)
- **Goldman Sachs** (political contributions, 37% vote)
- **International Paper** (sustainable forestry, withdrawn)
- **Nucor** (slavery in Brazil, withdrawn)
- **Procter & Gamble** (sustainable forestry and palm oil, withdrawn)
- **RR Donnelley** (sustainable forestry, 10% vote)

Internet Censorship and Surveillance

For the sixth consecutive year, we refiled a shareholder proposal asking **Cisco Systems** to address its impact on human rights. The proposal asks the company for an "Internet Fragmentation Report" that would document Cisco's efforts to protect the Internet from government censorship and surveillance.

As of June 30, 2010, Apple, AT&T, Cisco Systems, Coca-Cola, Dell, Goldman Sachs, Hewlett-Packard, International Paper, JPMorgan Chase, Nucor, Procter & Gamble, and RR Donnelley represented 4.5%, 3.8%, <0.1%, 0.3%, <0.1%, 0.9%, <0.1%, 0.6%, 2.6%, 0.2%, 0.4%, and 1.6%, respectively, of the Domini Social Equity Fund's portfolio. Foxconn was not held by the Domini Funds. The composition of the Funds' portfolios is subject to change.

Protecting Consumers from Toxins in Products

Domini has addressed the issue of toxins in consumer products for years, through our Global Investment Standards and our direct engagement with companies. During the quarter, Domini's shareholder proposal addressing Coca-Cola's use of bisphenol-A (BPA) in the linings of its beverage cans received a strong 22% vote at the company's annual meeting, in addition to substantial press coverage. This was the first shareholder proposal ever filed to focus on BPA.

BPA is a chemical used in the lining of cans, where it can leach into foods and beverages. Canada has banned the use of BPA in baby bottles, and a recent report by the President's Cancer Panel noted a "growing link between BPA and several diseases, including various cancers." We would like to see the company actively pursue safer alternatives, and although we have not been satisfied to date, we look forward to continued dialogue.

Shedding Light on Corporate Political Activity The U.S. Supreme Court's January decision in *Citizens United vs. Federal Election Commission* removed limits on corporate financing of election advertising targeted at specific candidates and issues. We expect to see the majority of this spending flow through trade associations and other tax-exempt entities that can serve as conduits for corporate political spending.

Domini's proposal asking **Goldman Sachs** to reveal its contributions to politically active organizations, including trade associations, received a very strong 37% vote at the company's annual meeting. The New York City Public Advocate issued a press release and held a rally outside Goldman's annual meeting in support of our proposal. Our dialogue with Goldman continues.

Measuring the Impact of Companies on Forests

During the quarter, Domini endorsed the **Forest Footprint Disclosure Project**, a new initiative supported by the British government and modeled on the Carbon Disclosure Project. The Forest Footprint Disclosure Project, which represents investors managing more than \$4 trillion, surveys companies about their impact on forests through their exposure to four key commodities: timber, beef, soy, palm oil, and biofuels.

We filed a shareholder proposal asking **Procter & Gamble** to describe how it assesses the impact of its supply chain on deforestation, and how it plans to mitigate this impact. P&G is a major consumer of palm oil, and demand for palm oil has driven the conversion of natural forests to palm oil plantations in Indonesia and Malaysia. We withdrew our proposal when P&G agreed to continue dialogue and improve its reporting on these issues.

Seeking Better Conditions for Electronics Workers

During the quarter, global attention was drawn to a spate of suicides among factory workers at a 400,000-worker **Foxconn** factory in southern China. The factory makes iPhones, iPads, and other products for **Apple**, in addition to products for **Dell**, **Hewlett-Packard** and others.

Domini helped lead a broad coalition of over 40 European, Australian and U.S. investors in calling for better conditions for Chinese factory workers. In a public statement, the coalition condemned abusive workplace conditions in the global electronics supply chain and called for a renewed focus on working conditions by both companies and investors.

2009 Highlights

As a shareholder in the Domini Funds, you make a difference in the world. Listed below are some of the ways that you made a difference in 2009. To read our quarterly Social Impact Updates and find out more about the shareholder advocacy efforts we conduct on your behalf, visit the Shareholder Activism section of our website, www.domini.com.

Celebrating 15 Years of Shareholder Activism

2009 marked the 15th anniversary of Domini's shareholder activism program.

Since 1994, we have filed more than 200 resolutions with more than 80 companies and engaged in numerous long-term dialogues with corporate management on a range of social, environmental, and governance issues.

Predatory Credit Card Practices: As part of a campaign against credit card practices that lock consumers in a deepening cycle of debt, Domini filed resolutions with **Bank of America** and **American Express**. Domini's resolution with Bank of America gained a vote of more than 33%. Among other suggestions, the resolution asked the company to end the practice of raising interest rates on customers who had not been delinquent in their payments. We were pleased to be able to withdraw our proposal at American Express after productive discussions with the company.

Domini Executive Selected for SEC Investor Advisory Committee: Domini's Managing Director and General Counsel was selected to join the Securities and Exchange Commission's newly formed **Investor Advisory Committee**. The 18-member committee was established to provide the SEC with the views of a broad spectrum of investors on the Commission's regulatory agenda.

Domini Urges Mandatory Corporate Sustainability Reporting: Domini worked with the **Social Investment Forum** on a proposal asking the SEC to require companies to produce an annual sustainability report using the **Global Reporting Initiative (GRI)** guidelines, the world's leading format for corporate sustainability reporting. Domini also joined other shareholders in a successful effort to ask the SEC to reverse its practice of allowing companies to exclude from their proxy statements proposals that ask companies to conduct a "risk evaluation" of a social or environmental issue.

Domini Seeks Disclosure of Corporate Political Contributions: In the fourth quarter of 2009, Domini filed shareholder proposals asking **AT&T**, **Goldman Sachs**, and **JPMorgan Chase** to fully disclose their political contributions.

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 find out more.

As of June 30, 2010, American Express, AT&T, Goldman Sachs, and JPMorgan Chase represented 0.3%, 3.8%, 0.9%, and 2.6%, respectively, of the Fund's portfolio. Bank of America was not held by the Fund at the end of the period. The composition of the Fund's portfolio is subject to change.

The Domini Funds are subject to market risks and are not insured. 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. The Funds' portfolios are subject to change.

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.

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YOUR DOLLARS AT WORK FOR CHANGE

Domini can help you bring about positive change in three ways: by applying social and environmental standards to our holdings, by engaging the companies we invest in, and by directing capital to communities where the need is greatest.

By creating and applying standards of corporate behavior, we encourage transparency, spur demand for more information, and reshape the way the world thinks about corporations and their role in our lives.

By writing letters, meeting directly with corporate management, filing shareholder resolutions, and actively voting our proxies, we make the voices of our shareholders heard on a wide range of issues.

And by investing in underserved communities, we help low-income people buy homes, start businesses, and revitalize their neighborhoods. Domini also speaks out on public policy issues where we believe we can bring a unique perspective as a socially responsible investment firm.