Protecting Human Rights

Domini is working on your behalf to advance universal human dignity throughout corporate value chains. Whether it’s the local community where raw materials are sourced, the workers in factories far from the corporate headquarters, or the end users of products – a strong recognition of human rights and robust processes in place to respect them is critical. This quarter, Domini advocated for Worker-driven Social Responsibility Programs, heightened due diligence in conflict regions like Myanmar and the Xinjiang Uygur Autonomous Region (XUAR), and frameworks for applying a human rights lens to digital rights.

Also Inside

- Supporting worker rights and Worker-driven Social Responsibility Programs (WSR) (page 2)
- Human rights due diligence and governance in emerging digital technologies (page 3)
- Our Impact Investment Standards and SDG 7: Ensure access to affordable, reliable, sustainable, and modern energy for all (page 4)
- A closer look at how we invest in communities (page 6)

Engagement Overview

Q2 Engagement Reach:
- 135 U.S. Companies
- 25 Non-U.S. Companies
- 15 Events & Public Statements

- Ecological Sustainability
- Universal Human Dignity

If you have any comments, questions, or suggestions please email us at info@domini.com or call us at 1-800-582-6757
Worker Rights in the Supply Chain

The “Worker-driven Social Responsibility” (WSR) model is built on decades of organizing by the Coalition of Immokalee Workers (CIW) in Immokalee, Florida – the region that provides a significant portion of the United States’ tomato supply. There, workers developed their own standards for responsible workplaces which include incredibly straightforward things like providing timecards to minimize wage theft, as well as audit systems, and reporting and remediation processes. When companies join the “Fair Foods Program,” they commit to sourcing tomatoes (and now other goods) from participating farms. You can look for the Fair Food logo on your local produce and we encourage you to ask your local grocer about it if you can’t find it. This quarter, we supported calls for Wendy’s to join the Fair Food Program, as the last major fast-food chain that has not joined.

We also worked with Dutch grocer Ahold Delhaize, parent company of the northeastern US supermarket chain Hannaford, to push Hannaford to join the Milk with Dignity program. While we appreciate the company’s commitment to human rights, the allegations of human rights abuses in the Vermont dairy supply chain require urgent action. Many migrant workers in the agricultural supply chain are in a position where they must rely on employer-provided housing. This arrangement opens the door to compounding risks related to housing and workplaces. We organized a group of over 70 investors to elevate our calls to the company to join the Milk with Dignity Program, which like the Fair Foods Program, is uniquely able to deliver tangible improvements in the living conditions of workers.

Finally, April 24th marked the 8th anniversary of the Rana Plaza collapse that killed over 1,100 people and injured over 2,500 more. The Bangladesh Accord that emerged afterwards is perhaps the largest WSR model in existence today, with over 190 participating brands, over 1,600 factories and 2,000,000 workers covered. Like other WSR programs, the Accord is legally binding on the participating brands and engages workers in the protection of their own wellbeing. As such, it is uniquely effective at delivering human rights results in the garment supply chain. Domini continues its long history of supporting corporate participation in the Accord since the disaster in 2013 with an investor sign on letter, led by ICCR, calling on brands to renew their binding commitment to human rights in the garment supply chain.

Human Rights Due Diligence in Myanmar

Domini has a long history engaging companies on human rights due diligence and establishing best practices when it comes to business activities in conflict zones from our founding role in the EIRIS Conflict Risk Network to our long time establishment of specialized standards for investment research in high-risk jurisdictions. This quarter, we met with Mitsubishi Estate and Toyota Motors Corporation to discuss their business activities in Myanmar, how and when they conduct human rights risks assessments, and their response to the military coup d’etat in Myanmar that began in February. We also helped coordinate a public statement signed onto by over 70 investors representing over $3.9 trillion in assets under management calling on companies to implement robust
Today investors, consumers, and society face a new landscape of human rights challenges. Emerging technology is being deployed faster than regulators or users can keep up with, creating serious consequences on issues from access to privacy. This quarter, we joined other investors with nearly $6 trillion in assets under management in calling on companies to address the governance challenges in emerging digital technologies risks. Specifically, we are calling on companies to: (1) commit to robust human rights governance, (2) maximize transparency on how policies are implemented, (3) give users meaningful control over their data and data inferred about them, and (4) account for harms that stem from algorithms and targeted advertising.

We are also closely tracking risks presented by the collection and use of biometric data. Facial recognition technology can be especially challenging as it requires no interaction by the end-user (as opposed to fingerprinting or iris scanning) and law enforcement has rushed to adopt it. Misuse, identification errors, and bias, however, have marred the rollout of the technology. That’s why we joined other investors in committing to work with companies to disclose the accuracy of their products, the source of their data, the due diligence performed on potential clients (e.g. law enforcement agencies), and effective grievance mechanisms to address and remediate adverse impacts.

**Addressing Emerging Technology Risks**

Due diligence and grievance mechanisms for affected parties. Since the military coup, internet access has been interrupted and/or restricted for people around the country, leaving them more economically and physically vulnerable and stifling their freedom of expression. In response, we joined a statement calling for full restoration of the mobile internet in Myanmar.

**No For-profit Prisons**

This quarter, Domini joined investors and social justice advocates to call on global investors to refuse the purchase of bonds being issued to finance the construction of two new prisons in Alabama by the Alabama Department of Corrections and CoreCivic, a for-profit prison firm, as the builder and owner of the facilities. As a result of public pressure, the financial underwriters pulled out of the deal and despite discounting the debt, the Alabama Department of Corrections was unable to place the issuance leaving the prisons without the financial backing to get built.

1 https://migrantjustice.net/sites/default/files/2020MDReport.pdf (see conditions on p20-21, see results page 53-55).
3 https://bangladeshaccord.org/
And Much More

Climate Crisis Statement To The G7
Domini joined over 450 investors representing $41 trillion in assets under management in signing the 2021 Global Investor Statement to Governments on the Climate Crisis which was released on the eve of the G7 Summit in June.

Deforestation Free Procurement
Domini led a coalition of investors to support bills pending in California and New York that would incentivize and require certain state contractors to eliminate deforestation in their supply chains.

Protect Bristol Bay
After the U.S. Army Corps of Engineers rejected the proposed Pebble Mine in Bristol Bay, Alaska, we joined investors and called on the EPA and U.S. Congress to permanently protect the watershed, which is one of the most productive fisheries in the world, from large scale mining and mine waste disposal.

Municipal Emissions Disclosure
Domini joined CDP Signatories to call on 53 State and local fixed income issuers across the U.S. and Canada to disclose their carbon emissions, and environmental risks and opportunities.

Defending Democracy
We signed a statement delivered to 82 companies calling on them to amend their political giving policies and fully report on election-related spending after they were identified as having recently given monies to elected officials that opposed the certification of the 2020 electoral college results or that supported restrictions on voting rights.

Show Me The Money
Building on our longstanding work on responsible tax policies, we signed onto letters to European Parliament and U.S. House and Senate supporting country-by-country tax reporting by companies.

Our Standards & the Sustainable Development Goals

Domini is committed to seeking investment opportunities that promote long-term environmental sustainability, including investments that support climate change mitigation and adaptation. Preparation for the low-carbon future will necessitate moving away from the use of fossil fuels and towards building renewable energy assets and sustainable infrastructure to help ensure resiliency, adaptability, and resource efficiency. The decarbonization of transportation will also play an important role in the low-carbon transition.

Through the application of our standards, we believe we can better identify investments and build portfolios that align with the United Nations’ 2030 Agenda for Sustainable Development, which is organized around 17 Sustainable Development Goals (SDGs). Below, we highlight companies that we invest in that support SDG 7: Affordable and Clean Energy.
Sustainable Development Goal 7:
Ensure access to affordable, reliable, sustainable and modern energy for all

Domini Investment Highlights Aligned with UN SDG 7

Domini Impact International Equity Fund

**Acciona**, headquartered in Alcobendas, Spain, engages in the development and management of infrastructure and renewable energy projects throughout the world. The company has a diversified portfolio of installed capacity from wind, solar and hydropower and is the largest retailer of renewable energy in Spain. In addition to its energy business, the company has built itself into one of the largest electric shared motorcycle and scooter operators in the world. It also is a major player in designing and building out railways and recently was awarded several contracts for major railway projects, including in São Paulo, Barcelona, Norway, and Melbourne.

Domini Sustainable Solutions Fund

**Alfen Beheer**, headquartered in Almere, the Netherlands, develops products, systems and services related to the electricity grid in The Netherlands, Finland, and Belgium. The company’s combined expertise in smart grid solutions, electric vehicle charging equipment, and energy storage systems will make it an important player in supporting the transition to a low-carbon economy, especially through its role in the expansion of and access to electric vehicle charging stations which will be crucial to sustain the projected growth of electric vehicles over the next decade.

Domini Impact Equity Fund

**Nio Inc.**, headquartered in Jiading, China, engages in the design, manufacture, and sale of electric vehicles, driving innovations in next generation technologies in connectivity, autonomous driving, and artificial intelligence. Many automakers are adapting their business models to regulatory pressures and changing consumer demands as the world increases efforts to address climate change, leading to new risks and opportunities. The company derives its revenue from electric vehicle sales and battery charging systems and related services.

Domini International Opportunities Fund

**Orsted**, headquartered in Fredericia, Denmark, engages in the provision of renewable energy solutions and is one of the largest players in offshore wind generation in the world. As of 2020, the company had 28 offshore wind farms in operation and has deployed over 7.6 GW of installed offshore wind capacity. As it works to build out a large renewable energy network, the company maintains a commitment to manage its impact on biodiversity, which has been an increasingly important area of focus for companies.

Learn more about our Standards and the SDGs at [domini.com/sdgs](http://domini.com/sdgs)
Through fixed-income investments, we seek to increase access to capital, create public goods, and fill capital gaps in our communities. The Domini Impact Bond Fund addresses a broad range of impact areas, listed below.

**Investing in Communities**

**Domini Impact Bond Fund Theme Allocations**

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<thead>
<tr>
<th>Theme</th>
<th>Allocation</th>
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<tbody>
<tr>
<td><strong>Access to Housing (53%)</strong></td>
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<tr>
<td>Supports affordable mortgage credit &amp; rental properties, multifamily collateralized mortgage obligations, and other residential mortgage backed securities.</td>
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<tr>
<td><strong>Corporate Debt (19%)</strong></td>
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<tr>
<td>Supports corporate general obligations &amp; bank loans of companies that meet Domini’s Impact Investment Standards.</td>
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<tr>
<td><strong>Economic &amp; Community Development (8%)</strong></td>
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<tr>
<td>Supports nonprofit education, rural &amp; agricultural communities, creative economy &amp; public interest, transportation, access to water, business &amp; job creation, and community development financial institutions.</td>
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<tr>
<td><strong>Low-Carbon Transition (8%)</strong></td>
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<tr>
<td>Supports renewable energy, energy efficiency and green buildings, sustainable cities, sustainable forestry and conservation, and corporate green and sustainability bonds.</td>
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<tr>
<td><strong>Health, Well-Being &amp; Aging Society (6%)</strong></td>
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<tr>
<td>Supports nonprofit healthcare and research facilities, housing and healthcare services, and pensions.</td>
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<tr>
<td><strong>Non-Housing Asset-Backed Securities (5%)</strong></td>
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<tr>
<td>Supports commercial mortgage-backed securities, auto loans, and other asset-backed securities that meet Domini’s Impact Investment Standards.</td>
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**Impact Highlights**

- **$24.6 million**
  Invested in green, social & sustainability bonds

- **$1 million**
  Invested with Community Development Financial Institutions

**Investment Highlight: California Health Facilities Financing Authority**

The Domini Impact Bond Fund is invested in a social bond issued by the California Health Facilities Financing Authority to support the No Place Like Home Program for vulnerable groups of individuals living below the poverty line. The Program distributes financing to counties for the development of permanent supportive housing for people who are experiencing homelessness, chronic homelessness, or who are at risk of chronic homelessness and who are in need of mental health services. All counties seeking to apply for funds under the Program must also commit to providing mental health supportive services to tenants and to coordinate the provision of or referral of other services.

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1 Based on portfolio holdings as of 6/30/21, excluding cash & cash equivalents, cash offsets, futures, swaps and options with the exception of short-term U.S. Agency bonds and Certificates of Deposit, which are reflected in this reporting. Numbers may not sum to totals due to rounding. The composition of the Fund’s portfolio is subject to change. Visit domini.com to view the most current list of the Fund’s holdings.

2 “Corporate Debt” includes general-obligation corporate bonds, bank loans, and corporate debt not classified under other themes.
Harnessing the power of finance in a year like no other.

Our recently published Impact Report highlights how Domini shareholders came together to build a better world—despite the world 2020 gave us. Learn more about how your dollars contributed to positive outcomes for the climate crisis, the novel coronavirus pandemic, racial and gender inequality, and more. Download the report at domini.com/2020impact

Women-led, impact leading.

We are proud to announce that Domini is the recipient of the 2021 Capital Finance International (CFI.co) Award for the Best Impact Investment Advisory United States. CFI.co is a publication that provides insight into some of the more complex areas of international finance and development issues, with a particular emphasis on identifying examples and drivers of economic convergence. Learn more at domini.com/2021cfi

Making sustainable attainable.

Together with food waste expert Sandra Noonan, we explored how to live more sustainably. From recycling and reducing waste at home to thinking differently about how you spend your money, Ms. Noonan shared tips and tricks for making a difference. Watch the webinar at domini.com/netzero

The greatness of all.

Our Impact Investment Standards have allowed us to lead impact investing before impact investing led. When you uphold standards for over 25 years, impact investing becomes more than a trend; it becomes a tradition. To find out more read our essay, “Strength in numbers” at domini.com/strength

Stay informed about future Domini events, news and updates at domini.com/subscribe
Before investing, consider each Fund’s investment objectives, risks, charges and expenses. Contact us for a prospectus containing this and other information. Read it carefully.

The Domini Funds are not bank deposits and are not insured. Investment return, principal value, and yield will fluctuate so that an investor’s shares, when redeemed, may be worth more or less than their original cost. You may lose money.

The Domini Impact Equity Fund is subject to certain risks such as impact investing, portfolio management, information, market, recent events, and mid- to large-cap companies risks. The Domini Impact International Equity Fund is subject to foreign investing, emerging markets, geographic focus, country, currency, impact investing, and portfolio management risks. The Domini Sustainable Solutions Fund is subject to sustainable investing, portfolio management, information, market, recent events, and mid- to large-cap companies and small-cap companies risks. The Domini International Opportunities Fund is subject to foreign investing, geographic focus, country, currency, impact investing, and portfolio management risks. 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. These risks may be heightened in connection with investments in emerging market countries.

The Domini Impact Bond Fund is subject to impact investing, portfolio management, style risk, information, market, recent events, interest rate and credit risks. The value of your investment will fluctuate with changes in interest rates and could decline if an issuer’s credit rating falls, it goes bankrupt or it fails to pay, or otherwise defaults on payments of interest or principal. The Domini Impact Bond Fund currently holds a large percentage of its portfolio in mortgage-backed securities. During periods of falling interest rates, mortgage-backed securities may prepay the principal due, which may lower the Fund’s return by causing it to reinvest at lower interest rates. Some of the Domini Impact Bond Fund’s community development investments may be unrated and carry greater credit risks than its other investments. Potential risks related to the Bond Fund’s investments in derivatives include currency, leverage, liquidity, index, pricing and counterparty risk. TBA (To Be Announced) securities involve the risk that the security the Bond Fund buys will lose value prior to its delivery, that the security will not be issued, or the other party to the transaction will not meet its obligation, which can adversely affect the Fund’s returns. The reduction or withdrawal of historical financial market support activities by the U.S. Government and Federal Reserve, or other governments/central banks could negatively impact financial markets generally and increase market, liquidity and interest rate risks which could adversely affect the Fund’s returns.

The Adviser’s evaluation of environmental and social factors in its investment selections and the timing of the Subadviser’s implementation of the Adviser’s investment selections will affect the Fund’s exposure to certain issuers, industries, sectors, regions, and countries and may impact the relative financial performance of the Fund depending on whether such investments are in or out of favor. The value of your investment may decrease if the Adviser’s or Subadviser’s judgement about Fund investments does not produce the desired results. There is a risk that information used by the Adviser to evaluate environmental and social factors, may not be readily available or complete, which could negatively impact the Adviser’s ability to evaluate such factors and Fund performance. The market value of Fund investments will fluctuate and you may lose money.

There is a Public health crises caused by the COVID-19 outbreak may exacerbate other pre-existing political, social and economic risks in certain countries or globally. The market prices of companies at different capitalization levels may vary due to market conditions and cycles. The value of your investment will be affected by the Fund’s exposure to mid-, large- and small-cap companies.

As of 6/30/21, these securities represented the following percentages of the Domini Impact International Equity Fund’s portfolio: Acciona SA [0.10%], Koninklijke Ahold Delhaize [1.64%], Mitsubishi Estate Company Ltd [1.24%]. These securities represented the following percentages of the Domini Impact Equity Fund’s portfolio: Nio Inc ADR [0.23%]. These securities represented the following percentages of the Domini Impact Bond Fund’s portfolio: California State Health Facilities Financing Authority [0.28%], Toyota Motors Corporation [0.53%]. These securities represented the following percentages of the Domini Sustainable Solutions Fund’s portfolio: Alfen Beheer B.V. [1.73%]. These securities represented the following percentages of the Domini International Opportunities Fund’s portfolio: Acciona SA [0.04%], Alfen Beheer B.V [0.50%], Koninklijke Ahold Delhaize [0.38%], Mitsubishi Estate Company Ltd [0.24%], Nio Inc ADR [0.90%], Orsted A/S [0.31%], Toyota Motors Corporation [2.43%]. The following companies were not held by any of the Domini Funds: The Wendy’s Company.

Nothing herein is to be considered a recommendation concerning the merits of any noted company, or an offer of sale or solicitation of an offer to buy shares of any Fund or company referenced herein. Such offering is only made by prospectus, which includes details as to the offering price and other material information. Engagement statistics are provided on a best effort basis.

DSIL Investment Services LLC (DSILD), Distributor, Member FINRA. Domini Impact Investments LLC (Domini) is the Funds’ investment manager. The Funds are subadvised by unaffiliated entities.