

# Where sustainability meets solidarity.

In recent months, the troubling Russia-Ukraine war has sent ripples through the international community, global economic markets, and the push toward decarbonization. It underscores a key reality: the defining issues of impact investing—war and conflict resolution, access to basic resources, climate change, and more—are closely interconnected. At Domini, we believe that thoughtful, values-based investing is one of our most powerful tools for improving an interconnected world.

This past quarter, we made efforts to support an equitable and rapid transition toward clean energy. We worked to promote access to housing, healthcare, and financial opportunity. And we reached out to companies impacted by conflict in Ukraine to better understand how they are responding carefully and providing humanitarian support.

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## 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.

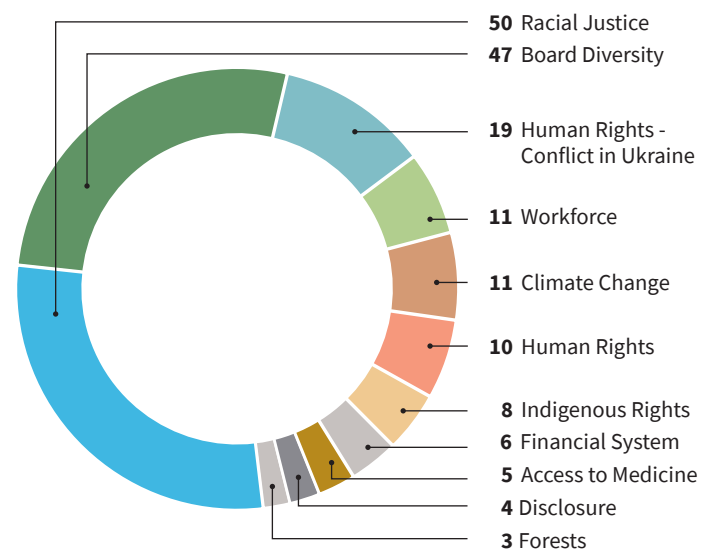
In each impact update, we'll feature a few of our engagements alongside an investment highlight and show you which SDGs these are aligned with.

	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>

## Q1 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.



### Q1 Engagement Reach

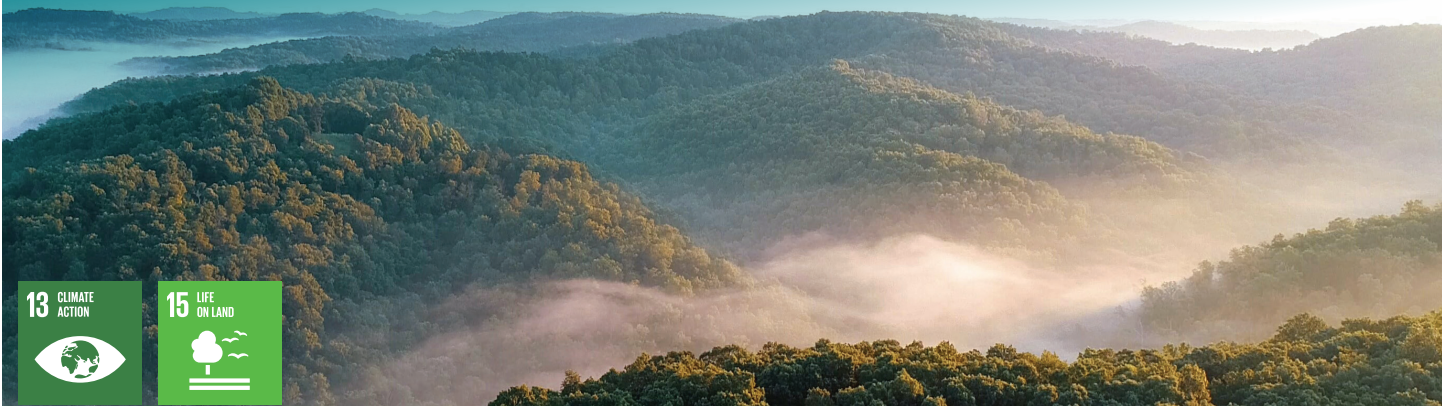
174  
Engagements

71  
U.S. Companies

64  
Non-U.S. Companies



# The Climate Transition



Many everyday products—like plastics, fertilizers, and even clothing—are made using fossil fuels. This is why we are joining ShareAction and other investors to engage with chemicals companies on their decarbonization strategies. In an engagement with **Koninklijke DSM, N.V.**, we acknowledged the company's climate commitment and innovations. We continue to urge DSM to speed its transition toward using bio-based and natural inputs instead of fossil fuel-based materials.

At the same time, one of our greatest defenses against the climate crisis, the Amazon rainforest, is under increasing

threat. Deforestation is at its worst levels in decades,<sup>1</sup> approaching a potential tipping point, beyond which the ecosystem will not be able to recover from drought and land use change.<sup>2</sup> We are using our voice with policy makers and government leaders in Brazil as we continue to advocate that they preserve the rainforest using a strong legal framework and enforcement mechanisms, protect the rights of Indigenous peoples, and increase supply chain transparency.

1. <https://news.mongabay.com/2022/03/amazon-deforestation-starts-2022-on-the-fastest-pace-in-14-years/>

2. <https://www.nytimes.com/2022/03/07/climate/amazon-rainforest-climate-change-deforestation.html>

# Access to Affordable Insulin



No one should have to forego or ration the medicine they need because of its price. Unfortunately, in the United States, many people living with diabetes who take insulin daily are struggling with its rising costs.<sup>3</sup> High prices are most detrimental to patients who are economically vulnerable or under-insured. This is especially acute among communities of color, which have both a higher burden of disease from diabetes<sup>4</sup> and are disproportionately represented among low-income, uninsured, and under-insured populations.<sup>5</sup>

Lawmakers have been examining this issue for years, and there may soon be legislation to cap out-of-pocket monthly costs or lower insulin list prices.<sup>6,7</sup> We initiated engagements with two of the three major insulin manufacturers, **Sanofi** and **Novo Nordisk**, encouraging them to take steps to lower costs for patients. We're seeking to understand how their pricing principles work in practice—and we want more clarity on what they are doing to make sure that people living with diabetes, whether they are insured or not, have affordable access to the medicine they need.

3. [https://www.mayoclinicproceedings.org/article/S0025-6196\(19\)31008-0/fulltext](https://www.mayoclinicproceedings.org/article/S0025-6196(19)31008-0/fulltext)

4. [https://www.thelancet.com/journals/lancet/article/PIIS0140-6736\(21\)02315-1/fulltext](https://www.thelancet.com/journals/lancet/article/PIIS0140-6736(21)02315-1/fulltext)

5. <https://www.brookings.edu/blog/usc-brookings-schaeffer-on-health-policy/2020/02/19/there-are-clear-race-based-inequalities-in-health-insurance-and-health-outcomes/>

6. <https://www.nytimes.com/2022/03/31/health/insulin-price-house-bill-democrats.html>

7. <https://www.finance.senate.gov/chairmans-news/grassley-wyden-release-insulin-investigation-uncovering-business-practices-between-drug-companies-and-pbms-that-keep-prices-high>

# Evaluating Exposure To The Conflict In Ukraine



Domini is closely monitoring how companies are addressing the war in Ukraine initiated by the Russian government. While we don't currently invest in any companies domiciled in Russia, the conflict may have broader impacts. We engaged 15 companies in banking, technology, insurance, and other sectors to gather more information. We want to see companies conduct enhanced human rights due diligence to prevent or minimize any potential human rights impacts associated with company business.

Companies are currently faced with an array of complex decisions which may present legal, financial, operational,

and physical risks. They're deliberating how to comply with sanctions, whether to exit the conflict-affected region (regardless of sanctions), and how to carry out their plans responsibly. Companies are also grappling with how they will balance human rights expectations—around access to food, medicine, and information—with their responsibilities amid conflict.

It has been more than a month since the initial invasion, and the conflict continues to take a devastating human toll. We aim to engage in dialogues that shed light on companies' human rights policies, oversight methods, and risk management systems.

## Company Highlights

### Demonstrating solidarity with the people of Ukraine

#### Investment Highlight: Domini Impact Equity Fund

**Alphabet** has disabled live traffic data from being displayed on Google Maps in Ukraine. The change protects Ukrainian civilians by concealing their movement patterns. Alphabet has also barred Russian YouTube channels from being able to monetize content.

#### Investment Highlight: Domini Impact Equity Fund

**Microsoft** is helping the Ukrainian government protect against Russian cyberattacks through threat intelligence and defensive support. In one instance, Microsoft's Threat Intelligence Center detected a round of cyberattacks directed at Ukrainian infrastructure and immediately provided an alert accompanied by technical guidance to prevent damages.

#### Investment Highlight: Across Our Fund Portfolios

Mobile phone carriers including **T-Mobile, AT&T, Deutsche Telekom, Swisscom, Orange and Verizon** are offering free international calls to Ukraine. Some of these companies are also supplying free SIM cards to Ukrainian refugees in neighboring countries.

#### Investment Highlight: Domini Impact International Equity Fund

**Randstad** is a Netherlands-based company that provides flexible work and human resources services. It launched a specialized jobs portal that connects refugees—who are arriving in Belgium, the Czech Republic, Germany, Poland, Portugal, and Spain—with country-specific job sites translated into Ukrainian.

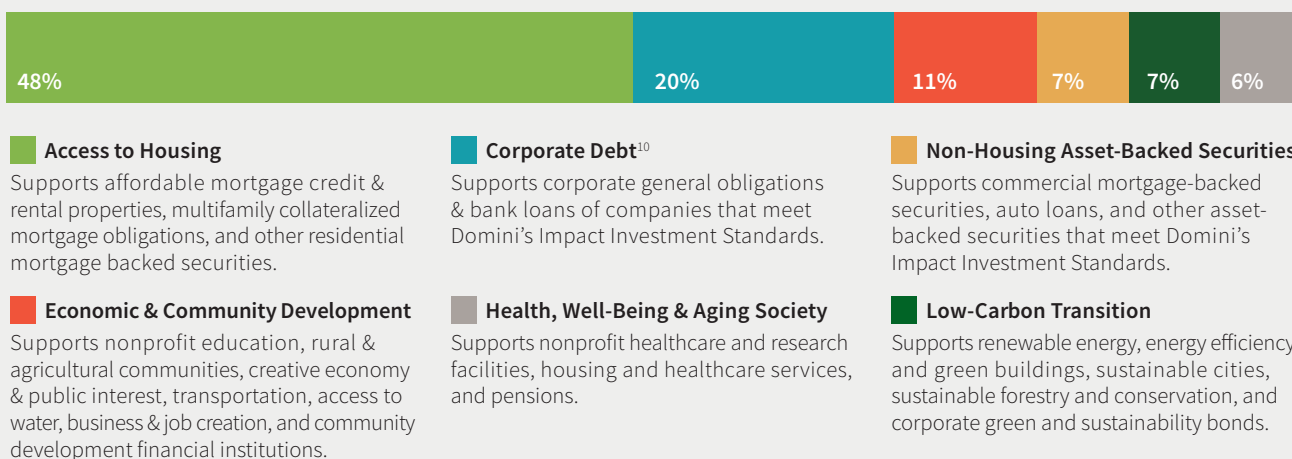
## Domini Impact Bond Fund - Engagement work

### Investing in Strong Cities

Municipal bonds help fill some of the most pressing financial gaps. They can provide much-needed capital for schools, hospitals, affordable housing, transportation, and other vital infrastructure. Bonds are central to our commitment to be a good neighbor and invest in communities, especially those that have been underserved by the mainstream financial community. Recently, we submitted a comment to the **Municipal Securities Rulemaking Board (MSRB)** on why the disclosure of environmental, social, and governance data is crucial for analyzing municipal bonds.

Severe climate impacts—like more frequent droughts, floods, and fires—will have financial consequences at the municipal level.<sup>8</sup> It's important that local governments evaluate their exposure and disclose plans to mitigate damage. We also encourage municipalities to report on community composition and how bonds will address issues like the racial wealth gap and other markers of income inequality. As we stated in our comment to the MSRB, we believe this kind of information will position us, and all investors, to better understand the impacts of our bond investments.

#### Domini Impact Bond Fund Theme Allocations<sup>9</sup>



8. <https://theconversation.com/cities-worldwide-arent-adapting-to-climate-change-quickly-enough-169984>

9. Based on portfolio holdings as of 3/31/22, 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](https://domini.com) to view the most current list of the Fund's holdings.

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



#### Investment Highlight: Domini Impact Bond Fund

Responsible for the mass transportation policy of New York City, the **Metropolitan Transportation Authority (MTA)** is the largest transportation network in the United States. One of its primary focuses is improving accessibility to persons with disabilities. In an effort to restore and expand a critical public asset, the MTA continues to complete its \$30 billion 2015-2019 Capital Program and has begun work on its \$51.5 billion 2020-2024 Capital Program. By their completion, approximately 43% of subway stations will be accessible. 97% of New York City's population lives within a quarter mile of a bus stop and 71% lives within a half mile of a subway station.



## Amidst Conflict

### Doing business and respecting human rights in high-risk areas

Opposition to war is perhaps the most essential, emboldened through-line in the evolution of ethical investing. War is catastrophic and painful—and the collective mission to promote peace has been a cornerstone of ethical investing since its beginnings.

Unfortunately, right now, this mission demands our attention. A spate of international conflicts, civil wars, and other violent disputes have caused tragic losses of life and severe humanitarian repercussions. A UN assessment in 2021 revealed that over 84 million people were forcibly displaced by war, violence, and persecution—the most since the end of World War II.<sup>11</sup>

This year, Russian government's invasion of Ukraine has brought conflict to the fore of the ethical investing conversation. Shareholders need to know whether the companies they invest in are prepared to respond to conflict and respect the human rights of all those affected.

#### What role do companies play?

Companies are not neutral actors. They can exacerbate conflict and profit off it. Reckless or ill-intentioned companies can endanger their own employees, customers, suppliers, and local communities.<sup>12, 13</sup>

On the other hand, their wide resources and international presence allow companies to help reduce harm in dire situations. They can be instrumental in providing conflict-affected communities with access to food, water, and medicine. They can help people receive information and communicate with loved ones, near and far.<sup>14</sup> Companies also have legal obligations to comply with international sanctions.

#### What are the best practices?

When operating in conflict-affected areas, companies need to conduct their due

diligence, as defined by the United Nations Guiding Principles on Business and Human Rights. This detailed guidance directs companies on how to assess the human rights impacts of their operations, remedy harms they may have contributed to, and report these outcomes to stakeholders.<sup>12</sup>

#### The foundation of Domini's approach

Conflict presents distinct challenges for companies and investors. For decades, Domini has engaged with companies operating in conflict-affected areas, urging them to conduct enhanced due diligence that prevents human rights abuses.

Universal human dignity, one of two fundamental goals embedded in our Impact Investment Standards, guides how we approach conflict. It's the bedrock of our position to exclude investments with significant ties to weapons production, nuclear power, and fossil fuels—three elements that have intensified the complexity in Ukraine.

#### How we take action

With our standards in place, we're able to respond quickly as conflicts unfold. First, our in-house research team carefully analyzes how countries and companies are being impacted. Then we initiate dialogues with portfolio companies, urging them to respect human rights by adhering to UN-defined best practices and, further, by enacting programs that support conflict-affected communities and refugees. Companies can improve their conflict responses by consulting experts, peer companies, civil society groups, and government actors.

From there, we remain steadfast. Conflicts can be lengthy and complex, so our initial response rarely means our work is done.

Learn more at [domini.com/impactstandards](https://domini.com/impactstandards)

“Continuous, diligent work—in the form of research, investment analysis, and direct dialogue—are how we invest responsibly amidst conflict.”

11. <https://www.unhcr.org/en-us/news/press/2021/11/618bec6e4/unhcr-conflict-violence-climate-change-drove-displacement-higher-first.html>

12. [https://www.ohchr.org/sites/default/files/Documents/Issues/Business/Intro\\_Guiding\\_PrinciplesBusinessHR.pdf](https://www.ohchr.org/sites/default/files/Documents/Issues/Business/Intro_Guiding_PrinciplesBusinessHR.pdf)

13. <https://www.accessnow.org/digital-rights-ukraine-russia-conflict/>

14. <https://ccc.bc.edu/content/ccc/blog-home/2022/03/companies-respond-to-war-in-ukraine.html>



## The care is mutual. The funds are too.

Domini News

Seeking to harness the power of finance to create a better world involves many things. Below, we discuss four of them. Namely, detailing the impacts of our work, collaborating with global investing initiatives, pivoting to a more sustainable economy, and connecting with investors nationwide.



### Our Impact in 2021

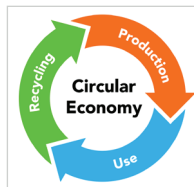
How did shareholder dollars help make a difference last year? The **Domini 2021 Impact Report** explores how Domini and its investor community helped to advance racial justice, further the climate transition, expand access to affordable housing, and much more.

[domini.com/impactreport2021](https://domini.com/impactreport2021)



### Our CEO, Carole Laible, Talks Sustainable Investing

Domini is an official supporter of the **UN's Sustainable Stock Exchanges Initiative (SSE)**. Carole Laible recently joined SSE TV to discuss how finance is changing. She talked about some of the innovations Domini is helping bring to the field—and why impact reporting may be the next big step in the evolution of sustainable finance.



### Circular Economy 101

If you've heard of the circular economy, you know how integral it is to reducing waste, delivering on climate commitments, and achieving meaningful sustainability. If you haven't heard of it, our new essay is a good place to start. [domini.com/circular](https://domini.com/circular)



### Domini on the Road

This year, Domini is excited to be back on the in-person conference circuit. We'll be in:

- Charlotte, North Carolina for the Envestnet Advisor Summit on May 11-12
- Chicago, Illinois for the Morningstar Investment Conference on May 16-18
- Santa Ana Pueblo, New Mexico for the US SIF Annual Conference on June 6-8

**Before investing, consider each Fund's investment objectives, risks, charges and expenses. Contact us at 1.800.225.3863 for a prospectus containing this and other important information. Read it carefully.**

An investment in the Domini Funds is not a bank deposit and is 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 3/31/22, these securities represented the following percentages of the Domini Impact International Equity Fund's portfolio: Deutsche Telekom AG REG [0.37%], Novo Nordisk A/S [<0.01%], Sanofi [2.12%]. These securities represented the following percentages of the Domini Impact Equity Fund's portfolio: Alphabet Inc [5.13%], AT&T Inc [0.55%], Microsoft Corp [7.53%], Novo Nordisk A/S [0.59%], Sanofi [0.36%], T-Mobile US Inc [0.27%], Verizon Communications Inc [0.62%]. These securities represented the following percentages of the Domini Impact Bond Fund's portfolio: AT&T Inc [0.54%], Metropolitan Transportation Authority NY Revenue [0.31%], Verizon Communications Inc [0.65%]. These securities represented the following percentages of the Domini International Opportunities Fund's portfolio: Deutsche Telekom AG REG [0.38%], Koninklijke DSM N.V. [0.20%], Novo Nordisk A/S [1.17%], Orange [0.15%], Randstad NV [0.04%], Sanofi [0.72%], Swisscom AG REG [0.10%].

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.

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

Amy Domini

**Domini**

Investing for Good®

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