

Domini[®]

Investing for Good[®]

2021 IMPACT REPORT

Inspiring a greater and greener world, one investor at a time.



Domini 2021 Impact Report
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Domini Impact Investments LLC is a women-led SEC registered investment adviser that harnesses the power of finance to help create a better world. With an exclusive focus on impact investing that aims to help create positive outcomes for our planet and its people while seeking competitive financial returns, our continuous innovation and caring, diverse community fuel tomorrow’s prosperity as we endeavor to make “investing for good” the way all investing is done.



Carole Laible, CEO



Amy Domini, Founder & Chair

Dear Fellow Shareholder,

Investing is about more than money; it's about connections. Connections between today and tomorrow. Connections between dollars and values. And connections between investors and communities.

Progress stems from the connections we make. This report touches on many. In 2021, the work of leaders, activists, and investors like you has led to updates to our Impact Investment Standards to reflect the increasing urgency of climate change. It's spurred investing in communities to build strong infrastructure and inclusive development. And it's meant using our seat at the table as investors to communicate and encourage change, when needed, with 365 companies this year.

By sharing information, working with peers, listening to shareholders like you, striving for equity, and furthering diversity in the industry, we'll use today's connections to fuel tomorrow's prosperity.

Moving forward also means reflecting proudly back—on a year where our bond fund was awarded the 2021 Environmental Finance Fixed Income Fund Award. On a period where our portfolios further reduced their carbon footprints versus their respective benchmarks. And on a year where our firm's flagship fund celebrated its 30th anniversary and the assets we manage grew to over \$3 billion.

Domini investors have helped build momentum in sustainable investing for 30 years, working to address the current climate crisis, the rights of workers, and racial and gender inequality.

We recognize there's strength in numbers—when the power of one comes together it's truly the greatness of all. Thank you for your part in building a community of caring investors. Together, we can harness the power of investing seeking ecological sustainability, universal human dignity, and profit.

A handwritten signature in black ink, reading "Carole Laible".

Carole Laible, CEO

A handwritten signature in black ink, reading "Amy Domini".

Amy Domini, Founder & Chair

2021 Highlights

Funds

- The Domini Impact Equity Fund, our founding fund that has grown to over \$1.1 billion, celebrated its 30th anniversary.
- The Domini Impact Bond Fund was awarded the 2021 Environmental Finance Fixed Income Fund Award.
- Overall, the Domini Funds' portfolios further reduced their carbon emission footprints vs. their respective benchmarks.
- Assets in the five Domini Funds reached over \$3 billion.

In 2021, Domini celebrated the 30th anniversary of the Domini Impact Equity Fund, one of the first socially responsible index funds in the world.

Today, this fund combines two unique strategies for long-term growth: core exposure to the U.S. economy through the lens of an impact investor, and opportunistic exposure to companies helping to address some of the world's greatest sustainability challenges.

“Impact investing has momentum now—everyone is realizing: what’s not to like about linking your values and your money?”

AMY DOMINI

Standards

- Domini's Impact Investment Standards were updated to include our concerns about systemic racism in our Global Community Theme and to be explicit about our commitment to non-discrimination.
- In response to the global urgency of climate action, Domini reinforced its expectations of companies' climate commitment actions.
- Additional Key Performance Indicators (KPIs) were revised to include risks like “cyberwarfare” (relating to sovereign debt analysis).

Inspiring a greater and greener world, one investor at a time.



Engagement

- Domini engaged 365 companies and issuers (53% U.S.-based, 47% international) with over 524 contacts through direct engagements, collaboration, and partnership.
- Domini voted at 856 global meetings and supported 100% of environmental and social shareholder proposals.
- Domini supported 27 investor and non-governmental organization statements on environmental issues—including international climate policy, deforestation, and the Convention on Biodiversity—and on strong governance and systems—including democracy, voting rights, paid sick leave, criminal justice, and the Build Back Better infrastructure bill.



Two Goals. One Set of Standards.

At Domini, universal human dignity and ecological sustainability are our goals. Standards are the path we take to achieve them. Our environmental and social standards help us identify strong, long-term investments. Our research team applies these standards uniformly across our funds, which sets us apart from most other asset managers.

At the core of all of our investments, our Domini Impact Investment Standards govern our independent, in-house research. Our industry-specific Key Performance Indicators (KPIs) help us define what is most important in each industry and guide our analysts in their work.

Since first being published in 2005, our standards have provided detailed and clear transparency to our investors while also serving as the backbone of our research. They were built on what we believe the classic impact investor wishes to integrate into their portfolio. Having stood the test of time, our standards have been quite durable since their adoption.

“Domini’s Impact Investment Standards provide transparency for our investors. We apply them consistently across all of our mutual fund products, as we believe it is how all investing should be done.”

CAROLE LAIBLE






81% vs. 17%

81% percent of public companies provide ESG disclosures, as compared to 17% of private companies.

72% of public companies publish sustainability reports while 15% of private companies do.¹

Exclusionary Standards

Sometimes it's just as important to know what you don't invest in as what you do. There are certain lines of business that we believe are fundamentally misaligned with our goals of universal human dignity and ecological sustainability. We seek to exclude companies with significant involvement in the following across all of the Domini Funds:

-  Weapons and Firearms
-  Nuclear Power
-  Fossil Fuels
-  For-Profit Prisons and Immigration Detention Centers
-  Alcohol, Tobacco, and Gambling

The capital markets are highly effective mechanisms for raising funds for a wide variety of products and services, but we do not want to invest in products that have the potential to cause incalculable harm. We therefore exclude corporations substantially involved in weapons and civilian firearms production and nuclear weapons production, as well as the owners of nuclear power plants.

We exclude companies in the energy sector involved in oil and natural gas exploration and production, coal and uranium mining, oil and gas storage, transportation, refining, and related service providers. We also do not approve electric utility companies that have either announced plans for new construction of coal-fired power plants or started new construction after the Paris Agreement was adopted in 2015.

We exclude for-profit prisons and immigration detention centers due to the significant civil and human rights concerns that occur as a result of their business models, particularly for marginalized communities.

We also exclude companies that are significant manufacturers of alcoholic beverages or tobacco, or significant providers of gambling goods and services. For these companies, effective marketing often means exploiting customers' addictions to these products or ignorance of their risks. This is not a business model we believe our investors wish to support.

Learn more at domini.com/exclusions

1. https://www.thompsonhine.com/uploads/1135/doc/An_ESG_Snapshot.pdf

Our Standards Don't Stand Still: 2021 Updates

Our work recognizes that the world is not static. Our process is designed to stay true to our core goals but make enhancements and modernizations in response to a changing world. Our evaluations of industries and companies evolve in response to change.

In 2021, we fine tuned our approach to corporate climate change policies and practices, cyberwarfare risk of sovereigns, and company efforts to address systemic racism. We asked our strategic adviser, Steve Lydenberg, to give us a few highlights regarding these updates:



Steve Lydenberg
Partner, Strategic adviser

Raise the Bar: Climate Commitments and Actions

Update: Domini expanded its expectations of climate commitments and actions from companies.

Q: Why?

The world now faces a decisive moment of opportunity in which it can still mitigate and adapt to the impact of climate change. Corporations play a key role and require thoughtful, robust climate action plans. These plans should incorporate thorough assessments of risks and opportunities across their markets and industries, and recognize the intersection between environmental issues and social justice in the low-carbon transition. We must deliberately evaluate how the crisis and transition impact our global community and focus on a just transition. The current climate crisis requires a response by all and action with urgency.

Q: How?

Domini has developed a set of standards and expectations for companies, which help guide our research and interaction with the companies we invest in. We go beyond the assessment of greenhouse gas emissions reductions. We look for data that companies are working to lower their climate impact by shifting their capital expenditure to energy efficiency, renewable energy, recycling and circular economy initiatives, business transformation, physical risk mitigation, and a just transition.

Defining New Weapons: Cyberwarfare

Update: Domini developed and adopted cyberwarfare considerations for its sovereign debt analysis.

Q: Why?

There has been a substantial surge in cyberattacks over the past two years, including a series of ransomware attacks against governments, companies, and individuals—many of which imposed enormous costs. Furthermore, in our opinion, certain types of cyberwarfare can be viewed as weapons of mass destruction, for example, those that target electric grid and infrastructure systems, power plants, water treatment facilities, hospitals, transportation systems, nuclear power, and weapons facilities.

Q: How?

Some national governments have used major cyberattacks as a part of broader cyberwarfare strategies. They are notable outliers in terms of their track record of attacks, intended targets, and capabilities. We exclude the sovereign debt of countries most extensively involved in cyberwarfare attacks as we recognize these attacks as weapons of mass destruction.

Equality for All: Addressing Systemic Racism

Update: Domini updated its diversity standards and expressly included its concern of systemic racism in its global community theme.

Q: Why?

Issues of racism and discrimination cut across virtually all the topics raised in our standards, from environmental justice to board diversity. We believe investors can play an important role in encouraging corporations on these issues. Addressing systemic racism requires deliberate and proactive efforts from all stakeholders. Companies should acknowledge and make concerted efforts to confront adverse impacts on human rights in their operations.

Q: How?

For decades, Domini has considered issues of diversity and inclusion as critical to achieving our goal of universal human dignity. In 2021, we further strengthened our focus by emphasizing the systemic aspects of racism and sexism. We have integrated the assessment of products and services that help mitigate these specific challenges at core business levels. We expect companies not only to prevent discrimination, but to implement best practices by actively mitigating the current challenges of systemic racism and sexism, as well as other forms of inequality, by identifying the existing gaps and opportunities for their products and services.

Domini's Standards and the UN SDGs

The UN Sustainable Development Goals (SDGs) have been widely embraced by governments, civil society organizations, companies, and investors. The SDGs aim to address broad global topics such as poverty eradication, food security, protection of forests, sustainable cities and economic growth, gender equality, and climate change.

Although our standards were created in 2005, there is a great degree of overlap with the UN SDGs. This is logical as ultimately, the goals seek to support the strength and resiliency of our social, environmental, and financial systems, and so do we.





The Domini Funds

We manage a family of five mutual funds for individual and institutional investors seeking to meet their financial goals while also helping to create a more just and sustainable economic system.

Domini Impact Equity Fund

Domini International Opportunities Fund

Domini Sustainable Solutions Fund

Domini Impact International Equity Fund

Domini Impact Bond Fund

“Our future holds hope to be greater and greener as investors come together with mutual care for people, planet, and profit.”

CAROLE LAIBLE

The Care Is Mutual. The Funds Are Too.

As an active fund manager, we believe we have a responsibility to consider the consequences of investment decision-making for society and the planet. Unlike an index fund that invests in all stocks in the market it represents, we seek to create portfolios that are well-positioned for a sustainable future. You'll see in the sections that follow how our standards affect the types of companies you may be invested in by placing our top holdings in each fund against its benchmark. You'll also see carbon footprint comparisons, adoption of science-based targets, and board diversity statistics.



Domini Impact Equity Fund

A diversified stock fund that invests in stocks that we consider peer leaders in their industry. It also offers exposure to companies helping to address sustainability challenges.

How we are different As of September 30, 2021, approximately 38% of the S&P 500, the Fund's benchmark, were ineligible for investment, including 13% due to our exclusionary standards and 25% due to our qualitative assessments.

Our standards have led us to approve seven of the top 10 holdings in the S&P 500 as of September 30, 2021.

Domini Impact Equity Fund	S&P 500 & Eligibility
1 Apple Inc.	1 Apple Inc.
2 Microsoft Corporation	2 Microsoft Corporation
3 Alphabet Inc. (Class A)	3 Amazon.com, Inc.
4 Amazon.com, Inc.	4 Facebook, Inc. (Class A) *
5 Tesla, Inc.	5 Alphabet Inc. (Class A)
6 Nvidia Corporation	6 Alphabet Inc. (Class C)
7 Visa Inc. (Class A)	7 Tesla, Inc.
8 The Home Depot, Inc.	8 Nvidia Corporation
9 The Procter & Gamble Company	9 Berkshire Hathaway Inc. (Class B) **
10 Bank of America Corporation	10 JP Morgan Chase & Co.*

 Eligible  Ineligible

*Does not meet standards **Exclusionary standards

TCFD* Carbon Intensity As of September 30, 2021, the Fund's portfolio was 61% less carbon intensive than its benchmark, with 71 fewer tonnes of emissions per million dollars of sales.

*The Financial Stability Board created the Task Force on Climate-related Financial Disclosures (TCFD) to improve and increase reporting of climate-related financial information.

Investing in Sustainable Solutions While all of the Fund's investments meet our standards, we also dedicate a portion of its assets to specifically support the following sustainability themes: accelerate the transition to a low-carbon future, contribute to the development of sustainable communities, help ensure access to clean water, support sustainable food systems, promote societal health and well-being, broaden financial inclusion, and bridge the digital divide. As of September 30, 2021, 12% of the Fund was allocated to investments supporting these themes.

Science-based targets 92 of the Fund's 342 portfolio companies, or 27%, have set or committed to science-based targets. 68 companies have "target set" status and 24 companies have "committed" target status.

Note: "Target set" means the targets have been validated by the third-party Science-Based Targets Initiative, while "target committed" indicates the targets will be set within two years. Further information is available here: <https://sciencebasedtargets.org/companies-taking-action>

All of the information on this double page is as of September 30, 2021. Eligibility decisions and the composition of the Fund's portfolio are subject to change.

 38%

of the S&P 500
ineligible for investment

 7 of 10

of the top S&P 500 holdings
approved for investment

 61%

less carbon intensive
than benchmark*

 12%

allocated to
sustainability themes

 27%

portfolio companies with
science-based targets

“We choose to buy companies that are peer leaders across acceptable industries to provide impact investors broad exposure to the U.S. economy.” AMY DOMINI

*Much of this difference is attributable to the Fund's sector allocations, including its underweights to more carbon intensive sectors like utilities and energy. The Fund does not invest in the GLCS energy sector due to our exclusionary standards on fossil fuels and maintains a significant underweight to utilities due to our nuclear exclusion and stricter environmental and social standards on coal generation.

Domini International Opportunities Fund

A diversified international stock fund that invests in global stocks we consider peer leaders in their industry. It also offers exposure to companies helping to address sustainability challenges.

How we are different As of September 30, 2021, approximately 38% of the MSCI EAFE Index, the fund's benchmark, was ineligible for investment, including 13% due to our exclusionary standards and 25% due to our qualitative assessments.

Our standards have led us to approve only six of the top 10 holdings in the MSCI EAFE Index as of September 30, 2021.

Domini Impact International Opportunities Fund	MSCI EAFE & Eligibility
1 ASML Holding N.V.	1 Nestlé S.A.*
2 Toyota Motor Corporation	2 ASML Holding N.V.
3 Novo Nordisk A/S (Class B)	3 Roche Holding AG*
4 Linde plc	4 LVMH Moët Hennessy – Louis Vuitton SE**
5 AIA Group Limited	5 Toyota Motor Corporation
6 Unilever plc	6 AstraZeneca plc*
7 Sony Corporation	7 Novartis AG
8 SAP SE	8 Novo Nordisk A/S (Class B)
9 Siemens AG	9 Unilever plc
10 Toronto-Dominion Bank	10 SAP SE

Eligible Ineligible

*Does not meet standards **Exclusionary standards

TCFD* Carbon Intensity As of September 30, 2021, the Fund's portfolio was 40% less carbon intensive than its benchmark, with 62.5 fewer tonnes of emissions per million dollars of sales.

*The Financial Stability Board created the Task Force on Climate-related Financial Disclosures (TCFD) to improve and increase reporting of climate-related financial information.

Investing in Sustainable Solutions While all of the Fund's investments meet our standards, we also dedicate a portion of its assets to specifically support the following sustainability themes: accelerate the transition to a low-carbon future, contribute to the development of sustainable communities, help ensure access to clean water, support sustainable food systems, promote societal health and well-being, broaden financial inclusion, and bridge the digital divide. As of September 30, 2021, 11% of the Fund was allocated to investments supporting these themes.

Science-based targets 118 of the Fund's 292 portfolio companies, or 40%, have set or committed to science-based targets. 81 companies have "target set" status and 37 companies have "committed" target status.

Note: "Target set" means the targets have been validated by the third-party Science-Based Targets Initiative, while "target committed" indicates the targets will be set within two years. Further information is available here: <https://sciencebasedtargets.org/companies-taking-action>


All of the information on this double page is as of September 30, 2021. Eligibility decisions and the composition of the Fund's portfolio are subject to change.

 38%

of the MSCI EAFE
ineligible for investment

 6 of 10

of the top MSCI EAFE holdings
approved for investment

 40%

less carbon intensive
than benchmark*

 11%

allocated to
sustainability themes

 40%

portfolio companies with
science-based targets

*Much of this difference is attributable to the Fund's sector allocations, including its underweights to more carbon intensive sectors like utilities and energy. The Fund does not invest in the GICS energy sector due to our exclusionary standards on fossil fuels and maintains a significant underweight to utilities due to our nuclear exclusion and stricter environmental and social standards on coal generation.

Domini Sustainable Solutions Fund

A global stock fund that holds 30-50 public companies helping to address some of the world's most pressing sustainability challenges.

The Domini Sustainable Solutions Fund invests worldwide in companies of any size. We seek companies that we believe help support the following sustainability themes by developing or providing access to solution-oriented products/services—from renewable energy systems and electric vehicles to breakthrough medical technologies, healthy and organic food, and lending for underserved communities.

We seek to invest in companies that support the following sustainability themes:



Accelerate the transition to a low-carbon future



Bridge the digital divide and expand economic opportunity



Promote societal health and well-being



Contribute to the development of sustainable communities



Broaden financial inclusion



Support sustainable food systems



Help ensure access to clean water

TCFD* Carbon Intensity As of September 30, 2021, the Fund's portfolio was 79% less carbon intensive than its benchmark, the MSCI World IMI, with 119.1 fewer tonnes of emissions per million dollars of sales. The Fund does not invest in the energy sector due to our exclusionary standards on fossil fuels.

*The Financial Stability Board created the Task Force on Climate-related Financial Disclosures (TCFD) to improve and increase reporting of climate-related financial information.

Science-based targets 6 of the Fund's 37 portfolio companies, or 16%, have set or committed to science-based targets. One company has "target set" status and 5 companies have "committed" target status.

Note: "Target set" means the targets have been validated by the third-party Science-Based Targets Initiative, while "target committed" indicates the targets will be set within two years. Further information is available here: <https://sciencebasedtargets.org/companies-taking-action>

All of the information on this double page is as of September 30, 2021. Eligibility decisions and the composition of the Fund's portfolio are subject to change.



79%

less carbon intensive
than benchmark*



119.1

fewer tonnes of emissions
per million U.S. \$ in sales



100%

allocated to
sustainability themes



16%

portfolio companies with
science-based targets

*Much of this difference is attributable to the Fund's sector allocations, including its underweights to more carbon intensive sectors like utilities and energy. The Fund does not invest in the GICS energy sector due to our exclusionary standards on fossil fuels and maintains a significant underweight to utilities due to our nuclear exclusion and stricter environmental and social standards on coal generation.

Domini Impact International Equity Fund

A diversified international stock fund that combines Domini's environmental and social research with a quantitative stock selection process.

How we are different As of September 30, 2021, approximately 38% of the MSCI EAFE, the fund's benchmark, was ineligible for investment, 13% due to our exclusionary standards and 25% due to our qualitative assessments.

Our standards have led us to approve only six of the top 10 holdings in the MSCI EAFE as of September 30, 2021.

Domini Impact International Equity Fund	MSCI EAFE & Eligibility
1 Sanofi S.A.	1 Nestlé S.A.*
2 Novartis AG	2 ASML Holding N.V.
3 Merk KGaA	3 Roche Holding AG*
4 Hoya Corporation	4 LVMH Moët Hennessy - Louis Vuitton SE**
5 Schneider Electric SE	5 Toyota Motor Corporation
6 Abb Ltd	6 AstraZeneca plc*
7 Sika AG	7 Novartis AG
8 Vodaphone Group plc	8 Novo Nordisk A/S (Class B)
9 Nintendo Co., Ltd	9 Unilever plc
10 Koninklijke Ahold Delhaize N.V.	10 SAP SE

Eligible Ineligible

*Does not meet standards **Exclusionary standards

TCFD* Carbon Intensity As of September 30, 2021, the Fund's portfolio was 51% less carbon intensive than its benchmark, with 80.1 fewer tonnes of emissions per million dollars of sales.

*The Financial Stability Board created the Task Force on Climate-related Financial Disclosures (TCFD) to improve and increase reporting of climate-related financial information.

Science-based targets 66 of the Fund's 197 portfolio companies, or 34%, have set or committed to science-based targets. 46 companies have "target set" status and 20 companies have "committed" target status.

Note: "Target set" means the targets have been validated by the third-party Science-Based Targets Initiative, while "target committed" indicates the targets will be set within two years. Further information is available here: <https://sciencebasedtargets.org/companies-taking-action>

All of the information on this double page is as of September 30, 2021. Eligibility decisions and the composition of the Fund's portfolio are subject to change.



38%

of the MSCI EAFE
ineligible for investment



6 of 10

of the top MSCI EAFE holdings
approved for investment



51%

less carbon intensive
than benchmark*



34%

portfolio companies with
science-based targets

*Much of this difference is attributable to the Fund's sector allocations, including its underweights to more carbon intensive sectors like utilities and energy. The Fund does not invest in the GICS energy sector due to our exclusionary standards on fossil fuels and maintains a significant underweight to utilities due to our nuclear exclusion and stricter environmental and social standards on coal generation.



SPOTLIGHT: BOARD DIVERSITY

Gender and Racial Representation Matter, and We're Keeping Track

Despite some progress, the corporate world still has a long way to go to improve gender and racial representation on company boards: currently, women represent 29.1% of S&P 500 board directors, and more than 76.4% of S&P 500 directors are white.²

An analysis of the Domini Funds shows that our holdings have an estimated overall average of 32.4% in board gender and racial diversity, and the majority of holdings in each Fund have board diversity that is 30% or higher, which we consider positive momentum toward true equity in representation.

Company requirements around disclosure of data on the gender and racial identity of their directors are emerging, so available information is not always consistent or easily comparable. According to the Conference Board, only 59% of S&P 500 companies disclosed the racial and ethnic composition of their boards in 2021.³ While gender data is more readily available from various sources, our impact research analysts go a step further while researching companies and make best efforts to estimate the racial identity of directors and executive leadership teams using publicly available sources.

We support greater gender and racial diversity on boards and in senior-level executive management, and favor companies with higher representation of women and people from historically underrepresented groups. We recognize the societal importance as well as the business advantages of elevating a wider range of unique perspectives and experiences.

2. <https://conferenceboard.esgauge.org/boardpractices/report>

3. <https://conferenceboard.esgauge.org/boardpractices/report>

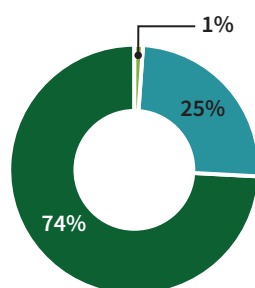
Average board diversity (both race and gender) percentage by Fund

Fund	% Board Diversity	Total Holdings
Domini Impact Equity Fund	37%	342
Domini International Opportunities Fund	31%	292
Domini Sustainable Solutions Fund	39%	37
Domini Impact International Equity Fund	26%	197

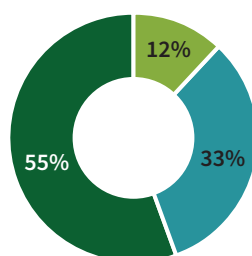
Percentage of Fund Holdings by Board Diversity threshold

Race & Gender diversity threshold

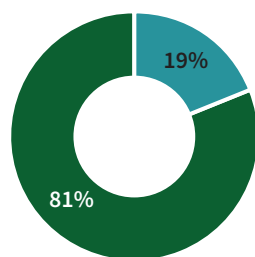
30% or more Between 10% - 29.9% Under 10%



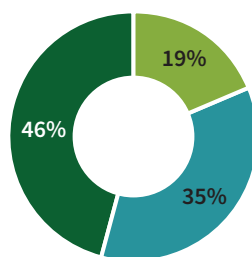
Domini Impact Equity Fund



Domini International Opportunities Fund



Domini Sustainable Solutions Fund



Domini Impact International Equity Fund

Our methodology:

These graphics provide information on gender and racial diversity on the boards of our holdings as of September 30, 2021 across the four Domini Equity Funds: US Impact Equity, International Opportunities, International Impact Equity, and Sustainable Solutions. The Domini Bond Fund is not included in this analysis.

This evaluation is based on estimated board diversity data from company profiles in our database at the time of research for all holdings, or current information where needed. Looking at a company's board of directors, we add the total number of women to the number of men who are from historically underrepresented racial or ethnic groups, within the context of where the company is headquartered. If a woman is also a person of color, it is noted, and this diversity factor is accounted for only once in our analysis. When the racial information cannot be found, we evaluate diversity for gender only.

Our research is sourced from Bloomberg, individual company websites, Factiva, and other reputable sources.

Domini Impact Bond Fund

A bond fund that seeks to build healthy communities.

The Domini Impact Bond Fund provides our shareholders the opportunity to invest in an investment-grade bond portfolio with a focus on directing capital that supports communities. Our environmental and social standards drive some key similarities and differences between the Domini Impact Bond Fund and the Bloomberg U.S. Aggregate Bond Index, the Fund's benchmark.

As of September 30, 2021, approximately 38% of the Bloomberg U.S. Aggregate Bond Index was invested

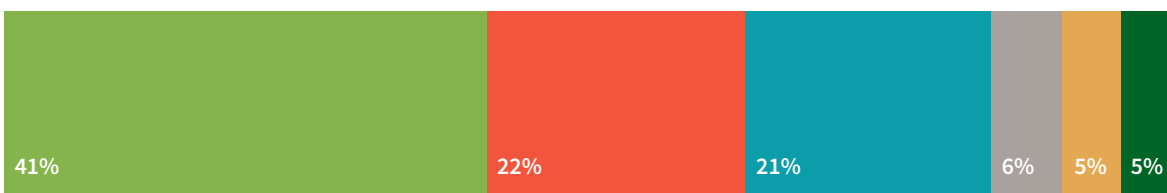
in U.S. Treasuries. Due to our exclusion of weapons, we exclude investments in U.S. Treasury securities due to the United States' leadership position in the global nuclear weapons arsenal.

Instead, the Domini Impact Bond Fund channels capital to support affordable housing as well as municipal bonds to help meet the basic needs of communities, such as healthcare, education, and infrastructure.

Domini Impact Bond Fund areas of impact⁴

(as of September 30, 2021)

The Domini Impact Bond Fund seeks to have a positive impact on a broad range of social and economic systems that provide the foundation on which healthy communities grow.



Access to Housing

Supports affordable mortgage credit and rental properties, multifamily collateralized mortgage obligations, and other residential mortgage-backed securities.

Corporate Debt⁵

Supports corporate general obligations and bank loans of companies that meet Domini's Impact Investment Standards.

Non-Housing Asset-Backed Securities

Supports commercial mortgage-backed securities, auto loans, and other asset-backed securities that meet Domini's Impact Investment Standards.

Economic & Community Development

Supports nonprofit education, rural and agricultural communities, sovereign debt, creative economy and public interest, transportation, access to water, business and job creation, and community development financial institutions.

Health, Well-Being & Aging Society

Supports nonprofit healthcare and research facilities, housing and healthcare services, and pensions.

Low-Carbon Transition

Supports renewable energy, energy efficiency and green buildings, sustainable cities, sustainable forestry and conservation, and corporate green and sustainability bonds.

All of the above information is as of September 30, 2021. Eligibility decisions and the composition of the Fund's portfolio are subject to change.

4. Based on portfolio holdings as of 9/30/2021, excluding cash & cash equivalents, cash offsets, futures. Swaps & options with the exception of short-term U.S. Agency bonds and Certificates of Deposit, which are reflected in this reporting. Portfolio is subject to change. See page 39 for important Domini Funds holdings disclosure.

5. "Corporate Debt" includes general-obligation corporate bonds, bank loans, and corporate debt not classified under other themes..



\$28.1M

invested in green, social
& sustainability bonds



\$1M

invested with Community
Development Financial Institutions



Fund of the year
– fixed income

received 2021 Award

THE DOMINI DIFFERENCE

On the Forefront of Fixed Income

Launched in 2000 to start the dialogue on how to integrate environmental and social criteria in fixed income investing, the Domini Impact Bond Fund helped catalyze sustainability across a new asset class. Many investors had focused on stocks, especially U.S. ones, but few had begun to think about what to consider when providing capital to the debt market.

The Fund holds many notable securities but is often attractive to investors due to its exclusion of U.S. Treasuries. Our standards have led to this exclusion due to the United States' leadership position in the global nuclear weapons arsenal. Instead, we channel capital into activities such as affordable housing rather than what could potentially be a nuclear weapon.

Environmental Finance's inaugural IMPACT awards seek to recognize and reward the work of impact investors everywhere and highlight emerging pockets of best practice, across all asset classes and all geographies. Each year Environmental Finance puts together an independent panel of industry experts who are chosen for their knowledge, objectivity, and credibility to judge the award entries. Any conflicts of interest are removed before the judges assess any entries. The judges are asked to read and assess each individual entry and submit a score. The scores from each judge are then reviewed and compared to decide each winner. Eleven high quality nominees were put forward to the judges for this category - the "Fund of the Year - Fixed Income" award.

“Why wouldn’t someone want to participate in helping to make finance part of the solution to today’s social and environmental issues? You can take the tool that is being an investor and use it to cast a vote for affordable housing, social justice, and other causes that you care about.”

AMY DOMINI





Investing in Communities

As neighbors, we want to build sustainable communities by directing capital to where it is needed most. We look to address a broad range of issues, including housing access, nonprofit education and healthcare, economic and community development, rural agriculture, sustainable forestry, access to water, and climate change mitigation and adaptation.

All of our funds aspire to create a greener and more just society; our fixed-income fund is particularly well-suited for addressing a wide range of economic disparities. The Domini Impact Bond Fund seeks to address three key goals: increase access to capital, create public goods, and fill capital gaps left by current financial practice.



Reaching Deeper to Help Elevate Impact

The UN Sustainable Development Goals (SDGs) provide a systemic roadmap to a more just and sustainable future. These 17 goals have 169 targets with 247 indicators to measure global progress and Domini's Impact Investment Standards are consistent with many of the goals, targets, and indicators. On the following pages, we outline how some of the companies held in our portfolios support relevant SDG targets.

For further information on the SDGs please visit: <https://sdgs.un.org>

Fostering Strong Communities



We believe in investing in communities to further strong infrastructure, inclusive development, and places to come together and connect. That's why we support SDG Goal 11. **SDG Target 11.3** states, "Make cities and human settlements inclusive, safe, resilient, and sustainable. This includes investments that have emphasis on inclusive and sustainable urban spaces." SDG Target 11.6 focuses on the importance of investments that reduce the adverse per capita environmental impact of cities by paying special attention to for example, air quality and waste management. And **SDG Target 11.7** emphasizes universal access, including spaces for families.

Here we highlight a few municipal bonds that can help meet these targets:

YMCA of Greater New York

Held in the Domini Impact Bond Fund

YMCA of Greater New York is the federation's largest alliance. Its mission focuses on youth development through various activities and programs. During the pandemic, it helped its members by offering vaccination sites as well as educational programs related to the virus and the vaccine.

Castellum AB

Held in the Domini International Impact Equity Fund

Castellum AB is a Swedish real estate company with an emphasis on sustainable cities. They seek green building certifications, such as LEED or BREEAM, for their properties and also support water conservation, energy efficiency, and solar installations.

City of Philadelphia, Pennsylvania Water and Wastewater Revenue Bonds

Held in the Domini Impact Bond Fund

Philadelphia PA Water is a bond series issued by the city of Philadelphia for the maintenance of its water and wastewater systems. In a place where median household incomes are 30% lower than the U.S. average, Philadelphia provides innovative affordability programs for low-income customers. These programs include free leak detection tests, low-flow plumbing fixtures, and information on water conservation. This yields an average water usage savings of more than 25% per participant.

Protecting and Preserving our Forests



One of our goals is to support **SDG Target 15.2**, which promotes the sustainable management of all types of forests, halts deforestation, and increases reforestation globally. This entails both reducing the negative impacts on forests and biodiversity, but also managing forest resources responsibly to minimize harm while balancing consumer needs with our conservation and biodiversity goals.

Here are a few companies the Domini Funds invest in which are aligned with this target:

Svenska Cellulosa

Held in the Domini International Opportunities Fund

Svenska Cellulosa, a Swedish company, is one of the world's largest suppliers of certified forest products. They ensure everything they sell—from pulp to paper—is certified by the Forest Stewardship Council. This demonstrates compliance with the highest social and environmental standards on the market. Additionally, the firm leases land to investors in green energy; its acreage is home to 5.4 TWh of wind power projects.

International Paper

Held in the Domini Impact Equity Fund

International Paper is a U.S.-based company engaged in the manufacturing of paper and packaging products. With a variety of global standards and forest stewardship practices, the company's certification program applies to 880,230 acres of its North American forests. In addition, its acreage in Brazil is third-party certified for sustainable forestry. The company also applies country-specific procurement policies for fibers from non-certified lands.

Climate Justice



We recognize the urgency of the climate crisis and the importance of transitioning to clean energy and low-carbon sources. Doing so demands a pace and scale to limit our global average temperature rise to 1.5 degree Celsius. And because climate change intersects with human rights and equity issues, we look favorably on companies that expand clean energy resources while making them affordable and supportive of a just transition.

To achieve this balance, we help to advance both **SDG Target 1.5**, which “build(s) the resilience of the poor and those in vulnerable situations and reduce(s) their exposure and vulnerability to climate-related extreme events and other economic, social, and environmental shocks and disasters,” and **SDG Target 7.2**, which seeks to “increase substantially the share of renewable energy in the global energy mix.”

Here are a few companies the Domini Funds invest in which are aligned with these targets:

Ameresco

Held in the Domini Impact Equity Fund

Ameresco helps clients like universities, hospitals, and military bases save energy. Using energy savings performance contracts, the company has no upfront costs to clients for energy efficiency and retrofitting. So, when Ameresco replaces boilers, installs solar panels, and puts in new water metering systems, both their clients and the climate benefit.

Enphase

Held in the Domini Sustainable Solutions Fund

Enphase designs and develops innovative solar inverter systems, which improve the performance, efficiency, and resiliency of solar energy systems. The firm also offers battery storage, including mobile options for retail use. In addition, Enphase built the first solar panel inverter that works during a power outage for an off-grid energy solution. A long-standing partner of GRID Alternatives, Enphase is the largest non-profit solar installer for low-income communities.

Financial Services and Affordable Housing



Providing affordable access to basic services and resources without discrimination helps communities thrive. **SDG Target 8.10** seeks universal access to banking, insurance, and financial services. **SDG Target 11.1** aims to ensure access for all to adequate, safe, and affordable housing and basic services.

Here are a few companies the Domini Funds invest in which are aligned with these targets:

FirstRand

Held in the Domini Impact International Equity Fund

FirstRand is a large financial institution in Africa. On a mission to build a future of shared prosperity, the company lent a total of \$2.8 billion to small and medium enterprises and provided \$710 million in financing to Broad-Based Black Economic Empowerment (B-BBEE) groups in 2020. The purpose of the B-BBEE program is to address inequities of apartheid and increase the participation, inclusion, and control of Black people in the South African economy.

Vonovia

Held in the Domini Impact International Equity Fund

Vonovia is a German real estate company that manages residential units. With a goal of expanding its energy-efficient modernizations, senior friendly conversions, and its construction of affordable housing, the company built more than 2,000 affordable housing units in 2020. In addition, it provides affordable housing to tenants over 70-years-old and offers a hardship management program to find individual solutions to tenant affordability problems.

Truist

Held in the Domini Impact Equity Fund

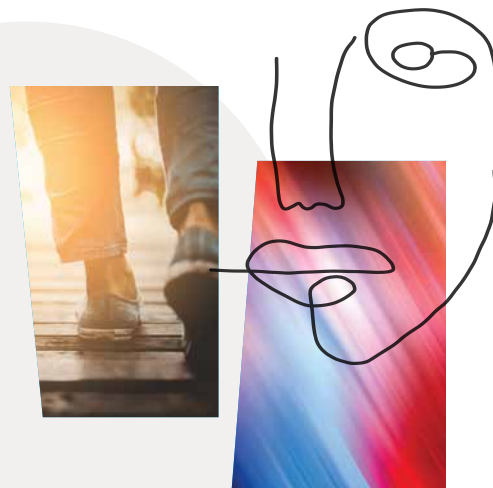
Truist is a purpose-driven financial company that provides banking services to individuals, businesses, and municipalities. Its Community Benefits Plan includes \$31 billion for home purchases for low-and-moderate income borrowers, women, and people of color and \$17 billion for community development lending. Committed to the communities in which it operates, the company also opened its K-12 learning library to students nationwide during the pandemic school closure.

First Republic

Held in the Domini Impact Equity Fund

First Republic is a banking business founded on the belief of providing exceptional care for clients and communities. In 2020, the bank provided a total of \$3.7 billion in lending and investment capital to support historically underserved communities. During that year, more than 80% of its community development loans were located in historically marginalized neighborhoods. Last year, the company also updated its loan policy to restrict lending to the fossil fuel industries.

We look for ways to fill capital gaps left by traditional finance and to invest in securities seeking to finance and promote a more just economy for Black, Indigenous, and People of Color (BIPOC) communities.





SPOTLIGHT: HEALTH JUSTICE

Global Access to Vaccines

Valuing human dignity requires helping people to plan for, and thrive into, the future. This is why we believe preventative health care is part of our goal of advancing human dignity. In 2021, we were invested in two companies at forefront of providing preventative care: **Pfizer** and **Moderna**.

In 2020, Pfizer partnered with **BioNTech** to develop the first Covid-19 vaccine approved for emergency use by the U.S. Food and Drug Administration. Moderna had been working with mRNA technology for more than a decade, researching and developing treatments for rare diseases and vaccines for underserved populations. Through their partnership with U.S. agencies, Moderna was able to gain approval of its first product. These were the first two mRNA vaccines to receive regulatory approval anywhere, an outstanding achievement in medical innovation.

Although both companies were meeting our goals for healthcare – producing innovative, preventative, products – we recognized that there were likely to be challenges to universal access to mRNA vaccines. Therefore, we joined other investors to engage Pfizer and Moderna to influence them to develop and pursue reasonable solutions to promote global access to their vaccines.

We focused on a known solution to problems of health access technology transfer: teaching others the methods of producing the vaccines while decentralizing global production. By the time we spoke to Pfizer, it had already taken steps to expand global manufacturing capacity, specifically adding to capacity in Brazil and South Africa. However, dialogue with Moderna revealed a hesitancy to share its vaccine know-how, and only vague promises about global production.

Finding ourselves at an impasse with Moderna, we joined Oxfam in requesting from the company a feasibility report to assess the opportunities, benefits, and risks of global manufacturing and technology transfer. We filed a proposal on the company's annual proxy statement to allow other shareholders of the company to weigh in on this important matter related to global health access.

At Domini we invest companies that we believe on balance are addressing their key sustainability challenges. We also use our voice as investors to work to improve corporate behavior and create alignment with our goals of promoting ecological sustainability and human dignity.

You can watch our webinar, [Health Justice: Attaining Global & Equitable Access to COVID-19 Vaccines](https://www.domini.com/insights/global_vaccine_webinar), at https://www.domini.com/insights/global_vaccine_webinar

Engagement

At Domini, we use our role as investors to encourage improved company policy and practice aligned with our Impact Investment Standards, which help us to identify companies with relevant business models and positive relationships with stakeholders.

Our engagements focus on a range of issues to support ecological sustainability and universal human dignity, which are inextricably linked.

These engagements take a systemic stewardship approach to encourage actions that improve climate performance and resilience, while improving the lives of stakeholders. This report highlights our engagements across these intersecting issues as companies address the COVID-19 pandemic, economic inequality, and an increasingly urgent climate and sustainable agriculture crisis.

Strength in Numbers

In 2021 we engaged 365 unique companies (53% U.S.-based, 47% international) through 524 engagements, including letters, meetings, and follow ups, on topics such as fostering resilience for workers, promoting diversity on boards and executive teams, supporting access to medicine and vaccines, forest-positive actions, and science-based climate ambition. We collaborated directly with stakeholders, including frontline workers and Indigenous communities around the world, to promote positive change.

Highlights:

22

Letters sent to regulators and policy makers

27

Public statements joined

19

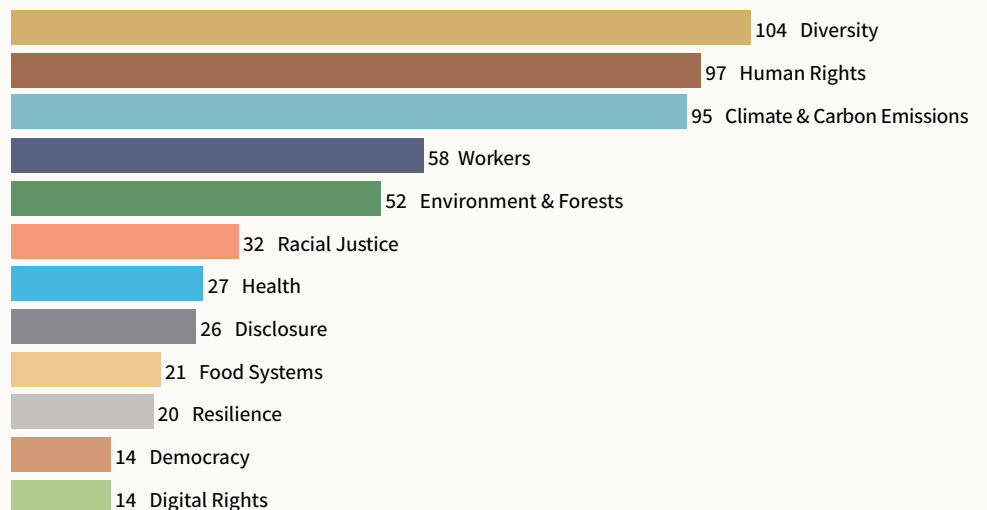
Panels on which Domini presented

5

Shareholder proposals filed

Additional highlights are discussed in the pages that follow. Please visit domini.com/engagement or get in touch for more information.

Engagements By The Numbers



Engagement Highlights

Through sustained engagement over the years, including through direct dialogue with companies, the filing of shareholder proposals, the principled use of proxy voting, collaboration, and robust public policy to set a level playing field, we are seeking meaningful corporate change that delivers impact for the planet, forests, biodiversity, and communities.

LEGEND

- Letters/Dialogue
- Shareholder Proposal
- ▲ Collaboration
- ◆ Proxy Voting

Climate change – Encouraging Company Alignment with a Low-carbon Future



In our engagements, we begin by encouraging companies to adopt strong climate targets aligned with a 1.5 degree Celsius scenario and encourage them to take actions and make business plans to implement those commitments. Our engagements promote absolute reductions of greenhouse gas emissions aligned with science-based targets, and a transition to use clean energy for production and reducing the carbon impact of the supply chain. We recognize progress when it's made, while encouraging more robust and meaningful action.

- We joined the Ceres Food Emissions 50 to address greenhouse gas emissions from the food industry, which includes engagements with **Kraft Heinz** and **Beyond Meat**. **LEAD** ▲ ■
- We filed a proposal with **Kraft Heinz** for a climate transition plan, and after the company pledged to achieve net zero by 2050 and set science-based GHG reduction goals, with 50% reductions by 2030, we withdrew our proposal will continue engagement on climate-aligned capital allocation. **LEAD** ■ ●
- As part of Climate Action 100+, a global collaborative investor effort focused on driving change at 167 companies representing 80% of global industrial emissions, we collaborated on engagements with **Siemens Energy, Cummins, PepsiCo, and Procter & Gamble**. P&G set a science-based goal to be net zero by 2040 and committed to forest-positive sourcing. ▲ ■
- We co-filed a shareholder proposal with **Bank of America** asking for a phase out of financing to fossil fuel development, which is necessary to meet the 1.5 degree Celsius target. **CO-LEAD** ● ▲

Fostering Resilience Through a Healthy Workforce



The ripples of the pandemic have impacted every dimension of society and the economy. But essential workers face the greatest challenges. Workers need to be engaged and have opportunities to share their perspective, and companies need to listen and take action, with oversight and accountability at the board level.

- We collaborated with eight global institutional investors on the Pandemic Resilience 50 in engagements across real estate, international drug stores and pharmacy chains, technology companies, and transportation, including with **Raia Drogasil, Autodesk, Central Japan Railway, Sundrug, and Mirvac**. We encouraged the companies to share board accountability for human capital management and consider how their boards are incorporating workers' well-being in their oversight and governance. **CO-LEAD** ▲ ■
- We joined an investor statement organized by Uni Global Union to the nursing home sector, sharing investor expectations on staffing, workplace health and safety, wages, contracts, and freedom of association and quality of care. ▲
- We filed a proposal with **Amazon.com** requesting a worker health and safety audit on worker surveillance and productivity quotas, which contribute to increased injuries. **LEAD** ● ■

Encouraging Diversity in Leadership and Workforce



A strong case has been made that diversity matters for bringing different perspectives to the table. Through investor engagements, we continue to press companies to disclose relevant data on their workforce composition, including through the EEO-1 form required by certain employers. We also encourage companies to submit demographic workforce data, including data by race/ethnicity, sex, and job categories. In addition, we also urge increased racial and gender diversity at the board level through engagements and our proxy voting.

- Domini sent 12 letters to companies that were not planning to release their workforce demographic information through the EEO-1 form, encouraging them to disclose; eight of them subsequently disclosed this information. **LEAD** ■
- We prepared letters to our 115 Japanese holdings, encouraging them to have boards comprised of at least 30% women by 2025; the average representation of women on the boards of the companies we have been communicating with has increased 11% over the past two years. **LEAD** ■ ◆
- We joined an investor letter to the SEC supporting the mandatory disclosure of EEO-1 data. ▲ ■
- We supported the five shareholder proposals filed on ending forced arbitration for employees within our holdings and supported the five proposals filed on gender or racial pay gap disclosure. ◆

Supporting Increased Corporate Disclosure



Better information enables all investors to make more informed investment decisions. We encourage clear regulatory requirements across markets on corporate disclosures related to environmental and social topics. Our engagements encourage companies to disclose relevant information on universal human dignity and ecological sustainability. We also use investor benchmarks to enhance and inform our engagement.

- We partner with or utilize the evaluation of companies in benchmarks from the Access to Medicines Foundation, the Access to Nutrition Index, the Corporate Human Rights Benchmark, Ranking Digital Rights, the Workforce Disclosure Initiative, and the World Benchmarking Alliance. ▲
- We communicate our expectations and encourage disclosure on climate impact, affordable housing, and racial equity in the bond Fund, with housing enterprises and municipalities. ▲ ■
- We signed an investor letter coordinated by Ceres with a Statement of Essential Principles for SEC Climate Change Disclosure Rulemaking. ▲



SPOTLIGHT: INTERNATIONAL HUMAN RIGHTS

Encouraging Worker and Community Protections

We believe companies have a responsibility to respect human rights in alignment with the UN Guiding Principles on Business and Human Rights. Companies that operate in conflict-affected or high-risk areas face increased risk and likelihood of human rights violations, especially for those most vulnerable, including human rights defenders.⁶

After the February 2021 coup in Myanmar, democratic instability, violence, and a crackdown on dissidents created an unstable operating environment for companies which also risk supporting the military junta. As a founding member and advisory board member of the EIRIS Conflict Risk Network (CRN), we have long engaged on business operations in front of EIRIS in conflict-affected areas. This year, we co-led a collaborative investor engagement with 32 companies operating in Burma to communicate investor expectations. In engagements with **Mitsubishi Estate**, **Daiwa House**, and **Toyota**, we encouraged enhanced human rights due diligence to understand the situation, and assurance that companies are not supporting the military. In the midst of an ongoing human rights and humanitarian crisis, with increasing international sanctions, companies must evaluate whether they can safely continue business. And if they do, we encourage establishing protections for workers and communities.

In addition to direct operations, supply chains expose companies to serious human rights risks. For example, sourcing and operations linked to the Xinjiang Uyghur Autonomous Region, in northwest China, present risks of forced labor of Uyghur ethnic minorities. Along with investors representing \$2.5 trillion in assets, we sent a letter to six companies asking them to map their supply chains to identify potential links to the region, discontinue sourcing if necessary, and disclose their efforts to the people most likely impacted and investors. We led engagement with **Nike**, where we filed a shareholder proposal that received 27% support; it asked for a human rights impact assessment of its cotton supply chain, and we continue dialogue with **H&M**, **Adidas**, **Alstom**, **Li-Ning**, **Panasonic**, and **Puma**.

6. Report of the Working Group on the issue of human rights and transnational corporations and other business enterprises Business, human rights and conflict-affected regions: towards heightened action, <https://undocs.org/en/A/75/212>

Proxy Voting: Voting Our Values

Proxy voting is part of our responsibility as investors in a company. While proxy voting may vary in some markets, we generally have an opportunity to have our say—we can vote on board members, executive compensation packages, and major corporate actions. We can also approve auditors. Our Proxy Voting Guidelines reflect the priorities and expectations of our Impact Investment Standards. We analyze board members for independence, responsiveness to shareholders, and diversity. In some markets, shareholders put forward their own proposals on climate, social, or governance matters, and we evaluate these to support the aims of ecological sustainability and universal human dignity.

In 2021, we made updates to our Proxy Voting Guidelines to incorporate emerging shareholder proposal topics. These revisions help us demonstrate support for shareholder proposals that address systemic racism, such as Racial Equity Audits or proposals that suggest analyzing the disparate impacts of surveillance technology on communities of color. We also strengthened commitments on Climate Transition Plan reporting, science-based GHG reduction targets, and developed a management evaluation framework for “Say on Climate” proposals.

We supported 100% of environmental and social shareholder proposals in 2021.

Overview of 2021 Proxy Voting by Fund

	Impact Equity	Int'l Opportunities	Sustainable Solutions	Int'l Equity
Total meetings voted	325	271	35	225
No. proposals voted on	3906	3837	371	3169
% management supported	41%	60%	60%	60%
% support for executive compensation	35%	55%	53%	60%
% directors opposed for diversity	60%	69%	55%	68%
% shareholder proposals supported	92%	77%	88%	70%

Racial Justice

In January 2021, we adopted a Racial Justice Action Plan to formalize and further activate our commitment as a firm to advancing racial justice. Our framework analyzes our role and impact with respect to our position as a business and as an investor.

In our role as an investor, through our engagement, we are working to apply a racial justice lens in our expectations of and in dialogues with companies, seeking to center the perspectives and needs of communities of color in our company expectations and dialogues, such as in our worker health and safety engagements with Amazon.com, Kroger, and Ahold Delhaize. We also seek to collaborate with other investors, build a community of practice on



racial justice through partnerships, including the Racial Justice Investing Coalition, and leverage our voice in collaborative engagements, such as with ICCR on food equity with Campbell Soup, Kellogg Co, Kroger Company, PepsiCo Inc, Restaurant Brands International, and Target Corporation.

Biodiversity loss and climate change are reinforcing negative trends - climate change is a driver of biodiversity loss and biodiversity loss is a driver of climate change.



Accelerating Climate Ambition: Science-based Targets and Climate Policy

Acknowledging that climate change poses system-level risks across all asset classes and sectors, we are encouraging, through engagement and voting, all companies to accelerate the level of their climate ambition. We are seeking reassurance that the companies' business models are well-positioned to adapt and thrive in an environment that limits global temperature rise to 1.5 degrees and that their policy advocacy aligns with these goals. Alongside partners in the ShareAction Investor Decarbonization Initiative, we signed four letters to the chemical industry to set science-based targets and encouraged six companies to transition their fleets to electric vehicles. In engagements with Tokyo Gas, Toyota, and Nissan, we encouraged business planning and capital allocation that shows a company is investing in projects that will help it meet its climate transition objectives.

The impacts of climate change disproportionately affect people living in low-lying territory or communities with the fewest resources to adapt. Therefore, we advocate for a "just transition" that meets the needs of workers and communities. We seek to incorporate their feedback into our response. We have reinforced this approach in a collaborative engagement with Eversource. We encourage issuers to assess the physical risks

associated with climate change that may disrupt real estate among Fannie Mae and Freddie Mac, or agricultural supply chains, and to integrate this into their climate transition planning. We also encouraged 53 municipalities to respond to CDP with climate-related data.

In an engagement with Toyota, we have encouraged the company to increase its investments in electric vehicles, noting that emissions from the automotive sector are among the highest contributors to climate change, and a business model transformation is necessary. We also communicated our concern that Toyota was cited as a top company for undermining strong climate change policy.⁷ We welcomed Toyota's later commitment to increase investment in its electric vehicle fleet.

Climate Transition Plan Expectations

Domini will evaluate Climate Transition Plans, for companies' engagement priorities and proxy voting decisions:

1. Set time bound Net-zero Target
2. GHG emissions reporting for Scope 1, 2, and 3 emissions
3. Science-Based Targets Initiative verification
4. No reliance on offsets or avoided emissions to achieve climate goals
5. Paris-aligned Capital Expenditure
6. Business Transition Strategies
7. Paris-aligned lobbying and political contribution policies
8. Physical Climate Risk Assessment
9. Just Transition Strategy
10. Taskforce for Climate-related Financial Disclosure (TCFD)-aligned Reporting

7. <https://influencemap.org/report/The-Carbon-Policy-Footprint-Report-2021-670f36863e7859e1ad7848ec601dda97>



Accelerating Forest Positive

Through our ongoing forests work, we are seeking to not only reduce the harm caused to forests through deforestation and biodiversity loss, but are also encouraging companies and financial institutions to create forest-positive solutions that are regenerative. The interdependence of our forest system with our collective climate objectives has never been more clear.⁸ The decline in biodiversity has serious negative impacts across systems: the health of species; the livelihoods and well-being of Indigenous peoples and local communities; and the ecosystem services biodiversity provides, such as pollination and clean water.

We are helping lead the development of a new collaborative investor initiative to address biodiversity, the Nature Action 100. Through partnerships with Finance for Biodiversity Pledge and UNPRI, and in signing statements in support of robust climate negotiations at the COP 26 Climate Conference, the Convention on Biodiversity, Deforestation-free Commodity Supply Chains, and in engagement with the Brazilian government around deforestation risk through the Investor Policy Dialogue on Deforestation (IPDD), we are encouraging a public policy environment that gives a clear path forward.

We engaged with 38 financial companies on their financing practices related to forests in a project supported by MBA students at Bard College, gleaned best practices from firms including AXA Investment Managers, BNP Paribas, and Swiss Re.

These engagements helped us to identify best practices to create forest-positive value around commitments; integrating forest risk management in financing and lending decisions; data sources; collaborations; and innovation.

Filing Shareholder Proposals

In some markets, we are able to file shareholder proposals requesting increased disclosure or policies. In 2021, we filed the following proposals in the U.S.:

COMPANY	ISSUE	STATUS
Nike*	Human Rights in Cotton Supply Chain	27% Vote
Bank of America**	End Financing of Fossil Fuel Development	2022 AGM Vote
Moderna**	Increase Vaccine Access	2022 AGM Vote
Kraft Heinz*	Climate Transition Plan	Withdrawn for Commitment
Amazon*	Worker Health and Safety Audit	2022 AGM Vote (No Action Challenge at SEC)

*LEAD ** CO-LEAD

8. https://ipbes.net/sites/default/files/2021-06/20210609_workshop_report_embargo_3pm_CEST_10_june_0.pdf



SPOTLIGHT: WORKER-DRIVEN SOCIAL RESPONSIBILITY

When Workers are Centered, Results Happen

The pandemic has disproportionately harmed farmworkers and exacerbated existing risks of human rights violations in agriculture, including slavery, sexual assault, and unsafe working conditions.⁹ This also includes heat exhaustion, which has been worsened by climate change. This year, the U.S. Customs and Border Protection (CBP) banned imports of tomatoes from certain Mexican farms because of concerns about forced labor.¹⁰ U.S. prosecutors issued indictments¹¹ for a forced labor conspiracy involving over 70,000 farmworkers in the Southeast U.S. Tackling these complex issues requires meaningful action from companies that will change their practices.

While we appreciate company efforts to adopt policies and standards, we remain convinced, as do experts and government agencies,¹² that the best methods for protecting the human rights of workers are those that are worker-driven: designed, monitored, and implemented by workers, and with an available grievance mechanism that is backed by the enforceable commitment of retail buyers.

In our engagements with **Ahold Delhaize** and **Kroger**, we are partnering with worker-driven organizations, including Migrant Justice and the Coalition of Immokalee Workers, centering the voices of those who best understand what needs to change within companies.

We also support workers who are seeking to form a union, and discourage any company efforts to interfere, intimidate, or engage in tactics that undermine unionization votes and organizing—including at **Amazon.com**, and by joining collaborative investor efforts at **Starbucks**, **The New York Times**, and **EssilorLuxottica**.

9. https://polarisproject.org/wp-content/uploads/2021/06/Polaris_Labor_Exploitation_and_Trafficking_of_Agricultural_Workers_During_the_Pandemic.pdf

10. <https://www.cbp.gov/newsroom/national-media-release/cbp-issues-withhold-release-order-tomatoes-produced-farm-mexico>; <https://www.latimes.com/california/story/2021-12-31/u-s-blocks-tomato-shipments-from-mexican-farms-accused-of-abusing-workers>

11. <https://ciw-online.org/blog/2021/11/breaking-u-s-doj-busts-sprawling-modern-day-slavery-operation-in-fields-of-south-georgia/>

12. <https://www.cbp.gov/sites/default/files/assets/documents/2021-Aug/CBP%202021%20VTW%20FAQs%20%28Forced%20Labor%29.pdf>



Policy & Partners

We use our voice as investors to support strong public policy that affects our rights as shareholders, disclosure expectations, and the social and environmental systems that underpin our investments. This year we were part of 22 letters or comments to government bodies and agencies addressing a range of issues, including climate-related financial disclosures. We supported 27 statements on environmental issues—including international climate policy, deforestation, and the Convention on Biodiversity—and on strong governance and systems—including democracy, voting rights, paid sick leave, criminal justice, and the Build Back Better infrastructure bill. We led investor letters in support of bills proposed in New York and California on deforestation-free procurement. While the CA bill was vetoed by Governor Newsom, we will continue to press for its adoption.

Our Partners

The power of collaboration and collective action helps us to advance our work and amplify our impact. We also collaborate with worker-driven movements, labor organizers, and environmental groups to center their perspectives and expertise and inform our priorities and expectations where possible.



Access to Medicine Index

As You Sow

The B Team

Business & Human Rights Resource Centre

Climate Action 100+

Farm Animal Investment Risk & Return (FAIRR)

Global Network Initiative

Global Reporting Initiative

Human Capital Management Coalition

The Investor Agenda: Accelerating Action for a Low-Carbon World

Investor Alliance for Human Rights

Investors for Opioid and Pharmaceutical Accountability (IOPA)

Sustainable Stock Exchanges Initiative

Task Force on Climate-related Financial Disclosures

Thirty Percent Coalition

Workforce Disclosure Initiative

Racial Justice Investing Coalition

Global Impact Investing Network (GIIN)

Investors Policy Dialogue on Deforestation (IPDD)

Investor Environmental Health Network (IEHN)

Investors & Indigenous Peoples Working Group

The Investment Company Institute (ICI)

Before investing, consider each Fund's investment objectives, risks, charges and expenses. Contact us at 1.800.582.6757 for a prospectus containing this and other important information. Read it carefully.

The Domini Funds are not bank deposits and are not insured. Investing involves risk, including possible loss of principal. The market value of Fund investments will fluctuate. The Domini Impact Equity Fund is subject to certain risks including impact investing, portfolio management, information, market, recent events, and mid- to large-cap companies risks. The Domini International Opportunities Fund is subject to certain risks including foreign investing, geographic focus, country, currency, impact investing, and portfolio management risks. The Domini Sustainable Solutions Fund is subject to certain risks including sustainable investing, portfolio management, information, market, recent events, mid- to large-cap companies and small-cap companies risks. The Domini Impact International Equity Fund is subject to certain risks including foreign investing, emerging markets, 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 certain risks including impact investing, portfolio management, style, information, market, recent events, interest rate and credit risks.

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.

As of 9/30/21, these securities represented the following percentages of the Domini Impact Equity Fund's portfolio: ABB Ltd [0.18%]; Alphabet Inc. [5.04%]; Amazon.com Inc. [4.67%]; Ameresco Inc. [0.63%]; Apple Inc. [7.26%]; ASML Holding N.V. [1.01%]; Autodesk Inc. [0.55%]; Bank of America Corp [1.03%]; Beyond Meat Inc. [0.25%]; Campbell Soup Co. [0.03%]; Cummins Inc. [0.11%]; Enphase Energy Inc. [0.70%]; Eversource Energy [0.09%]; First Republic Bank/CA [0.11%]; The Home Depot Inc. [1.14%]; International Paper Co. [0.07%]; Kraft Heinz Co. [0.08%]; Kroger Co. [0.09%]; Linde plc [0.50%]; Merck & Co Inc. [0.62%]; Microsoft Corp. [6.86%]; Moderna Inc. [0.44%]; The New York Times Co. [0.44%]; NIKE Inc. [0.60%]; Novo Nordisk A/S [0.51%]; NVIDIA Corp. [1.61%]; PepsiCo Inc. [0.68%]; Pfizer Inc. [0.79%]; The Procter & Gamble Co. [1.10%]; Sanofi S.A. [0.34%]; Schneider Electric SE [0.30%]; Siemens AG [0.44%]; Sony Group Corp. [0.45%]; Starbucks Corp. [0.43%]; Target Corp. [0.37%]; Tesla Inc. [2.22%]; Toronto-Dominion Bank [0.39%]; Truist Financial Corp. [0.25%]; Unilever plc [0.46%]; and Visa Inc. [1.23%].

As of 9/30/21, these securities represented the following percentages of the Domini International Opportunities Fund's portfolio: ABB Ltd [0.66%]; adidas AG [0.65%]; AIA Group Ltd. [1.66%]; ASML Holding N.V. [3.70%]; Autodesk Inc. [0.55%]; BNP Paribas SA [0.87%]; Campbell Soup Co. [0.10%]; Central Japan Railway Co. [0.32%]; Daiwa House Industry Co. Ltd. [0.24%]; Enphase Energy Inc. [0.60%]; Eversource Energy [0.33%]; FirstRand Ltd. [0.19%]; Hennes & Mauritz AB [0.18%]; Hoya Corp. [0.67%]; Koninklijke Ahold Delhaize NV [0.41%]; Kroger Co. [0.33%]; Linde plc [1.81%]; Merck KGaA [0.33%]; Mirvac Group [0.10%]; Mitsubishi Estate Co. Ltd. [0.22%]; Nintendo Co. Ltd. [0.66%]; Novo Nordisk A/S [1.89%]; Puma SE [0.14%]; Sanofi S.A. [1.25%]; SAP SE [1.63%]; Schneider Electric SE [1.10%]; Siemens AG [1.58%]; Siemens Energy AG [0.14%]; Sika AG [0.53%]; Sony Group Corp. [1.64%]; Svenska Cellulosa AB [0.11%]; Swiss Re AG [0.29%]; Tesla Inc. [0.66%]; Toronto-Dominion Bank [1.41%]; Toyota Motor Corp. [2.35%]; Unilever plc [1.66%]; and Vonovia SE [0.41%].

As of 9/30/21, these securities represented the following percentages of the Domini Sustainable Solutions Fund's portfolio: Ameresco Inc. [3.92%]; ASML Holding N.V. [3.12%]; Autodesk Inc. [3.41%]; Beyond Meat Inc. [1.13%]; Enphase Energy Inc. [3.61%]; The New York Times Co. [3.32%]; and Tesla Inc. [4.38%].

As of 9/30/21, these securities represented the following percentages of the Domini Impact International Equity Fund's portfolio: ABB Ltd [2.02%]; adidas AG [<0.01%]; ASML Holding N.V. [1.54%]; BNP Paribas SA [1.56%]; Castellum AB [0.16%]; Central Japan Railway Co. [<0.01%]; EssilorLuxottica SA [0.11%]; FirstRand Ltd. [0.11%]; Hennes & Mauritz AB [<0.00%]; Hoya Corp. [2.09%]; Koninklijke Ahold Delhaize NV [1.86%]; Li-Ning Co. Ltd. [0.48%]; Merck KGaA [2.18%]; Mirvac Group [<0.01%]; Mitsubishi Estate Co. Ltd. [1.81%]; Nintendo Co. Ltd. [1.88%]; Nissan Motor Co. Ltd. [0.95%]; Novartis AG [2.21%]; Novo Nordisk A/S [<0.01%]; Panasonic Corp. [1.26%]; RaiaDrogasil SA [<0.01%]; Sanofi S.A. [2.27%]; SAP SE [0.10%]; Schneider Electric SE [2.07%]; Siemens AG [0.28%]; Sika AG [2.01%]; Sony Group Corp. [<0.01%]; Sundrug Co. Ltd. [0.37%]; Unilever plc [<0.01%]; Vodafone Group plc [1.96%]; and Vonovia SE [0.67%].

As of 9/30/21, these securities represented the following percentages of the Domini Impact Bond Fund's portfolio: Fannie Mae [0.18%]; Freddie Mac [1.74%]; Philadelphia PA Redevelopment Authority [0.23%]; and YMCA of Greater NY [0.34%].

As of 9/30/21, the following companies were not approved for investment and therefore not held by any of the Domini Funds: AstraZeneca plc; Berkshire Hathaway Inc.; Johnson & Johnson; JPMorgan Chase; The Kellogg Co.; LVMH Moët Hennessy Louis Vuitton SE; Meta Platforms Inc. (Facebook Inc.); Nestlé S.A; Restaurant Brands International Inc.; and Roche Holding AG.

As of 9/30/21, the following companies were not held by any of the Domini Funds: Alstom SA; AXA SA; BioNTech SE; Tokyo Gas Co. Ltd.

The composition of each Fund's portfolio is subject to change. A company's allocation within the Funds' portfolio is not a reflection of its social and environmental merits relative to other investments. The Domini Funds maintain portfolio holdings disclosure policies that govern the timing and circumstances of disclosure to shareholders and third parties regarding the portfolio investments held by the Funds. Visit www.domini.com to view the most current list of the Funds' holdings. Obtain a copy of the Funds' most recent Annual Report, containing a complete description of the Funds' portfolios, by calling 1-800-762-6814 or at www.domini.com.

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The secret to making an impact is small.

It's one individual, believing.

It's one community, sharing.

It's one organization, listening.

It's one founder, creating.

It's one fund, caring.

It's thousands of investors coming together
with a care that's mutual in a fund that is too,
recognizing that the power of small is
the greatness of all.

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