



First Quarter 2015

Investing for GoodSM
www.domini.com

Domini Reaches Agreement with Four Companies

In addition to using social, environmental and governance standards to select our investments, each year the **Domini Social Equity Fund** submits shareholder proposals to corporations in its portfolio, addressing a broad range of social and environmental issues. Since 1994, the Fund has submitted more than 250 proposals to more than 95 major corporations.

Frequently, companies will reach out to us to see what steps they could take to convince us to withdraw our proposal and avoid a shareholder vote on the issue. A high vote on a proposal is nice, but we always prefer to withdraw our proposal in exchange for an agreement. Over the years, often in partnership with other investors or NGOs, we have convinced numerous companies to adopt new policies to protect factory workers and the environment, and to enhance public transparency.

This quarter, we withdrew four proposals in exchange for the following commitments:

Lowe's, the world's second largest home improvement retailer, agreed to eliminate neonicotinoid pesticides — a leading contributor to global bee declines — from its stores by 2019. The company will also redouble its pesticide management efforts with its plant suppliers, and will begin a variety of consumer education initiatives focused on pollinator health. Lowe's has also informed us that it now offers a full range of natural or organic alternatives to its synthetic pesticide offerings.

Avon agreed to review and revise its palm oil purchasing policies to address impacts on deforestation and human rights. Avon utilizes palm oil derivatives (products derived from palm oil) in a wide variety of products. About 60% of the palm oil consumed globally is in the form of derivatives.

Southwestern Energy committed to publishing annual methane emission reduction targets and to include these targets in determining bonuses for management and staff. Methane is a relatively short-lived, but potent, greenhouse gas. The company is leading a group of companies called the ONE Future Coalition, a collaborative effort to reduce methane leakage below 1%, from the well-head to your kitchen burner. Southwestern, however, has not set its own targets yet. This is the first time the company has publicly committed to do so.

MeadWestvaco agreed to full disclosure of its political contributions. Thanks to concerted efforts by investors, including Domini, nearly 140 large corporations now disclose their political spending so that they may be held accountable by their investors and consumers.

Corporate Tax Reform

Domini provided expert testimony during the first meeting of the newly formed **Independent Commission for the Reform of International Corporate Taxation** (www.icrict.org), an effort to provide a counter-balance to the current policy discussion at the OECD on corporate tax avoidance. As the only investment firm represented, we provided a unique perspective, explaining how tax avoidance is not necessarily in our best interests, carrying significant risks to society as well as the long-term value of our investments.

Additional Dialogues

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

Apple, Disney
Human Rights

AMD, Chipotle & Gap
Sustainability Reporting

EMC
Tax

PNC Financial Services
Climate Change



Domini Advises on Development of Human Rights Reporting Framework

The United Nations Guiding Principles on Human Rights (the UNGPs) outline the respective human rights obligations of governments and corporations. The UNGPs address the responsibility of corporations to be transparent about their human rights performance, but do not spell out what these reports should look like.

In March 2015, the UNGP Reporting Framework was launched, providing the first comprehensive guidance for companies to report on their efforts to comply with the UNGPs. The framework was developed over 18 months by Shift, an NGO formed by the team that developed the UNGPs, and Mazars, an international accountancy firm. Companies from five different industries are early adopters of the new reporting framework. Many other companies across industries are expected to start using the Reporting Framework in 2015.

The project was guided by a 16-member Eminent Persons Group, including Domini Managing Director, Adam Kanzer. The Framework was supported by investors representing nearly \$4 trillion under management.

MARRIAGE EQUALITY: Domini joined an amicus brief to the U.S. Supreme Court in *Obergefell v. Hodges*, filed on behalf of 379 employers and organizations that support marriage equality.

Financing Hate Speech

We continued our conversation with **Amazon** about allegations raised by the *Southern Poverty Law Center* that the company is helping to finance hate groups by offering certain products for sale, such as white supremacist flags, Nazi propaganda and white supremacist music. Amazon has a public policy that appears to bar the sale of such items. Last year, we successfully convinced Amazon to prohibit the sale of certain semi-automatic weapons accessories.

Current Shareholder Proposals

In addition to the four proposals Domini has withdrawn to date, the following proposals will come to a vote during the second quarter:

Company	Issue
AT&T, Verizon Communication	Disclosure of indirect political contributions (trade associations, etc.)
Chipotle Mexican Grill	Sustainability Reporting
Kraft Foods Group	Deforestation
Energen Corp.*	Methane Emissions Reporting
United Parcel Service*	Political Lobbying Disclosure

*Domini is playing a supporting role in these engagements.

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.

As of March 31, 2015, these companies represented the following percentages of the Domini Social Equity Fund's portfolio: Amazon (<0.01%), AMD (<0.01%), Apple Inc. (5.89%), AT&T (1.13%), Avon (<0.01%), Chipotle (1.36%), Disney (<0.01%), EMC (<0.01%), Energen (<0.01%), Gap (1.01%), Kraft (<0.01%), Lowe's (<0.01%), MeadWestvaco (<0.01%), PNC (<0.01%), Southwestern Energy (<0.01%), United Parcel Service (<0.01%), Verizon (<0.01%). The composition of the Funds' portfolios is subject to change.

The Domini Funds are not insured and are subject to market risks, such as sector concentration and style risk. 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.