



Inspiring a greater and greener transition

Progress occurs one step at a time. Our engagement work this quarter focused on exactly that. Using our voice as investors, we encouraged companies and municipalities to further the measures they're taking to protect the climate and people. We are also participating in a recently launched global investors engagement initiative, Nature Action 100, encouraging companies across a broad range of sectors to take meaningful action to help prevent nature and biodiversity loss.

In September, while leaders from countries around the world were in New York for the United Nations General Assembly, stakeholders also gathered for Climate Week. The increasing recognition of the climate and nature nexus was clear in the conversations, as was the movement to turn climate commitments into action plans, with climate justice becoming an equally important part of the conversation.

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Recently Awarded

Domini is proud to be designated an ESG 'Leader' by Morningstar in their ESG Commitment Level for Asset Managers assessment—reaffirming our commitment to sustainable investing.

Read more on page 7



*The UN Sustainable Development Goals (SDGs)

In the seven 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.

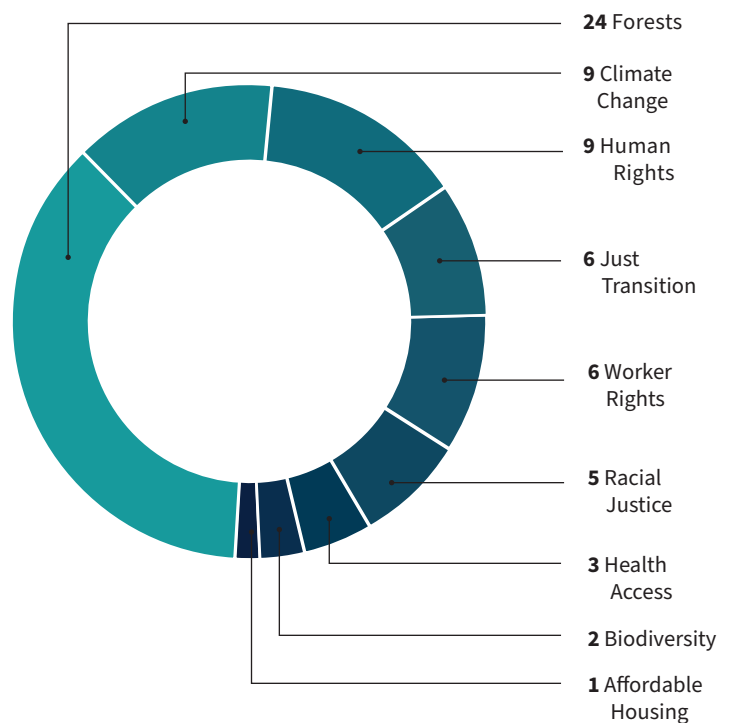
	Goal 1: End poverty in all its forms everywhere
	Goal 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture
	Goal 3: Ensure healthy lives and promote well-being for all at all ages
	Goal 4: Ensure inclusive and equitable quality education and promote lifelong 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. In alignment with our standards, we seek improved disclosure, more responsible practices, and address emerging issues with our companies. Through 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.

Q3 Engagement by Theme



Engagement Reach

Total number of engagements*

65

37

Number of engagements incorporating a racial justice lens

Number of unique companies engaged

19

U.S. Companies

17

Non-U.S. Companies

* Includes engagements with non-corporate entities and multiple engagements with individual companies

Transitioning to Forest Positive Business Models



As part of our long-term initiative to help protect and preserve forests, we seek to understand the drivers and obstacles for making business models transition from value extraction towards value creation. To encourage action on climate change and biodiversity, we began engaging with the forest products, pulp, and paper sector. We sent letters and are meeting with **International Paper, Klabin, Mondi, Smurfit Kappa, Svenska Cellulosa, and WestRock**. We hope to isolate best practices for business model transition, focusing on elements that may require short-term increases in costs, but have long-term benefits for systemic

resiliency. These include conservation; relationships with Indigenous Peoples; certification schemes and monoculture plantations; and biomass.

We also initiated engagements with **Banco do Brasil** and **BNP Paribas** on their financing of commodities that may contribute to deforestation, particularly in Brazil's soy and cattle production. While both banks have important commitments around sustainable finance, their due diligence of clients and practices to incentivize the transition toward value creation activities will be critical.

Investment Highlight: Domini Impact Equity Fund, Domini International Opportunities Fund, and Domini Impact International Equity Fund

Unilever is the world's leading supplier of beauty and personal care, home care, food, and refreshments products. Committed to a deforestation-free future by 2023, the company has spent €59 million actively improving its supply chains of palm oil, paper, tea, soy, and cocoa. Unilever's initiative includes a forecasted €70 million investment in its infrastructure, enabling the direct sourcing of deforestation-free palm kernel oil from around 40,000 small farmers by 2025.

Encouraging Regional Banks to Implement Climate Strategies



Many of the largest banks have set ambitious climate goals. In doing so, they will disclose their financed emissions, which are the greenhouse gas emissions associated with their banking clients. A recent assessment related to bank progress on the net zero transition found that banks are improving.¹ They are incorporating climate into their business strategy, but their disclosures are still incomplete. Many may not be reducing their exposure to high-emitting sectors like coal and fossil fuel fast enough to make an impact and avoid potential future losses.

At the same time, even though regional banks are exposed to climate, transition, and physical risks, they are further behind in their progress on climate. We've

joined a collaborative engagement coordinated by Ceres with regional banks. We recently met with **Huntington Bancshares, M&T Bank, U.S. Bancorp, and Truist** to discuss each of their decarbonization strategies. Priorities include setting robust commitments, measuring and disclosing financed emissions, setting science-based emission reduction targets, engaging with clients in high-emitting sectors, defining and increasing sustainable finance, and establishing strong climate governance, culture, accountability, and incentives to drive the success of the climate strategy.

Investment Highlight: Domini Impact Equity Fund

Truist is a financial corporation providing retail, small business, and commercial banking, along with asset management, real estate services, insurance, specialized lending, and wealth management. In 2022, Truist announced its commitment to achieve net zero greenhouse gas emissions by 2050. Their strategy involves reducing emissions, investing in renewable energy and energy efficiency, and working collaboratively with clients on their net zero transition plans. The company is actively tackling scope 3 emissions by calculating emissions associated with financing and lending, setting interim targets for reduction, and ramping up investments in low-carbon technologies.

1. Sidonie Commarmond, Nelson Diaz, Simon Dietz, Nikolaus Hastreiter, Carla Jouavel, Carmen Nuzzo and Antonina Scheer. "Banks and the net zero transition. Tracking progress with the TPI Net Zero Banking Assessment Framework" Transition Pathway Initiative and Grantham Research Institute on Climate Change and the Environment - September 2023.

Pushing for Racial Diversity on Corporate Boards



We seek to promote justice, equity, diversity, and inclusion on corporate boards to help eliminate racial injustice and discrimination. We believe having a racially diverse board encourages an engaged workforce, improves decision-making, and positions companies to meet the needs of diverse communities and consumers.

Domini has a strict board diversity proxy voting standard which opposes the election of some or all directors where historically underrepresented racial and ethnic groups make up less than 40% or at least three members of the board (whichever is greater). These standards are applied across all markets, where the information is available, and we also oppose the election of some or all directors where women make up less than 40% or at least three members of the board (whichever is greater).

In 2023, we wrote to **Chubb**, **Cloudflare**, **GPT Group**, and **Shopify**, because we had voted against their entire slate of board members due to the lack of directors from historically underrepresented racial groups on the board. In our letters, the companies were encouraged to increase disclosure of race and ethnicity data for board members, consider a qualified, racially diverse pool for future board positions, and prioritize Diversity Equity Inclusion (DEI) programs for the attraction, retention, and promotion of qualified individuals from historically underrepresented groups across the company.

Investment Highlight: Domini Impact Equity Fund and Domini Impact Bond Fund

Citigroup is dedicated to fostering diversity and inclusivity within its workforce. The company trains on inclusivity and unconscious bias and ensures a balanced approach to hiring. Citi conducts thorough pay gap analyses and takes targeted measures during compensation cycles to bridge disparities. Its management team, comprised of 20 members, has four women, including one from a historically underrepresented group, and four men also from historically underrepresented backgrounds. Among their board's 13 members are seven women and one man from historically underrepresented groups.

Launching Nature Action 100



Domini has actively supported the development of Nature Action 100, a collaborative investor initiative driving greater corporate ambition and action to reduce nature and biodiversity loss through coordinated, science-based engagements. The initiative launched in September, with the participation of 190 global investors, representing \$23.6 trillion assets under management. This support demonstrates investor awareness of the mounting evidence of nature's decline and the crucial role of ecosystems in business operations and livelihoods. It is necessary to understand and address companies' nature-related impacts, dependencies, and risks to encourage rights-based action.

The multi-year initiative began by sending investor letters to 100 companies across eight key sectors, namely those which are among the drivers of worldwide nature and habitat loss, overexploitation of resources, and solid waste pollution. The letters outline six expectations of actions companies should take to protect and restore nature and natural ecosystems, including: Ambition, Assessment, Targets, Implementation, Governance, and Engagement.

Investment Highlight: Domini Impact International Equity Fund

Solvay, headquartered in Belgium, is a key player in the commodity chemical industry. It produces and distributes chemical and plastic products. The company set ambitious goals to mitigate its impact on biodiversity by 30% before 2030. It is actively working on reducing emissions of sulfur and nitrogen, which lead to soil acidification. Furthermore, Solvay is intensifying efforts to reduce CO2 emissions by implementing internal carbon pricing and increasing the use of renewable energy sources. The company is investing in solutions to help prevent the discharge of pollutants into water.



The Benefits of Municipal Bond Climate Disclosure

offers a platform for municipalities and public authorities to provide climate-related disclosures in a standardized format for investors.

In July, Domini joined a panel of speakers on a webinar introducing CDP reporting to public authorities. Together with representatives of leading public authorities, we provided the investor perspective, where we highlighted the need for consistent and comparable climate disclosure across a range of municipalities and public authorities, while emphasizing the benefits of ongoing monitoring and implementation.

Climate change is a global problem, but its impacts are felt locally. Domini invests in communities through debt issued by municipal governments and public authorities, such as utilities and housing authorities. These municipal bonds or “muni bonds” provide financing for local communities, enabling them to address climate change threats through the development or repair of infrastructure. They help communities transition to a resilient and sustainable future.

Enhanced disclosures, addressing topics like physical climate risk, water management, and greenhouse gas emissions reduction, can help investors to determine whether a muni has the potential to deliver a substantial community benefit. CDP

Investment Highlight: City of Toronto

In early 2023, Toronto, Canada, was one of 122 cities worldwide to be recognized for its climate leadership by the CDP from a pool of over 1,000 cities, receiving the 2022 Cities ‘A’ designation for the 3rd consecutive year. CDP evaluates environmental efforts globally, covering 18,700 companies and 1,100 cities, regions, and states. Attributable to Toronto’s “Transform to Net Zero Strategy,” greenhouse gas emissions plummeted 38% in 2019 compared to 2009. The city aims to attain zero emissions by 2040, a decade ahead of its original target. This proactive approach showcases Toronto’s commitment to combating climate change and building a more sustainable future.

The Domini Impact Bond Fund

Domini Impact Bond Fund Theme Allocations*



Access to Housing

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

Corporate Debt**

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

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.

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.

Health, Well-Being & Aging Society

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

* Based on portfolio holdings as of 9/30/2023, 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.

** “Corporate Debt” includes general-obligation corporate bonds, bank loans, and corporate debt not classified under other themes.

Using Our Voice to Amplify Impact

A Conversation with Mary Beth Gallagher, Director of Engagement

Domini talks a lot about engagement. How do you define it?

Engagement is a catchall term for the outreach and communication we do to influence companies' practices. Day to day, this looks like emails, letters, and phone calls with executives.

Research is an important building block for this work. Our analysts look closely at companies' sustainability reports and plans to gauge what they say they're doing. That research guides our engagements, which take it a step further. When we engage with a company, we aim to understand whether its policy commitments are working in practice, and what tools are used to measure that its work is effective. We do a fair amount of engagement on our own, but we also collaborate with other investors if we align on common goals. When there is a policy or regulatory change that can help improve company practices or advance an issue on a system level, we'll write a letter to policy makers, submit a public comment, or join a statement.

What makes engagement effective? How are companies responding to calls for improvement?

Progress can be slow when addressing society's most intractable challenges, but we're seeing momentum in our conversations and within companies. A big part of this comes down to who is at the table. We've noted that more companies are hiring a Chief Sustainability Officer or Climate Risk Officer. The quality of our conversations further improves when they bring people in other relevant roles to our meetings. This includes people like Chief Procurement Officers, Credit Risk Officers, and Global Human Rights leads.

There are other signs of positive change. Companies are consulting more frequently with rightsholders and experts. Their willingness to meet with groups who have concerns—and learn directly from them about what kind of change is warranted—shows an openness and humility that can lead to stronger business practices. Companies are also getting better at telling their own stories, providing more detailed information

in sustainability reports and other publications. Over time, we build trust and establish relationships with companies, and this helps us build mutual understanding and advance conversations. There is still more work to be done. Our engagement will continue to focus on evaluating more concrete impacts on the ground.



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Domini News

Seeking to harness the power of finance to create a better world involves many things. Below, we discuss a few. Namely, our annual Impact Report, as well as insights on how a human rights and a stakeholder approach can help support worker-driven initiatives, and how we do our in-house research.



Domini designated ESG ‘Leader’ by Morningstar

We are pleased to be one of only eight asset managers to earn a top Morningstar ESG Commitment level ranking. Morningstar introduced the ESG Commitment Level for Asset Managers assessment in 2020, making this Domini’s first time being included in its qualitative rating.

According to Morningstar’s report, almost all firms with the ‘Leader’ label “operate from a shared belief that sustainability goals go hand-in-hand with long-term financial return, which is reflected at all levels of the organization.

Of the firms labeled ‘Leader,’ Morningstar’s report also noted, “They have been at the cutting edge of developing innovative frameworks to assess ESG risks as well as the impacts, both positive and negative, that companies and investments have on the environment and society at large.”

Morningstar’s evaluation was based on an analysis of three key pillars: philosophy and process, resources, and active ownership.

Read more at domini.com/esg

Methodology found on next page.



Individual Care, Mutual Benefit

Read Amy Domini’s essay, “A Planet is a Terrible Thing to Waste,” where she reminds us that the secret to making a difference is small. By being willing to care for the planet, we can make a positive impact, one small action at a time. **Read the essay at domini.com/planet**



Our Latest Public Engagements

Carole Laible, CEO, joined industry leaders in a panel at Reuters ESG Investments 2023 conference. They discussed how past environmental and social performance data can be used to identify trends and properly analyze a company’s investment eligibility. The conversation contributed to the overall conference theme on ESG investment value and how it can help deliver real impact.

Nolan Ritcey, Vice President of Impact Research, and representatives from leading public authorities, highlighted the need for climate disclosure across municipalities in a webinar hosted by CDP. These disclosures are key to helping communities raise capital to improve local infrastructure, and mitigate the effects of climate change.

Mary Beth Gallagher, Director of Engagement, introduced Nature Action 100 at this year’s Environmental Finance Natural Capital Investment Americas in a fireside chat. The goal of Nature Action 100 is to help drive greater corporate ambition and action on tackling nature loss and biodiversity decline.



Why Forests are Part of The Solution

To help protect our planet’s forests, we engage with companies and encourage better practices in their supply chains. Learn more about our long-term commitment to understanding the drivers and effects of deforestation. **Listen as Mary Beth Gallagher discusses our Forest Project at domini.com/forest**

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.

An investment in the Domini Funds is not a bank deposit, is not insured, and is subject to certain risks, including loss of principal. An investment in the Domini Impact Equity Fund is subject to certain risks, including impact investing, portfolio management, information, market, mid- to large-cap companies, and small-cap companies risks. An investment in the Domini International Opportunities Fund is subject to certain risks, including foreign investing, geographic focus, country, currency, impact investing, portfolio management, and information risks. An investment in the Domini Sustainable Solutions Fund is subject to certain risks, including sustainable investing, portfolio management, information, market, mid- to large-cap companies, and small-cap companies risks. An investment in the Domini Impact International Equity Fund is subject to certain risks, including foreign investing and emerging markets, geographic focus, country, currency, impact investing, portfolio management, and quantitative investment approach 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. An investment in the Domini Impact Bond Fund is subject to certain risks including impact investing, portfolio management, style, information, market, 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 judgment 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 09/30/23, these securities represented the following percentages of the Domini Impact Equity Fund's portfolio: Banco do Brasil SA [0.05%]; Chubb Ltd [0.32%]; Citigroup Inc [0.29%]; Cloudflare Inc [0.06%]; Huntington Bancshares Inc [0.05%]; International Paper Co [0.05%]; Mondi PLC [0.03%]; M&T Bank Corp [0.08%]; Shopify Inc [0.24%]; Truist Financial Corp [0.15%]; Unilever PLC [0.47%]; U.S. Bancorp [0.19%]; WestRock Co [0.03%]. These securities represented the following percentages of the Domini International Opportunities Fund's portfolio: BNP Paribas [1.07%]; GPT Group [0.07%]; Mondi PLC [0.12%]; Smurfit Kappa Group [0.13%]; Svenska Cellulosa AB [0.13%]; Unilever PLC [1.82%]. These securities represented the following percentages of the Domini Impact International Equity Fund portfolio: Banco do Brasil SA [0.46%]; BNP Paribas [1.85%]; Solvay S.A. [0.45%]; Unilever PLC [<0.01%]. These securities represented the following percentages of the Domini Impact Bond Fund's portfolio: CitiGroup Inc [0.66%]; City of Toronto Canada [0.25%];


Klabin Austria GmbH [0.38%]. The composition of each Fund's portfolio is subject to change.

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.

Morningstar ESG Commitment Level Methodology: To arrive at the Morningstar ESG Commitment Level for a given asset manager, Morningstar analysts evaluate three key pillars: Philosophy & Process, Resources, and Active Ownership. Each pillar is scored and then rolled into the overall ESG Commitment Level by weighting them as follows: Philosophy & Process: 40% Resources: 30% and Active Ownership: 30%. Morningstar ESG Commitment Level – Leader: In this fourth installment of the ESG Commitment Level landscape, 15 firms were new additions to coverage including Domini who earned an inaugural rating of Leader. Out of the 108 asset managers evaluated, 8 earned a Morningstar ESG Commitment Level of Leader. In most cases, these firms have focused on sustainable investing (formerly known as responsible investing) since day one, and this philosophy remains core to their identities today. These firms operate from a shared belief that sustainability goals go hand-in-hand with long-term financial return, and this is reflected at all levels of the organization. ©2023 Morningstar, Inc. All rights reserved.

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