

### Promoting Diversity and Safety in the Workplace

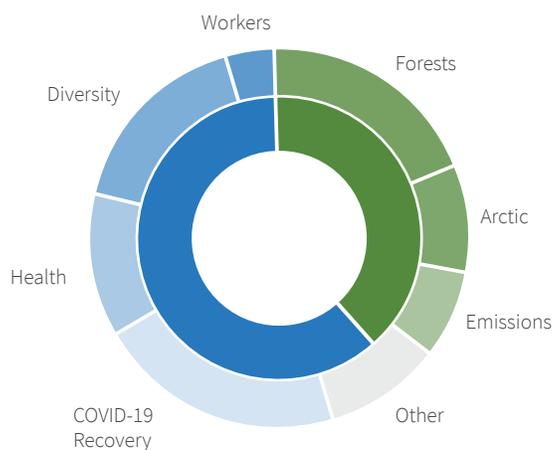
The novel coronavirus pandemic has had devastating effects on millions of workers, particularly on frontline workers, women and Black, Indigenous, and people of color (BIPOC) in the workforce. We see the toll an unbalanced economy takes on the social fabric of our democracy and remain committed as ever to building an economy that works for everyone.

At Domini, we continue to work on behalf of our shareholders to **engage companies and support policy on the importance of increasing equity and diversity in the workplace and the health and safety of workers**, particularly those at higher risk from the coronavirus pandemic. Read more on page 2.

### Also Inside

- **Promoting access to medicine & public health** (page 3)
- **Climate change and the low-carbon transition** (page 4)
- **Our standards and SDG 5: Achieve gender equality and empower all women and girls** (page 5)
- **How our fixed income investments positively impact communities** (page 6)

### Engagement Overview



Q4 Engagement Reach:

**94** U.S. Companies

**91** Non-U.S. Companies

● Universal Human Dignity

● Ecological Sustainability

Our mutual funds employ three fundamental impact investing strategies to create positive change:



### Standards

Financial, social, and environmental standards guide all of our investment decisions.



### Community Investing

We help build strong communities by directing capital to where it is needed most.



### Engagement

We engage with issuers, organizations and policymakers to create value.

# Domini International Opportunities Fund<sup>SM</sup>

## We launched another new fund!

The **Domini International Opportunities Fund<sup>SM</sup>** invests in companies that demonstrate peer-relative environmental and social leadership throughout developed international markets, in addition to a select group of innovative companies providing needed solutions to global sustainability challenges.

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

## Supporting Workers

### Paid sick leave at Kohls

The COVID-19 pandemic and the economic crisis it precipitated have drawn the attention of the public and policy makers to the importance of paid sick leave for workers and public health. This quarter, **we filed a shareholder proposal at Kohl's asking the board to produce a feasibility study on providing paid sick leave to its employees.** Studies show that paid sick leave mandates have reduced the rate at which employees report to work ill, and have lowered disease and overall absenteeism. We believe that paid sick leave helps to counter the negative economic impact of the pandemic and that a sustainable economy depends on prioritizing safety.



### Workforce Equity at Disney

As the pandemic upended the travel and leisure sectors, The Walt Disney Company announced significant furloughs and layoffs of their frontline workers. As part of a broader engagement campaign with **the Human Capital Management Coalition, we engaged the company to discuss our concerns and to draw attention to the intersectional issues of the COVID-19 pandemic and racial justice.**

We filed **a shareholder proposal at Disney requesting that the board take responsibility for workforce equity,** including racial and gender pay equity, employment discrimination, diversity and inclusion and the relationship between compensation and benefits provided to senior executives and those provided to the rest of the workforce.

**We were pleased to withdraw that proposal** as the company agreed to add this responsibility to the charter of their compensation committee. We look forward to working with their board to ensure there is meaningful oversight of issues of equity across the company and its operations.

## Diversity and Inclusion at Tesla

Last quarter, **we co-filed a shareholder proposal at Tesla requesting an annual report assessing the company's diversity and inclusion efforts** which we withdrew when the company committed to publicly disclosing a report by the end of the year. We are pleased that **Tesla published its first ever US Diversity, Equity and Inclusion Report providing critical visibility into workforce issues**. For example, the company disclosed that Black and African American employees at Tesla comprise 10% of its US workforce, 4% of its leadership, 12% of its new hires and 10% of its promotions in 2020. We will work with the company on improving these statistics and its reporting for its 2020 impact report coming this summer.

## Diversity in Japan

While many companies have made meaningful progress on diversifying their boards, Japan lags the global trend. For years, **we have engaged with Japanese companies**

**to promote gender diversity through letter writing and our principled use of proxy voting**. In 2019, we contacted 42 Japanese companies to encourage corporate practices that would help elevate women inside the firm, including broadening the search criteria for director candidates, and **asked them to add one more woman to their slates of board nominees in the 2020 proxy season**.

In 2020, **12 Japanese companies that we engaged added at least one woman to their board of directors** (one company added two women); **8 of those companies added their first woman elected to the board ever this year**. Between 2019 and 2020, the average representation of women on the boards of those 42 Japanese companies improved from 9.3% to 12.6%. This quarter, **we continued our ongoing effort to increase board diversity in Japanese companies by engaging 36 companies in our portfolios with the same request**.

## Access to Medicine & the Promotion of Public Health

In recent weeks, multiple pharmaceutical companies have announced they have demonstrated effective vaccines against COVID-19 and are actively working on their distribution plans for the upcoming year. Major questions remain about pricing and the equitable distribution of the vaccines, particularly where public financial support has been so significant. At Domini, **we believe that access to affordable, quality, health care is a right**.

This quarter, we joined dialogues with both **Pfizer and AstraZeneca to raise concerns about pricing, access and reputational risks associated with public financing and a lack of access**. We also co-filed a **proposal at Regeneron Pharmaceuticals** in which we requested the company report on if and how public financial support will be considered when making decisions related to access to medicine, including the pricing of its products.

The promotion of public health is not limited to our engagements on access to medicine but also in promoting access to healthy food. This quarter, **we joined letters**

**to 19 food companies** (17 U.S., 2 non-U.S.) **in which we inquired as to those companies' role in addressing racial disparities in health outcomes** through the development and marketing of healthy products, ensuring affordability and accessibility of nutritious foods, and advocating for public policies that promote public health.



## Climate Change & the Low-Carbon Transition

Climate change is one of the most pressing social and environmental challenges we face today. **The importance of the U.S. rejoining the Paris Agreement under the incoming Biden Administration cannot be overstated.**

In 2017, when President Trump formally notified the United Nations his intention to withdraw from the Agreement, **Domini joined over 3,500 U.S. organizations in signing the “We Are Still In” pledge**, in which we reaffirmed our support. Despite the U.S.’s recent lack of leadership on climate issues, we continued to engage with companies and collaborate with environmental NGOs to encourage better management of climate-related risks, including 2-degree scenario planning, adoption of renewable-energy goals, setting science-based emissions-reduction targets, and enhancing disclosure of climate-related impacts.

As a signatory to ShareAction’s Investor Decarbonisation Initiative, **we continued to encourage companies to adopt emissions targets aligned with the Paris Agreement.** The Initiative calls on companies to commit to setting science-based emissions targets and make commitments to renewable electricity (RE100), energy productivity (EP100), and electric mobility (EV100). This

quarter, **we joined letters to 15 companies requesting that they join the EP100, EV100, RE100, or the Science-Based Targets initiative.**

In support of the long-time organizing by the Gwich’in peoples, indigenous to the Arctic circle, **we co-filed a proposal at Bank of America asking the company to address the risks of the company’s involvement in oil and gas exploration and production in the Arctic** and were pleased that the company announced it **will no longer extend any financing** to those projects in the Arctic. In support of the continued indigenous efforts to preserve the Arctic, **we also joined letters to 19 insurance companies** (8 U.S., 11 non-U.S.) **requesting that they publicly adopt similar policies.**

We joined **public statements in support of strong emissions regulation** including a public comment to the EPA to oppose a rule that would lead to greater aviation emissions and a statement sent to the Governor of New Mexico in which we urged the state’s Environmental Department and Energy Minerals and Natural Resources Department to **strengthen regulation of waste and pollution from the oil and gas industry.**

---

## Investment Highlight: Domini Sustainable Solutions Fund

By investing in well-managed companies that provide needed solutions around the world, **we believe the Domini Sustainable Solutions Fund<sup>SM</sup> can help address key social and environmental challenges**, from climate change to economic disparities, that persist across our society.

**Enphase Energy, Inc.**, headquartered in Fremont, California, engages in the design, development, manufacture, and sale of microinverter systems and battery storage systems for the solar photovoltaic industry. The company **delivers solutions that connect solar generation, storage and management on one platform, helping to optimize performance and improve the resiliency of the solar panel system.** The majority of grid-tied solar systems cannot generate energy if an electric grid goes down. As the frequency in natural disasters increases, so will the frequency of power outages. The company’s Ensemble’s products and technology allows for the ability to generate energy whether the inverter is connected to a larger utility grid or not. The automated technology senses a power outage and will isolate itself from the grid, allowing the continuation of production and generation solar energy to keep everything in a house running, and will reconnect once the technology senses the power is back on. This technology can **prove to be very useful particularly in high climate-related risk areas**, where electricity blackouts are more common.

## Our Standards & the UN SDGs

Our Impact Investment Standards are a broad set of social and environmental standards and principles that lay out how we believe investing should be done. Through the application of our standards, we believe we can better identify investments and build portfolios that align with the United Nations' 2030 Agenda for Sustainable Development, which is organized around 17 Sustainable Development Goals (SDGs). Below, **we highlight companies held in the Domini Impact Equity Fund and Domini Impact International Equity Fund that support SDG 5: Gender Equality.**



**Goal 5:** Achieve gender equality and empower all women and girls.

### Investment Highlight: Domini Impact Equity Fund

**Salesforce.com Inc.**, headquartered in San Francisco, California, engages in the design and development of cloud-based enterprise software for customer relationship management. The company's internal diversity and inclusion programs are particularly strong, both in disclosure but also in action. The company **discloses diversity data by gender, ethnicity, and by positions within the company (tech, non-tech, and leadership) and conducts equal pay audits annually to address unexplained difference in pay based on gender, race and ethnicity.** In 2019, the company adjusted pay for 5% of employees globally to assure pay equity among its employees. The company also has **strong gender and racial diversity in its executive team and board of directors**, with over 30% representation on each.

### Investment Highlight: Domini Impact International Equity Fund

**Vodafone Group Plc** engages in telecommunication services in Europe and internationally. The firm offers mobile services that enable customers to call, text, and access data and provides fixed line services, including broadband, television offerings, and voice. Broad **access to wireless communication strongly benefits economic growth, especially in UN-designated Least Developed Countries (LDCs) and Lower-Middle-Income Countries (LMICs)**, as is evidenced by the correlation between wireless access and increased GDP. The company has operations in several Least Developed Countries including the Democratic Republic of Congo, Mozambique, and Lesotho. In addition, **the company offers M-Pesa, an African payment platform, which provides money transfer, financial, and business and merchant payment services.** M-Pesa provides access to mobile banking for those who may not have traditional bank accounts or access to banking services. In 2020, **there were 41.5 million M-Pesa customers, including 17 million women, which will strongly support the economic mobility of women throughout the continent.** As of 2020, women represented more than 40% of the company's board of directors.

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



## Investing in Communities

Through fixed-income investments, we seek to **increase access to capital, create public goods, and fill capital gaps** in our communities. The Domini Impact Bond Fund addresses a broad range of impact areas, listed below.

### Domini Impact Bond Fund Theme Allocations<sup>1</sup>

#### Access to Housing (44%)

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

#### Corporate Debt<sup>2</sup> (22%)

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

#### Economic & Community Development (12%)

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

#### Health, Well-Being & Aging Society (9%)

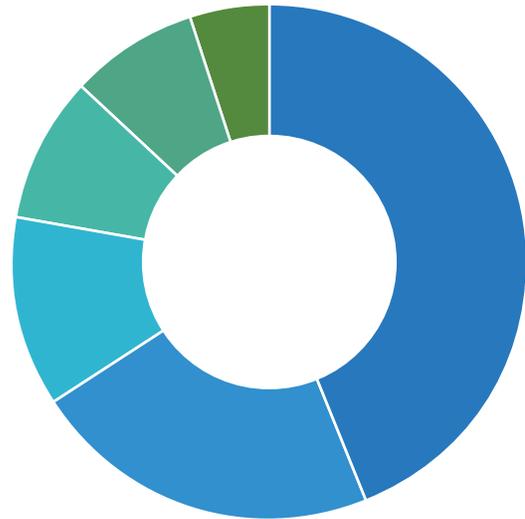
Supports nonprofit healthcare and research facilities, housing and healthcare services, and pensions.

#### Low-Carbon Transition (8%)

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

#### Non-Housing Asset-Backed Securities (5%)

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



### Impact Highlights

**\$20.3 million**

Invested in green, social & sustainability bonds

**\$1.1 million**

Invested with Community Development Financial Institutions

#### Investment Highlight: MacArthur Foundation

The Domini impact Bond Fund is **invested in a social bond issued by the MacArthur Foundation**, a not-for-profit organization headquartered in Chicago, Illinois. The Foundation provides grants to address some of society's most pressing challenges with the aim of building a more "just, verdant, and peaceful world." Throughout its history, the Foundation has awarded more than \$7.3 billion to nearly 10,000 organizations and individuals in 117 countries. The social bonds will be used to **fund organizations and further initiatives that seek to address the economic and social challenges resulting from the COVID-19 pandemic, particularly among communities of color and the nonprofit sector more broadly, as well as to address the systemic issues exposed by the pandemic and the protests in response to police use of violence against persons of color, especially African Americans.** The Foundation states the use of proceeds supports Sustainable Development Goal 1: No Poverty, Goal 8: Decent Work and Economic Growth, Goal 10: Reduced Inequalities, and Goal 16: Peace, Justice, and Strong Institutions.

1. Based on portfolio holdings as of 12/31/20, 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 [www.domini.com](http://www.domini.com) to view the most current list of the Fund's holdings.

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

## New Additions to the Domini Family of Funds

At Domini Impact Investments, we manage a family of mutual funds for individual and institutional investors seeking to meet their personal financial goals while using their investments to build a brighter future for all. In 2020, we were excited to launch two new funds dedicated to our pursuit of **ecological sustainability** and **universal human dignity**:



### Domini International Opportunities Fund<sup>SM</sup>

The new Domini International Opportunities Fund<sup>SM</sup> invests in peer-relative environmental and social leaders around the world, as well as solution-oriented companies helping address global sustainability challenges.

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



### Domini Sustainable Solutions Fund<sup>SM</sup>

The Domini Sustainable Solutions Fund<sup>SM</sup> is dedicated to helping build a more sustainable future by investing around the world in companies providing solutions to some of our greatest environmental and social challenges.

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

## Stay in touch with Domini!

To find out about future Domini events, news and Impact updates subscribe to our newsletter at [domini.com/subscribe](https://domini.com/subscribe)

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

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

The Domini Impact Equity Fund is subject to certain risks such as impact investing, portfolio management, information, market, recent events, and mid- to large-cap companies risks. The Domini Impact International Equity Fund is subject to foreign investing, emerging markets, geographic focus, country, currency, impact investing, portfolio management, market, recent events and mid- to large-cap companies risks. The Domini Sustainable Solutions Fund is subject to sustainable investing, portfolio management, information, market, recent events, and mid- to large-cap companies and small-cap companies risks. The Domini International Opportunities Fund is subject to foreign investing, geographic focus, country, currency, impact investing, recent events and market risks. Investing internationally involves special risks, such as currency fluctuations, social and economic instability, differing securities regulations and accounting standards, limited public information, possible changes in taxation, and periods of illiquidity. These risks may be heightened in connection with investments in emerging market countries.

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

The Adviser's evaluation of environmental and social factors in its investment selections and the timing of the Subadviser's implementation of the Adviser's investment selections will affect the Fund's exposure to certain issuers, industries, sectors, regions, and countries and may impact the relative financial performance of the Fund depending on whether such investments are in or out of favor. The 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. The market value of Fund investments will fluctuate and you may lose money.

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

As of 12/31/20, these securities represented the following percentages of the Domini Impact International Equity Fund's portfolio: Vodafone Group Plc (1.51%). These securities represented the following percentages of the Domini Impact Equity Fund's portfolio: Bank of America Corp (0.98%), Enphase Energy Inc (1.01%), Kohls Corp (0.03%), Pfizer Inc (0.89%), Regeneron Pharmaceuticals (0.21%), Salesforce.com Inc (0.82%), Tesla Inc (2.28%), The Walt Disney Company (1.40%). These securities represented the following percentages of the Domini Impact Bond Fund's portfolio: Bank of America Corp (0.57%), Kohls Corp (0.23%), MacArthur Foundation (0.62%), Vodafone Group Plc (0.16%). These securities represented the following percentages of the Domini Sustainable Solutions Fund's portfolio: Enphase Energy Inc (5.54%), Tesla Inc (5.64%). These securities represented the following percentages of the Domini International Opportunities Fund's portfolio: Enphase Energy Inc (0.43%), Tesla Inc (0.65%). The following were not approved for investment and therefore not held by any of the Domini Funds: AstraZeneca Plc.

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.

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

★<sup>®</sup>, Domini Impact Investments<sup>®</sup>, Domini<sup>®</sup>, Investing for Good<sup>®</sup>, and The Way You Invest Matters<sup>®</sup> are registered service marks of Domini Impact Investments LLC ("Domini"). Domini International Opportunities Fund<sup>SM</sup>, Domini Sustainable Solutions Fund<sup>SM</sup>, Domini Impact Equity Fund<sup>SM</sup>, Domini Impact International Equity Fund<sup>SM</sup>, Domini Impact Bond Fund<sup>SM</sup> are service marks of Domini. The Domini Impact Investment Standards is copyright © 2006-2021 by Domini Impact Investments LLC. All rights reserved. 2/21