Domini
Investing for Good.

Domini Funds

2019 Impact Report

For over 20 years, Domini has been working to change the way the world invests. Through the pioneering use of environmental and social standards in our investment process, we helped catalyze the dialogue on corporate social responsibility.

Our countless engagements with companies and policymakers have helped change many unsustainable practices. We remain a persistent voice for change in capital markets.

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Carole Laible, CEO

Amy Domini, Founder & Chair

About Us

Domini Impact Investments is a women-led SEC registered investment adviser specializing exclusively in impact investing. We manage a family of mutual funds for individuals and institutional investors seeking to meet their personal financial goals, while using their investment dollars to help build a more sustainable future for generations to come.

We apply social and environmental standards consistently to all of the Domini Funds. We actively manage these funds to build investment portfolios designed specifically for you, the impact investor.

Dear Fellow Shareholders,

Domini began with a simple idea—that it's possible to make money and make a difference. At the beginning of 2020, as we began to reflect on all the work that we accomplished in 2019, the CEO of the world's largest asset manager highlighted the importance of incorporating the risks and opportunities of climate change into investment assessments. In recognition of the lasting impact climate change will have on the future of the economy, he said, "awareness is rapidly changing, and I believe we are on the edge of a fundamental reshaping of finance." This surprised many in the investment community, but not us. It was impact investors—including Domini Funds shareholders—that started this 'fundamental reshaping of finance' long ago.

As the Domini Impact Equity Fund approaches its 30th year, we reflect. Since the beginning, we have applied environmental, social, and governance standards to help ensure our investments have positive impact on people and the planet. While our investment objective is to provide our shareholders competitive returns, this report allows us to explain how, by investing in the Domini Funds, your dollars do so much more.

In 2019, we enhanced our Impact Investment Standards, continued to identify how our investments support the United Nations' Sustainable Development Goals, and collaborated with a wide variety of stakeholders, including companies, civil society organizations, and other investors. In this report, we highlight the work that your investment in the Domini Funds made possible this past year, which included efforts to help preserve forests, promote diversity at the board and executive level, and encourage pharmaceutical companies to broaden access to medicine.

As impact investors, we understand the importance of our role in the world, and we are encouraged by the change we are seeing. To that end, we are delighted to share with you that, in early 2020, we welcomed the Domini Sustainable Solutions Fund as a new addition to our family of mutual funds. This Fund is dedicated to helping create a more sustainable future by investing in innovative, solution-oriented companies worldwide.

We want to thank you, our shareholders—those who have been with us from the very beginning, those who just recently joined us, and everyone in between—for understanding all along that The Way You Invest Matters®.

Very truly yours,

Carole Laible

Carole Laible, CEO

Amy Domini

Amy Domini, Founder & Chair

Domini Funds

Domini Impact Equity Fund

An equity fund that provides shareholders core exposure to the U.S. stock market through a diversified portfolio of primarily mid- to large-capitalization U.S. companies.

Domini Impact International Equity Fund

An equity fund that provides shareholders exposure to international stock markets through a diversified portfolio of mid- to large-capitalization companies in Europe, the Asia-Pacific region and throughout the rest of the world.

Domini Impact Bond Fund

A fixed-income fund that provides shareholders the opportunity to help build healthy communities through an investment-grade bond portfolio that directs capital to where it is needed most.

Domini Sustainable Solutions Fund

Open to investment April 1, 2020. A new equity fund that provides shareholders the opportunity to help address many of the world's greatest sustainability challenges through a high-conviction, global, all-capitalization portfolio of solution-oriented companies.

Learn more about the **Domini Funds** at domini.com/funds

2019 Impact Highlights

- Launched an initiative to **address the systemic risks of deforestation** and how to work to **protect the value that forests provide**.

- Formalized an **exclusionary screen on for-profit prison and immigration detention center operators**.

- **Refined and enhanced our key performance indicators** (KPIs) for the Materials, Retailing, Media & Entertainment, and Telecommunication Services industries to ensure our investment evaluations remain focused on the most meaningful and relevant sustainability challenges and opportunities.

- **Integrated new forest-related KPIs** to capture risks and opportunities across 24 sub-industries.

- **Engaged a total of 511 companies and issuers (300 U.S., 211 non-U.S.) with over 680 contacts** through our direct engagements and various collaborations and partnerships, addressing topics such as forests, diversity, climate change, access to medicine and public health, and weapons and firearms.

- **Filed 6 shareholder proposals** with companies on topics related to access to medicine and executive compensation plans, establishing a human rights committee on the board of directors, lobbying disclosures, and publishing a sustainability report. We **successfully withdrew 5 of our proposals** after reaching agreements with the companies.

- **Adopted a new proxy voting standard for diversity on boards**. The Domini Funds now 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). We apply the same standards for historically underrepresented ethnic and racial groups in markets where the information is available.

- **Highlighted how we support the Sustainable Development Goals through community investing**, including nearly $10 million invested in green and sustainability bonds and over $500,000 invested with Community Development Financial Institutions.

Our Beliefs

As impact investors, we believe that investments have systems-level impact on finance, society and the environment, and that investors have an ethical obligation to acknowledge these consequences. We believe investors that strengthen the resilience and integrity of these critical systems create lasting value, and those that fail to do so cause harm. We believe that long-term investment performance depends upon these principles.

Our Objectives

As a firm, our objectives are to serve our clients' financial well-being while preserving and enhancing the environment and society, and to measure and report, not only our financial results, but also our social and environmental impacts.

Our Strategies

In pursuit of these objectives, we employ three fundamental strategies that we highlight on the following page: standards, engagement, and community investing.

Our Impact Investment Strategies

Standards

As investors, we participate in capital markets using financial, social and environmental standards in all of our investment decisions.

How? Through industry-leading research guided by our Impact Investment Standards.

Community Investing

As neighbors, we seek to help build strong, sustainable communities by directing capital to where it is needed most.

How? Through fixed-income investments that help increase access to capital, create public goods and fill capital gaps.

Engagement

As owners, we work with issuers, civil society organizations and policymakers to create financial, environmental and societal value.

How? Through the disciplined use of proxy voting, the filing of shareholder proposals, and participation in multi-stakeholder dialogues.

"We believe 'impact investing' most clearly and effectively communicates the intentionality of our work."

— Carole Laible, CEO

Our Focus on Fundamental Change

As part of Domini's commitment to impact, we seek to focus on sustainable solutions that bring about fundamental and enduring change. If investors are to confront and manage our greatest challenges—addressing systemic risks such as those posed by climate change and maximizing our possible rewards such as those offered by gender and racial diversity—**we need to promote fundamental change that will help protect and enhance our investment opportunities over a long time-horizon, across industries and asset classes**.

We not only use our security selection and asset allocation to manage individual security and portfolio risks where we perceive them and maximize rewards where we can find them, but also work to understand the root causes of unsustainable paradigms and consider leverage points we can use to shift to a more sustainable path.

At Domini, **we seek to identify, encourage, and invest in companies that are value creators rather than value extractors**. Value extractors take profits without considering the harms they might be creating for the larger environmental, societal, or financial systems of which they are a part. Value creators do the opposite. They are well-run, profitable firms that recognize, value, and protect these critical systems.

When we sharpen our focus on macro, non-diversifiable risks and rewards, such as climate change and diversity, it helps us understand how we can best contribute to the creation of value that will sustain investment opportunities for ourselves, as well as others, into the future.

"Many of the systemic challenges faced today need to be addressed sooner rather than later if we are to inhabit a stable and thriving planet tomorrow."

— Steve Lydenberg, Partner and Strategic Vision

Focusing on Forests

Why Is Domini Focusing on Forests?

We believe forests are an often underappreciated resource. **We depend on forests for countless environmental, social, and economic services including clean air, a stable climate, food, and biodiversity. Around the world, indigenous peoples and local communities directly depend on forests for their livelihoods**.

Despite their valuable but difficult-to-price services, forests around the world are threatened by industrial agriculture, largely as a result of production of four commodities: palm oil, beef, soy, and timber. These commodities are produced and purchased by major corporations and find their way into our everyday lives. Recent widespread forest fires in the Amazon, Indonesia, Australia, and California remind us how fragile, yet vital, these systems are.

Investors and companies have been slow to recognize the value forests provide to climate stabilization, biodiversity, and the well-being of local communities. Total forest loss, particularly in the tropics, is so high that it may be close to a planetary boundary and irreversible tipping point. Loss of forests threatens our clean water supplies, agricultural output, and ability to make progress on climate change. Degrading forests also exacerbates emergence of diseases originating in the wild and transferred to humans. For these reasons, it is critical that investors work to preserve and enhance forests around the world.

Moving to a Forest-Positive Economy

Two root causes underlie the unsustainable dynamics of deforestation. First, today's focus on short-term profit-taking leads to practices that extract value from forests while undermining the long-term source of that value. Second, without an appropriate value and cost framework, investors and corporations do not feel the need or responsibility to steward the forests we all rely upon. Investors and companies must fundamentally change how they account for the difficult-to-value services forests provide.

Investors that fail to consider this value may, intentionally or unintentionally, contribute to deforestation. In doing so, they may expose themselves to risks across asset classes and miss opportunities to create much-needed solutions. By making their portfolios "forest-positive," they can help ensure that forests remain healthy and resilient.

Investors can divest from companies that cause deforestation or other forest-harming practices; request that companies halt deforestation in their supply chains; encourage companies to be better stewards of forests through reforestation, biodiversity conservation, and sustainable development; and

develop and share best practices with peers in the investment community.

What Are We Doing?

At Domini, we created a holistic approach involving research, engagement, communications, and strategy to focus our efforts on forest health. These activities are highlighted throughout this report using our three pillars of impact: standards, community investing, and engagement.

We **created a forest beliefs statement** to make explicit our understanding of the relevance of forests to our core investment practices and risk mitigation. To guide our actions and measure our success, we **developed forest effectiveness principles**. You can read about these on page 15.

To align our investment practices with our forest beliefs and effectiveness principles, **we analyzed our portfolio exposure to deforestation and use of forest services**. We then analyzed our entire library of proprietary key performance indicators (KPIs) across all industries and **adopted new indicators to ensure they captured all decision relevant risks and opportunities related to forests**. You can read about this process on page 24.

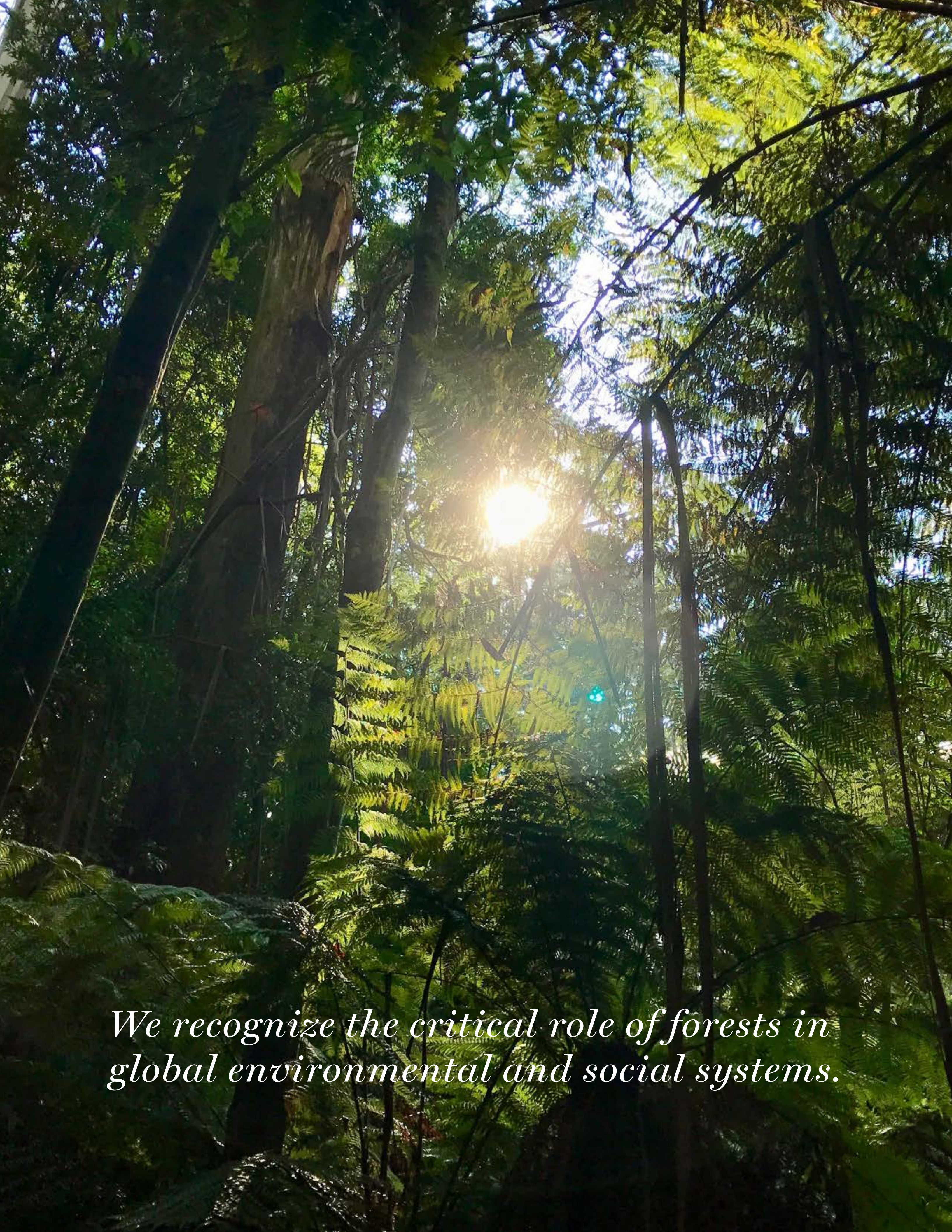
Believing that our social and environmental standards can be influential in sending signals to the market and setting a bar for best practice, **we presented on forests and our practices to industry partners and peers and created resources so they could follow in our footsteps**.

Our engagement work on forests centered around **dialogue with independent experts, NGOs, investors, asset owners, and companies** held and not held in our portfolios, to better understand the challenges they face, how we can support them in overcoming those challenges, and how to encourage forest stewardship.

We engaged with those companies in our portfolios that we identified as both directly depending on and impacting forests, communicating with them **to identify and disseminate practices and mindsets that are contributing to positive change**. Public policy is also an important lever for change; consequently, we made the investor case for disclosure related to forest-risk commodities through a number of efforts. You can read about these efforts on page 106.

Forests are a foundation of the global environment and our communities. In this report, we discuss how we **support forests through our fixed-income investments** and highlight investments that promote the sustainable management of forests. You can read about these investments on page 70.

Because of forests' ability to maintain overall climate stability, we encourage corporations and investors alike to prioritize forests as a key foundation for a sustainable economy.


We recognize the critical role of forests in global environmental and social systems.

Our Forest Beliefs & Effectiveness Principles

To guide the development of our initiative focused on forests, we developed investment beliefs and effectiveness principles. Our general Investment Beliefs Statement (page 8) provides a framework for all our investment policies and practices, while our Forest Beliefs and Principles codify the explicit basis for this initiative.

Our forest beliefs express our understanding of the foundational value of forests for investors and society as well as our fiduciary and ethical obligations to preserve and enhance that value. They acknowledge forests as a potential source of systemic risks and rewards across asset classes and recognize that our investment decisions will necessarily impact these risks and rewards either positively or negatively.

Our effectiveness principles guide the development and implementation of the initiative. The principles are intended to serve as useful guidelines, while at the same time remaining practical and useful; to inspire us to specific action, while still allowing us to change as circumstances evolve; and to serve as benchmarks against which our actions and outcomes can be evaluated.

Forest Beliefs

1. Societies and economies, and therefore businesses and investments, are built on stable environmental and climate systems.
2. Forests provide significant value to investors and corporations, including as a crucial part of the climate system.
3. Investors' policies and practices can impact forests both positively and negatively.
4. Corporations and investors must act to measure, preserve, and enhance the value they receive from forests.

Forest Effectiveness Principles

1. Incorporate into our investments, engagements, and other operational decisions a holistic understanding of the corporate and investor dependence and impact on the long-term value and services from forests.
2. Work to create a positive system dynamic that enhances the value of forest systems.
3. Identify and monitor our direct and indirect impacts on forests, considering both positive and negative effects.
4. Share our principles and process with investors, investees and the financial community to promote holistic, long-term policies and practices regarding forests.

Standards

As investors, we participate in capital markets using financial, social and environmental standards in all of our investment decisions.

Our Impact Investment Standards

Impact investors understand that the investments we make today will shape the world we live in tomorrow. By applying social and environmental standards, we believe we can identify strong long-term investments, as well as sources of opportunity and risk often overlooked by conventional financial analysis, while helping to create a more just and sustainable economic system.

Our Impact Investment Standards are the foundational framework that guide our research and analysis. Our standards are applied consistently across all our funds because we believe it is how all investing should be done.

We seek investments that promote long-term environmental sustainability, as well as universal values of fairness, equality, justice and respect for human rights. Ultimately, **our standards are underscored by two fundamental goals: universal human dignity and ecological sustainability.**

Our Fundamental Goals: Universal Human Dignity & Ecological Sustainability

Our Investment Evaluations

Our Impact Investment Standards guide all our investment decisions for both our equity and bond funds.

How Do We Evaluate Companies?

Our first step in determining whether a company is eligible for investment is evaluating if its core business model is aligned with our twin goals of universal human dignity and ecological sustainability. As discussed on the following page, our exclusionary screens may lead us to eliminate certain industries altogether. At the other end of the spectrum, some businesses, like generating and distributing renewable energy or manufacturing preventative healthcare products are fundamentally aligned with our objectives. However, most decisions are not as straightforward.

The second step in determining whether a company is eligible for investment is evaluating its relations with key stakeholders: ecosystems; local, national and global communities; customers; employees; suppliers; and investors. Our Impact Investment Standards focus on key themes that we believe best capture the strength of a corporation's relations with each of these stakeholders.

We believe that companies will succeed and prosper in the long run when they:

- **Enrich** the ecosystems on which they depend
- **Contribute** to their local, national and global communities
- **Produce** high-quality, safe and useful products and services
- **Invest** in the well-being and development of their employees
- **Strengthen** the capabilities of their suppliers
- **Communicate** transparently with their investors

How Do We Evaluate Bonds?

We believe there are many opportunities within fixed income to achieve ecological and societal goals. However, before making any fixed-income investment, we ask two key questions: To whom are we loaning money and what are they using it for?

Domini evaluates corporate debt instruments in the same way we evaluate corporations' stocks.

For non-corporate issuers, we focus on three key themes:

- **Increasing access** to capital for those historically underserved by the mainstream financial community
- **Creating public goods** for vulnerable populations and those most in need
- **Filling capital gaps** left by current financial practice

These three themes flow from our belief that sustainable and healthy societies and economies must be built on a strong foundation of fairness and opportunity for all.

"By monitoring and evaluating their investments to ensure that profit-making is consistent with our shared interests as a global community, investors are playing an important role in building a healthier and more sustainable world."

— Amy Domini, Founder and Chair

Read our
Impact Investment Standards
at domini.com/standards

Exclusionary Screens

As investors, we acknowledge that no company is perfect. However, we have determined that there are certain lines of business that are fundamentally misaligned with our goals of universal human dignity and ecological sustainability and we will not invest in them. In many cases, we have found divestment to be a productive avenue to further debate some of the most important and difficult issues of our time, such as climate change. The following exclusionary screens are applied consistently across all our funds:

Weapons & Firearms

We have a longstanding policy to avoid investment in **manufacturers of weapons, including military weapons and civilian firearms**, which can be used to cause incalculable harm. We believe it is irresponsible to combine weapons manufacturing with the pressure to maximize profits.

Nuclear Power

We exclude companies involved in **nuclear weapons production, as well as owners of nuclear power plants**. We believe nuclear power technology presents significant risks to human health and safety, as well as the environment. We also have an exclusion on **uranium mining**.

Fossil Fuels

We exclude companies in the **energy sector involved in oil and natural gas exploration and production, coal mining, oil and gas storage, transportation, refining, marketing, and related services** due to the urgent need to accelerate the low-carbon transition and address the environmental, social and financial risks of climate change. We also seek to avoid electric utilities with a majority of installed capacity from coal and exclude any utility that has announced or begun construction on new coal plants following the Paris Agreement.

For Profit-Prisons

We exclude **for-profit prisons and immigration detention centers** due to the significant civil and human rights concerns that occur as a result of their business models, particularly for marginalized communities. The for-profit prison model incentivizes imprisoning the greatest number of people for the longest duration at the lowest cost to increase growth and profits.

Tobacco, Alcohol & Gambling

We have never invested in companies that are **significant manufacturers of tobacco products, alcoholic beverages, or significant providers of gambling goods and services**. For these companies, effective marketing often means exploiting customers' addictions to their products or lack of awareness of potential risks.

In addition to these industry exclusions, we have generally avoided **major producers of synthetic pesticides and agricultural chemicals** due to environmental concerns related to this business.

"This year, we formalized our investment policy and added an exclusionary screen against investment in companies that have significant involvement in the for-profit prison and immigration detention center industry." **— Carole Laible, CEO**

2019 Standards Updates

Standards Update on For-Profit Prisons & Immigration Detention Centers

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. They are applied to all of the Domini Funds and have provided us with a framework to create and refine key performance indicators (KPIs) for evaluating investments across industries and asset classes. While our Standards have proven to be very durable since their first publication in 2005, they have evolved to incorporate new and emerging issues.

We have never invested in publicly traded companies involved in for-profit prison and immigration detention operations due to the serious civil and human rights abuses that occur, particularly for marginalized communities, when operated to extract profit rather than as a public good. This year, in order to take a stronger position on the subject, we formalized our investment policy and added an exclusionary screen against investment in companies that have significant involvement in the for-profit prison and immigration detention center industry. While these types of businesses have never met our Impact Investment Standards, we understand the importance of how we communicate our work to our shareholders and the broader investment community.

The for-profit prison model incentivizes imprisoning the greatest number of people for the longest duration at the lowest cost to increase growth and profits. These private prisons are often understaffed, overcrowded, and place a greater burden on both the incarcerated and those employed at the prison. This may lead to physical safety risks for the well-being of the incarcerated and the staff. As a result of this business model, intense lobbying by the industry helps those companies to continue increasing levels of incarceration and the severity of sentences. This lobbying poses serious concern as it may sway the public judicial system to be driven by profit motive rather than societal needs. These systems disproportionately affect communities of color and exacerbate inequality long after they are no longer incarcerated.

In addition, private prison operators are being employed by the U.S. Immigration and Customs Enforcement (ICE) agency resulting in the inhumane separation of migrant families across the United States. Tens of thousands of immigrants are currently being detained in private facilities. States are increasingly taking action to ban the use of for-profit prison and immigration detention centers and so are investors.

In our Impact Investment Standards, we discuss how the spread of privatization and deregulation since the 1980s has prompted a global debate about the role of corporations in society. We believe that companies have an obligation to respect the boundary between government and the private sector and to support government's responsibility to provide public goods such as healthcare, law enforcement, and primary education. Having a clear restriction on for-profit prison and immigration detention centers reinforces our position on public versus private goods.

By publicly stating the importance of divestment, we continue to use our platform as active managers to draw attention to the risks in for-profit prisons and immigration detention centers. We not only effect change through our investment decisions, but also through communication with companies and issuers. Read about our work to help financial companies understand the risks involved in lending to private prisons on page 81.

Key Performance Indicator Revisions

We have developed proprietary key performance indicators (KPIs) to help guide our social and environmental research for all asset classes and sub-industries covered by our Funds. When evaluating a company, our KPIs help us focus our analysis on the most important sustainability challenges and opportunities it faces, within the context of its business model and industry. As industries evolve over time, it is important that we periodically revisit—and sometimes revise—our KPIs to ensure that we remain focused on the most relevant and meaningful information.

This year, we implemented KPI revisions in the Materials, Retailing, Media & Entertainment, and Telecommunication Services industries and include highlights of some of the revisions below:

- For **materials companies,** we updated our indicators as it relates to metals, minerals, and mining. We expanded our assessment of greenhouse gas emissions reduction targets to include time-bound transition plans, either through the Transition Pathway Initiative, Science Based Target initiative, or other time-bound quantitative transition and reduction targets, including reporting aligned with the recommendations of the Taskforce for Climate-related Financial Disclosures (TCFD).

- For **retailing companies**, we explicitly state paying above minimum wage as a positive indicator and clarified and enhanced some data points on supply chain management practices.

- For **telecommunications companies**, we refined our indicators to address major controversies with government-related censorship and ownership concerns. We also seek to address the energy efficiency and climate resiliency of telecommunications infrastructure.

- For **media companies**, we note controversies with disinformation campaigns and any notable privacy concerns, in addition to harassment or discriminatory practices in the workplace.

We also updated KPIs related to forests across several industries, which you can read about on page 24.

Our Support for Forests Through Our Standards

Domini has a long history of supporting forests through the environmental and social standards that we apply in our investment decision-making process. **We seek to avoid investment in businesses and practices that are significant drivers of deforestation**, such as industrial agriculture and other environmentally intensive practices that can have detrimental impacts on land and water resources.

In Brazil, for example, most forest loss is driven by land-clearing, including through the illegal setting of intentional fires to increase agricultural production. The country's poor enforcement of environmental laws and insufficiently resourced regulatory agencies cannot halt widespread deforestation to clear land for industrial farming of soy and cattle. We generally avoid investment in companies that engage in soy and cattle farming in Brazil and companies that export and trade these products due to a wide variety of concerns including violations of environmental regulations, corruption, bribery, tax evasion, encroachment into indigenous areas, and the emissions and waste intensity in meat production.

We seek investments that promote the protection and preservation of forests, wildlife and ecosystems. We favor companies that integrate sustainable practices into their global supply chains, by using rigorous sustainability certifications for timber, for example. We also look for companies that reduce their impact on the pollution of air and waterways, understand and report on how their operations impact forests and local ecosystems, and responsibly manage relations with local and indigenous communities.

Key Performance Indicator Revisions on Forests

As industries and our understanding of issues evolve over time, it is important that we periodically revisit and sometimes revise the key performance indicators (KPIs) that we use to assess companies. This year, as part of our focus on forests, **we evaluated our KPIs and other standards to ensure our research and investment decision making process was aligned with our forest principles** (see page 15). We analyzed our entire library of proprietary KPIs, assessing those we currently had related to forests, timber, and forest-risk commodities and where we lacked formal guidance. We then adopted new indicators to better capture risks related to deforestation and to help us better identify companies that have a positive impact on forests.

During this process we first identified the different degrees and types of exposure certain industries faced with respect to the systemic risks related to forests. These assessments were largely based on how directly linked their business model is to forest products, other ecosystem services provided by forests, and deforestation. We then calculated the percentage of our holdings and eligible investment universe that fell into each of the four types of linkage: direct, indirect, macro and broad.

Directly linked industries *either directly source forest products, meaning they rely on the provisioning service of the ecosystem, or directly contribute to deforestation, or both.*

Indirectly linked *industries rely on forests and forest products in some parts of their business but are at least one step removed from the sourcing of products or from deforestation.*

Industries with a ***macro linkage*** *to forests will be impacted by disruptions to the climate and other biogeochemical processes from loss of regulating and supporting ecosystem services that forests provide.*

Financial institutions are linked to forests in many ways, direct and indirect. We consider this industry to be an example of a ***broad linkage.***

This exercise helped guide our evaluations of our current KPIs and draw attention to industries where we were missing relevant indicators. It also helped guide our engagement work throughout the year (see page 106 to read about our engagement efforts related to forests).

As a result of our analysis, **we adopted 24 new additions and modifications to our proprietary KPIs to better capture risks related to deforestation and to help us better identify companies that have a positive impact on forests.** Many focused on the impacts of agriculture and forest-risk commodities, which were part of our consideration in our research and decision-making, but not formally noted. Our indicators not only aim to highlight the risks present when companies take insufficient action on deforestation, such as controversies within its supply chain, but also include solution oriented indicators, such as programs to provide and promote alternatives to soy, beef, palm, and strong timber supply chain management. For example, while we considered food sourcing issues across industries such as Hospitality or Food, Staples and Retailing, we had not codified promotion and sales of alternatives to deforestation-linked products as a positive indicator.

Given the global importance of forests, these strengthened indicators help to enhance our research process and ensure that forests have an appropriate representation in our company evaluations. These revisions aligned our research and investment process with the forest beliefs and principles we published this year.

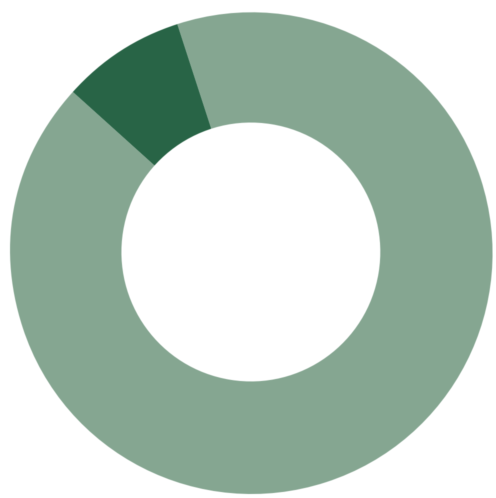
Standards in Action: Domini Impact Equity Fund

Our Impact Investment Standards help shape our investment portfolios. We believe they help us to identify companies that are better positioned for the future. **The Domini Impact Equity Fund combines two unique investment strategies developed by Domini and designed to provide investors exposure to the U.S. economy through the lens of the classic impact investor**. Every company in the portfolio must meet our Impact Investment Standards.

The **U.S. Core** strategy, which normally accounts for between 80% and 95% of the Fund's portfolio, invests primarily in mid- to large-capitalization U.S. companies. Through the application of our social and environmental standards, we narrow down our equity universe to a list of eligible companies. From this eligible list, we construct the U.S. Core portion of the Fund's portfolio by selecting **companies across industries that we determine demonstrate strong social and environmental performance relative to their peers**.

Between 5% and 20% of the Fund's portfolio is normally allocated to the **Thematic Solutions** strategy, which **invests in solution-oriented companies that we believe can help address key sustainability challenges**. We seek high-conviction investments in companies that support specific themes, which you can read about along with investment highlights starting on page 30. Every Thematic Solutions company must also have representation of women on its executive team and/or board of directors.

Domini Impact Equity Fund



U.S. Core (91.8%[1])

Thematic Solutions (8.2%[1])

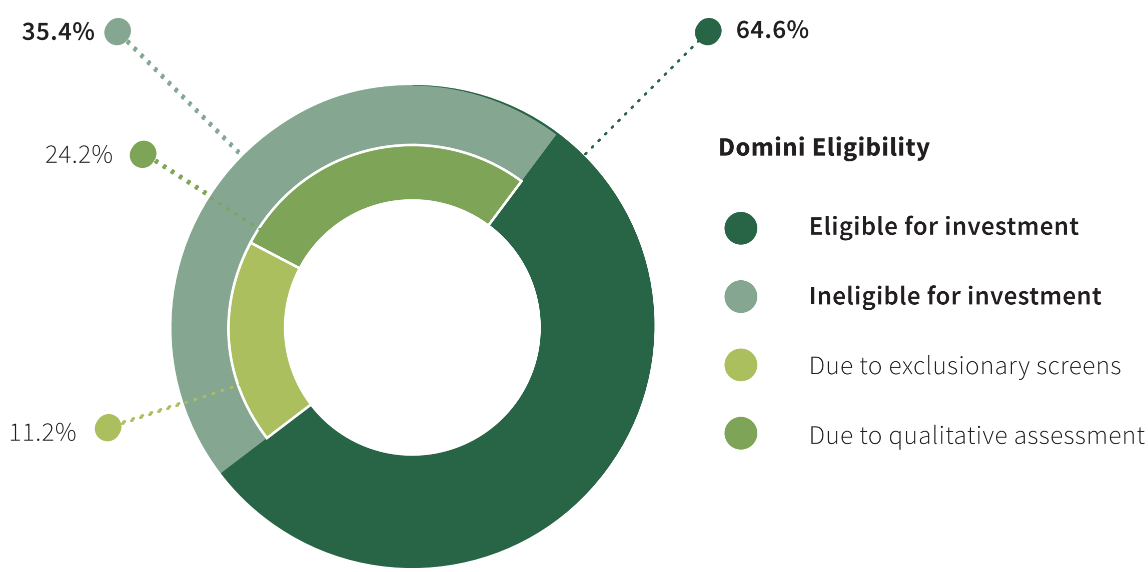
NOTE: All of the above information is as of December 31, 2019.
[1] Fund Portfolio weights, excluding cash and cash equivalents. Numbers may not add up to totals due to rounding

See page 134 for important Domini Funds holdings disclosure. The composition of the portfolios is subject to change. Visit domini.com to view the most current list of the Funds' holdings.

How the Fund's Benchmark Stacks Up to Our Standards

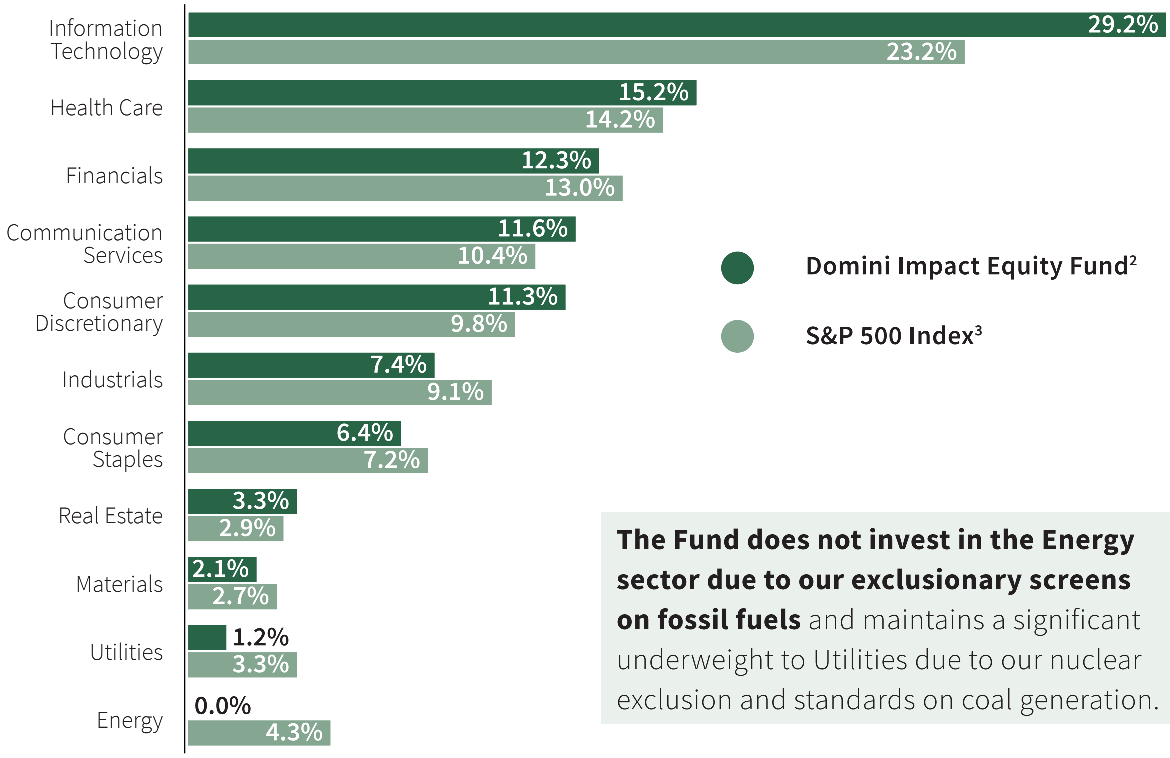
When you invest in an index fund, you invest in a broad basket of companies, some of which may not be aligned with your values. As an active manager, we believe **we have a responsibility to consider the consequences of investment decision-making for society and the planet**. The S&P 500 Index, for example, is invested in several weapons manufacturers and tobacco companies, which are ineligible for investment by the Domini Funds due to our exclusionary screens. Many other companies in the index are ineligible because they do not meet our social and environmental standards, perhaps due to quality or safety concerns. Here, **we show what percentage of the S&P 500 we consider eligible for investment**.

S&P 500 Index[1]



NOTE: All of the above information is as of December 31, 2019. Eligibility decisions are subject to change.
[1] Index weights. Numbers may not add up to totals due to rounding.

What Is the Fund's Sector[1] Exposure?



The Fund does not invest in the Energy sector due to our exclusionary screens on fossil fuels and maintains a significant underweight to Utilities due to our nuclear exclusion and standards on coal generation.

What Is the Fund's Carbon Footprint?

The Fund's portfolio as of December 31, 2019 was **65% less carbon intensive** than its benchmark, with 110.6 fewer tonnes of emissions per million dollars of sales. Of this difference, 100.4 tonnes is attributable to the Fund's sector allocations, including its underweights to more carbon-intensive sectors like Utilities and Energy. The remaining 10.2 tonnes is attributable to the Fund's security selection, implying that, more often than not, Domini selected less carbon-intensive companies for investment.

TCFD Carbon Intensity[4]

Domini Impact Equity Fund:

60.0 CO_2

tonnes per million $ sales

S&P 500 Index:

170.6 CO_2

tonnes per million $ sales

NOTE: All of the above information is as of December 31, 2019

[1] Sector distributions are based on the Global Industry Classification Standard (GICS).

[2] Fund Portfolio weights, excluding cash and cash equivalents. Numbers may not add up to totals due to rounding

[3] Index weights. Numbers may not add due to rounding

[4] TCFD carbon intensity calculations were made using Bloomberg's Portfolio Carbon Footprint Tool. Carbon intensity is measured as tonnes of carbon dioxide equivalent emitted per USD millions in sales. The figures provided are the weighted averages of each company's carbon intensity by its allocation in the portfolio or index. The carbon data used is Scope 1 and 2 (as available) for fiscal year 2018, the most recent year for which data was widely available. Where companies do not report Scope 1 and 2 emissions, they are estimated using the median of reported figures within the same industry group. For the calculations provided, such estimates were used for 27.8% of the Fund's portfolio and 23.5% of the index.

Top 10 Holdings: Fund vs. Benchmark

Below are the Fund's top ten holdings as of December 31, 2019, alongside the benchmark's top ten holdings for comparison. Our standards have led us to approve only six of the benchmark's top ten holdings as eligible for investment.

Domini Impact Equity Fund[1]	S&P 500 Index	Domini Eligibility
1. Microsoft Corporation	1. Apple Inc.	Eligible for investment
2. Apple Inc.	2. Microsoft Corporation	Eligible for investment
3. Alphabet Inc. (Class A)	3. Amazon.com, Inc.	Eligible for investment
4. Amazon.com, Inc.	4. **Facebook, Inc. (Class A)**	**Ineligible: Does not meet standards**
5. Visa Inc. (Class A)	5. **Berkshire Hathaway Inc. (Class B)**	**Ineligible: Exclusionary Screen**
6. The Procter & Gamble Company	6. **JPMorgan Chase & Co.**	**Ineligible: Does not meet standards**
7. AT&T Inc.	7. Alphabet Inc. (Class A)	Eligible for investment
8. Bank of America Corporation	8. Alphabet Inc. (Class C)	Eligible for investment
9. Mastercard Inc. (Class A)	9. **Johnson & Johnson**	**Ineligible: Does not meet standards**
10. The Walt Disney Company	10. Visa, Inc. (Class A)	Eligible for investment

NOTE: All of the above information is as of December 31, 2019. Eligibility decisions and the composition of the Fund's portfolio are subject to change.
[1]A company's allocation within the Fund's portfolio is not a reflection of its social and environmental merits relative to other investments.

The Fund's Thematic Solutions strategy seeks to invest in solution-oriented companies that support the following themes:

Accelerate the transition to a low-carbon future

Examples: Renewable energy, including wind and solar technologies; Distributed generation and off-grid energy solutions; Energy storage; Electric vehicles; High-efficiency semiconductors and other energy-efficient technologies

Investment Highlight: Sunrun is the leading residential solar installer in the U.S., with a demonstrated commitment to expanding access to affordable, clean energy. The company designs, installs, finances, insures, monitors and maintains rooftop solar systems, with little to no upfront cost to homeowners and predictable pricing for 20 years, often providing significant savings over the cost of traditional energy. Sunrun's intelligent Brightbox battery storage solution helps customers maximize savings by optimizing generation and storage and reducing reliance on electric utilities during times of peak demand. As of 2018, Sunrun estimates that its solar systems have prevented 3.7 million metric tons of greenhouse gas emissions, produced over 5 billion kilowatt-hours of clean energy, and saved customers more than $300 million on electricity bills. Through a long-running partnership with GRID Alternatives, Sunrun has also helped provide access to solar power for thousands of low-income families in underserved communities across the country.

These themes are also supported by the **Domini Sustainable Solutions Fund**. Read more about this new fund at domini.com/sustainablesolutions

Contribute to the development of sustainable communities

Examples: Safe and affordable housing, Low-carbon transportation systems, Climate-resilient infrastructure; Climate-adaptation services; Sustainable design and engineering services; Smart-city technologies

Investment Highlight: Ameresco is a leading energy services company that provides comprehensive energy efficiency and renewable energy solutions. For 20 years, Ameresco has helped make communities around the U.S. more efficient and sustainable by working with government agencies, state and local governments, school districts, universities, healthcare and public housing organizations, and other commercial and industrial customers to upgrade and modernize energy facilities and reduce energy usage. The company helps customers overcome cost barriers to essential energy projects by using energy savings performance contracts and other budget-neutral financing strategies. Whether upgrading aging energy infrastructure, developing a new renewable energy plant, replacing a city's street lights, or retrofitting a school facility to be more efficient, Ameresco can help customers reduce costs and achieve efficiency targets, while making our communities cleaner and more sustainable, one project at a time.

Ensure access to clean water for drinking and sanitation

Examples: Affordable water services; Water and wastewater treatment facilities; Water quality and filtration solutions; Water harvesting and conservation; Flow-control and plumbing

Investment Highlight: Watts Water Technologies is a leading provider of high-quality water solutions for residential, commercial and industrial applications, including plumbing and flow control systems, drainage, HVAC, snow melting, rainwater harvesting, filtration, conditioning, and other water quality solutions. Watts also works to improve access to clean water in underserved regions through a partnership with Planet Water Foundation, a nonprofit that provides water filtration systems and hygiene education programs in impoverished communities. Since 2016, Watts and Planet Water have helped bring clean water to 15,000 people in Cambodia, China, Colombia, India, Indonesia, the Philippines, Puerto Rico, and Thailand.

Thematic Solutions

Support sustainable food systems

Examples: Healthy, natural, organic, and/or plant-based foods; Consumer nutrition education; Reduction of food waste; Resource-efficient agriculture; Support for local and small-scale farming

Investment Highlight: Beyond Meat is at the forefront of the plant-based meat revolution. While there have been many varieties of veggie burgers and non-meat alternatives available for decades, Beyond Meat is one of the first companies to develop plant-based meat that is designed to mimic the taste and texture of animal-based meat. The company continues to innovate and expand its portfolio with products like plant-based ground beef and sausage using ingredients like pea, mung bean and rice proteins, cocoa butter, and beet juice extract, which contain no GMOs, soy or gluten. By shifting diets from animal-based to plant-based proteins, Beyond Meat has the potential to help address several major sustainability challenges, including human health, climate change, natural resource constraints, and animal welfare.

Promote societal health and well-being

Examples: Preventative healthcare solutions, including vaccines and health education services; Innovative diagnostics and medicines for priority and neglected diseases; Mobile medical technologies

Investment Highlight: Teladoc Health offers a broad portfolio of services aimed at changing the way people access healthcare around the world. With a network of over 50,000 clinicians across more than 450 medical sub-specialties, Teladoc Health delivers care to millions of people across 175 countries in more than 40 languages. The company's flagship brand, Teladoc, is the U.S. market leader in telehealth, providing 56 million members with 24/7 access to licensed medical professionals by phone, web, or mobile app. Patients can often receive a diagnosis and prescribed treatment for a wide range of general medical conditions, without having to wait to schedule an in-person appointment with their physician or make a costly visit to an urgent care center. Telehealth can be an essential solution in reducing stress on overburdened hospitals and health systems, with Teladoc reporting that 84% of people are able to resolve their issue after their first telehealth visit.

Broaden financial inclusion

Examples: Affordable lending for underserved or disadvantaged communities; Financial literacy programs; Banking, insurance, and investment products/services; Access to capital for entrepreneurs and small businesses

Investment Highlight: Amalgamated Bank is a national leader in socially responsible banking practices. Amalgamated Bank was founded by a union, the Amalgamated Clothing Workers of America, in 1923 with the mission of providing affordable banking services to underserved workers. For nearly a century, Amalgamated has pioneered programs and financial products that provide access to banking regardless of a customers' socioeconomic status. It was the first bank to offer unsecured personal loans and free checking accounts to working New Yorkers, and maintains a strong commitment to helping build more sustainable, equitable communities by providing affordable banking and lending services to working families, immigrants, small businesses, unions, nonprofits, social impact enterprises, and progressive organizations. In 2015, it was also the first bank to raise its minimum wage to $15 an hour and led a campaign advocating for other banks and states to do the same. In 2019, Amalgamated continued to lead the way in advocating for workers' rights by becoming the first bank to raise its minimum wage to $20 an hour.

Bridge the digital divide and expand economic opportunity

Examples: Information and communication technologies; Quality education or training services; Software or services that support the development of small- and medium-enterprises

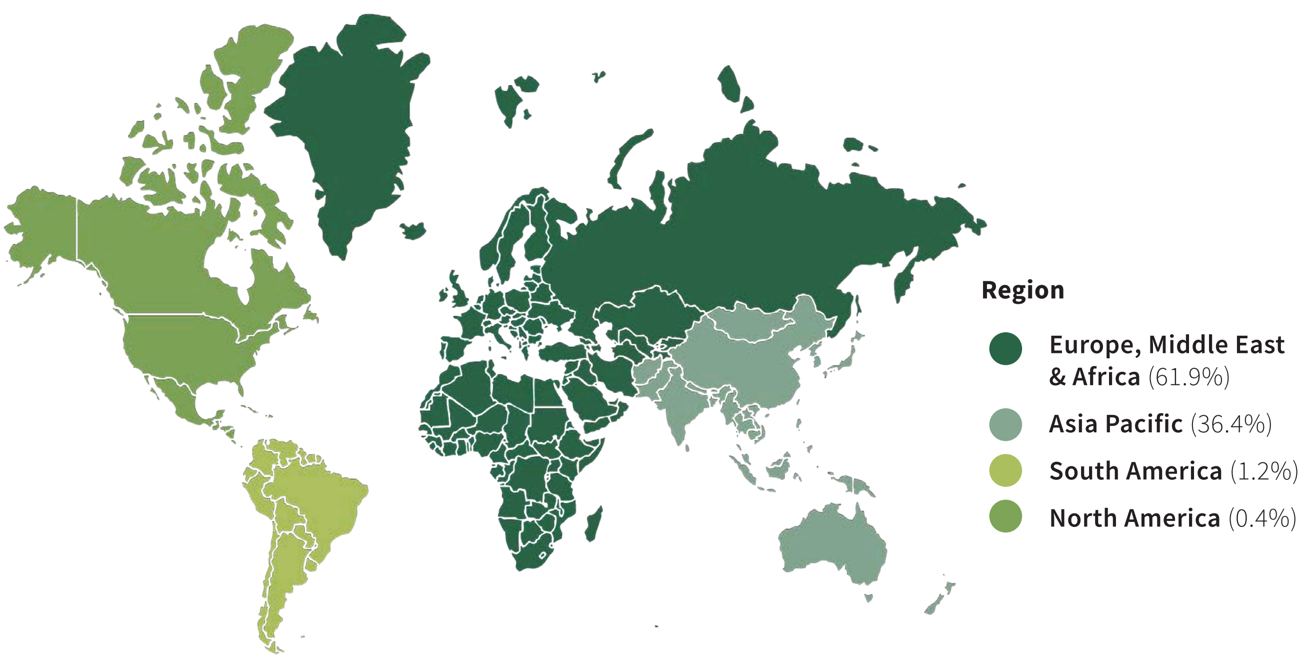
Investment Highlight: Chegg is a direct-to-student learning platform for high school and college aged students. The company provides services to help students with their course work or citations with their papers. When students need additional help on a subject, they can reach a live tutor online through Chegg Tutors. In 2019, over 3.9 million students subscribed to the company's services. In addition, the company offers print and electronic textbooks for rent and for sale to help students save money. More recently, the company acquired a skills-based learning platform that offers professional courses focused on in-demand technology skills.

Standards in Action: Domini Impact International Equity Fund

Our Impact Investment Standards help shape our investment portfolios. We believe they help us to identify companies that are better positioned for the future. **The Domini Impact International Equity Fund invests primarily in mid- to large-capitalization companies throughout Europe, Asia and around the world**. Every company in the portfolio must meet our Impact Investment Standards.

Through the application of our social and environmental standards, we create a list of eligible companies. From this eligible list, Wellington Management Company, the Fund's financial submanager, constructs the Fund's portfolio using proprietary analytical tools. A company's inclusion and allocation within the Fund's portfolio are the result of Wellington Management's financial process and are not a reflection of its social and environmental merits relative to other eligible companies.

What is the Fund's Geographic Exposure?

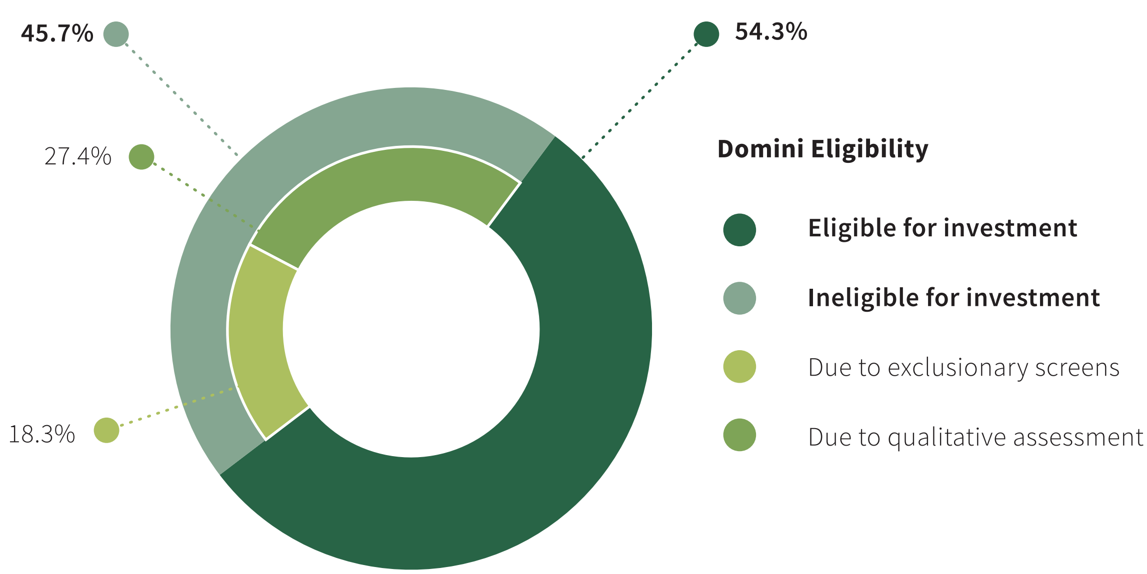


NOTE: All of the above information is as of December 31, 2019.
[1] Fund Portfolio weights, excluding cash and cash equivalents. Numbers may not add up to totals due to rounding. The Fund does not invest in every country shown on the map. It primarily invests in developed market countries in Europe and the Asia-Pacific region.

How the Fund's Benchmark Stacks Up to Our Standards

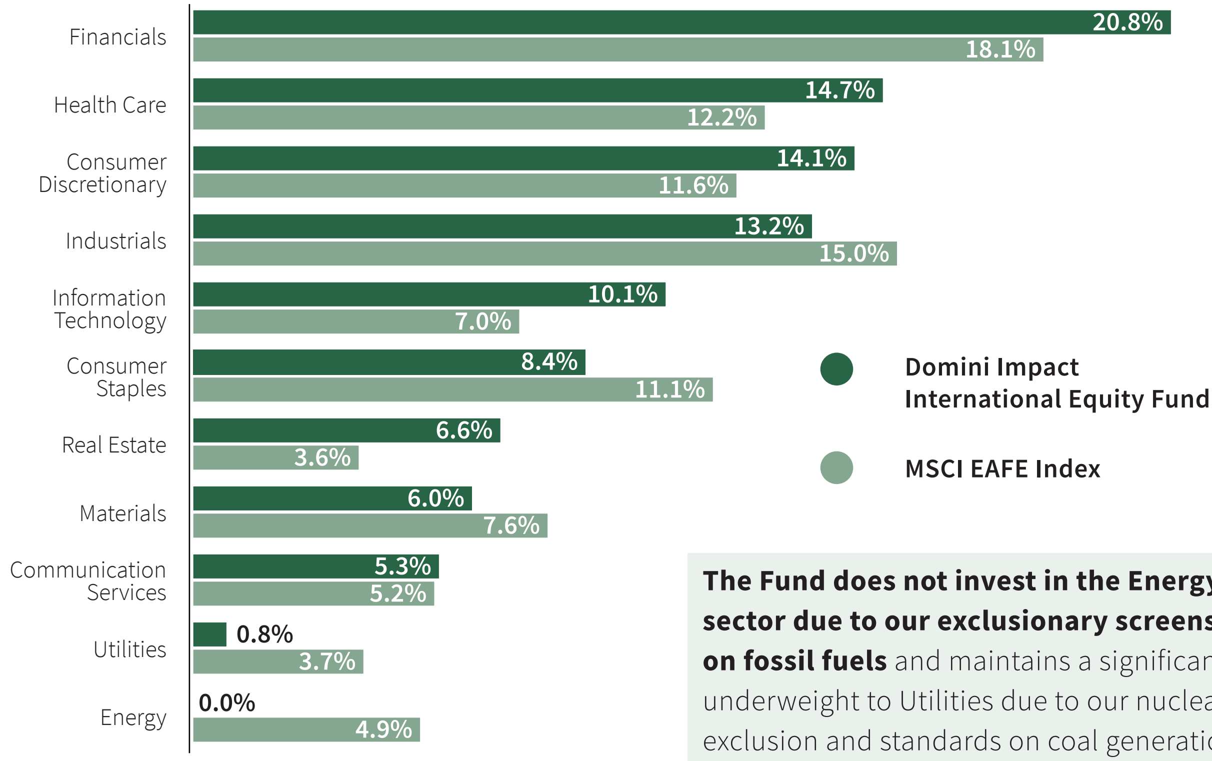
When you invest in an index fund, you invest in a broad basket of companies, some of which may not be aligned with your values. As an active manager, we believe **we have a responsibility to consider the consequences of investment decision-making for society and the planet**. The MSCI EAFE Index, for example, is invested in several fossil fuel and alcohol companies, which are ineligible for investment by the Domini Funds due to our exclusionary screens. Many other companies in the index are ineligible because they do not meet our social and environmental standards, perhaps due to supply chain or labor concerns. Here, **we show what percentage of the MSCI EAFE we consider eligible for investment**.

MSCI EAFE Index



NOTE: All of the above information is as of December 31, 2019. Eligibility decisions are subject to change.
[1] Index weights. Numbers may not add up to totals due to rounding.

What is the Fund's Sector[1] Exposure?



The Fund does not invest in the Energy sector due to our exclusionary screens on fossil fuels and maintains a significant underweight to Utilities due to our nuclear exclusion and standards on coal generation.

What is the Fund's Carbon Footprint?

The Fund's portfolio as of December 31, 2019 was **29% less carbon intensive** than its benchmark, with 56.4 fewer tonnes of emissions per million dollars of sales. This difference is attributable to the Fund's sector allocations, including its underweights to more carbon-intensive sectors like Utilities and Energy.

TCFD Carbon Intensity[2]

Domini Impact International Equity Fund:

137.5 CO_2

tonnes per million $ sales

MSCI EAFE Index:

193.9 CO_2

tonnes per million $ sales

NOTE: All of the above information is as of December 31, 2019

[1] Sector distributions are based on the Global Industry Classification Standard (GICS).

[2] Fund Portfolio weights, excluding cash and cash equivalents. Numbers may not add up to totals due to rounding

[3] Index weights. Numbers may not add due to rounding

[4] TCFD carbon intensity calculations were made using Bloomberg's Portfolio Carbon Footprint Tool. Carbon intensity is measured as tonnes of carbon dioxide equivalent emitted per USD millions in sales. The figures provided are the weighted averages of each company's carbon intensity by its allocation in the portfolio or index. The carbon data used is Scope 1 and 2 (as available) for fiscal year 2018, the most recent year for which data was widely available. Where companies do not report Scope 1 and 2 emissions, they are estimated using the median of reported figures within the same industry group. For the calculations provided, such estimates were used for 13.6% of the Fund's portfolio and 13.3% of the index.

Top 10 Holdings vs. Benchmark

Below are the Fund's top ten holdings as of December 31, 2019, alongside the benchmark's top ten holdings for comparison. Our standards have led us to approve only four of the benchmark's top ten holdings as eligible for investment.

Domini Impact International Equity Fund	MSCI EAFE Index	Domini Eligibility
1. Allianz SE	1. **Nestlé S.A.**	**Ineligible: Does not meet standards**
2. Kering S.A.	2. **Roche Holding AG**	**Ineligible: Does not meet standards**
3. Adidas AG	3. Novartis AG	Eligible for investment
4. Novartis AG	4 . Toyota Motor Corporation	Eligible for investment
5. Merck KGaA	5 . HSBC Holdings plc	Eligible for investment
6. GlaxoSmithKline plc	6 . SAP SE	Eligible for investment
7. BNP Paribas S.A.	7 . **Total S.A.**	**Ineligible: Exclusionary Screen**
8. Coca-Cola European Partners plc	8 . **AstraZeneca plc**	**Ineligible: Does not meet standards**
9. Sonova Holding AG	9 . **LVMH Moët Hennessy – Louis Vuitton SE**	**Ineligible: Exclusionary Screen**
10. Koninklijke Ahold Delhaize N.V.	10. **BP plc**	**Ineligible: Exclusionary Screen**

NOTE: All of the above information is as of December 31, 2019. Eligibility decisions and the composition of the Fund's portfolio are subject to change.

[1]A company's allocation within the Fund's portfolio is not a reflection of its social and environmental merits relative to other investments.

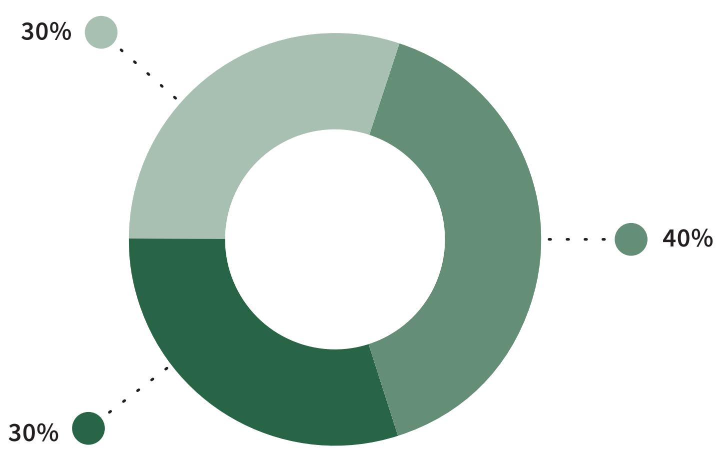
Standards in Action: Domini Impact Bond Fund

Our Impact Investment Standards are a fundamental part of our approach to fixed income. We set social and environmental guidelines and objectives for each asset class and create an approved list of securities using our standards and research. We partner with Wellington Management, the Fund's financial submanager, to construct and manage a portfolio of Domini-approved securities using proprietary analytical tools. For some asset classes, like government agency bonds, most securities are generally considered eligible for investment. For others, we consider potential investments on a case-by-case basis at the issuer or security level. Overall, we seek to understand who we are lending money to and for what purpose.

The Domini Impact Bond Fund provides shareholders the opportunity to help build healthy communities through an investment-grade bond portfolio that directs capital to where it is needed most.

Below, **we show the typical composition of the Fund's benchmark,** the Bloomberg Barclays U.S. Aggregate Bond Index, and how we typically evaluate investments in its primary asset classes. On the next page, **we discuss how our standards drive some of the key similarities and differences between the benchmark and our Fund**.

Bloomberg Barclays U.S. Aggregate Bond Index



Asset Classes & Domini Eligibility

U.S. Treasuries
Ineligible for investment

Agencies & Mortgages
Generally eligible for investment

Credit
Case-by-case eligibility

NOTE: All of the above information is as of December 31, 2019. Eligibility decisions and the composition of the Fund's portfolio are subject to change.

We don't invest in Treasuries: As you can see on the previous page, a significant portion of the Fund's benchmark is allocated to U.S. Treasury obligations. Our standards include a long-standing policy to exclude securities issued by the U.S. Department of the Treasury, primarily due to concerns about financing our nation's nuclear weapons arsenal. Instead of investing in these general government obligations, the Fund invests in bonds issued by U.S. government agencies that serve purposes aligned with our goals and have similar risk/return characteristics to U.S. Treasuries.

We maintain a significant overweight to agencies and mortgages to support affordable housing: The Domini Impact Bond Fund seeks to improve access to housing through investments that fund agencies and programs supporting access to affordable mortgage credit and rental properties. In keeping with our commitment to increasing access to capital for those historically underserved, the Fund has, since its inception, maintained a substantial, long-term commitment to affordable housing. We view our investments in housing as a form of reallocation of capital away from U.S. Treasuries.

We evaluate corporate bonds on a case-by-case basis: Like the benchmark, the Domini Impact Bond Fund also allocates a portion of its portfolio to corporate credit, the majority of which is issued for general corporate purposes. However, we evaluate corporate issuers on a case-by-case basis, using the same social and environmental standards we use to evaluate companies for our equity funds. Corporate issuers are evaluated on their business model and stakeholder relations using our proprietary framework and industry-specific key performance indicators.

We maintain a significant overweight to municipal bonds: In addition to corporate credit, the Domini Impact Bond Fund maintains significant exposure to credit issued by state and local municipalities. We believe these investments offer unique opportunities to help fund purposes essential to meeting the basic needs of communities, such as health care, education, and infrastructure. In particular, we seek investments that help increase access to capital for those historically underserved by the mainstream financial community, create public goods for those most in need, and fill capital gaps left by current financial practice.

You can read more about how the Domini Impact Bond Fund supports communities, starting on page 43.

Domini & the Sustainable Development Goals

In 2015, United Nations member states universally adopted the 2030 Agenda for Sustainable Development, an aspirational plan to spread peace and prosperity around the globe. The Agenda is organized around **17 Sustainable Development Goals (SDGs)**, which have been widely embraced by governments and civil society organizations, as well as a growing number of companies and investors. These goals aim to address broad global topics like poverty, climate change, wealth and income inequality, and the sustainability of our oceans and forests—areas in which we have a long history of seeking impact—and we welcome the coordinated vision they provide.

Our Standards on Forests & the SDGs

Over the past year, we have dedicated a significant amount of time and focus on forests. By working to protect the broad environmental, social, and economic services provided by forests, we are not simply supporting SDG 15: Life on Land, we are also having a larger impact on a broader set of the goals.

We identified the explicit or implicit impact of forests in seven of the seventeen SDGs. For example, by addressing SDG 15, you are also able to help address SDG 2: Zero Hunger and SDG 13: Climate Action. Forests are directly tied to global climate systems, serving as a carbon sink and regulating heat and moisture. Their loss is changing global rainfall and temperature patterns, with potentially dire consequences for agricultural productivity. This overlap **highlights how crucial forests are to the attainment of the SDGs**, and even more so, how deforestation could undermine the goals entirely.

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

The following table highlights the many linkages between forests and the Sustainable Development Goals:

Forest Impact Area	Related SDGs
Forest cover and management as relates to global biodiversity	**Goal 15: Life on Land**
Carbon sequestration	**Goal 13: Climate Action**
Protection of rural and indigenous livelihoods and traditional ways of life	**Goal 1: No Poverty** **Goal 10: Reduced Inequalities**
Biodiversity as a source of disease control and medically useful compounds	**Goal 3: Good Health and Well-Being**
Impact on agricultural viability and food security as safety net sources of food and nutrients	**Goal 2: Zero Hunger**
Increase resource efficiency, agricultural intensification and use of recycled materials	**Goal 12: Responsible Consumption and Production**

While the SDGs were developed to measure the progress of nations, both public and private investment must be mobilized to achieve the goals. Through the application of our Impact Investment Standards, **we believe we can build SDG-aligned portfolios that support the strength and resiliency of our forests as well as many other social, environmental and financial systems**. At their core, the SDGs are inherently aligned with the fundamental goals we have pursued for over two decades: universal human dignity and ecological sustainability.

Read about how our **Impact Investment Standards** are aligned with each of the **17 Sustainable Development Goals** at domini.com/sdgs

Community Investing

As neighbors, we seek to help build strong, sustainable communities by directing capital to where it is needed most.

Investing in Communities

Since the early 2000s, community investing has been one of our three principal impact-investing strategies, achieved through targeted fixed-income investments. We believe this asset class is particularly well-suited to help address a wide range of economic disparities in our society. To help build a more sustainable and equitable society, our fixed-income investments focus on addressing three key goals: to increase access to capital for those historically underserved by the mainstream financial community, create public goods for those most in need, and fill capital gaps left by current financial practice.

The Domini Impact Bond Fund seeks to have positive impact on a broad range of social and economic systems that provide the foundation on which healthy communities grow. We seek to support access to affordable and quality housing, health care, education, jobs, transportation, energy, water, financial services, and other critical resources. Through fixed-income investments, we believe we can contribute to the sustainability of communities and help foster economic opportunity for generations to come.

Our Community Investing Goals:

1. Increasing Access to Capital
2. Creating Public Goods
3. Filling Capital Gaps

As of December 31, 2019, the Domini Impact Bond Fund was invested across the following impact areas:

$138,954,079 — **Access to Housing**

supports affordable mortgage credit & rental properties and multifamily collateralized mortgage obligations.

$36,321,716 — **Corporate Debt**

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

$15,706,254 — **Economic & Community Development**

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

$11,627,240 — **Low-Carbon Transition**

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

$11,192,645 — **Health, Well-Being & Aging Society**

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

$9,110,533 — **Non-Housing Asset-Backed Securities**

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

Based on portfolio holdings as of 12/31/19, 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.

See page 134 for important Domini Funds holdings disclosure. The composition of the portfolios is subject to change. Visit domini.com to view the most current list of the Funds' holdings.

Across these investments, the Fund had $9.8 million invested in green & sustainability bonds.


1 NO POVERTY
2 ZERO HUNGER
3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
5 GENDER EQUALITY
6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY
8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
10 REDUCED INEQUALITIES
11 SUSTAINABLE CITIES AND COMMUNITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
14 LIFE BELOW WATER
15 LIFE ON LAND
16 PEACE, JUSTICE AND STRONG INSTITUTIONS
17 PARTNERSHIPS FOR THE GOALS
SUSTAINABLE DEVELOPMENT GOALS

Community Investing & the SDGs

Sustainable economies are built on healthy communities. Achieving the United Nations' 2030 Agenda for Sustainable Development will require private sector investment, not only in companies providing socially and environmentally responsible goods and services, but also directly in communities to grow local economies from the bottom up.

In 2017, we joined other leading investors in signing the Stockholm Declaration, which was co-led by the UN Global Compact, the Global Reporting Initiative (GRI), and the Principles for Responsible Investment (PRI). By signing the Declaration, we reaffirmed our support for the UN's Sustainable Development Goals (SDGs) and committed to using them as a framework in our investment approach, including investigating possibilities of measuring impact related to the SDGs.

On the pages that follow, **we highlight some examples of how the Domini Impact Bond Fund invests to strengthen our communities on a local and global scale through investments in municipalities, government agencies, community development financial institutions, and other organizations serving the needs of communities**. In addition to helping strengthen communities, we believe each of the highlighted investments can also help to support the SDGs.

Community Development Financial Institutions

$507,990

Community development financial institutions (CDFIs)—which are certified by the U.S. Department of the Treasury—help improve economic opportunity in low-income communities by expanding access to capital for local residents and businesses. Since its inception, **the Domini Impact Bond Fund has held a long-standing commitment to supporting CDFIs**, and we consider these investments to be especially impactful.

By placing deposits with CDFIs, **we help channel money to projects in low-income neighborhoods and regions of great need**. Among other things, these deposits support low-income housing, loans to small-business entrepreneurs, financial literacy programs, and the provision of affordable financial services for those who lack access to the mainstream banking community.

At Domini, we also conduct our own corporate banking with a CDFI, Southern Bancorp. Based in Arkadelphia, Arkansas, Southern combines traditional banking and lending services with financial-development tools and public-policy advocacy to promote economic development in rural and underserved communities. Our deposits help provide Southern with the capital it needs to continue its mission of expanding economic opportunity through financial inclusion and empowerment.

Center for Community Self-Help

The nonprofit Center for Community Self-Help, based in Durham, North Carolina, is a CDFI that plays an integral role in community revitalization across the U.S. Its mission is to create and protect ownership and economic opportunity for all, especially for people of color, women, rural residents, and low-income families and communities. **The Domini Impact Bond Fund holds certificates of deposit with two credit unions under the Self-Help umbrella: Self-Help Credit Union and Self-Help Federal Credit Union**. These two credit unions state that, combined, they serve more than 150,000 members throughout California, Florida, Illinois, North Carolina, South Carolina, Virginia, and Wisconsin.

Since 1980, the Center for Community Self-Help has provided over $8.5 billion in financing through 159,000 loans to families, individuals and organizations. Of these loans, 82 percent were to low-income borrowers, 69 percent to underserved areas, 61 percent to people of color, 40 percent to women, and 30 percent to rural areas. Self-Help's other wide-ranging impacts over the last four decades include loans for 84,000 school or childcare spaces; 46,900 jobs created or maintained; home loans for 63,700 families; $452 million in consumer loans; $1.5 billion loans to small businesses and nonprofits; $386 million to green projects, nonprofits and businesses; $175 million with solar developers who have built 280 MW of clean energy; and $161 million to finance green buildings.

1 NO POVERTY

10 REDUCED INEQUALITIES

By placing certificate of deposits (CDs) with the Self-Help family, we are supporting SDG 1: "End poverty in all its forms everywhere" and SDG 10: "Reduce inequality within and among countries."

Rural & Agricultural Communities

$4,056,102

Agriculture is a key part of our country's economic output and is essential to the sustainability of our food systems. According to the U.S. Department of Agriculture, agriculture and its related industries, including food manufacturing, retailing and services, provided 22 million jobs in 2018, representing 11 percent of total U.S. employment. Many of these jobs and industries are integrally important to the economies of small towns and rural areas. However, the agricultural sector is particularly susceptible to external risks, including climate change, trade wars, and changes in government policies. Variability in these factors can create significant uncertainty for the economies of agricultural communities, which can have broader implications for the national economy and food security. **The Domini Impact Bond Fund seeks to contribute to rural economic development and the sustainability of food systems through investments that support the strength and resiliency agricultural communities**.

Federal Farm Credit Banks

Farm Credit is a nationwide cooperative of 72 customer-owned financial institutions that support rural communities and agriculture by providing loans and financial services to U.S. farmers and ranchers, farmer-owned cooperatives and other agribusinesses, commercial fishers, rural homebuyers and rural infrastructure providers. Farm Credit's loans and operations are financed by debt securities issued by its fiscal agent, the Federal Farm Credit Banks Funding Corporation (FFCB). The Domini Impact Bond Fund currently invests in some of these bonds.

Farm Credit serves approximately 40 percent of the U.S. agriculture sector's credit needs. As of 2019, Farm Credit's loan portfolio included $287 billion in loans across all 50 states and Puerto Rico. These loans can be used for a variety of purposes, including to acquire land, operate farms, purchase inventory, or lease equipment. Farm Credit also has policies and programs in place to help make credit available to small farmers and ranchers, as well as younger farmers that are just getting started in order to help support the nation's next generation of farmers. In 2018, Farm Credit made 46,682 new loans to "young producers," 62,330 new loans to "beginning producers," and 114,817 new loans to "small producers," all together totaling approximately $36 billion.

The agricultural sector is a major contributor to the U.S. economy, through job growth and economic development, a stable food supply, and even energy security. **By investing in the securities issued by FFCB on behalf of Farm Credit, investors have the opportunity to help support the development of America's rural communities and the broader economy**.

This investment supports SDG 2: "End hunger, achieve food security and improved nutrition and promote sustainable agriculture."

Access to Water

$707,454

Access to clean, potable water is essential to public health and well-being and to the development of healthy communities. At Domini, we seek to promote access to clean, safe water for drinking and sanitation through investments that support quality water and wastewater infrastructure and the provision of affordable water services. **The Domini Impact Bond Fund invests in municipal bonds that finance the construction and maintenance of water and sewage systems**.

Although water is an essential public good, it is not free, and in many low-income communities, the cost of water can be burdensome. We therefore look to community relations as a key performance indicator when assessing investments in public water authorities, and **we favor those investments that support affordable water access in low-income and disadvantaged areas**.

City of Philadelphia Water Department

This year, the Domini Impact Bond Fund purchased a water and wastewater revenue refunding bond issued by the City of Philadelphia to help finance the operations and infrastructure of the Philadelphia Water Department. The Water Department is responsible for the maintenance of the city's stormwater, drinking water and wastewater systems and facilities. Philadelphia has one of the first sewer systems ever built in the United States, with much of the original infrastructure still in operation today. **The aging of municipal water infrastructure has become a growing hazard to local communities throughout the country, making investments like this increasingly important**.

The Philadelphia Water Department states that it plans to invest $2.4 billion over the next 25 years to improve its waterways. Through its "Green City, Clean Waters" plan, Philadelphia is working to restore its watershed protection systems and implement green stormwater infrastructure projects, such as rain gardens and stormwater planters, to reduce water pollution. Through its "Climate Change Adaptation Program," the City is also working to better understand how climate change will impact its water infrastructure and develop cost-effective strategies to minimize those impacts, which will benefit neighborhoods throughout Philadelphia.

The City of Philadelphia also offers water bill assistance options for low-income customers, senior citizens and those with special hardships, as well as free water conservation services for low-income residents. Participants in the Tiered Assistance Program, an income-based pricing program, also benefit from programs to support water conservation, including free leak detection tests and low-flow plumbing fixtures. The City estimates these programs can yield average water usage savings of over 25 percent for participants. All residents can also sign up for a low-cost protection plan to cover plumbing repairs and replacements.

By supporting the development of sustainable, climate-resilient water infrastructure and the provision of affordable water services, this bond helps provide long-lasting environmental, social and economic benefits for communities in Philadelphia.

6 CLEAN WATER AND SANITATION

This investment supports SDG 6: "Ensure availability and sustainable management of water and sanitation for all."

Nonprofit Education

$1,207,203

Quality education is one of the most fundamental and foundational elements of healthy economies. Domini seeks to promote access to affordable, quality education and support public, nonprofit education models and continuing education opportunities.

In particular, **the Domini Impact Bond Fund directs capital to projects that support primary and secondary public-school facilities, as well as nonprofit universities**. We especially favor education-related bonds that serve marginalized and low-income communities and look to support technical and vocational programs, as well as public libraries.

Bremen Community High School District

The Domini Impact Bond Fund holds a Qualified School Construction Bond—which are specifically issued for the purpose of constructing, rehabilitating or repairing a public-school facility—for Bremen Community High School District Number 228.

The Bremen Community High School District is located in Cook County, Illinois, approximately 20 miles southwest of downtown Chicago. The school district operates four high schools—Bremen, Tinley Park, HillCrest, and Oak Forest High Schools—with a total student population of over 5,000 students, as well as an administrative center.

When the Illinois State Board of Education reviewed applications for the Qualified School Construction Bond program, some priority was given to districts that had a high percentage of inadequately housed and low-income students. As of 2019, 38 percent of Bremen's students are from low-income households and 2 percent are homeless.

In 2016, the district called for a seven-year, $74 million capital improvement plan. **The proceeds of the bond held by the Fund will be used to alter, repair and equip school buildings and facilities**, including building and equipping a new fieldhouse, expanding a cafeteria, and adding classrooms and spaces for fine arts programs. The proceeds will also help fund a roof replacement, security upgrades, HVAC renovations and upgrades, boiler replacement, health and life safety improvements, and exterior improvements. These projects will help improve and enhance the education of Bremen's students.

4 QUALITY EDUCATION

This investment supports SDG 4: "Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all."

Housing & Healthcare Services

$3,810,666

Ensuring access to housing is essential to creating a world of universal human dignity. Whether they own or rent, every family and individual should have access to decent, safe, affordable housing. However, the U.S. Government estimates over half a million people, including children and people with mental health issues, are homeless across the country.

In keeping with our commitment to increasing access to capital for those historically underserved, the Domini Impact Bond Fund has, since its inception, maintained a substantial, long-term commitment to investments that support affordable housing. **The Fund also seeks to improve access to housing and healthcare services through investments in municipal bonds that support housing programs for at-risk and disadvantaged communities**.

We also seek to support the growing healthcare needs of our aging society through providing financing for continuing care retirement communities, which provide a range of housing and healthcare services for aging communities, from independent or assisted living facilities to around-the-clock nursing and memory-support care, and are essential to ensuring our aging communities have access to quality care.

In addition to these investments, we also have substantial investments in government agencies and programs that support access to affordable mortgage credit and rental properties, which you can read about on page 38.

California Health Facilities Financing Authority

The Domini Impact Bond Fund is invested in a social bond issued by the California Health Facilities Financing Authority (CHFFA), which exclusively provides financing to nonprofit and public health care providers. CHFFA also provides services for children, the homeless, persons with mental illness, veterans, and other at-risk or disadvantaged populations. California's Department of Housing and Community Development, which is financed by CHFFA, administers several programs to help address the State's growing homelessness problem, such as the Veterans Housing and Homelessness Prevention Program and the Supportive Housing Multifamily Housing Program.

The social bond held by the Fund supports CHFFA's No Place Like Home Program (NPLH), which provides funding and tools to help address affordability issues in California's housing market. **The bond proceeds will be put toward the development of permanent supportive housing for persons in need of mental health services and who are experiencing homelessness, chronic homelessness, or who are at risk of chronic homelessness**.

The investment will help finance affordable housing developments, including costs associated with the acquisition, design and construction of affordable rental units for those at or below 30 percent of area median income. Proceeds may also be used to rehabilitate existing affordable housing projects. In addition, California's Department of Mental Health will provide supportive services to tenants in NPLH-funded units. **As California's housing crisis grows, we believe investments like these will help create safe and affordable spaces for at-risk populations**.

11 SUSTAINABLE CITIES AND COMMUNITIES

This investment helps support SDG 11: "Make cities and human settlements inclusive, safe, resilient, and sustainable."

Nonprofit Healthcare & Research Facilities

$6,740,156

Access to affordable, quality health care is essential to the health and well-being of communities. We consider health care to be a public good and acknowledge the limitations of private and for-profit organizations in equitably providing this good. For this reason, the Domini Impact Bond Fund seeks to support nonprofit and public healthcare systems whose goals align with the needs of society at large. We seek investments that fund nonprofit health facilities, including hospitals, clinics, and specialized care centers, as well as institutions that provide academic medical training or conduct research in areas of priority diseases and unmet needs. **We especially favor investments that address the needs of medically underserved and disadvantaged communities. We believe that by directing capital to fill gaps in healthcare funding, investors can play a role in helping to improve access to and quality of care**.

Boston Medical Center

The Fund holds a municipal bond issued by the Boston Medical Center (BMC), a private, nonprofit academic medical center located in Boston's South End. BMC is the founder of Boston HealthNet, which is a network affiliation between the medical center, Boston University School of Medicine as well as 14 community health centers. Boston HealthNet provides outreach, preventative, specialty, dental and primary care throughout Boston's neighborhoods and neighboring towns.

BMC is the largest safety net hospital in New England, with a mission to provide healthcare to individuals regardless of their insurance status or ability to pay. BMC reports that many of its patients are Medicaid and Medicare payers, and 57 percent are from underserved populations, including low-income and elderly patients. Because nearly a third of its patients do not speak English as their primary language, BMC provides interpreter services in over 250 languages. As a teaching hospital and the primary teaching affiliate for Boston University School of Medicine, BMC operates 66 residency training programs with 817 resident and fellowship positions.

Under the Patient Protection and Affordable Care Act (ACA), all tax-exempt hospitals are required to assess their community health needs and develop actionable plans to address them. A Community Health Needs Assessment (CHNA) identifies health-related needs, strengths, barriers to care, and resources of a community through systematic, comprehensive data collection and analysis. In 2019, BMC joined a group of other hospitals, health centers and other stakeholders to develop a CHNA and implementation plan for the city of Boston. The report identified six key issues in the Boston community: Access to Services, Housing, Financial Security and Mobility, Violence and Trauma, Behavioral Health and Substance Use Disorders, and Food Insecurity. With these findings, BMC has created an Implementation Strategy which will serve as a roadmap for their Community Benefits Programs and Initiatives with the aim to improve health outcomes among underserved populations.

For example, **BMC is helping to tackle food insecurity through its Nutrition Resource Center**, which includes a Preventive Food Pantry that serves over 7,000 people each month. Through the Nutrition Resource Center, BMC helps address nutrition-related illness and under-nutrition among its low-income patients, many of which are refugees and immigrants. In 2017, BMC opened a 2,658 square-foot rooftop farm that harvests approximately 6,000 pounds of produce annually. Of this, 3,500 pounds are dedicated to the Food Pantry, and the rest is used to feed patients, as well as in the hospital's cafeteria, a teaching kitchen, and at an in-house portable farmers' market.

City of Hope

The Domini Impact Bond Fund is invested in a bond issued by City of Hope, a cancer center and biomedical research institution located just outside of Los Angeles. **City of Hope aims to turn its scientific advances in cancer research into practical benefits as quickly as possible to save lives**. Every day, cancer has a profound impact on families and communities around the world. The National Cancer Institute (NCI) estimated that, in 2019, there would be nearly 1.8 million new cancer cases and over 600,000 cancer deaths in the United States alone.

City of Hope is a nonprofit public benefit corporation comprised of the City of Hope Medical Foundation, the Beckman Research Institute of the City of Hope, and City of Hope Medical Center. The Medical Foundation was formed in 2011 to provide teaching, education, and research services for both the Medical Center and the Beckman Research Institute. It also operates outpatient clinic facilities. The Research Institute owns and operates a number of major research facilities on City of Hope's main campus. **The City of Hope Medical Center is a specialty hospital with a primary focus in cancer, diabetes, HIV/AIDS, and other life-threatening diseases**. It is one of only 51 designated Comprehensive Cancer Centers, which are recognized by NCI for their leadership in focused cancer research, care, education and community outreach programs.

City of Hope is also a founding member of the National Comprehensive Cancer Network, an alliance of leading cancer centers devoted to improving research and treatment protocols to advance care throughout the nation. According to City of Hope, four leading cancer drugs available today are based on technology it pioneered, and it estimates that 100 million people each year benefit from its scientific discoveries. The Fund's investment will support these ongoing research efforts and cancer treatments, so that City of Hope can continue to save lives and improve our ability to fight cancer in communities around the world.

3 GOOD HEALTH AND WELL-BEING

2 ZERO HUNGER

These investment supports SDG 3: "Ensure healthy lives and promote well-being for all at all ages" and SDG 2: "End hunger, achieve food security and improved nutrition and promote sustainable agriculture."

Sustainable Cities

$3,124,028

In September 2019, the global climate strikes brought together millions of people from around the world to demand action on climate change. These strikes were perhaps the largest call to action on climate change to date and were an inspiring reminder of the urgency with which we must come together to tackle this global challenge. **The impacts of climate change will be increasingly felt by communities around the world over the next several years**. From an increase in extreme weather events to rapid urbanization caused by climate migration patterns, cities will need to become increasingly resilient, adaptable and resource efficient. To do so, they will need significant capital to invest in infrastructure, social services, and other essential public goods.

The Domini Impact Bond Fund seeks investments that support the provision of these public goods, especially in underserved communities. **We are particularly committed to supporting access to affordable housing, climate-resilient infrastructure, low-carbon mass-transit transportation systems, energy-efficient buildings and facilities, pollution-control systems, and renewable energy assets**. Across all of the municipal projects that we help to finance, we try to take into consideration the potential community impacts.

City of Toronto

The Domini Impact Bond Fund is invested in a municipal green bond issued by the city of Toronto. Toronto has developed a bold climate action strategy, TransformTO, with the goal of reducing greenhouse gas emissions by 80 percent by 2050 to achieve a low-carbon, climate-resilient future. The city's action plan includes four objectives: reduce the emissions from homes and buildings; improve the use of renewable and low-carbon energy; promote the use of low-carbon-consuming vehicles; and divert waste from landfills.

Toronto was one of the first municipalities in Canada to establish a Green Debenture Program in 2018. **Proceeds from these green bonds will be used exclusively to finance or refinance projects related to renewable energy, energy efficiency, emissions reduction, waste management, pollution prevention and control, sustainable water management, sustainable transportation, green buildings, and other environmentally beneficial projects that support climate change mitigation and adaptation efforts**.

So far, Toronto has used the proceeds raised by its first green bond issuance to finance multiple sustainable transportation projects, including the purchase of new subway cars, the revitalization of the city's Union Station, the renewal of electric rail infrastructure, and maintenance support for existing infrastructure for subways, bridges and tunnels. The Fund's investment will help support Toronto's continued efforts to address climate change and is directly aligned with our continued support for the Paris Climate Agreement and the global transition to a low-carbon future.

11 SUSTAINABLE CITIES AND COMMUNITIES

13 CLIMATE ACTION

This investment supports SDG 11: "Make cities and human settlements inclusive, safe, resilient and sustainable" and SDG 13: "Take urgent action to combat climate change and its impacts."

Energy Efficiency & Green Buildings

$1,688,181

One of the most intuitive ways communities can help mitigate climate change and contribute to the transition to a low-carbon economy is by reducing their energy usage. Powering cities is an extremely energy-intensive endeavor—from homes and office buildings to traffic lights, mass-transit systems, and waste-management facilities. Incorporation of green design, materials and technologies can help reduce the climate impacts of buildings and their inhabitants. By constructing more energy-efficient facilities and retrofitting existing infrastructure, communities can greatly cut down on energy usage, which is both environmentally and fiscally responsible. **The Domini Impact Bond Fund seeks to invest in labeled and unlabeled green bonds that support energy efficiency projects, including new low-carbon construction and retrofits with green building certifications**.

Investment Highlights

Boston Properties

The Domini Impact Bond Fund is invested in a green bond issued by Boston Properties, a real estate investment trust that develops, redevelops, acquires, and manages a portfolio of properties in Boston, New York, San Francisco, and Washington, D.C. Leadership in Energy and Environmental Design (LEED) certification, developed by the U.S. Green Building Council, is a voluntary, third-party building certification used to create a national standard of design guidelines for high performance and sustainable buildings and to encourage the design and construction of energy- and water-efficient buildings that use sustainable resources and materials. As of 2018, Boston Properties reports that 21 million square feet of its eligible floor area, or 53 percent, was LEED certified, with an additional 4.5 million square feet of new construction also pursuing LEED certification. Boston Properties also has 68 ENERGY STAR certified buildings, which it expects to save millions of dollars in energy costs for tenants.

In an effort to decarbonize its business activities, the company has also partnered with the Science Based Targets Initiative to verify that its emissions reduction targets meet or exceed the "science based target" criteria, or the level of carbon emissions mitigation required to keep global temperature increase below 2°C compared to pre-industrial temperatures.

The Boston Properties green bond held by the Fund supports building developments and redevelopments, renovations in existing buildings, and tenant improvement projects that have received, or are expected to receive LEED Silver, Gold, or Platinum certification. The company has allocated most of the proceeds from the green bond issuance to the Salesforce Tower in San Francisco, a LEED Platinum certified building. We hope to see the company continue to strengthen the communities in which it operates through ongoing investment in sustainable property development.

11 SUSTAINABLE CITIES AND COMMUNITIES

This investment helps support SDG 11: "Make cities and human settlements inclusive, safe, resilient, and sustainable."

Renewable Energy

$3,017,211

In the coming decades, the impacts of climate change will be increasingly disruptive to communities across geographies and demographics. From an increase in frequency and severity of extreme weather events to rapid urbanization caused by climate migration patterns, cities will need to implement large-scale shifts in infrastructure to help ensure resiliency, adaptability and resource efficiency. Preparation for the low-carbon future will be a major component of this shift, necessitating a move away from the use of fossil fuels and towards building clean energy assets.

Investors can help by directing capital to projects that help communities tackle climate risks and position them to succeed in the low-carbon economy. **The Domini Impact Bond Fund seeks investments that promote environmental sustainability, including labeled and unlabeled green bonds that address climate change or serve other environmentally beneficial purposes**.

Azure Power Solar Energy

The Domini Impact Bond Fund is invested in a green bond issued by Azure Power Solar Energy, a subsidiary of Azure Power Global Limited, which **provides solar power to public and private utilities and independent industrial and commercial customers in India**. The company is also developing micro-grid applications for India's fragmented electricity market, helping the country meet growing electricity demand from millions of underserved people, which will be critical in continuing to support the country's economic growth aspirations.

In working toward the nationally determined contributions (NDCs) that it committed to as part of the Paris Climate Agreement, India is taking steps to reduce the emissions intensity of its global domestic product (GDP) by 33 to 35 percent by 2030 from 2005 levels. This planned reduction is largely dependent on the country's ability to transition away from fossil fuels in favor of renewables. Already, many Indian states have implemented bans on new coal power plants.

This year, at the UN Climate Action Summit, India announced plans for the country to achieve 175 gigawatts of renewable energy capacity by 2022. Although solar made up a small portion of India's total installed capacity as of 2019, it represented more than half of all new capacity installed during year. In addition to solar energy being more reliable, it recently became a cheaper source of power than coal in India. The country has only just begun to tap into its solar power potential, and we believe Azure Power can play a large role in driving its growth.

Azure developed India's first utility-scale solar power project in 2009. As of 2019, it reports it has expanded to 41 utility-scale projects, as well as many commercial rooftop projects. The company also reports that it has grown its portfolio of solar assets to approximately 5,000 megawatts of generation either in operation or development across 24 states in India. **The green bond held by the Domini Impact Bond Fund will support Azure's continued expansion and help communities across India have access to clean renewable energy**.

7 AFFORDABLE AND CLEAN ENERGY

This investment supports SDG 7: "Ensure access to affordable, reliable, sustainable and modern energy for all."

Corporate Green & Sustainability Bonds

$2,487,129

Since the first green bond was issued in 2008, there has been strong growth in investor demand for bonds that serve socially and environmentally beneficial purposes. In addition to green bonds, investors can now purchase a wide variety of social and sustainability bonds that finance both environmental and social initiatives. To help maintain consistency and transparency in this growing market, last year, the International Capital Market Association, which developed the Green Bond Principles, issued new Social Bond Principles and Sustainability Bond Guidelines. Taking these guidelines into consideration, **we have established our own sustainability bond guidelines for the Domini Impact Bond Fund, under which we evaluate both the social and environmental records of the issuers, as well as the specific purpose of the bonds**.

Starbucks Sustainability Bond

This year, the Domini Impact Bond Fund purchased a sustainability bond issued by specialty coffee retailer Starbucks Corporation to help finance various innovative initiatives that the company is undertaking. **Eligible Sustainability Projects financed by the issuance we are invested in include development and operation of farmer support and agronomy research centers, loans to the company's Global Farmer Fund to help alleviate access to finance issues for coffee farmers, and investments made through the "Starbucks Greener Stores" initiative**. Through this initiative, Starbucks aims to design, build and operate 10,000 "Greener Stores" globally by 2025.

In recent years, Starbucks has already taken several steps to improve the sustainability of its products, stores and operations. For example, the company offers incentive discounts for customers who bring their own reusable cups to their stores. In a further effort to minimize waste from single-use coffee cups, Starbucks partnered with NextGen Cup Challenge in 2018, committing $10 million to back entrepreneurs working to develop recyclable and compostable cups. Starbucks also recently designed a strawless lid and announced that it would stop using disposable plastic straws altogether by 2020.

Starbucks has also implemented energy initiatives to reduce the environmental impact of its stores. As of 2018, Starbucks reports that all company-operated stores in the U.S. and Canada were powered with 100 percent renewable energy, while 77 percent of its global operations were powered by renewables. In addition, 1,600 stores were LEED-certified.

Starbucks also actively works to monitor and invest in its supply chain. The company reported that 99 percent of coffee and tea purchased in 2018 was ethically sourced from suppliers certified by Coffee and Farmer Equity (C.A.F.E.) Practices and other certification programs. In 2018, Starbucks also invested $21.7 million in lending to coffee farmers across 14 countries to help strengthen their operations through tree renovation and infrastructure improvements. Since 2016, the company's agronomists have provided free training to 52,240 farmers through nine farmer support centers in China, Colombia, Costa Rica, Ethiopia, Guatemala, Indonesia, Mexico, Rwanda, and Tanzania.

8 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

This investment supports SDG 8: "Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all" and SDG 12: "Ensure sustainable consumption and production patterns," among others stated by the company including SDGs 1, 9, and 11.

Sustainable Forestry & Conservation

$1,310,691

Communities around the world depend on forests for the many resources and ecosystem services they provide. We rely on forests for clean air, a stable climate, sustainable food systems, biodiversity, and much more. However, continued deforestation poses a growing threat to global ecological and economic stability. Deforestation is a key contributor to climate change and poses substantial systemic threats to many local and indigenous communities that directly depend on them for their livelihoods, as well as to global biodiversity and to health outcomes around the world.

While we have worked for many years to address commodity-linked deforestation and unsustainable forestry practices, **we believe companies and investors must go beyond efforts to mitigate harm and take more direct action to address the root drivers of forest loss and contribute to the reforestation of natural landscapes**.

We seek to avoid investments that support businesses or practices that are significant drivers of deforestation, such as industrial agriculture. Instead, **we seek forward-looking investments that promote the protection and preservation of natural ecosystems, including businesses that have positive impacts on forests, biodiversity, and wildlife**. By working with companies and issuers in our portfolios to foster forest health, we believe we can strengthen the ability of forests to continue serving as a pillar of the global economy and as key part of the foundation of healthy communities worldwide.

The Conservation Fund

The Domini Impact Bond Fund is invested in a green bond issued by The Conservation Fund, a **nonprofit dedicated to protecting land and water resources in the United States through land acquisition, sustainable community and economic development, and leadership training**. Since it was established in 1985, The Conservation Fund has conserved more than eight million acres of land across 50 states, including over half a million acres that have been conserved through its Working Forest Fund.

The Working Forest Fund, which is dedicated to protecting at-risk forests by purchasing private working forests that are used to produce timber products and protecting them until permanent protections can be established for long-term preservation. During the period it owns a forest, the Fund implements a sustainable management plan that includes third-party verifications like the Forest Stewardship Council (FSC) and the Sustainable Forestry Initiative (SFI). It also develops a plan to protect wildlife and restore natural habitats. The Fund eventually resells the land once it ensures that it cannot be fragmented or used for unsustainable commercial development.

The Conservation Fund's Green Bond Framework includes land conservation and working forest protection as eligible green projects. The green bond purchased by the Domini Impact Bond Fund was issued to help increase the scale of the "Working Forest Fund," with proceeds dedicated to mitigating climate change, strengthening rural economies and protecting natural ecosystems. **This investment will support The Conservation Fund's ongoing efforts to protect and preserve forests across the United States, so that communities can sustainably benefit from the ecological and economic value they provide**.

Klabin

The Domini Impact Bond Fund holds a bond issued by Klabin Austria, a subsidiary of Klabin S.A. Klabin is a Brazilian packaging and agroforestry company that manufactures paper and board for packaging, corrugated cardboard boxes, and industrial bags. **Klabin states it is the first company in the Southern Hemisphere to have 100 percent of its forests be FSC-certified**, as are its production facilities. We consider FSC certification, which incorporates biodiversity and community factors in its assessment, to be the strongest forestry standard. Klabin also reports that it maintains 48 percent of its forest area for conservation and maintenance of biodiversity, in accordance with Brazil's Forest Code, which requires that 20 to 80 percent of holdings be set aside as legal reserves, depending on plot size and location. The company uses a mosaic concept for forest management, wherein pine and eucalyptus plantations are mixed with areas of native forests in order to create ecological corridors.

15 LIFE ON LAND

These investments support SDG 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."

Engagement

As owners, we engage with issuers, civil society organizations and policymakers to create financial, environmental and societal value.

Engagement Overview

For over 20 years, the Domini Funds have been a voice for change in capital markets, letting companies, investors and policymakers know that our shareholders are seeking more from their investments. Our Impact Investment Standards guide our investment decisions, but they also inform our engagement work.

We use a combination of tools to create impact through engagement, including direct dialogue, the filing of shareholder proposals, the principled use of proxy voting, and speaking out on public policy issues. We collaborate and engage with a wide variety of stakeholders, including public and private companies, non-corporate issuers, civil society organizations, governments, other investors and individuals to create financial, environmental and societal value. One important way that we scale our impact is by sharing knowledge with and learning from our allies inside and outside of the financial community. We sit on panels, host webinars, speak at events and join coalitions in collaboration with others to achieve our shared goals.

In 2019, our engagements focused on a wide range of topics, which included preserving forests, promoting diversity at the board and executive level, and encouraging pharmaceutical companies to broaden access to medicine initiatives. Some of the issues addressed throughout this report date back decades whereas others tackle new and emerging issues. Each year builds on the past, as we do what we can to achieve our goals we have pursued for over two decades: universal human dignity and ecological sustainability.

2019 Engagements by the Numbers

511

total companies & fixed-income issuers engaged

(300 U.S., 211 non-U.S.)

156

as the lead investor

(49 U.S., 107 non-U.S.)

355

additional through our collaborations & partnerships

(251 U.S., 104 non-U.S.)

682

total contacts

with companies & fixed-income issuers, including shareholder proposals, in-person meetings, letters, calls, emails, multi-stakeholder engagements, & sign-on letters

These engagements supported our key pillars:

446

Universal Human Dignity

236

Ecological Sustainability

Our engagements covered a range of topics including:

246	Diversity
151	Climate Change
79	Forests
48	Human Rights in Burma
33	Weapons and Firearms
31	Access to Medicine and Public Health
15	Workforce Issues
5	For-Profit Prisons
4	Human Rights in Technology
70	Other

"Our engagement program advances the leading edge of environmental and social sustainability in corporate practices." **— Corey Klemmer, Director of Engagement**

We sometimes will engage in dialogue with companies or issuers that are not held by the Funds or are ineligible for investment, either because they do not meet our standards or are not currently part of our investment universe. Throughout this section, public companies that were ineligible for investment as of December 31, 2019 are noted with an *.

See page 134 for important Domini Funds holdings disclosure. The composition of the portfolios is subject to change. Visit domini.com to view the most current list of the Funds' holdings.

2019 Engagement Highlights

- As part of our initiatives focused on forests, **we engaged companies across our portfolios** to elevate the systemic risks and opportunities related to deforestation and to **identify a higher bar for corporate best practices with respect to forests**.

- **We celebrated the filing of our 295th shareholder proposal**, a very effective and powerful engagement tool. Out of the 6 shareholder proposals filed during the year, **we reached an agreement with 5 companies** and therefore withdrew our proposals.

- Our work on global health continued to develop in partnership with the **Investors for Opioid and Pharmaceutical Accountability** (IOPA), the **Interfaith Center on Corporate Responsibility** (ICCR), and the **Access to Medicine Foundation**. We were especially pleased to reach an agreement with three companies which allowed us to withdraw our shareholder proposals in support of these efforts.

- In conjunction with the IOPA, **we formed a facilitated working group with more than a dozen health care companies**, including pharmaceutical manufacturers and distributors, and retail pharmacies, **to make sure that their executives are not incentivized to seek short term profits at the expense of long-term sustainability** of the companies or behave in ways that put public health at risk.

- We withdrew a shareholder proposal with **Alexion Pharmaceuticals** as they work to issue a **new sustainability report** in the coming year.

- After filing a shareholder proposal with **Nucor Corporation** five years in a row, we were very pleased to withdraw our proposal this year based on their **newly published lobbying disclosures**.

- **We led an investor letter** to the California Senate in support of the **California Deforestation-Free Procurement Act**.

- We collaborated with other members of the Investor Alliance for Human Rights (IAHR), nongovernmental organizations, trade unions, and others to develop the forthcoming **Toolkit on Respect for Human Rights for institutional investors to implement best human rights practices** into their business models and day-to-day operations.

- **We co-hosted the investor roundtable, "Controversial Weapons and Investors: From First Steps to Emerging Issues"** at our offices in New York with the 2017 Nobel Peace Prize-winning organization, the International Campaign to Abolish Nuclear weapons (ICAN).

- **We adopted an ambitious new proxy voting standard for diversity on boards**. The Domini Funds now 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). We apply the same standards for historically underrepresented ethnic and racial groups in markets where the information is available.

Engagements on Universal Human Dignity

Domini is committed to seeking investments that promote universal values of fairness, equality, justice and respect for human rights.

Protecting Human Rights

At Domini, **we expect companies to conduct thorough human rights due diligence in alignment with the United Nations Guiding Principles on Business and Human Rights** (UNGP).

The UNGPs outline the responsibility of corporations to be transparent about their management of human rights risks and performance. Domini participated in the initial consultation during the drafting phase of the development of the UNGPs as well as the development of the UNGP Reporting Framework, launched in 2015, which provides the first comprehensive guidance for companies to report on their efforts to comply with the UNGPs. Companies should actively work to alleviate adverse impact on human rights within its operations when it identifies them and report these due diligence processes and results to stakeholders.

In 2018, we joined the Interfaith Center on Corporate Responsibility's (ICCR) Investor Alliance for Human Rights (IAHR). The Alliance, comprised of over 160 institutional investors, was established to provide a collective action platform to facilitate investor advocacy on a wide variety of human rights and labor rights issues. **Investors have a responsibility to respect human rights and encourage their portfolio companies to drive responsible business practices**. Through the Alliance, members of the investment community can advocate more immediately, consistently and strategically to help protect human rights, and to act as a deterrent against legislative and regulatory rollbacks.

> This year, we collaborated with other IAHR members, nongovernmental organizations (NGOs), trade unions, and others to develop practical tools that institutional investors can use to implement best human rights practices into their business models and day-to-day operations.

This project will be publicly **launched in 2020 as the Toolkit on Respect for Human Rights with a goal of outlining specific steps that investors can take to prevent, mitigate, and address adverse human rights impacts connected with their investment activities** and providing

analytical tools, checklists, templates, and case studies for investors to utilize. In addition to our work with the IAHR on the Toolkit, we joined over 80 investors in signing an IAHR letter asking for all governments to develop, implement, and enforce a mandatory human rights due diligence requirement for all companies in their jurisdictions. This letter, "The Investor Case for Mandatory Human Rights Due Diligence," builds on an exciting global trend of governments requiring higher levels of due diligence from companies.

In 2019, the Equator Principles (EPs), a tool that financial institutions use to assess and manage environmental and social risk in their lending decisions, underwent its fourth revision. We signed onto two letters regarding the revisions. The first sought to better align the EPs with the UN Guiding Principles on Business and Human Rights, which we consider to be a leading standard for human rights due diligence for companies. The second focused on the rights of indigenous peoples to provide their free, prior and informed consent (FPIC) as laid out in the UN Declaration on the Rights of Indigenous Peoples.

Why We Do Not Invest in For-Profit Prisons & Immigration Detention Centers

The for-profit prison model incentivizes imprisoning and detaining the greatest number of people for the longest duration at the lowest cost to increase growth and profits.

We have never invested in publicly traded companies involved in for-profit prison and immigration detention operations due to the serious civil and human rights abuses that occur, particularly for marginalized communities, when operated to extract profit rather than as a public good.

While these types of businesses have never met our Impact Investment Standards, we understand the importance of how we explicitly communicate our work to our shareholders and the broader investment community.

> That is why, this year, we formalized our policy and added an exclusionary screen against investment in companies that have significant involvement in immigration detention centers or the for-profit prison industry.

You can read more about our decision on page 22.

We also continue to raise concerns with companies that have peripheral involvement in the for-profit prison industry. We are active in engaging banks to the serious reputational, legal and financial risks involved with lending to the industry. In 2019, eight major banks recognized these risks and announced that they would stop lending to private prisons.[1] We worked with investor allies to build on that momentum by engaging mid-sized banks, including Citizens Financial Group*, First Tennessee Bank (Subsidiary of First Horizon National Corporation), Pinnacle Financial Partners, Regions Financial Corporation, and Synovus Financial Corporation, that may continue to lend to private prisons. We highlighted the risks involved and encouraged them to follow the lead of the eight banks' announcement earlier in the year.

Calling for Action on Weapons & Gun Safety

The dangers of weapons of mass destruction, the international arms trade, and the ongoing epidemic of domestic gun violence are among the greatest threats to public safety that we face today.

> Domini has a longstanding exclusion against investment in weapons and firearm manufacturers, and we continue to raise concerns with companies that have peripheral involvement.

We believe all companies have a moral responsibility to assess whether their products, services and political activities are playing a role in gun violence or standing in the way of reform.

During the mass shooting in Christchurch, New Zealand in early 2019, the shooter specifically designed his attack to leverage social media to reach as many viewers as possible. We joined the New Zealand Superannuation Fund and 80 other investors to engage Alphabet (parent company of Google), Facebook* and Twitter about how they can and should work to prevent

[1] www.forbes.com/sites/morgansimon/2019/09/30/geo-group-runs-out-of-banks-as-100-of-banking-partners-say-no-to-the-private-prison-sector/

the livestreaming and distribution of this content. These efforts support the global Christchurch Call, a set of voluntary commitments for governments, investors and society to collaborate to bring an end to violent and extremist content online.

Credit cards are often used to purchase weapons and ammunition that are used in mass shootings. In 2018, we sent letters to 18 financial services and credit card companies requesting information on specific disclosures and actions with regard to indirect lending to gun buyers via credit cards. This year, in partnership with the First Affirmative Financial Network and a group of investors, we followed up with American Express, Bank of America, Barclays*, BB&T (now Truist Financial Corp), BNP Paribas, Capital One Financial, Cowen, HSBC, JPMorgan Chase*, Mastercard, Mitsubishi UFJ Financial Group*, Morgan Stanley, PNC Financial Services, Regions Financial, TD Bank, U.S. Bancorp, Visa and Wells Fargo* to inquire about any planned or implemented policy changes or enhancements to merchant screening and oversight.

In the ensuing conversations, we learned that these companies have no insight into what their customers are buying, only where they are shopping, so a large purchase at Walmart*, for example, would appear as just that. **We discussed the potential for flagging high-risk merchants like gun shows and working with merchants to strengthen their standards for who can buy weapons and how.** Many companies rely on a "lawfulness standard" to bound the behavior of the merchants they work with and consistently called for public policy solutions to address our concerns.

An opportunity for these companies to support a public policy effort on this issue arose later in the year when over 145 CEOs signed a historic "CEOs for Gun Safety" letter, calling on U.S. Senate leaders to expand background checks and issue stronger "red flag" laws which would allow authorities to temporarily seize weapons from someone who is deemed by a judge to be a danger to themselves or others. We sent letters asking the CEOs of 15 financial companies to add their names to the letter to help broaden public support and awareness. We were glad to see that Visa already had called for a strong public policy response.

> To raise awareness and address the issue of investment in weapons, we co-hosted the roundtable, "Controversial weapons and Investors: From First Steps to Emerging Issues" at our offices in New York with the 2017 Nobel Peace Prize-winning organization, the International Campaign to Abolish Nuclear weapons (ICAN).

The event brought together investors, service providers, policy experts, campaigners, and other members of civil society to discuss civilian firearms, controversial weapons, nuclear disarmament, and other emerging issues. Through the discussion, we sought to raise awareness on how the boundaries of what could be considered weapons are evolving and the role investors can play in mitigating related risks, including engagement and divestment strategies.

In addition, **we signed onto a letter led by Swiss Sustainable Finance to global index providers calling on them to remove companies involved in controversial weapons from mainstream indices.** Currently, international conventions prohibit or restrict the development, production and use of controversial weapons, some countries have banned direct and/or indirect financing of such weapons, and many investors already don't invest companies involved in controversial weapons. Indices could help their users conform to this trend by removing companies involved in controversial weapons and therefore making funding less easily available for companies involved in the production of controversial weapons, such as cluster munitions, antipersonnel mines, and chemical, biological and nuclear weapons, all of which are banned through international conventions.

Mitigating Investment Risk in Conflict Zones

> We have a long history of engaging with companies to mitigate conflict risk and increase responsible foreign investment in conflict zones in order to protect civilians and communities, as well as investment returns.

We are a founding member and also serve on the advisory board of EIRIS Conflict Risk Network (CRN), a network of institutional investors, financial service providers and related stakeholders that are calling on corporate actors to fulfill their responsibilities to respect human rights and take steps that support peace and stability in areas affected by genocide and mass atrocity.

Companies doing business in conflict zones, such as South Sudan or Burma (Myanmar), have a heightened responsibility to understand and manage their risks and impacts. Having a strong human rights due diligence process in place would help companies proactively manage their potential and actual adverse human rights impacts.

In 2018, we surveyed all of the Japanese holdings in our portfolios to understand the scope and effectiveness of their human rights policies and practices, and if or how they were considering the human rights risks in Burma. Many of the companies were responsive to our questions with about 40% of responding companies acknowledging some business presence in Burma and over 60% reported having a "human rights policy" in place. However, just 36% had a human rights due diligence process, which we believe is a crucial component of responsibly investing in conflict zones.

At the beginning of this year we reported these findings and gaps back to our Japanese holdings. **We shared best practices which include, among other things, implementing a human rights due diligence process that is aligned with the UN Guiding Principles on Business and Human Rights and conducting diligence and risk assessments before entering into a market or business**

relationship with exposure to conflict zones. We received a strong response from companies and continued engaging on the topic with several. Additionally, IR Japan, Japan's largest specialized investor relations services company, reached out to us seeking to facilitate future dialogues.

We also joined an investor statement to Western Union* about its ties with Myawaddy Bank, a company owned by the military of Burma. Again, we highlighted the importance of a strong human rights due diligence process that would have uncovered the legal and reputational risks created by business relationships with violent regimes. We urged Western Union* to stop doing business with any Burmese military-owned or military-controlled companies and to conduct the necessary due diligence to enforce such a policy. Although our funds are not invested in Western Union*, we were grateful to hear the company announce that it would end its partnership with the bank.

In addition to our engagement work on investment in Burma, for over two years, **we have participated in a multi-year UN Sanctions Committee High-Level Review process.** Domini's Impact Investment Strategist Shin Furuya was invited to speak at the first dialogue focused on the private sector to provide feedback on the challenges and opportunities of the current UN Sanctions regime as a private sector expert. UN sanctions help to prevent terrorist funding, corruption, and money laundering, all of which can be disruptive to our social, economic and political systems. As such, investors have a vested interest in the effective implementation of UN sanctions. **We believe the evolving sanctions regime can play an important role in preventive investment risk assessments and should be an important consideration in their corporate evaluation process.** Following our recommendation, the UN plans to host a large convening of private sector players to discuss how investors and companies can work together to ensure effective implementation of current and future sanctions.

Improving Diversity in Company Leadership

We believe that gender and racial diversity on boards helps to mitigate governance risks and promote a more equitable and inclusive workplace. **Companies with diverse leadership are more likely to avoid group-think and have the potential to better understand customer needs, anticipate new societal trends and emerging issues, and foster cooperation with their workforce and communities.** Having diverse leadership also helps deter discriminatory practices and fosters a culture of tolerance and inclusiveness throughout an organization.

Earlier this year, we adopted a new proxy voting standard for diversity on boards. **The Domini Funds will 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). We apply the same standards for historically underrepresented ethnic and racial groups in markets where the information is available. We will also vote against the entire slate of nominees if there are no female directors or persons from historically underrepresented groups on the board (where information is available). It is one of the most ambitious standards in the industry, but we believe it is good for our companies, markets and society as a whole. At the 2019 annual meetings, we followed through on that commitment, voting against nearly two-thirds of directors that we considered (we do not vote against women or new candidates).

We are also participating in collaborative efforts to increase diversity in our portfolio companies. In 2018, we joined the Thirty Percent Coalition, a group of asset owners, asset managers, companies and human resource consultants working to increase gender diversity in corporate board rooms. This year, we participated in the Coalition's quarterly meetings, which covered updates on engagements, shareholder proposals and strategies.

> Along with our partners in the Thirty Percent Coalition, we participated in contacting 157 of the biggest companies in the U.S. with either only one or no women on their boards and urged them to add an additional woman to their board.

This year our outreach expanded to raise issues around the representation of women from historically underrepresented groups. It is a multi-year collaborative effort that we are proud to be a part of and hope will result in continuing the trend of increasing women's representation in corporate boardrooms.

We also reached out to three companies held in the Domini Impact Equity Fund including Dexcom, a manufacturer of glucose monitoring systems for diabetes management, Seattle Genetics, an oncology-focused biotechnology company, and Universal Display Corporation, an OLED technology company, following up on letters sent by the Thirty Percent Coalition as lead investor. **We asked how each of the companies were working to improve representation of women, and women of color in particular, at the board level**. Two days after we sent our letter, Universal Display Corporation nominated two new female board members, reaching a 1:3 ratio of women to men on their board. While this still falls below the Domini threshold for voting for directors through the proxy voting process, it is a welcome improvement.

While many companies have made meaningful progress on diversifying their boards, Japan lags the global trend. This is particularly important to us because as of the end of 2019, Japan represented the largest country allocation in the Domini Impact International Equity Fund. While women make up 27% of directors in the S&P 500, the average representation in Japan is just 5%.[2] The Domini Impact International Equity Fund ended up only supporting approximately 6% of Japanese directors during the 2019 proxy season.

[2] www.oecd.org/economy/surveys/Japan-2019-OECD-economic-survey-overview.pdf

Following the proxy voting season, we contacted all 42 Japanese companies in the portfolio to explain our rationale in supporting so few Japanese directors and encourage corporate practices that would help elevate women inside the firm. Building on the strong response from those companies to our letter, we followed up to share best practices such as broadening the search criteria for director candidates and to ask them to add one more woman to their slates of board nominees in the 2020 proxy season.

Domini also signed the "Investor Statement to support the UN Women's Empowerment Principles and achieve Gender Equality" along with over 50 other investors recognizing the social and financial importance of empowering women and calling on corporations to do more to work towards "gender equality in the workplace, marketplace and communities where they do business."

Access to Medicine & Public Health

At Domini we believe that access to affordable, quality, health care is a right. We invest in innovative companies that develop treatments for underserved populations, develop drugs for rare and orphan diseases and neglected tropical diseases, as well as generics manufacturers with a strong focus on patient safety. We look for companies that have strengths in preventative health, vaccine manufacturers and diagnostics companies, and companies that work to expand access to health care for underserved global communities.

When we engage with health care companies, we work to ensure that patients have the medicine they need at prices they can afford; that marketing to consumers is transparent, and responsible; that companies have the right mechanisms in place to meet public health crises, such as the opioid epidemic; and that companies are working collaboratively to manage global threats, such as antimicrobial resistance.

To meet these goals, we work to ensure that the companies have the right leadership and that executives are incentivized to prioritize patient and public health. In order to amplify our efforts, we work collaboratively with a number of groups that share our basic values, including the Investors for Opioid and Pharmaceutical Accountability (IOPA), the Interfaith Center on Corporate Responsibility (ICCR), and the Access to Medicine Foundation's investor group. The IOPA comprises more than 60 investors representing investments of more than $4.4 trillion.

The group includes faith-based funds, retirement funds, medical trustees, sustainability funds, as well as traditional asset managers. The IOPA began as the Investors for Opioid Accountability, working to change the management at companies that played an integral part in creating the opioid epidemic, principally by looking at changes to company operation and risk mitigation since 2012.

We filed a shareholder proposal at Walgreens Boots Alliance, requesting a public report on the board's efforts "since 2012 to more effectively monitor and manage financial and reputational risks related to the opioid crisis" including its efforts to monitor the activities of wholesale distributor AmerisourceBergen*, which it owns a significant non-controlling stake, as well as the impact of growth in opioid sales on performance-based executive compensation. **At the 2019 Walgreens Annual Meeting of Shareholders, more than 60% of shareholders voted in favor of our proposal**.[3] Throughout 2019, we worked with Walgreens on the substance of its report, recommending key changes on the company's disclosure of its relationship with AmerisourceBergen*.

The IOPA has since expanded its focus to ensure that pharmaceutical companies are more accountable to patients by offering fair and competitive prices on innovative and generic drugs through governance reforms that incentivize managers to promote long-term growth while enhancing oversight and risk management. The group has filed shareholder proposals to make sure that boards of directors have independent oversight of executives, and that executives are not incentivized to seek short term profits by raising prices or behaving in ways that put public health at risk.

For the 2020 proxy season, as part of an effort to ensure that managers were incentivized away from short term thinking, the IOPA took an innovative approach, pioneered by engagement with banks in response to financial crises. The IOPA focused on the corporate governance of an expanded group of companies, requesting the deferral of annual bonuses of top executives for a period of years, so that the actions taken in the prior year could be put into context of the longer-term health of the business and the economy.

As a member of the IOPA, we filed bonus deferral shareholder resolutions at two companies, adding to the more than two dozen IOPA member filings at pharmaceutical manufacturers and distributors, and retail pharmacies. In response, more than a dozen companies agreed to participate in a confidential facilitated Working Group on the topic of bonus deferrals. For the 2020 proxy season, investors have withdrawn resolutions filed at these companies in the hopes of seeing refinements to their compensation arrangements.

In total, the IOPA was responsible for 36 shareholder proposals filed for 2020, many of which received high votes from shareholders, or resulted in capitulation by targeted companies. The group continues to engage companies on a number of governance-related issues, meeting with companies regularly to ensure that progress is made toward our shared goals.

We also maintain relationships with other multi-stakeholder groups who work to improve patient access and corporate governance in the health care sector. For

[3] This figure excludes abstentions and broker non-votes.

example, in collaboration with ICCR, we participated in conversations with multiple pharmaceutical companies. For instance, **at Sanofi and Pfizer, we pressed the companies on expanding access to special vaccine pricing for lower-middle income countries, as opposed to low income countries, which are at risk of losing access to these critical pricing programs.**

In conjunction with the Health Equity group at ICCR, we also filed a shareholder proposal at Vertex Pharmaceuticals, a global biotechnology company focused on treating rare, life threatening diseases, including cystic fibrosis (CF). The company's CF medication is very expensive, and we sought increased disclosure on how drug pricing strategies impact executive compensation, whether the company's compensation committee considers increases in revenue that result from increasing drug prices as apart from increases in volume or operational efficiency, and whether this represents an overweighting of short term returns. Moreover, in our engagements with the company, we wanted to know if the compensation committee considered the high reputational risk related to the pricing of their CF drugs.

> In April 2020, we withdrew the shareholder proposal at Vertex after we received a commitment from the company to revise its language in the materials for its annual meeting, including better disclosure of how drug pricing figures into executive compensation, and an explicit commitment to long term value creation.

Beginning in 2018, we became a signatory to the Access to Medicine Index (ATMI) Investor Statement, committing to using the Index in our analysis and engagements with companies. The ATMI's mission is "to stimulate and guide pharmaceutical companies to do more for the people living in low- and middle-income countries without access to medicine." The Index analyzes how 20 of the world's largest pharmaceutical companies are addressing access to medicine in 106 low- to middle-income countries for 83 high-burden diseases, conditions and pathogens.

In the past year the Access to Medicine Foundation has expanded its efforts to facilitate dialogues between investors and the companies that it reviews. In 2019, **we joined in a conversation with GlaxoSmithKline PLC, an ATMI leader for its access initiatives, to discuss how it supports access to medicine globally,** and to learn more about its practices surrounding intellectual property in low- and low-middle income countries. We were pleased to find that the company has taken a laudable approach to ensure that some of its medicines are fast-tracked to generic manufacturers months after regulatory approval. **We also had the opportunity to meet multiple times with Eisai Co., Ltd, a global pharmaceutical company based in Japan, where we discussed pricing strategies and the company's access programs, the connections between the environment and human health, as well as a broader set of sustainability issues.** We raised the potential impacts of climate change on the company's strategy in areas like pricing, drug pipelines or physical operations.

Lastly, **we were invited to be a part of a global dialogue with eight large biopharmaceutical companies on what kinds of information should be disclosed as part of their sustainability reporting efforts.** We relayed our expectations on the importance of transparency behind the rationale of increasing the prices of existing drugs as well as the material risks faced by pharmaceutical companies due to climate change.

Managing Human Rights Implications in Big Tech

The rise of "Big Tech" companies over the last decade has led to monumental innovations that have made our lives more convenient and connected than ever. However, as the dominance exerted by these companies—both in our markets and our society—has grown, so too has the number of emerging risks and issues, many of which we could hardly have anticipated not long ago. **For decades, we have engaged with Information, Communication and Technology (ICT) companies on topics such as supply-chain labor risks, governance practices, privacy concerns, and much more.**

Today, ICT companies increasingly face moral, reputational and financial risks related to privacy and consent, surveillance and censorship, and the spread of disinformation, among other issues.

As these issues have rapidly evolved in recent years, **we have used our platform as investors to try to address emerging concerns and have worked with many of the "Big Tech" companies to try to improve practices where we can.** At times, we have taken more direct action, as we did in 2018 when we divested from Facebook* in response to what we believed to be a governance crisis at the company. Meanwhile, we continue to utilize engagement as a tool to work with these companies and help manage risks.

> This year, we opened a new dialogue with Amazon.com and filed a shareholder proposal at Alphabet.

For years, responsible investors have had difficulty engaging with Amazon on a wide variety of issues. In 2018, as part of an investor statement representing $2.6 trillion, **we expressed our concern over the company's lack of meaningful engagement with its shareholders.** Last year, we filed a shareholder proposal with Amazon seeking a report on its analysis of the community impacts of its operations. Although the proposal was omitted by the U.S. Securities and Exchange Commission (SEC), we continued our engagements through other methods. During the second quarter, we wrote to the company requesting improved disclosure and transparency on workforce issues. In the third quarter, we joined an investor coalition representing $4.5 trillion to request a call on labor rights in the company's operations and supply chain. Despite our attempts, Amazon declined both requests for dialogue.

Nevertheless, **this year we witnessed**

some welcome improvement at Amazon, both on social and environmental issues. In addition to announcing "The Climate Pledge," which sets the goal of meeting the Paris Agreement 10 years early, **Amazon rolled out its new Global Human Rights Principles in November.** This new human rights policy was developed in accordance with the United Nations (UN) Guiding Principles on Business and Human Rights and makes reference to the Universal Declaration of Human Rights (UDHR), as well as the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. Its adoption is an important step for Amazon, particularly as troubling stories emerge related to worker health and safety in its fulfillment centers. Still, we believe the company needs to go further. For one, the Principles do not cover detailed privacy rights and lack mention of the company's surveillance and facial recognition technologies, topics on which we have tried to engage with the company for the past several years.

In light of our ongoing concerns, **we were very pleased for the opportunity to meet with a group of representatives from the company towards the end of the year to discuss its human rights policies.** We look forward to continuing this new line of dialogue and working with the company toward continued progress on these issues.

In addition to engaging with Amazon, **we also joined an effort to engage Alphabet on the societal risks and human rights implications of its business.** The letter, signed by a broad coalition of investors representing nearly $10 trillion in assets, raised questions about how the company deals with risks related to data privacy, freedom of expression, and artificial intelligence.

When it became clear that Alphabet would not agree to a conversation, **we elected to co-file a shareholder proposal calling for a board committee dedicated to overseeing the human rights risks related to the company's various activities.** You can read more about our proposal on page 114.

Protecting Workers' Rights

"Our people are our greatest asset" is a common corporate platitude, yet investors have limited information about how companies are taking care of their workforces. We're working to shift this dynamic by imploring companies to recognize the role workers play in value creation and make sure they enjoy their share of the rewards. There are many ways to do this as investors, all of which we undertook this year, from encouraging companies to work with unions to fighting for improved disclosure to sharing knowledge with peers and allies.

> Throughout 2019, we continued to work with the Workforce Disclosure Initiative (WDI), an investor initiative that calls for transparency from companies on how they manage workers in their direct operation and supply chains.

The WDI has a survey that companies are encouraged to complete that captures issues ranging from how migrant workers are recruited in Bangladesh to the turnover rate for frontline workers at U.S. retailers. **We engaged retail and apparel companies about why we consider the reporting so important and encouraged companies to disclose information in line with the WDI's survey.** We celebrated the leadership of Hennes & Mauritz AB (H&M) with two years of public reporting, and we thanked Adidas and Kering for their participation in the survey and urged them to make their 2019 reporting public, which both did. We also spoke on a WDI-hosted webinar for companies considering completing the survey and hosted and joined events for WDI to broaden its reach to a U.S. audience.

In addition to our work with the WDI, **we also continued to be active in the Human Capital Management Coalition which is a cooperative effort among a diverse group of institutional investors to further elevate human capital management as a critical component in company performance.** The Coalition engages companies and other market participants with the aim of understanding and improving how human capital management contributes to the creation of long-term shareholder value.

We collaborated with other investors to call for an end to forced arbitration for sexual harassment claims, which disproportionately affect low wage workers and women of color. This refers to a practice through which workers are required to forgo their right to take their employer to court or even to discuss the matter if they are sexually harassed or assaulted at work. There have been many instances in which an employee is therefore legally bound to go into arbitration with a company, even if they are sexually harassed or assaulted at work, rather than being able to file a lawsuit or class-action lawsuit. This prevents workers from exercising vital legal protections and may shield companies and predators from accountability. Companies like Alphabet and Facebook* have been quick to address these concerns and remove these dangerous clauses from its employment contracts. We hope others will follow.

We believe that the health, welfare, and prosperity of both domestic and foreign workers is integral to the sustainability of our economy, including our food system. Agricultural workers have historically been subject to human rights violations, and in particular, seasonal migrant workers have been overlooked and unprotected. Domini has been a longtime member of the Interfaith Center on Corporate Responsibility (ICCR), and we joined them and over 40 investors in sending a comment letter to the Department of Labor to strongly oppose proposed changes to migrant worker visa programs (H-2A visas) that would remove protections regarding wages, housing and transportation.

We had multiple conversations with TPI Composites, a U.S. based capital goods company, about the months long Matamoros labor strikes, some of the largest supply chain disruptions in Mexico in recent history. We raised a host of specific issues about how the company was addressing the situation, including communicating directly with workers, improving working conditions, addressing the scale of terminations, wage increases and the establishment of guidelines and policies on labor relations.

Disability inclusion is another workers rights issue that we have supported this year. In a letter led by the Office of the New York State Comptroller, we signed onto a joint statement with investors with over $1 trillion in combined assets under management calling on companies we invest in to create inclusive workplaces that can benefit from employing the millions of talented people with disabilities who remain underrepresented in the workforce. We called on companies to set goals for hiring people with disabilities and track progress in meeting those goals; adopt public support from a senior executive for creating a disability-focused employee resource group that fosters a supportive network; and include people with disabilities in their corporate diversity and inclusion statements. We believe that by implementing these practices, companies will gain exposure to a wider range of viewpoints, skills, abilities, and experiences. The competitive advantages companies realize from such inclusion contributes to long-term sustainability.

Promoting Responsible Corporate Tax Practices

> For the past several years, we have asked companies to improve their tax reporting, and to adopt ethical principles to guide their tax strategies, considering their impact on society and brand value, just as they have with bribery, child labor and climate change.

Tax revenues provide the foundation of public services that all of us, including companies, rely on. Without adequate tax revenues, society will suffer to the detriment of all its participants.

In recognition of the growing importance of this issue to investors, in 2015, the Principles for Responsible Investment (PRI) formed a global investor task force on corporate tax responsibility, which includes Domini. We worked with the task force to publish comprehensive guidance to help investors engage with corporations on these particularly complex issues. As a part of the PRI's multiyear collaborative engagement on corporate tax transparency, **we reached out to FujiFilm Holdings on the importance of responsible tax policies and disclosure.**

We joined investors representing over $1 trillion in a comment letter to the Financial Accounting Standards Board (FASB) on the importance of tax transparency and in particular, the need for country-by-country reporting. We were very pleased to see that FASB will take a new approach to consider expanding income tax disclosure. We also celebrated the new tax reporting standard published by the Global Reporting Initiative (GRI) at the end of the year, which we participated in submitting public comments on the exposure draft of GRI topic-

specific Standard: Tax and Payments to Governments.

Finally, this year we spoke on a panel, "Trending Toward Transparency: Corporate Tax Disclosures in a Global Economy" to share with other investors, companies and stakeholders the importance of tax transparency to investors.

Broadening Financial Inclusion

Persistent poverty is one of the largest obstacles to sustainable economic development and achieving a world of universal human dignity. Through the application of our Impact Investment Standards, **we seek investments that promote financial inclusion, mitigate economic disparities, and help alleviate poverty by filling capital gaps and increasing access to capital for underserved and disadvantaged populations.** We favor financial institutions that provide affordable banking, lending and insurance services to those traditionally excluded by the mainstream financial community, empowering them with access to housing, the resources to start and grow small businesses, and the ability to build long-term, inter-generational assets. However, many people who are most at risk also lack access to basic financial protections.

This year, we joined a coalition of investors representing $1.4 trillion in signing letters sent by Stewart Investors to 49 companies providing insurance services in emerging markets across Latin America, Africa and the Asia-Pacific region. The letters encourage them to "take a leadership position in the development of best practices around the provision of micro-insurance tailored for those who are simultaneously in the most desperate need and yet are the least well served today."

Advancing the UN Sustainable Development Goals

Over the years **we have participated in numerous forums and panels** with other investors and global stakeholders, including the United Nations and government representatives, **to explore strategies for the investment community to taking a holistic approach toward SDG integration**.

In September 2019 during the time of the UN General Assembly, we attended several events and gatherings of companies, investors and other stakeholders to address how we might collaborate to support achievement of the SDGs. We participated in two events, one hosted by the Japan Society and Nikkei to focus on corporate efforts to accomplish the SDGs, and the other on the role of the private sector in implementing the SDGs in Brazil.

In addition, we joined with representatives of civil society organizations, national human rights institutions, private practitioners and other investors to seek a more robust and inclusive process for the United Nations Development Programme's (UNDP) proposed "SDG Impact Practice Assurance Standards for Private Equity." While it is extremely important to facilitate the flow of financing into the SDGs, we are concerned that the process has not involved expertise on respect for human rights.

Lastly, we consulted on the Principles for Responsible Banking for the United Nations Environmental Programme Finance Initiative (UNEPFI) where we discussed the importance of Task Force on Climate-Related Financial Disclosures (TCFD) reporting and SDG alignment.

Engagements on Ecological Sustainability

Domini is committed to seeking investments that promote long-term environmental sustainability, including climate change mitigation and adaptation.

Addressing Climate Change

We continue to support the Paris Agreement and the global transition to a low-carbon future. The Paris Agreement under the United Nations Framework Convention on Climate Change (UNFCCC) calls for limiting global warming to well below 2°C above pre-industrial levels, with an aspirational target of 1.5°C, the level many scientists believe is necessary to prevent catastrophic climate change. In 2018, the Intergovernmental Panel on Climate Change (IPCC) released a special report on global warming and found that in the absence of "large, immediate, and unprecedented global efforts to mitigate greenhouse gases," warming will reach 1.5 °C between 2030 and 2052. In 2018, we became a signatory to the Investor Agenda, which was developed "to accelerate and scale up the actions that are critical to tackling climate change and achieving the goals of the Paris Agreement" through investment, corporate engagement, investor disclosure, and public policy advocacy.

In September 2019, the global climate strikes brought together millions of people from around the world in a call to action to address climate change. The sense of urgency behind this movement is an inspiring reminder for why **Domini's Impact Investment Standards restrict investment in fossil fuel companies.** We hope more investment firms will do the same.

> This year, we continued our long history of engaging with companies, nongovernmental organizations and other investors to further climate action and improve management of climate-related risks.

We expect companies across all industries to be actively addressing the effects of climate change and their role in the transition to a low-carbon future. We encourage companies to set emissions-reduction targets, adopt renewable-energy and energy productivity goals, assess and plan for natural disaster scenarios, and enhance disclosure in accordance with the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD).

Adoption of Climate Targets

As a signatory to ShareAction's Investor Decarbonisation Initiative, we participate in engagements to encourage companies to adopt climate targets in accordance with the Paris Agreement. The Initiative seeks investor support to call on companies to commit to setting science-based emissions targets in addition to commitments to renewable electricity (RE100), energy productivity (EP100), and electric mobility (EV100).

This year, we reached out to a total of 58 companies through the Initiative, including asking 8 companies to commit to the use of electric vehicles, 11 companies to commit to improving their energy efficiency, 12 companies to commit to the use of renewable energy, 11 companies to commit to adopting science-based emission targets, and following up with 16 companies who have already set science-based emission targets but haven't made much progress.

We also participated in a number of engagements with Climate Action 100+ (CA 100+), an investor initiative working to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change. Through this initiative, **we engaged companies on reducing emissions and strengthening**

disclosures in accordance with the recommendations of the TCFD. This year, we attended the first CA 100+ meeting in Japan, where members reported progress on their company engagements and discussed specific strategies for engaging with Japanese companies. We also engaged in conversation with Cummins Inc, a designer and manufacturer of diesel and natural gas engines and powertrain-related technologies. Among other topics, we discussed the company's ambitious greenhouse gas emissions reduction goals for 2030. In this conversation, we raised concerns with aspects of the company's climate lobbying.

> This year, after filing a shareholder proposal for the fifth time with Nucor, we were very pleased to negotiate a withdrawal based on the company's new lobbying disclosures which we elaborate more on page 114.

As stockholders, we encourage transparency and accountability in the use of corporate funds to influence legislation and regulation. For the past five years, we have filed a shareholder proposal requesting the disclosure of lobbying and political spending at Nucor Corporation. Year after year, we received strong shareholder support.

We also worked with an investor coalition to reach out to 47 of the biggest emitters to state our expectation that any corporate lobbying on climate policy be aligned with goals of Paris Climate Agreement.

Protecting & Enhancing Climate Related Regulations

In the United States, **we joined investors representing over $60 billion in endorsing a letter to support the core concepts of the Green New Deal.** The letter, which was drafted by As You Sow and sent to all members of Congress, encourages public and private action to accelerate the low-carbon transition in order "to keep our planet habitable; to help ensure a stable and productive economy; and to enable corporations to plan for necessary change, secure competitive advantage, respond to new opportunities, and mitigate against the risks posed by climate change."

In addition to promoting bold action on climate policies, it is important to protect existing regulations that have increasingly come under threat. Prior to our divestment of oil and natural gas exploration and production companies in 2015, we had a history of engaging natural gas companies on reporting and encouraging better disclosure on methane-related risks and emissions. Methane is a highly potent greenhouse gas with 34 times the warming potential of carbon over 100 years, yet this year the Environmental Protection Agency (EPA) worked to roll back existing methane regulations, a move so unpopular that even the biggest oil and natural gas companies opposed it.[4] The new rule would eliminate

[4] www.forbes.com/sites/lisettevoytko/2019/08/29/epa-proposes-methane-emissions-rollbackoil-and-gas-industry-not-entirely-in-favor/

key provisions of the 2016 New Source Performance Standards (NSPS) regulating oil and natural gas methane emissions, which provide critical health and safety protections to prevent harm to public health from methane emissions and to prevent potential methane leaks.

> To address our concerns with the proposed deregulations, we joined a comment letter to the EPA with a coalition of investors representing over $5.5 trillion in assets under management. In addition to the letter sent to the EPA, we asked 33 companies in the oil and natural gas industry to join us in defending the existing regulations that limit methane emissions and oppose the EPA's proposed rollbacks.

We recognize that other industries also play a large role in contributing to greenhouse gas emissions. Despite many automobile manufacturers actively working towards increasing the vehicle fuel economy of their fleets, deploying electric vehicles (EVs), and strengthening their greenhouse gas emissions standards. The transportation sector, for example, remains one of the largest sources of greenhouse gas emissions in the United States. This year, **we voiced our support for a more ambitious Advanced Clean Truck (ACT) rule to the California Air Resources Board.** We encouraged stronger goals, calling for 15% of all trucks on the road in California to be zero emission by 2030, in order to fully capture the market opportunities and climate change mitigation benefits for the state of California, its businesses, its citizens and our investments. We also joined 22 investors representing $1.1 trillion in assets under management calling for General Motors* to join other major automobile manufacturers and enter into an agreement with California which provides for emissions reductions on a nationwide basis, regulatory certainty, and incentives for increased deployment of EVs.

The insurance industry is also broadly recognizing that its future will be increasingly tied to climate change, as a growing number of natural disasters will lead to greater and greater payouts. In 2017, global natural disaster-related losses reached $340 billion, with insurance payouts reaching a record $138 billion.[5] Between Europe and Australia, "22 major insurers have divested from coal and tar sands companies and 13 have stopped or limited underwriting insurance policies for the coal industry."[6] These developments make it all the more surprising that Arthur Gallagher*, a U.S.-based insurance company, has moved in the opposite direction. **The company is leveraging a "clean coal" tax credit to invest significantly in "coal**

[5] Munich Re, "Natural disasters in 2017 were a sign of things to come – New coverage concepts are needed" (March 13, 2018). Available at: www.munichre.com/topics-online/en/climate-change-and-natural-disasters/natural-disasters/natural-disasters-2017.html

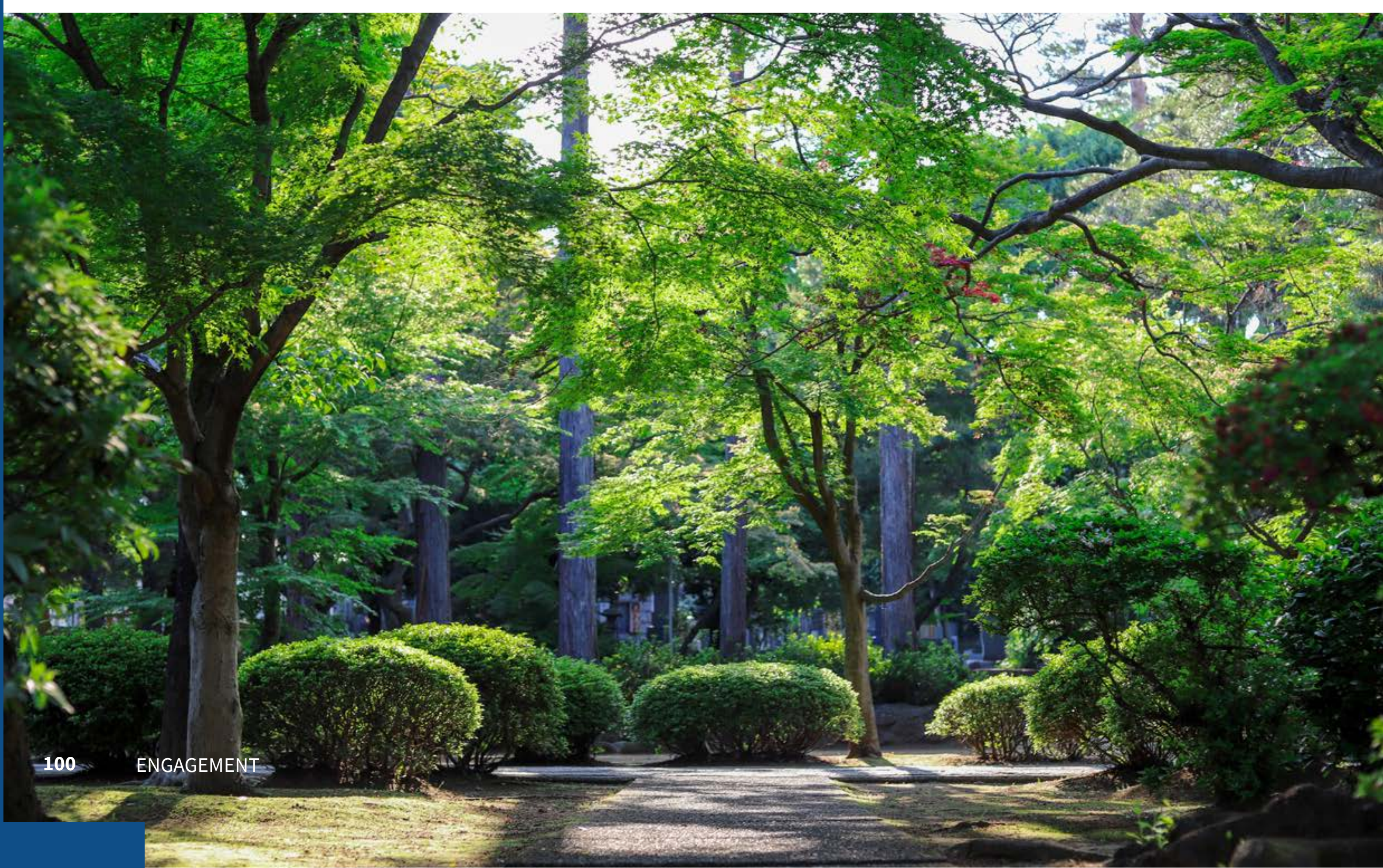
[6] Silvio Marcacci, "The Global Insurance Industry's $6 Billion Existential Threat: Coal Power" Forbes (May 22, 2019). Available at: www. forbes.com/sites/energyinnovation/2019/05/22/the-global-insurance-industrys-6-billion-existential-threat-coal-power/

cleaning" technology of questionable environmental value. We believe this activity, which today accounts for approximately 25% of the company's revenue, is inherently at odds with its core purpose of managing risk. We divested from the company earlier this year and sent them a letter to explain why they were no longer eligible for investment based on our Impact Investment Standards.

Communicating Green Bond Expectations

The Domini Impact Bond Fund seeks investments that promote environmental sustainability, including labeled and unlabeled green bonds that address climate change or serve other environmentally beneficial purposes. **We are happy to engage with green-bond issuers to communicate what impact investors look for in reporting, as well as to provide feedback on their developing green bond frameworks and eligibility criteria for use of proceeds.** Our analysis of green bonds is different depending on if the entity issuing the green bonds is a corporation, sovereign, municipality, or multilateral development bank, for example. The approval for our funds is on a case-by-case basis.

This year, **we participated in an event during New York City Climate Week hosted by Bank of America Merrill Lynch to engage with issuers of green bonds.** In conversations with the European Investment Bank, the International Bank



for Reconstruction and Development, the International Finance Corporation, Klabin, the Province of Ontario, Bank of America, Boston Properties, Verizon, and Xcel Energy,* we expressed our expectations about performance and disclosure and the challenges and opportunities that remain in the space.

Supporting a Sustainable Future in Japan

Climate change presents many significant risks for Japanese companies, which is why we continued to engage in dialogue with several leading Japanese institutions and companies in our portfolios on the country's efforts in transitioning to a low carbon future.

> We met with the Japan Exchange Group (JPX), the largest consolidated stock exchange in Japan, which combines all three of the country's major exchanges, including Tokyo Stock Exchange, Osaka Stock Exchange and JASDAQ. At the meeting, we discussed Japanese corporate governance and stewardship codes, ESG listing standards, and disclosure requirements in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

We also met with InfluenceMap, a UK-based non-profit that analyzes climate policy lobbying used by CA100+, to discuss unique challenges in the Japanese market related to government policy and industry associations.

We often share our insights on sustainable finance as part of our efforts to address the systemic risks posed by climate change. This year, Domini Impact Strategist Shin Furuya discussed recent developments on the progress of the ESG landscape and impact investing in Japan during the webinar, Sustainable Financial Systems in Japan, hosted by The Investment Integration Project (TIIP). Some highlights include Japan's new governance and stewardship code as well as more active investor engagement by both Japanese companies and investors. However, he also noted the lack of public discourse on sustainability as a key challenge.

He also spoke at a seminar for institutional investors in Tokyo, Japan on the importance of assessing individual issuers on their climate-related performance and engagement strategies. The seminar was organized by the Japan Energy Transition Initiative (JETI), a new initiative founded by InfluenceMap, Carbon Tracker, 2 Degree Investing Initiative and the Institute for Global Environmental Strategies (IGES) and hosted by Daiwa Securities Group and supported by the PRI.

We regularly engage with financial institutions to advocate for more inclusive and sustainable financial systems. This year, **we met with Daido Life Insurance Company, one of the two main insurance operations companies within T&D Holdings, to discuss the materiality of ESG considerations within the insurance sector including asset management, as well as risks and opportunities related to climate change, specifically in the context of the Japanese markets.**

Reducing Plastic & Water Pollution

Despite growing public awareness and regulatory action, plastic waste continues to grow and pose a major sustainability challenge to communities worldwide. In 2018, China announced it would stop accepting recycling from the United States, revealing a major gap in domestic infrastructure and leading to a growing stockpile of plastic with much of it destined for landfills and a significant amount ending up in our oceans. Investors are increasingly taking action to mitigate plastic pollution. Last year, we joined the Plastic Solutions Investor Alliance (PSIA) led by As You Sow to raise issues with publicly traded companies on the issue of plastic pollution.

> This year, we participated in a multi-stakeholder call with Procter & Gamble on plastic waste and overall stewardship. In this dialogue we discussed progress towards its goal of 100% recyclable, reusable or compostable materials by 2030 as well as policy focused solutions such as extended producer responsibility. We also had an opportunity to engage Starbucks on a variety of its initiatives to reduce single use plastics in its stores.

The company was very responsive and held further conversations with PSIA members. In early 2020, we were very happy to see the company announce a major new initiative to improve recycling and waste in its stores.

We had the opportunity to engage Unifi, a global textile solutions company that manufactures synthetic and recycled performance fibers, on the sustainability of its materials. The company produces high performance textiles from recycled plastic bottles. Our discussions focused on improving the company's impact reporting and disclosure as well as how the firm strategizes the expansion of recycled fiber segments. Furthermore, we discussed the potential of initiating a closed loop synthetic fiber lifecycle to achieve material circularity.

Water pollution is a serious and ongoing threat to the environment and the health of surrounding communities. Every year, 12 million metric tons of plastic enters our oceans, mostly as macroplastics (generally larger than 5 millimeters), which decompose into microplastics and nanoplastics. "Ghost gear," which refers to abandoned, lost or otherwise discarded fishing gear, is estimated to be the source of between 46% and 70% of all floating macroplastics in the ocean, when measured by weight, and 10% of all total ocean plastics.[7] Ghost gear has the added impact of "ghost fishing," ensnaring and killing wildlife.

> This year, we joined a coalition of 13 global investors to call on the Marine Stewardship Council to strengthen its standard on ghost gear when certifying sustainable procurement policies for fishing companies. Protecting the natural resources these fishing companies depend on must be part of certifying their sustainability.

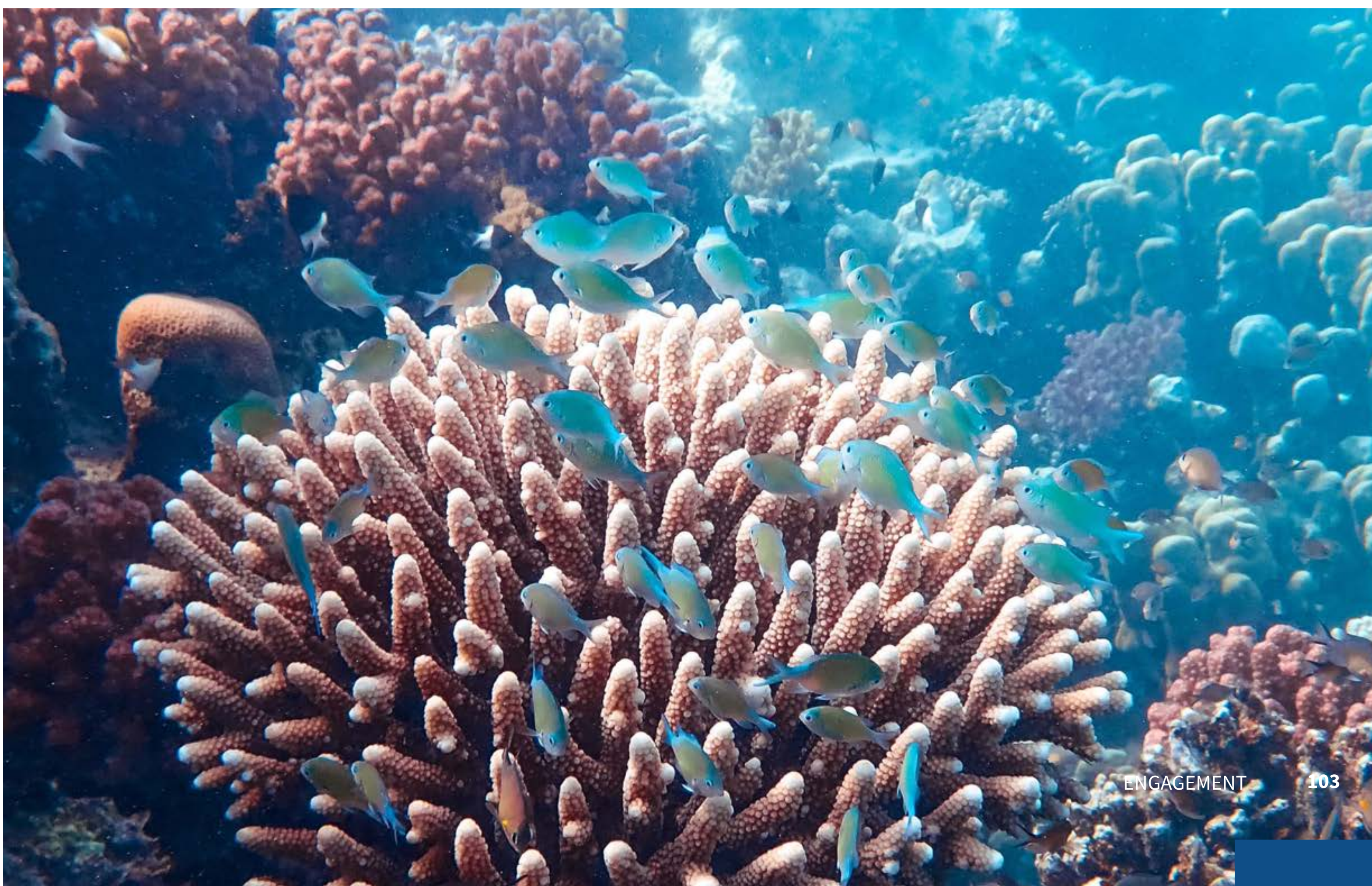
[7] "Annual Report 2018." Global Ghost Gear Initiative (2018).

In addition to addressing plastic pollution in our oceans, **we also joined a letter to the Environmental Protection Agency requesting the withdrawal of its newly proposed rule which would roll back protections on a vast swath of America's waterways and put our drinking water at risk of pollution.**

Supporting Sustainable Food Systems

How we source our food has profound consequences for the planet, society and our health. We seek investments that support the sustainability of our food systems by promoting responsibly cultivated food and by supporting small-scale farming and agriculture. Meat sourcing practices today involve a range of risks to people and planet, from the considerable emissions – food production accounts for one-fourth of global greenhouse gas emissions, with beef at the top of the list – to the use of antibiotics and hormones.

This year, **we participated in several engagements as part of our ongoing collaboration with Farm Animal Investment Risk & Return (FAIRR), an investor initiative that aims to put factory farming on the ESG agenda and help investors better understand the risks and opportunities of intensive livestock production.** As part of the Global Investor Engagement on Meat Sourcing, jointly coordinated by the FAIRR and Ceres, we reached out to Chipotle asking it to set



and report on a clear strategy to de-risk its meat and dairy supply chain.

As members of the FAIRR network, we participated in the 23rd Food Systems Dialogue, which was the first to bring investors and companies from the World Business Council on Sustainable Development (WBCSD) together. **These dialogues seek to achieve a common vision for a sustainable food system that would enable all people to be healthy, support resilient livelihoods for food producers and processors, regenerate and protect key ecosystems, particularly forests, and help mitigate climate change through reduced emissions and increased carbon capture.**

Lastly, **we joined a letter sent to General Mills signed by investors representing $34 billion expressing our concern regarding the risk related to the use of pre-harvest glyphosate on oats and other crops used in its products throughout its supply chain.** The letter highlighted the rapidly growing legal, regulatory, and reputational risks related to glyphosate, also known by its brand name RoundUp.

Importance of Corporate Disclosure

Corporate disclosure is an essential input to the work we do. **We believe that meaningful, comparable sustainability information not only helps investors mitigate a range of financial risks, but also helps align capital markets with the needs of society and the planet**. Though we use a variety of sources, a company's mandated reporting is a critical resource, which is why we have supported the Global Reporting Initiative (GRI), the world's leading sustainability reporting framework, and have been vocal proponents of requiring better disclosure of environmental, social and governance (ESG) issues at the Securities and Exchange Commission (SEC) and through other bodies like the Workforce Disclosure Initiative (WDI) and the Sustainability Accounting Standards Board (SASB).

This year, we wrote to the SEC to weigh in on changes it's considering to the mandatory corporate reporting regime. While we support the expansion of workforce related disclosure items, some of the structural changes risk undermining the consistency or reliability of the data. The US House Financial Services Committee also introduced and held hearings on several bills related to corporate ESG disclosures. **We helped to develop the ESG Disclosure Principles that were sent to the Committee through our participation in the US SIF Task Force with the goal of enhancing meaningful disclosure**.

Stock exchanges can also play a significant role in requiring companies to disclose ESG information. In order for companies to be listed on stock exchanges, they must adhere to the listing rules of that exchange. If stock exchanges require that companies disclose material ESG information to be listed, that would produce a level playing field for companies and provide investors with comparable sets of data. This year, **Domini became an official supporter of the Sustainable Stock Exchanges Initiative**, an initiative whose mission is to "provide a global platform for exploring how exchanges, in collaboration with investors, companies (issuers), regulators, policymakers and relevant international organizations, can enhance performance on ESG (environmental, social and corporate governance) issues and encourage sustainable investment, including the financing of the UN Sustainable Development Goals."

Engagements on Forests

Forests are an inherently value-creating system. Many companies depend on the free but vital environmental, social, and economic services and resources that forests provide. Yet society and businesses continue to destroy them at an alarming rate, creating substantial systemic threats to the climate, local communities, biodiversity, and human rights as well as to companies' own operations and viability.

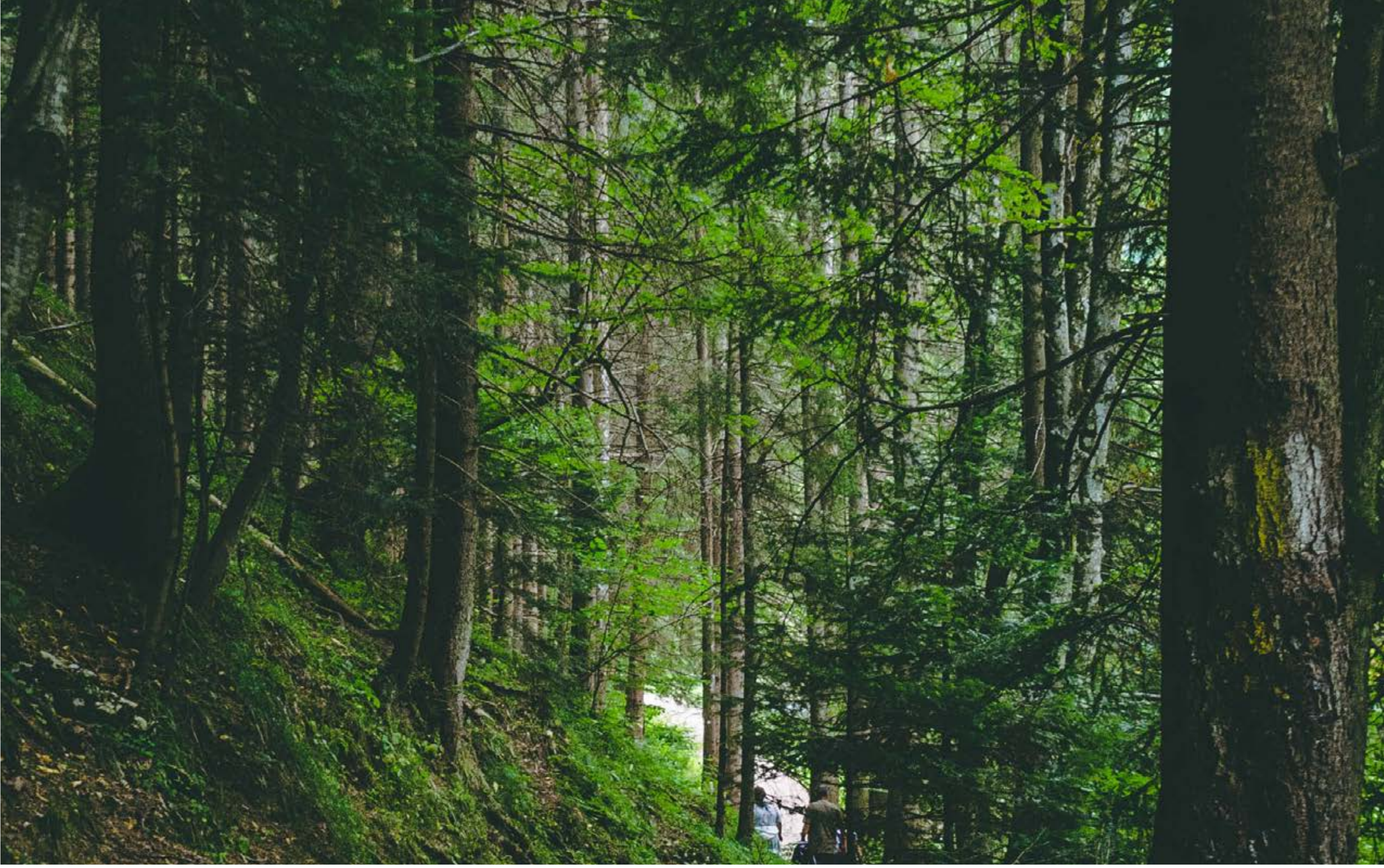
Our History of Engagements on Forests

For over ten years, we have engaged with companies, policymakers, NGOs, and other investors to advocate for sustainable forestry practices. Both strong corporate governance and strong legal protections and enforcement are crucial for the sustainability of forests.

Our work in this area began with a focus on paper sourcing, and we gradually expanded our engagement efforts to address the wide impacts that palm oil, soy and cattle operations have on forests and local communities. **We seek to ensure that companies involved in these operations are not inadvertently driving human rights violations and the destruction of critical ecosystems**. We have held many successful dialogues and filed numerous shareholder proposals with companies to promote sustainable forestry practices, many of which we were able to withdraw due to the promise of changed policies and practices. These engagements have reached across various sectors, including consumer staples, consumer discretionary, and materials.

We also have a history of working with many certification bodies. For example, we worked with the Roundtable for Sustainable Palm Oil (RSPO) in an effort to uphold the credibility of its certification system by assuring investors, companies and other stakeholders that it will not certify conflict palm oil, which is "palm oil that has been produced illegally or under conditions associated with labor or human rights violations, ongoing destruction of rainforests, or expansion on carbon-rich peatlands."[8] **We submitted comments to the RSPO on its 2018 Principles and Criteria review, which set its standards for the next five years**. RSPO members adopted a total ban on deforestation and strengthened human and labor rights as part of the new certification standards.

[8] laborrights.org/publications/human-cost-conflict-palm-oil



Advancing Forest Stewardship

Over the last year, **we utilized all the tools at our disposal to understand the complexities surrounding forest systems and to work with companies in our portfolios to take concrete steps to address the impact that their practices have on forests and protect the value that forests provide to their business models**. We undertook direct corporate dialogues, supported and led investor coalitions, made public statements, and took policy positions.

We led an investor statement to the California Senate in support of the California Deforestation-Free Procurement Act. The statement was signed by 25 investors representing $400 billion in assets under management. If passed, the bill will create binding market incentives for companies to end tropical deforestation in their supply chains. In Brazil, for example, most forest loss is driven by land-clearing, including through the illegal setting of intentional fires to increase agricultural production.

In response to the surge in fires in the Amazon rainforest this summer, **we joined the "Investor statement on deforestation and forest fires in the Amazon"** which was endorsed by 251 investors representing approximately $17.7 trillion in assets. The statement called out deforestation and its associated impacts on biodiversity and climate change as systemic risks to portfolios and therefore urgently request companies to redouble their efforts to end deforestation in their supply chains.

We continue to support the Cerrado Manifesto, a call for soy importers to halt all sourcing in the Cerrado region of Brazil due to the extreme forest loss in what was historically one of the most biodiverse and climate change-mitigating areas in the country. Along with other stakeholders, **we committed to working with local and international stakeholders to halt deforestation and native vegetation loss in the Cerrado**.

We met with the CEO of Svenska Handelsbanken AB, a Swedish bank, and raised questions about their ties to deforestation through Southeast Asian banks. We had an in-person meeting with the CEO, CFO and Investor Relations director of SCA (Svenska Cellulosa AB), a Swedish timber, pulp and paper manufacturer. They model many best practices in their forestry operations, including increasing the biomass of the forests they manage on a year-to-year basis. We discussed their views of shifting climate patterns and how industry collaboration can mitigate the cost of natural disasters. We also met with representatives from Klabin, a Brazilian forestry company, about their green bond offerings and how they work to steward local ecosystems.

We also **continued our work to build and develop awareness, among both investors and companies, on the myriad issues related to forest loss**. Speaking at two conferences this year, Domini CEO Carole Laible highlighted the need for companies and their investors to better understand the value they receive from forests and other natural ecosystems. At one panel, which focused on the connection between forests and food security, she called on attendees, especially those in agricultural systems, to create a framework that reflects the value forests provide, noting that once the value is measured, adequate protection and stewardship of that value can be achieved. At the other panel, participants discussed the importance of developing a valuation framework for investors to better recognize and account for forest value, so that the financial system can reward those companies with the most sustainable forestry practices, which would encourage companies to become better stewards of forest value.

Identifying Forest Value Creators

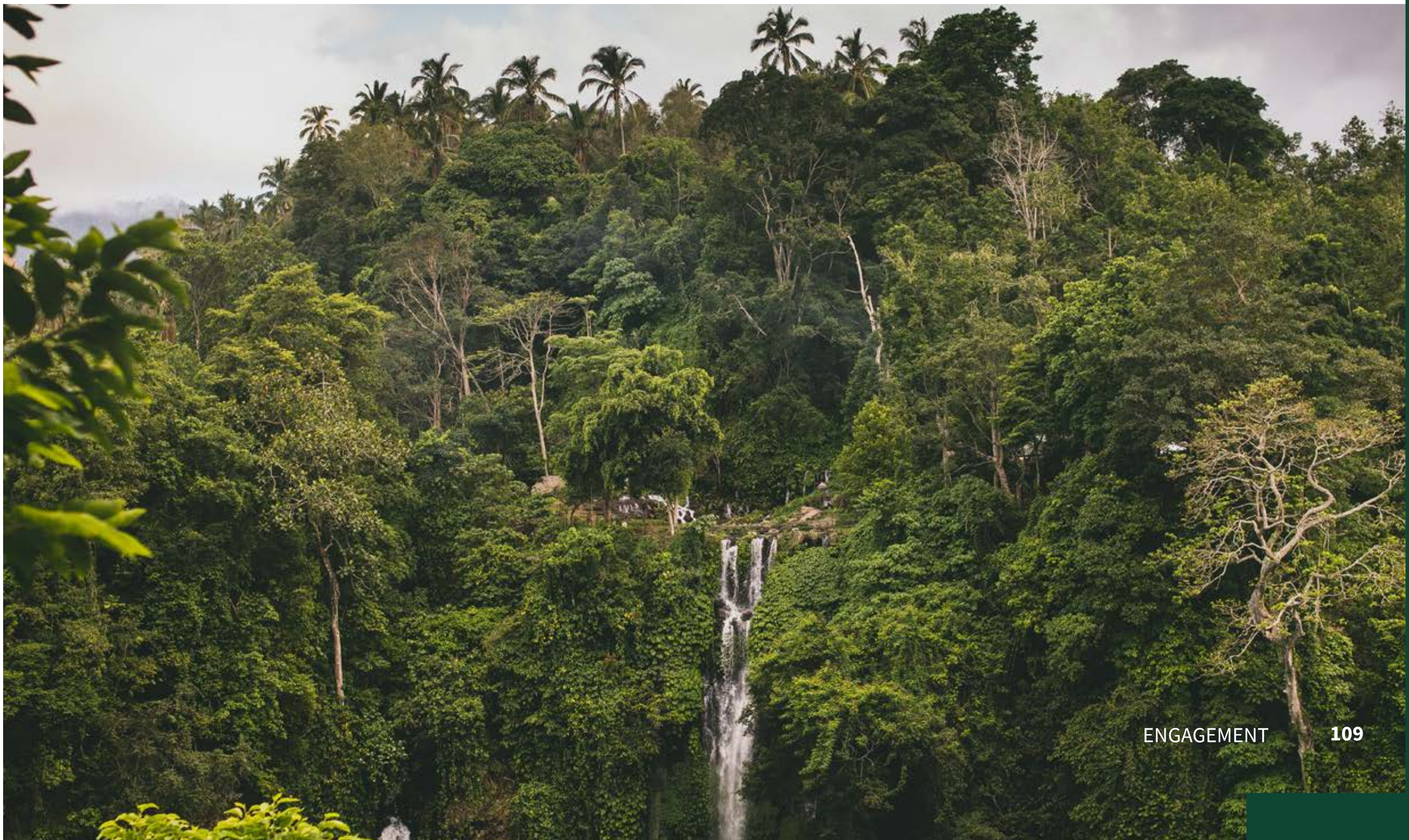
While we have made progress over the years in working with companies to address unsustainable forestry practices, we recognize that the overall trend of forest loss persists. The risks to the companies we invest in, our portfolios, as well as people and the planet, have only grown.

We further recognize that **companies and investors must go beyond avoiding deforestation in their own operations and supply chains to creating long-term solutions for preventing forest loss and restoring forest landscapes**. We must fundamentally change our mindset about how we consider forest value to ensure the sustainability and health of the systems we rely on to create value for our portfolios and society.

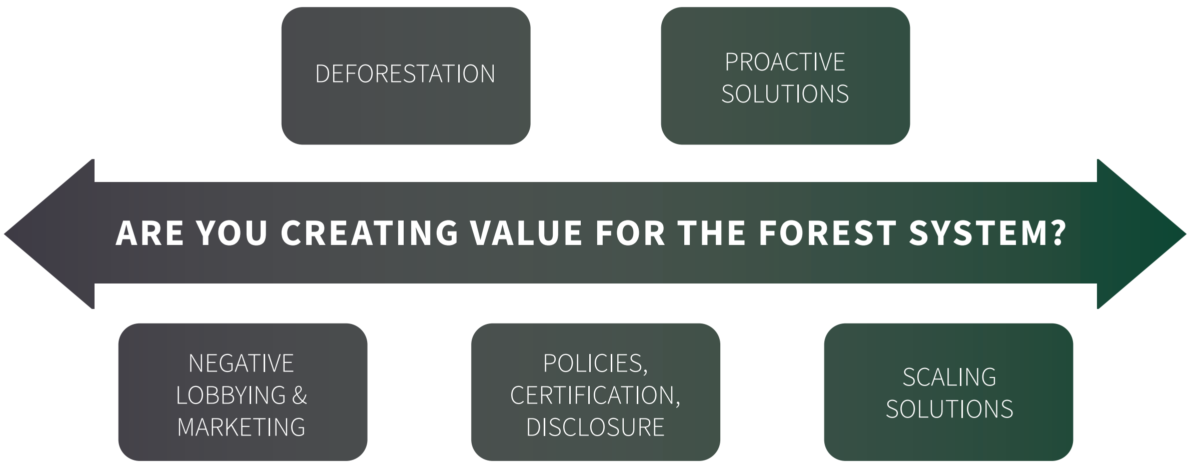
That's why this year we pushed beyond the traditional "no-deforestation" asks, something that represents a neutral or do-no-harm position with respect to forests, to seek out true value creators – companies that can deliver returns to shareholders while also enhancing the health and value created by forests. **Our goal has been to engage companies in conversations about the essential role healthy forests provide to their operations and to innovate creative and forward-looking solutions for protecting and restoring forests for the benefit of all stakeholders**.

To that end, we wrote letters to 68 companies in the Domini Funds that we identified as both impacting and depending on forests, whether for forest-derived products or ecosystem services, to raise the material systemic risks related to forest loss, the business case for action and to discuss opportunities for companies to proactively protect forests.

We received positive responses from many companies and held discussions about how they consider the value they obtain from forests and how they can and do act as stewards to that value. **While most of the companies we engaged with broadly recognized the importance of the issue, we were more encouraged by the companies that were taking steps to create healthier conditions for their business and all stakeholders by actively stewarding forest value**. These actors strengthen the system on which we all depend.



A few key characteristics repeatedly emerged from our conversations with these companies that helped us build a profile of a "**value creator**." We hope to leverage this profile to identify and elevate value creating companies as well as encourage companies at an earlier stage of this journey to act more like value creators for the benefit of their companies, the broader economy and society and the planet as a whole.



1. Recognize risk exposure goes beyond their own impact

The risks created by widespread forest loss (e.g. loss of ecosystem services, climate instability) are not created by any single company and likewise cannot be mitigated by perfecting any single supply chain. Value creator companies recognize the system-level nature of deforestation and are positioned to address the risks and capitalize on related opportunities for the benefit of their companies and all stakeholders.

2. Seek solutions proactively

Value creator companies did not wait for government intervention, consensus among peer companies or outside pressure. They recognized the value of forests to their businesses and acted proactively to protect that value. Value creator companies are willing to lead.

3. Cooperate with nature and communities

By leveraging "natural solutions" companies can increase the efficacy of their interventions, minimize unintended consequences and grow the collateral benefits. Value creators are likely to rely on solutions like regenerative agriculture, which has compounding benefits including reduced input costs for farmers (i.e. chemical pesticides, fertilizer, etc), improved soil health and carbon capture, more stable and higher quality crops, and reduced pressure on land conversion. Other companies may focus on leveraging expensive pesticides, fertilizers, and genetically modified crops to improve yields.

4. Collaborate vertically, horizontally and across sectors to scale up

Again, as a system-level challenge, deforestation cannot be solved by a single company, supply chain or even industry. Solutions require innovative collaborations across and between industries, sectors, geographies, and more. Value creator companies find surprising partners to deliver and scale solutions.

5. Center impacted communities

As a design principle, designing solutions for the people in the margins often leads to meaningful innovation for everyone. In this case, the most affected communities are often small landholders earning a subsistence living by converting forest land for grazing or agricultural purposes. Value creator companies focus on solutions that address the needs of these small landholders and are thus far more likely to see strong adoption on the ground.

"Value creator companies can help shift the deforestation paradigm we have been in for too long towards one of shared value creation for companies, people and the planet."

— Corey Klemmer, Director of Engagement

Shareholder Proposals

Shareholder proposals have proven to be a highly effective corporate accountability tool and have catalyzed thousands of constructive engagements to the benefit of investors, corporations, and broader society.

Since 1994, we have filed 295 shareholder proposals at over 100 companies. Each year, we use proposals to send signals to corporate management teams and boards about a variety of social and environmental issues. We view the shareholder proposal as a tactical tool, not an end. Our goal is to encourage companies to engage in dialogue to make progress on the underlying issue. Often, our proposals encourage companies to speak to us about our concerns and we can reach an agreement. In these cases, we are pleased to withdraw the proposals. If not, they are included in proxy statements and presented at corporate annual meetings, where they are put to a vote.

Protecting Shareholder Voices

Under Securities and Exchange Commission (SEC) rules, any investor in a publicly traded company that holds at least $2,000 in stock continuously for a year may submit a proposal for inclusion in the company's proxy statement. The shareholder may then give a short speech at the company's annual meeting, before the proposal is put to a vote by shareholders. The rules permit shareholders to offer proposals addressing a very wide range of environmental, social and governance (ESG) issues.

In 2019, **we spent a significant amount of time protecting the ability to file a shareholder proposal because of proposed changes by the SEC, which would have the effect of eliminating many important ESG related proposals**. Another proposed rule by the SEC would greatly impinge on our ability to work with third party service providers. We cast votes on thousands of proxy ballot items every year according to our predetermined

View our past **Shareholder Proposals** at domini.com/shareholderproposals proxy voting guidelines, and that process is streamlined by our work with a proxy advisory firm who cast our votes on our behalf according to our guidelines. The proposed rule would likely introduce significant delays and costs into that process, in part by inviting companies to weigh in on the research of which they are the subject.

This year, we opposed both proposals through comments submitted to the SEC. We also joined other investors in signing public statements organized by the Principles for Responsible Investment (PRI), US SIF: the Forum for Sustainable and Responsible Investment, the Council of Institutional Investors (CII), and Ceres to publicly address our concerns with the SEC's proposed rules on shareholder proposals and proxy advisers.

2019 Shareholder Proposals

Alexion Pharmaceuticals, Inc.

Role:
Lead filer

Topic:
Publish a sustainability report

Result:
Withdrawn

As of 2018, the Governance & Accountability Institute found that 86% of S&P 500 companies publish sustainability or corporate responsibility reports. We believe that meaningful, comparable sustainability information not only helps investors mitigate a range of financial risks, but also helps align capital markets with the needs of society and the planet. Because there is no mandatory ESG information that all companies are required to disclose, compared to traditionally material financial information, high quality sustainability reporting is key.

Alexion Pharmaceuticals, a Massachusetts based global biopharmaceutical company, was identified as a company that had not yet published a comprehensive sustainability report. We decided to file a proposal to ensure that they would take swift action to publish information for investors such as ourselves to better understand the risks and opportunities the company faces. We withdrew this proposal after the company agreed to publish a sustainability report in 2020.

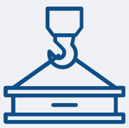
2019 Shareholder Proposals

Nucor Corporation

Role:
Lead filer

Topic:
Issue a lobbying report tied to climate change

Result:
Withdrawn



As stockholders, we encourage transparency and accountability in the use of corporate funds to influence legislation and regulation. In the past, Nucor did not disclose its trade association memberships, or its payments used for lobbying. We therefore filed a shareholder proposal requesting the preparation of an annual report on the company's policies and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.

After filing the proposal and receiving over 30% shareholder support for the past four years, we engaged in a productive dialogue through which the company agreed to disclose trade association payments over $50,000, provide greater detail on the company's oversight practices and agreed to our ongoing dialogue. Based on this we agreed to withdraw our proposal.

Alphabet Inc.

Role:
Co-filer

Topic:
Establish board committee on human rights risk oversight

Result:
Pending

Given the broad and significant impacts of global technology companies on people's everyday lives, there is both a need and a responsibility to ensure proper oversight of human rights risks. This year, we joined an effort to engage Alphabet, the parent company of Google, on the societal risks and human rights implications of its business. In a letter sent to the company representing a broad coalition of investors, we raised questions about how the company deals with risks related to data privacy, freedom of expression, and artificial intelligence.

When those efforts did not lead to a conversation, we elected to co-file a shareholder proposal calling for a board committee dedicated to overseeing the human rights risks related to the company's various activities. Per the proposal, the Committee should provide an ongoing review of corporate policies and practices, above and beyond legal and regulatory matters, to assess how Alphabet manages the current and potential impacts of the company's products and services on human rights, oversee the extent to which the company is meeting international human rights responsibilities, and offer guidance on strategic decisions.

Two Members of the IOPA's Facilitated Working Group

Role:
Co-filer

Topic:
Adopt a plan to defer a portion of short-term incentive compensation for senior executives

Result:
Withdrawn

As a member of the Investors for Opioids and Pharmaceutical Accountability (IOPA), we are concerned that short-term incentive compensation plans can encourage senior executives to take on excessive risk. To address these concerns, we co-filed shareholder proposals at two companies to make sure that their executives are not incentivized to seek short term profits at the expense of long-term sustainability of the company or behave in ways that put public health at risk.

The proposal requested the companies to adopt a plan to defer a portion of annual bonuses for its senior executives. We believe the deferral of executives' cash bonuses is a way to better align their risk taking with the long-term interest of the company, its shareholders and society. In response, more than a dozen companies agreed to participate in a confidential facilitated working group on the topic of bonus deferrals. We withdrew our proposals after the companies agreed to work on this issue and we hope to see refinements to their compensation arrangements.

Vertex Pharmaceuticals, Inc.

Role:
Co-filer

Topic:
Report on the connection between drug pricing strategies and executive compensation

Result:
Withdrawn

As long-term investors, we believe that senior executive incentive compensation arrangements should reward the creation of sustainable long-term value. To that end, it is important that those arrangements align with the company's strategy and encourages responsible risk management. Given the growing public, legislative and regulatory concerns surrounding drug pricing, we believe shareholders should have insight into how executive compensation is connected to drug pricing strategies.

We co-filed a proposal at Vertex Pharmaceuticals, a global biotechnology company focused on treating rare, life threatening diseases, requesting a report on the extent in which risks related to public concern over drug pricing strategies are integrated into Vertex's incentive compensation policies for senior executives. In April 2020, we withdrew the shareholder proposal at Vertex after we received a commitment from the company to revise its disclosure to include information on how drug pricing affects executive compensation.

Proxy Voting: Voting Our Values

What Is Proxy Voting?

When you own stock in a corporation, you have the right to vote on proposals at the company's shareholder meetings. When you own shares in a mutual fund, like the Domini Impact Equity Fund and the Domini Impact International Equity Fund, your fund manager exercises this right on your behalf.

Proxy ballots typically contain proposals from company management on issues of corporate governance, such as the election of the board of directors and approval of executive compensation packages. They may also include shareholder proposals on a variety of topics such as the proposals we filed, which are discussed on the preceding pages. Fund managers have a fiduciary duty to vote proxies for the stocks in its portfolio in the best interest of its shareholders.

Domini's Proxy Voting Guidelines

As impact investors, we exercise more discretion. **We have always viewed the proxy voting process as a critically important form of engagement with companies on issues that matter to our shareholders**. We vote all proxies in accordance with our Proxy Voting Guidelines & Procedures, which are published on our website. These guidelines cover more than 100 environmental, social and corporate governance issues. We believe that corporations can create long-term, broad-based value both for their stockholders and other stakeholders if they are transparent, accountable, and adopt democratic governance principles. Our guidelines are based on and reflect these core values.

Read our **Proxy Voting Guidelines** and review our votes at domini.com/proxyvoting

Our History of Proxy Voting Leadership:

1992: We were among the first fund managers to publish our Proxy Voting Guidelines

1999: We were the first mutual fund manager in the U.S. to publicly disclose our proxy votes

2003: We successfully petitioned the SEC to adopt a new rule requiring mutual fund managers to disclose their proxy voting policies and votes

In 2019, the Domini Funds voted on a total of 6,790 proposals at 531 corporate meetings.

Domini Impact Equity Fund:

339
meetings

4,142
proposals

42%
of management proposals supported

94%
of shareholder proposals supported

Domini Impact International Equity Fund:

192
meetings

2,648
proposals

58%
of management proposals supported

56%
of shareholder proposals supported

Proxy Voting:
Promoting Diverse & Independent Boards

Director Elections Overview

Directors are elected to corporate boards to provide oversight of management and represent shareholder interests. We analyze the composition of corporate boards and vote on director elections and appointments accordingly. **The most common reasons that we voted against management proposals to elect directors included insufficient diversity, insufficient independence, and overboarding**. In some cases, we voted against management for more than one reason, and you can see a breakdown of how those three issues translated into our 2019 votes.

Domini Impact Equity Fund

In 2019, we voted on **2,581 management proposals** related to director elections and **voted against 66%** of these proposals.

Domini Impact International Equity Fund

In 2019, we voted on **989 management proposals** related to director elections and **voted against 75%** of these proposals.

Votes Related to Board Diversity

We believe that **gender and racial diversity on boards helps to mitigate governance risks and promote a more equitable workplace**. Companies with diverse leadership are more likely to better understand customer needs, anticipate new societal trends and emerging issues, and foster cooperation with their workforce and communities. Having diverse leadership also helps deter discriminatory practices and fosters a culture of tolerance and inclusiveness throughout an organization.

Domini Impact Equity Fund

In 2019, we voted against management proposals **1,465 times** due to insufficient diversity.

Domini Impact International Equity Fund

In 2019, we voted against management proposals **664 times** due to insufficient diversity.

Votes Related to Director Independence

We take a similarly proactive stance with director independence. We believe it is in the best interest of all shareholders that a majority of board members, including the chair of the board, be independent, meaning they have no other material connection to the company, such as other employment or financial entanglements. Furthermore, we believe that it is critical to the protection of shareholder interests that certain key committees, such as the audit committee or compensation committee, be composed entirely of independent directors.

Domini Impact Equity Fund

In 2019, we voted against management proposals **1,195 times** due to insufficient independence.

Domini Impact International Equity Fund

In 2019, we voted against management proposals **512 times** due to insufficient independence.

Votes Related to Overboarding

Overboarding is another factor we consider in whether we support a board's composition. Many directors serve on more than one board and do so effectively. However, some serve on a large number of boards, and we believe that it is important for directors to not overextend their time commitments.

Domini Impact Equity Fund

In 2019, we voted against management proposals **27 times** due to overboarding.

Domini Impact International Equity Fund

In 2019, we voted against management proposals **31 times** due to overboarding.

New Policies on Diversity

Some countries, including Norway, Spain, France, and Iceland have started to adopt laws that require that women comprise at least 40% of boards at publicly listed companies. Most companies throughout the world, however, need to do better.

Throughout our history, **Domini has engaged companies to promote diversity in company management through letter writing campaigns, shareholder proposals, company dialogues, and voting our proxies**. In addition to our dedication to improving gender diversity, we are also committed to promoting racial diversity on corporate boards. Diversity on corporate boards promotes a wider variety of ideas and points of view, which is often more representative of shareholders and clients.

In 2019, we adopted stronger proxy voting guidelines for diversity on boards. The Domini Funds will 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). We apply the same standards for historically underrepresented ethnic and racial groups in markets where the information is available.

We will also vote against the entire slate of nominees if there are no female directors or persons from historically underrepresented groups on the board (where information is available). It is one of the most ambitious standards in the industry, but **we believe it is good for our companies, markets and society as a whole**.

Proxy Voting:
Promoting Fair & Just Compensation

We are concerned about the continued and excessive rise in executive compensation at publicly traded corporations. While salaries of executives continue to grow, the largest percentage of an executive's compensation tends to be, not their salary, but rather lucrative bonuses or stock-based awards based on meeting certain performance targets. In certain cases, this can create a higher tolerance for risk on the part of executives, which can lead to disastrous consequences for shareholders and other stakeholders, as seen during the 2008 financial crisis. In other cases, incentive-based compensation rewards actions that raise a company's share price without producing any real value.

In general, **Domini has worked to curtail the extreme growth of executive pay by voting against what we view to be excessive pay packages, as well as those that reward risk-taking with outsized or ill-defined incentives**.

Compensation Overview

In 2019, the **most commonly cited reasons for voting against management proposals related to compensation packages included excessive compensation, plan composition, and insufficient disclosure**. In some cases, we voted against management for more than one reason, and you can see a breakdown of how those three issues translated into our 2019 votes below.

Domini Impact Equity Fund

In 2019, we voted on **326 management proposals** related to compensation and **voted against 62%** of these proposals. We voted against management proposals 188 times due to excessive compensation, 42 times due to plan composition, and 10 times due to insufficient disclosure.

Domini Impact International Equity Fund

In 2019, we voted on **179 management proposals** related to compensation and **voted against 40%** of these proposals. We voted against management proposals 40 times due to excessive compensation, 24 times due to plan composition, and 16 times due to insufficient disclosure.

Proxy Voting: Supporting Shareholder Proposals

Not all proposals on proxy ballots are authored by company management. Eligible shareholders, including Domini, may submit proposals on a variety of issues for inclusion on the proxy ballot. In addition to filing our own shareholder proposals on topics that we feel that management needs to address, **we also vote on shareholder proposals filed by other investors**.

Because company management often recommends that their investors vote 'no' on shareholder proposals, most asset managers support relatively few shareholder proposals and very few receive a majority vote. However, if they receive enough support from shareholders, even though they are nonbinding, a high vote in favor of a shareholder proposal can send a strong signal to management that in some cases, have been enough to convince them to implement change. **We support proposals brought by other investors when they align with our goals of universal human dignity and ecological sustainability**.

In 2019, the Domini Impact Equity Fund and the Domini Impact International Equity Fund collectively voted on 180 shareholder proposals on a wide variety of environmental, social and governance related topics. We supported 168 of those shareholder proposals, including[9]:

14
proposals

Improving diversity and pay equity. Asks included:

- Report on companies' gender pay gaps and employment diversity reports including Equal Employment Opportunity Commission (EEOC) data
- Report on the pay disparity between executives and other employees
- Adopt policies on board diversity

[9] Of the 180 proposals supported in 2019, 166 proposals were supported by the Domini Impact Equity Fund and 2 were supported by the Domini Impact International Equity Fund. Of the 180 proposals, 4 "miscellaneous shareholder proposals" were not included in the examples highlighted.

20
proposals

On improving social impact of business activities. Asks included:

- Report on prison labor in the supply chain
- Report on sexual harassment policies
- Report on impact of government use of facial recognition technologies
- Conduct human rights risk assessments
- Adopt a policy prohibiting inequitable employment practices
- Establish a board committee on human rights, public policy, and societal risk oversight
- Amend board governance documents to define human rights responsibilities

Highlight: "Report on impact of government use of facial recognition technologies" at Amazon.com

We supported a shareholder proposal filed at Amazon asking the company to report on the impact of government use of its facial recognition technology Amazon Rekognition, which we believe may pose risks to civil and human rights. The proposal requests that an independent study be commissioned to explain the extent to which the technology may endanger, threaten, or violate privacy and or civil rights, and unfairly or disproportionately target or surveil people of color, immigrants and activists in the United States. It also requests information on how the technologies are being marketed and sold to authoritarian or repressive foreign governments. We believe that Amazon should be responsible for assessing and mitigating the potential misuses and abuses of this system, and that shareholders should be made aware of the company's endeavors through a comprehensive report.

16
proposals

Expanding environmental reporting. Asks included:

- Report on impact on climate change
- Report on management of food waste, pesticide management, protein diversification, sustainable packaging, mitigating impacts of deforestation in supply chains
- Adopt GHG emission reduction goals
- Approve the disclosure of strategies and targets for the reduction in fossil fuel exposure, among

Highlight: "Report on mitigating impacts of deforestation in company's supply chain" at Mondelēz International

The Intergovernmental Panel on Climate Change's 2018 report states restoring landscapes and forests is one of the best, most cost-effective options available to combat the devastating impacts of changing climates. Companies that rely on forests for their business models, such as food and beverage company Mondelēz International, are in positions to strengthen these systems through responsible usage of this important resource. As we discuss on page 12, Domini is committed to helping address the dynamics causing deforestation and to assure the health of our portfolios and the health of these systems we rely on. In line with our commitment to this issue, we supported a shareholder proposal filed at Mondelēz asking the company to report annually how the company is curtailing the impact on the Earth's climate caused by deforestation in Mondelēz' cocoa supply chain.

36
proposals

Expanding shareholder rights, including voting rights. Asks included:

- Implement proxy access amendments and adoption of policies to require a simple majority proxy access rights, and access bylaws
- Approve recapitalization plans for all stock to have one-vote per share
- Eliminate supermajority vote requirement
- Reduce ownership threshold for shareholders to call a special meeting

19
proposals

Improving executive compensation policies and practices. Asks included:

- Limit executive compensation to nine times the average remuneration of the company's employees
- Report on integrating risks related to drug pricing into senior executive compensation
- Adopt compensation clawback policies
- Commission a report on the pay grades and/or salary ranges of all classifications of company employees to be considered when setting target amounts for compensation of named executive officers

31
proposals

Improving board composition, director independence, and governance. Asks included:

- Adopt policies to require independent chairs
- Require the nomination of a director with human rights experience
- Report on employee representation on the board

28
proposals

Improving expanding reporting on political activity:

- Report on lobbying payments and policy and political contributions

Public Statements

As part of our engagement work and collaboration with other investors and multi-stakeholder groups, we regularly contribute to or endorse statements and letters addressing social, environmental, corporate governance and public policy issues. Below is a list of public statements we supported during 2019, with the lead author(s) or organizer(s) noted for each. Most of these statements are available to read on our website.

Open letter to global index providers calling on them to exclude controversial weapons from mainstream indices
Swiss Sustainable Finance (signed by 175 institutional investors representing $9.7 trillion)

Letter of Support for H.R.1, the "For the People Act"
Public Citizen (signed by 29 institutional investors and NGOs)

Institutional Investor Statement Regarding Decarbonization of Electric Utilities
New York City Comptroller (signed by 20 institutional investors representing $1.8 trillion)

Investor expectations on deforestation in soybean supply chains
Ceres (signed by 57 institutional investors representing approximately $6.3 trillion)

Business for a Fair Minimum Wage Federal Sign On Statement: $15 by 2024
Business for a Fair Minimum Wage (signed by over 1,300 investors and business owners)

Making Finance Work for People and Planet
Investor Alliance for Human Rights (signed by 63 investors representing $1.9 trillion)

These **statements** are available to read at domini.com/publicstatements

Investor Expectations on Sustainable Palm Oil

PRI (signed by 58 investment organizations representing approximately $7.9 trillion)

Letter to Members of Congress calling on them to support the core concepts of the Green New Deal

As You Sow (signed by more than 50 institutional investors representing over $60 billion)

Letter to the Environmental Protection Agency and U.S. Army Corps of Engineers in opposition to a rollback of Clean Water Act protections

ICCR (signed by more than 70 institutional investors representing $400 billion)

Letter to the House Financial Services Committee in support for the current shareholder proposal process as governed by SEC Rule 14a-8

Ceres (signed by institutional investors representing over $700 billion)

Statement of support for the objectives of the Cerrado Manifesto

Consumer Goods Forum (signed by 136 institutional investors)

Joint Investor Statement on Corporate Disability Inclusion

New York State Comptroller and Oregon State Treasurer (signed by institutional investors representing over $1 trillion)

Comment letter to the Financial Accounting Standards Board (FASB) on its Revised Exposure Draft for the Proposed Accounting Standards Update to Income Taxes in support of increased transparency in corporate tax reporting

American Federation of State, County and Municipal Employees (AFSCME) and Oxfam America (signed by 49 institutional investors representing over $1 trillion)

Global Investor Statement to Governments on Climate Change reiterating support for the Paris Agreement

Asia Investor Group on Climate Change, CDP, Ceres, Investor Group on Climate Change, Institutional Investors Group on Climate Change, PRI, and the UN Environment Finance Initiative (signed by 477 institutional investors representing over $34 trillion)

Letter to the Senate Standing Committee on Governmental Organization in support for the California Deforestation-Free Procurement Act, AB572

Domini (signed by 25 institutional investors representing $400 billion)

Investor Submission to the Equator Principles Association: Ensuring Alignment of Draft EP4 with the UN Guiding Principles on Business and Human Rights

Investor Alliance for Human Rights (signed by institutional investors representing $1.2 trillion)

Investor Submission to Equator Principles Association on its EP4 Draft and Rights of Indigenous Peoples

Boston Common Asset Management (signed by institutional investors representing $2.92 trillion)

Investor Statement on the Need for Continued Regulation of Methane in the Oil & Gas Industry

ICCR (signed by 140 institutional investors representing $5.51 trillion)

Investor Statement in Support of Ending Forced Arbitration for Sexual Harassment Claims

Return on Investment & Social Equity (signed by institutional investors representing over $54 billion)

Investor statement on deforestation and forest fires in the Amazon

PRI (signed by 230 institutional investors representing $16.2 trillion)

Comment letter to the SEC expressing concerns about potential changes to Rule 14a-8 governing the shareholder proposal process

US SIF (signed by 129 institutional investors representing $525 billion)

Comment letter to the U.S. Department of Labor in opposition to proposed amendments to the H-2A program for temporary agricultural workers

ICCR (signed by 42 institutional Investors representing $500 billion)

Investor Statement to support the UN Women's Empowerment Principles and achieve Gender Equality

Mirova in support of UN Women and the UN Global Compact Office (signed by institutional investors representing approximately €4 trillion)

Comment letter to the SEC expressing concerns that recent actions regarding proxy advisor regulation may reduce investor participation in the corporate governance voting process
Council of Institutional Investors (signed by 52 institutional investors)

Comment letter to the SEC on proposed changes to corporate reporting requirements to encourage improvements in disclosure
Domini

Comment letter to the United Nations Development Programme (UNDP) on the draft "SDG Impact Practice Standards for Private Equity Funds"
Forest Peoples Programme and Shift (signed by 12 representatives of civil society organizations, investors, national human rights institutions, and private practitioners working in the field of business and human rights and corporate social responsibility)

Comment letter to the EPA in opposition to proposed changes to the Emission Standards for New, Reconstructed, and Modified Sources Review within the Oil and Natural Gas Sector
Socially Responsible Investment Coalition (signed by 22 institutional investors)

Comment letter to the SEC in opposition to proposed rules on shareholder proposals and proxy advisors that would introduce major impediments to ESG integration
PRI (signed by 75 institutional investors)

Letter to the California Air Resources Board in support for a more ambitious Advanced Clean Truck (ACT) rule as an essential climate policy
Ceres (signed by 9 institutional investors representing over $237 billion)

Letter to the SEC expressing concerns that staff guidance would weaken enforcement of auditor independence standards
Consumer Federation of America (signed by 19 organizations)

Working Together

Domini is fortunate to be part of a community of investors, NGOs, and civil society organizations that care deeply about creating a sustainable future for all. Our engagements and shareholder activism work, in particular, are highly collaborative. We regularly draw on the expertise of our fellow investors and partner organizations. Systemic issues like climate change and forced labor can be effectively addressed only when we join together and increase our leverage.

Our partnerships and collaborations amplify our impact, making our community a driving force for change. We are grateful for all our partnerships, which extend far beyond this list. However, we owe special thanks to the following partners, which we are proud to continue to support.

CDP

CDP (formerly known as the Carbon Disclosure Project) is a not-for-profit that runs a global disclosure system for investors, companies, cities, states, and regions to manage their environmental impacts. Domini is a CDP signatory.

Ceres

Ceres is a sustainability nonprofit organization working with the most influential investors and companies to build leadership and drive solutions throughout the economy. Domini is a member of the Ceres Investor Network on Climate Risk and Sustainability, which comprises more than 170 institutional investors, collectively managing more than $29 trillion in assets.

EIRIS Conflict Risk Network

EIRIS Conflict Risk Network (CRN) is a network of institutional investors, financial service providers, and related stakeholders working to mitigate conflict risk and increase responsible foreign investment in conflict zones, in order to protect civilians, as well as investment returns. Domini is a founding member of the CRN as well as on its Advisory Board.

Interfaith Center on Corporate Responsibility

The Interfaith Center on Corporate Responsibility (ICCR) pioneered the use of shareholder advocacy to press companies on environmental, social, and governance issues. ICCR is a coalition of over 300 global institutional investors, with more than $500 billion in managed assets. Domini is an Associate member of ICCR and serves on its Human Rights Advisory Committee and various working groups.

Principles for Responsible Investment

The United Nations-supported Principles for Responsible Investment (PRI) works with its international network signatories to puts its six Principles into practice. Its goals are to understand the investment implications of ESG issues and to support signatories in integrating these issues into investment and ownership decisions. PRI signatories currently manage more than $86 trillion. Domini is founding signatory and has participated in various consultations.

Sustainability Accounting Standards Board

The Sustainability Accounting Standards Board (SASB) is a nonprofit that works to develop and disseminate sustainability accounting standards that help public corporations disclose material, decision-useful information to investors. Domini currently serves on SASB's Investor Advisory Group (IAG), and is a member of the SASB Alliance, a program dedicated to developing industry-specific sustainability indicators for companies to include in SEC-mandated financial reports.

The Investment Integration Project

The Investment Integration Project (TIIP) designs, provides, and maintains data and tools that enable institutional investors to make the important connection between portfolio-level decisions and systems-level considerations. Domini's Steve Lydenberg is the founder and CEO of TIIP.

US SIF: The Forum for Sustainable and Responsible Investment

US SIF: The Forum for Sustainable and Responsible Investment is the leading voice for advancing sustainable, responsible, and impact investing across all asset classes. Domini is a member of US SIF's public policy committee.

Workforce Disclosure Initiative

Workforce Disclosure Initiative is an investor initiative that calls for transparency from companies on how they manage workers in their direct operation and supply chains.

During 2019, we also participated in engagements through the following multi-stakeholder organizations and initiatives:

Access to Medicine Index

As You Sow

The B Team

Business & Human Rights Resource Centre

Climate Action 100+

Farm Animal Investment Risk & Return

Global Network Initiative

Global Reporting Initiative

Human Capital Management Coalition

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

Investor Alliance for Human Rights

Investors for Opioid and Pharmaceutical Accountability

ShareAction

Sustainable Stock Exchanges Initiative

Task Force on Climate-related Financial Disclosures

Thirty Percent Coalition

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.

Past performance is no guarantee of future results. The Domini Funds are not bank deposits and are not insured. Investment return and principal value 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 market, recent events, impact investing, portfolio management, information, and mid-to large-cap companies risks. The Domini Impact International Equity Fund is subject to market, recent events, impact investing, portfolio management, information, and mid-to large-cap companies risks. The Domini Sustainable Solutions Fund is subject to market, recent events, sustainable investing, portfolio management, information, mid- to large-cap companies, and small-cap companies risks. Investing internationally involves special risks, such as currency fluctuations, social and economic instability, differing security regulations and accounting standards limited public information possible changes in taxation, and periods of illiquidity. These risks are magnified in emerging markets.

The Domini Impact Bond Fund is subject to market, recent events, impact investing, style, information, interest rate, and credit risks. During periods of rising interest rates, bond funds can lose value. 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.

Investments in derivatives can be volatile. Potential risks include currency risk, leverage risk (the risk that small market movements may result in large changes in the value of an investment), liquidity risk, index risk, pricing risk, and counterparty risk (the risk that the counterparty may be unwilling or unable to honor its obligations). TBA (To Be Announced) securities involve the risk that the security the Domini Impact Bond Fund buys will lose value prior to its delivery, that the security will not be issued, or that the other party to the transaction will not meet its obligation, which can adversely affect the Domini Impact Bond Fund's results.

Although the U.S. government guarantees principal and interest payments on securities issued by the U.S. government and some of its agencies, such as securities issued by the Government National Mortgage Association ("Ginnie Mae"), this guarantee does not apply to losses resulting from declines in the market value of these securities. Some of the U.S. government securities that the Domini Funds may hold are not guaranteed or backed by the full faith and credit of the U.S. government, such as those issued by Fannie Mae (formally known as the Federal National Mortgage Association) or Freddie Mac (formally known as the Federal Home Loan Mortgage Corporation), and no assurance can be given that the U.S. government will provide financial support.

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 Domini Impact Bond Fund's returns.

As of 12/31/19, these securities represented the following percentages of the Domini Impact Equity Fund's portfolio: AbbVie Inc. [0.72%]; Alexion Pharmaceuticals, Inc. [0.13%]; Alphabet Inc. [4.37%]; Amalgamated Bank of New York [0.16%];

Amazon.com, Inc. [4.21%]; Ameresco, Inc. [0.18%]; American Express Company [0.42%]; Amgen Inc. [0.78%]; Apple Inc. [6.26%]; AT&T Inc. [1.56%]; Bank of America Corporation [1.54%]; Beyond Meat, Inc. [0.17%]; Boston Properties Inc. [0.11%]; Capital One Financial Corporation [0.26%]; Chegg, Inc. [0.33%]; Chipotle Mexican Grill Inc. [0.13%]; Cummins Inc. [0.15%]; Dexcom, Inc. [0.32%]; General Mills Inc. [0.17%]; Gilead Sciences, Inc. [0.45%]; GlaxoSmithKline plc [0.64%]; Mastercard Inc. [1.43%]; Merck & Co Inc. [1.26%]; Microsoft Corporation [6.47%]; Mondelēz International, Inc. [0.43%]; Morgan Stanley [0.34%]; Novartis AG [1.21%]; Nucor Corporation [0.09%]; Pfizer Inc. [1.18%]; PNC Financial Services Group [0.35%]; The Proctor & Gamble Company [1.68%]; Regions Financial Corporation [0.09%]; Sanofi S.A. [0.58%]; Seattle Genetics, Inc. [0.30%]; Starbucks Corporation [0.55%]; Sunrun Inc. [0.33%]; Teladoc Health, Inc. [0.33%]; Toronto Dominion Bank [0.56%]; Toyota Motor Corporation [0.87%]; Truist Financial Corporation (FKA BB&T Corporation) [0.23%]; Universal Display Corporation [0.43%]; US Bancorp [0.46%]; Verizon Communications, Inc. [1.38%]; Vertex Pharmaceuticals, Inc. [0.31%]; Visa Inc. [1.74%]; Walgreens Boots Alliance, Inc. [0.24%]; The Walt Disney Company [1.42%]; and Watts Water Technologies, Inc. [0.33%].

As of 12/31/19, these securities represented the following percentages of the Domini Impact International Equity Fund's portfolio: Adidas AG [2.38%]; Allianz SE [2.64%]; BNP Paribas [1.98%]; Coca-Cola European Partners plc [1.87%]; Eisai Co., Ltd. [<0.01%]; Fujifilm Holdings Corporation [1.41%]; GlaxoSmithKline plc [2.09%]; Hennes & Mauritz AB [0.66%]; Kering S.A. [2.49%]; Koninklijke Ahold Delhaize N.V. [1.73%]; Merck KGaA [2.11%]; Novartis AG [2.34%]; and Sonova Holding AG [1.79%].

As of 12/31/19, these securities represented the following percentages of the Domini Impact Bond Fund's portfolio: Amazon.com, Inc. [0.29%]; Amgen Inc. [0.25%]; AT&T Inc. [0.58%]; Azure Power Solar Energy [0.23%]; Bank of America Corporation [0.58%]; BNP Paribas S.A. [0.12%]; Boston Medical Center Corporation [0.33%]; Boston Properties Inc. [0.46%]; California Health Facilities Financing Authority [0.34%]; Capital One Financial Corporation [0.15%]; The City of Hope [0.15%]; City of Toronto Canada [0.36%]; Conservation Fund [0.36%]; Cook County IL Community High School District (Bremen Community High School District Number 228) [0.24%]; Federal Farm Credit Bank [1.82%]; Klabin Austria GmbH [0.23%]; Microsoft Corporation [<0.01%]; Morgan Stanley [0.26%]; Philadelphia PA Water and Wastewater [0.32%]; Self-Help Credit Union [0.05%]; Self-Help Federal Credit Union [0.18%]; Starbucks Corporation [0.52%]; Truist Financial Corporation (FKA BB&T Corporation) [0.28%]; US Bancorp [0.24%]; and Verizon Communications, Inc. [0.31%].

As of 12/31/19, the following companies were not held by any of the Domini Funds: HSBC Holdings plc; Japan Exchange Group, Inc.; SAP SE; Svenska Cellulosa AB; Svenska Handelsbanken AB; T&D Holdings, Inc.; TPI Composites, Inc.; and Twitter, Inc.

As of 12/31/19, the following companies were not approved for investment and therefore not held by any of the Domini Funds: AmerisourceBergen Corporation; Arthur J. Gallagher & Co.; AstraZeneca plc; Barclays plc; Berkshire Hathaway Inc.; BP plc; Citizens Financial Group; Cowen Inc.; Facebook Inc.; General Motors Company; IR Japan Holdings, Ltd.; Johnson & Johnson; JP Morgan Chase & Co.; LVMH Moët Hennessy Louis Vuitton SE; Mitsubishi UFJ Financial Group; Nestlé S.A; Pinnacle Financial Partners, Inc.; Roche Holding AG; Synovus Financial Corporation; Total S.A.; Unifi, Inc.; Walmart Inc.; Wells Fargo & Company; Western Union Company; and Xcel Energy, Inc.

As of 12/31/19, the following companies were not publicly traded and therefore not held by any of the Domini Funds: Daido Life Insurance Company; First Tennessee Bank; Southern Bancorp.

The composition of each Fund's portfolio is subject to change. The Domini Funds maintain portfolio holdings disclosure policies that govern the timing and circumstances of disclosure to shareholders and third parties regarding the portfolio investments held by the Funds. Visit www.domini.com to view the most current list of the Funds' holdings. Obtain a copy of the Funds' most recent Semi-Annual Report, containing a complete description of the Funds' portfolios, by calling 1-800-762-6814 or at www.domini.com.

The Standard & Poor's 500 Index (S&P 500) and the Morgan Stanley Capital International Europe, Australasia and Far East Index (MSCI EAFE) are unmanaged indexes of common stocks. The Bloomberg Barclays U.S. Aggregate Bond Index (BBUSA) is an index representing securities that are U.S. domestic, taxable, and dollar denominated and covering the U.S. investment grade fixed rate bond market, with index components for government and corporate securities and asset-backed securities. You cannot invest directly in an index.

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All studies referenced herein were conducted by independent third parties. They have not been independently verified by Domini and are provided for informational purposes only. The inclusion of these studies herein does not constitute financial advice. We do not attest to the methodologies used.

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Thousands of starfish washed ashore.
The little girl began putting them
back in the water so they wouldn't die.
"Don't bother dear," her mother said,
"it won't make a difference."

The little girl stopped for a moment
and looked at the starfish in her hand.

"It will make a difference to this one."

Join the growing number of investors
who align their money with their values

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1-800-582-6757

info@domini.com

domini.com

@dominifunds