



Accessing a better world.

Around the world, the pandemic has tested our political systems, priorities and safety nets. It has shown, in clear detail, how widespread inequality and systemic racism prevent communities from accessing what they need. In illuminating these issues, however, the pandemic has also brought about opportunities for positive change. Creating products that help us in crisis. Providing services that are easy to understand and use. Fostering a safe and rewarding workplace. At Domini, we encourage companies to innovate in ways that center the needs of those who risk being left behind. We understand the power of responsible investing, and we've used it to promote access, equity, and people's right to a good standard of living.

In this edition

-
- | | |
|---|--------------------|
| 3 | Access to Vaccines |
|---|--------------------|
-
- | | |
|---|------------------------------------|
| 3 | Access to Leadership Opportunities |
|---|------------------------------------|
-
- | | |
|---|---|
| 4 | Access to a Safe, Healthy, and Fulfilling Workplace |
|---|---|
-
- | | |
|---|------------------------------|
| 4 | Access to Financial Services |
|---|------------------------------|
-
- | | |
|---|---|
| 6 | Japan's Future: Gender Diversity in the Workplace |
|---|---|
-

The UN Sustainable Goals (SDGs)

In the five years since United Nations member states adopted the 2030 Agenda for Sustainable Development, the 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.

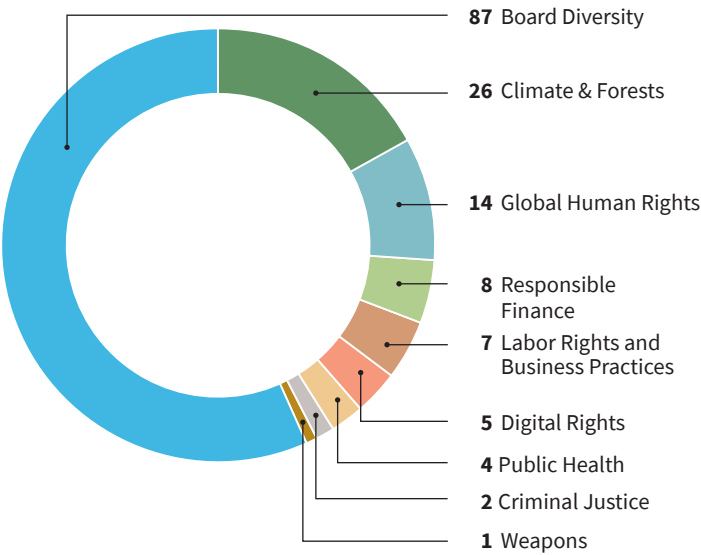
In each impact update, we'll feature a few of our engagements alongside an investment highlight and show you which SDGs these are aligned with.

	Goal 1: End poverty in all its forms everywhere
	Goal 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture
	Goal 3: Ensure healthy lives and promote well-being for all at all ages
	Goal 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
	Goal 5: Achieve gender equality and empower all women and girls
	Goal 6: Ensure availability and sustainable management of water and sanitation for all
	Goal 7: Ensure access to affordable, reliable, sustainable and modern energy for all
	Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
	Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
	Goal 10: Reduce inequality within and among countries
	Goal 11: Make cities and human settlements inclusive, safe, resilient and sustainable
	Goal 12: Ensure sustainable consumption and production patterns
	Goal 13: Take urgent action to combat climate change and its impacts
	Goal 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development
	Goal 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
	Goal 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
	Goal 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development

<https://sdgs.un.org/goals>

Engagement Overview

Domini meets with company executives on its own and in collaboration with other investors to encourage stronger policies and practices on the issues that matter to us. Aligned with our standards, we seek improved disclosure, more responsible practices, and address emerging issues with our companies. Through this constructive interaction – via letters, dialogues, shareholder proposals, and proxy votes – Domini communicates its expectations to companies and encourages innovation and business models that uphold respect for human rights while contributing to ecological sustainability and resilience.



Q4 Engagement Reach

116

Engagements

16

U.S. Companies

100

Non-U.S. Companies

Access to Vaccines



As variants of the coronavirus emerge, vaccine access remains a high priority. Only 9.6% of people living in low-income countries have received at least one vaccine dose.¹ This is a systemic problem for public health and equity, as well as the global economy.

While we recognize the innovation and leadership of vaccine makers, we believe access to the intellectual property to replicate and manufacture the vaccine is critical to meeting global needs. We co-filed a shareholder proposal with **Moderna** for the 2022 shareholder meeting, requesting a report on the feasibility of transferring the technology to produce the vaccine. We also joined a global investor letter to COVID-19 vaccine manufacturers, requesting they integrate the World Health Organization (WHO) goals into the executive remuneration strategy in a meaningful, material, measurable, and transparent way. These WHO goals include prioritizing COVAX, the global platform to facilitate vaccine access, manufacturing, and pricing. They also include a commitment to transparency on production and manufacturing, sharing knowledge,

licensing, and production facilities—and call for engagement with national governments. All of these actions will help ensure that the future vaccine supply is affordable, available, and deployed to every country, so we can end this pandemic together.

Investment Highlight: Domini Impact International Equity Fund

GlaxoSmithKline PLC (GSK) develops, manufactures, and markets pharmaceutical products and has been led by a woman CEO since 2017. About 19% of the company's revenues are generated from sales of vaccines. The company has been at the forefront of innovation, including a new HIV drug and launched an antimicrobial resistance education program and trained thousands of healthcare professionals on the safe and responsible use of antibiotics. GSK was ranked first on the 2021 Antimicrobial Resistance Benchmark, a research program by the Access to Medicine Foundation, which compares how pharmaceutical companies are managing the antimicrobial resistance crisis among the industry.

Access to Leadership Opportunities: Gender Diversity in Japan



Equity and diversity support a more inclusive culture and can enhance business. However, Japanese companies have especially low gender diversity on their boards, with women representing only 6%² of directors at listed companies. In 2014, this figure was just 1.1%—so we recognize we've seen progress.

For many years, we have communicated annually with the Japanese companies owned by the Domini Funds. We are sending letters to our 115 Japanese holdings, encouraging them to add at least one woman to their next slate of board nominees. In addition, we asked them to adopt a target to reach 30% gender diversity on their board by 2025. To do so, we suggested various business approaches, such as building a pipeline of qualified candidates, hiring search firms to help them increase diversity, and joining organizations such as the Thirty Percent Club.

According to internal data, over the past two years, the average representation of women on these boards increased 11% overall, from 11.4% to 12.7%. Additionally, there has been a 10% decrease in the percentage of companies that have no women on their boards. *Read more about our approach on page 6.*

1. <https://ourworldindata.org/covid-vaccinations> (last visited Jan. 17, 2022).
2. <https://www.nytimes.com/2021/08/25/business/women-japan-companies.html>

Access to a Safe, Healthy, and Fulfilling Workplace

8 DECENT WORK AND ECONOMIC GROWTH



We believe workers should have a safe, productive, and healthy workplace. COVID-19 increased pressures on workers, caused seismic shifts in the labor market, and energized a new wave of worker organizing. Companies have an opportunity to learn from what workers are looking for—a safe job, where they are treated with respect, have benefits and fair pay, and feel they are contributing.

We filed a shareholder proposal with **Amazon.com** for its 2022 shareholder meeting, requesting a worker health and safety audit focused on productivity quotas and worker surveillance. In 2020, the serious injury rate at Amazon warehouses was nearly 80% higher than the industry average³, and injuries, which increased during peak season, were more severe than those at other warehouses.⁴ Workers describe being “injured, exhausted, and mentally battered

each day.”⁵ The audit requested by our proposal would be done by an independent third-party, incorporating feedback from employees themselves and experts in workplace safety and surveillance. We believe the results of the audit can help. An improved working environment should lead to a lower employee turnover, reduced training costs, and more experienced workforce—all of which is good for employees and good for business.

In addition, as part of a collective engagement on Pandemic Resilience, we met with **Sundrug**, **Central Japan Railway**, and **Autodesk**. We asked about workforce practices and the board’s role in oversight, and encouraged strategies to support workers’ rights, health, and well-being.

Investment Highlight: Domini Impact Equity Fund

In 2020, **PepsiCo** restructured its policies to accommodate employees affected by the pandemic. It gave at least an extra \$100 a week to frontline workers and provided full salary for 14 days for quarantining employees. Further, PepsiCo provided at least two-thirds of regular pay for up to 10 weeks to those who were sick with or caring for a loved one with the coronavirus. Special assistance and extra pay were also provided to employees caring for children.

Access to Financial Services

1 NO POVERTY



There are major shifts happening in the global workforce. Access to financial services promotes economic opportunity and combats poverty. Innovative banking models increase this access and lower the barriers to entry. It’s especially helpful when banking is delivered in a manner that is simple and transparent. At the same time, regulatory oversight, traditional loan review processes, and risk management systems provide important consumer protections and safeguards from predatory practices.

In initial engagement with **Block** (formerly Square), we expressed our support for their innovative model, while also seeking to understand how it will balance this increased access in an equitable and fair way, with strong risk management to prevent predatory practices and cyber risks. Its newly acquired Afterpay business, while convenient and free of credit card fees, may lead to excessive debt burdens, especially for customers who have traditionally been marginalized or excluded from financial services. We raised our concerns with the company and hope to engage in a meaningful dialogue on the topic.

Investment Highlight: Domini Sustainable Solutions Fund

East West Bancorp offers financial services with a specific focus on clients who have been historically underserved and systematically left out of the banking system. East West continues to increase its investments in affordable housing and a sizeable part of its assets qualify as Community Reinvestment Act (CRA) investments. Its commitment is also exemplified in its offerings of financial literacy programs in English, Chinese, and Spanish. The company has a diverse board and management team, including a Chinese American CEO.

3. <https://thesoc.org/wp-content/uploads/2021/02/PrimedForPain.pdf>

4. <https://revealnews.org/article/how-amazon-hid-its-safety-crisis>

5. www.finance.senate.gov/imo/media/doc/United%20for%20Respect%20Leader%20Courtenay%20Brown%20Written%20Submission%20to%20the%20Subcommittee%20on%20Fiscal%20Responsibility%20and%20Economic%20Growth.pdf

Domini Impact Bond Fund Engagement work

Access to Affordable Housing

An uptick in the purchase of manufactured homes and mobile home parks by private investors⁶ has created an affordability crisis. Despite **Freddie Mac** protections, many renters face eviction. While residents own their mobile home, they pay rent on their land and have little recourse when rent is raised by private investors. Many of these loans are guaranteed by **Fannie Mae** and Freddie Mac.

We engaged Freddie Mac Multifamily, urging them to make sure the protections they have in place for mobile home renters are supporting their community by preserving access to affordable housing. We encouraged limitations on price hikes by private investors, transparency in rental agreements, ensuring flexibility in paying rent during times of economic distress, and practices that help mobile home renters work toward ownership of the mobile parks.

Noting that discrimination in housing has been a driver of the racial wealth gap, we encouraged Freddie Mac to explore available avenues for affordability and home ownership among communities of color and in high-poverty areas.

Domini Impact Bond Fund Theme Allocations⁷



Access to Housing

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

Economic & Community Development

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

Corporate Debt⁸

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

Health, Well-Being & Aging Society

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

Non-Housing Asset-Backed Securities

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

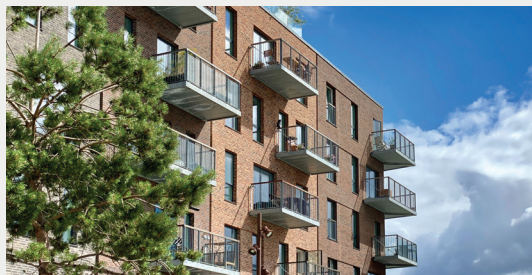
Low-Carbon Transition

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

6. <https://www.npr.org/transcripts/1025557463>

7. Based on portfolio holdings as of 9/30/21, 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.

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



Investment Highlight: Domini Impact Bond Fund

The **Philadelphia Redevelopment Authority Bond** was created in 1945 to build up municipal redevelopment projects that foster thriving, well-served neighborhoods and address poverty, inequality, and racial disparities. Its community redevelopment programs are aimed at improving communities by providing housing options, repurposing vacant land, and making housing more affordable. The Authority's community assets operate in conjunction with private firms and aid in financing them through the issuance of its own bonds.

Japan's Future: Gender Diversity in the Workplace

Japan is at an economic and social crossroads. Following decades as one of the world's largest economies, the country now faces a deepening challenge: an aging population and shrinking workforce.⁹ Many are wondering whether Japan will be able to power its economy with a smaller future labor pool.¹⁰

These demographic woes are a complex issue—but one piece of the puzzle Japan cannot ignore is the lack of gender diversity in its workforce. At Domini, we know that investments are inseparable from the social and environmental systems that surround them. Our values matter to long-term performance, and Japan is a compelling example.

Understanding the Gap

In Japan, labor force participation for women is almost 20 percent less than that for men, and women are less likely to have quality jobs.¹¹ It's a considerable difference, and this gender gap becomes increasingly clear as you progress to higher levels of the workforce. Women in Japan are far more likely to work part-time without benefits or be overqualified for their job.¹² Up the chain, they hold just 15% of senior and managerial positions.¹³ And at the board level, women represent only 6% of directors, compared with about 25% among Fortune 500 companies in the United States.¹⁴ All this leaves Japan ranking 120th out of 156 countries in gender equality.¹⁵

In short, inadequate progress is taking a serious toll. Women in Japan are deterred from moving up the corporate ladder—with many even pushed out

of the workforce during the Covid-19 pandemic. Domini knows that focused work on this issue can yield progress, so we've been steadfast in our efforts for over a decade.

Our Approach

In our research process, we consider how their business activities align with addressing systemic racism. In addition, one of our key performance indicators for every company we evaluate is gender and racial diversity.¹⁶ We evaluate the composition of boards, but also executive managers and the presence of programs to create internal pathways for women and people from historically underrepresented groups to be promoted to the top. We look favorably upon companies that have at least 30% diversity, unless there is a higher applicable government mandate. From there, direct dialogue is an important part of improving corporate governance, and we're willing to do the legwork. When proxy voting comes around, we bring our standards to the fore. Our expectation is that boards are made up of at least 30% of women and historically underrepresented groups, aspiring toward 40%. If a company's board nominations don't put it on track to hit our expectations, we vote against them. Our work is ongoing, and we're starting to see progress.

It's time that Japan becomes a better place for women to work. The world is watching closely as the country tackles its latest economic challenges. At Domini, we're watching, we're speaking up, and we're engaging.

“We believe that gender diversity on boards will make Japanese companies better, more resilient companies—and, more importantly, will enable women to realize their full potential.”

9: <https://www.nytimes.com/2021/05/05/podcasts/the-daily/japan-birthrate-ageing-population.html>

10: <https://www.weforum.org/agenda/2019/02/japan-s-workforce-will-shrink-20-by-2040/>

11: <https://www.catalyst.org/research/women-in-the-workforce-japan/>

12: <https://www.strategy-business.com/article/Japans-female-future>

13: <https://www.mckinsey.com/featured-insights/asia-pacific/mobilizing-women-to-step-up-as-leaders-in-japan>

14: <https://www.nytimes.com/2021/08/25/business/women-japan-companies.html>

15: https://www3.weforum.org/docs/WEF_GGGR_2021.pdf

16: <https://www.domini.com/insights/investing-in-diversity>

Data on board diversity of Domini-held Japanese companies was accessed through Bloomberg Terminal.



The care is mutual. The funds are too.

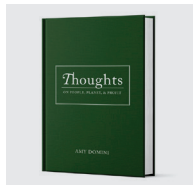
Domini News

Harnessing the power of finance to help build a better world involves many things. Below, we discuss four of them. Namely, IRAs that seek to create greater and greener futures, books that inspire others to make a difference, what's next for the sustainable investment movement, and the benefits a responsible real estate company brings to our world.



It's IRA Season

And we're ready to help. With the deadline for retirement contributions coming up on April 18th, now is a smart time to invest in a sustainable future. Domini makes it easy to roll over almost any retirement account into an IRA backed by our strict environmental and social standards. That means investing in companies, picked by our independent research team, that make a difference for people and planet. Read more and get started at domini.com/myira



People, Planet, & Profit. Made Personal.

Amy Domini helped pioneer impact investing in the 1980s and has been a leading voice ever since. She founded Domini Impact Investments, was named to Time magazine's 100 most influential people—and, lately, has taken some time to reflect on her career. *Thoughts on People, Planet, & Profit* is a collection of essays that explores responsible investing and affirms each individual's ability to make an impact. The book is out now, available in both print and e-book form on Amazon/Kindle and from your favorite booksellers.



Women on the ESG Forefront

Our recent [ESG survey](#) proved that more than ever, investors care—and they care a lot. Last year, 33% of total U.S. assets under professional management were invested in sustainable, responsible, and impact investing strategies.¹⁷ Our CEO Carole Laible explains what's ahead for sustainable investing in 2022—and why women are the ones who will continue to power its momentum. See what Carole is thinking about in the new year at domini.com/women2022



ESG Story: Real Estate with a Sustainability Focus

During our research process, we discover many innovative initiatives worth sharing. One recent highlight is UDR, Inc., a real estate company held in the Domini Impact Equity Fund portfolio. Responsible housing practices play a crucial role in improving equity among renters and their communities. As an owner of nearly 150 apartment communities nationwide, UDR has launched initiatives to improve financial accessibility, energy conservation, and boardroom diversity. Read more about this ESG highlight at domini.com/esgstory

17. US Trends Report, US SIF: The Forum for Sustainable and Responsible Investment, November 2020

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, are not insured, and are subject to certain risks. The market value of Fund investments will fluctuate and you may lose money. 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. The market value of Fund investments will fluctuate and you may lose money.

As of 12/31/21, these securities represented the following percentages of the Domini Impact International Equity Fund's portfolio: Sundrug Co Ltd [0.23%], Central Japan Railway Co [<0.01%], GlaxoSmithKline PLC [0.22%]. These securities represented the following percentages of the Domini Impact Equity Fund's portfolio: Amazon.com Inc [4.38%], Autodesk Inc [0.50%], East West Bankcorp Inc [0.03%], GlaxoSmithKline PLC [0.33%],

Moderna Inc [0.27%], PepsiCo Inc [0.72%]. These securities represented the following percentages of the Domini Impact Bond Fund's portfolio: Fannie Mae General Obligations [3.02%], Freddie Mac [1.55%], Philadelphia Redevelopment Authority Bond [0.31%]. These securities represented the following percentages of the Domini International Opportunities Fund's portfolio: Autodesk Inc [0.52%], Central Japan Railway Co [0.25%]. These securities represented the following percentages of the Domini Sustainable Solutions Fund portfolio: Autodesk Inc [2.48%], East West Bankcorp Inc [1.60%], GlaxoSmithKline PLC [2.18%].

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.

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“Together, we can each do something—
and this, in the end, is everything.”

Amy Domini

Domini
Investing for Good®

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

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