Domini
Investing for Good®

Domini Funds 2017 IMPACT REPORT

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

The girl stopped for a moment and looked at the starfish in her hand.
"It will make a difference to this one."

Table of Contents

With appreciation and special thanks to Matthew Casey and Hillary Marshall for their commitment and efforts in the production of this report.

Carole Laible

Ms. Laible is the CEO of Domini Impact Investments, and is responsible for overall research and mutual funds operations. She has over twenty years of impact investing experience. She played a key role in the launch of the Domini Impact International Equity Fund, as well as the current investment strategy and sub-manager selection for the Domini Impact Bond Fund and the Domini Impact Equity Fund.

Amy Domini

Ms. Domini is the Founder and Chair of Domini Impact Investments. She has been a pioneer in the field of impact investing since the publication of her first book, Ethical Investing in 1984. This leadership position was solidified by the creation of KLD Research & Analytics in 1988 and the Domini 400 Social Index in 1990. She is widely recognized as a leading voice for impact investing.

Domini Impact Investments LLC is a women-led SEC registered investment adviser specializing exclusively in impact investing. We serve individual and institutional investors who wish to create positive social and environmental outcomes while seeking competitive financial returns. We apply social, environmental, and governance standards to all our investments, believing they help identify opportunities to provide strong financial rewards to our fund shareholders while also helping to create a more just and sustainable economic system.

We currently manage more than $2 billion across three mutual funds:

- **Domini Impact Equity Fund**: Diversified large-cap U.S. equities
- **Domini Impact International Equity Fund**: Diversified large- and mid-cap equities of Europe, the Asia-Pacific region, and the rest of the world
- **Domini Impact Bond Fund**: Intermediate-term, investment-grade fixed income

Dear Fellow Investors:

The past year was an exciting one for Domini, as we continued to demonstrate how impact investors can harness the power of finance to help build a more peaceful and just future. Over two decades ago we launched a single mutual fund backed with the conviction that you can make money and make a difference in the world—a concept that was a little unconventional at the time. Since then, an entire industry has grown around that simple idea, and more and more investors have come around to our way of thinking.

"Today, we stand at the doorstep of the next evolution—a pivotal moment in the history of our field—as we and our peers work to assess and document the impacts we have had on the lives of people and the health of our planet."

We are proud of our many contributions to the field of impact investing. Only 25 years ago, companies barely reported on the social and environmental impacts of their business practices. Thanks to our persistent requests for information—joined by a drumbeat of other investors with concerns beyond just profits—corporate sustainability reporting is now mainstream. To ensure our evaluations of this data were consistent and fair, we developed a thoughtful framework of social and environmental standards and key performance indicators to guide our investment decisions. These standards, along with our commitments to advocacy and community investing, continue to set us apart.

Today, we stand at the doorstep of the next evolution—a pivotal moment in the history of our field—as we and our peers work to assess and document the impacts we have had on the lives of people and the health of our planet. This year we joined a number of investors in signing the Stockholm Declaration, affirming our support for the United Nations Sustainable Development Goals (SDGs), a collection of 17 targets that form a framework for creating and maintaining global sustainable development by 2030. We are excited to see the growing momentum among corporations and investors around the SDGs, and look forward to continuing our work with others to promote investment and measure progress toward these goals.

We are very happy to release the inaugural impact report for the Domini Funds, an important step in detailing the way we invest and work for change on behalf of our shareholders. As a pioneering architect of impact investing, we remain committed to leading the industry forward.

Very truly yours,

Carole Laible
CEO

Amy Domini
Founder and Chair

Over the years, a variety of terms and practices have emerged in the field broadly known as "impact investing," including "responsible investing," "sustainable investing," and "ESG investing." While these can vary in emphasis, they all share the fundamental goal of incorporating social and environmental factors into the investment decision-making process. Although we feel the label is substantially less important than the actions, we believe "impact investing" most clearly and effectively communicates the intentionality of our work. On page 10, we define the strategies and name the tools we use to create value for people, planet, and profit.

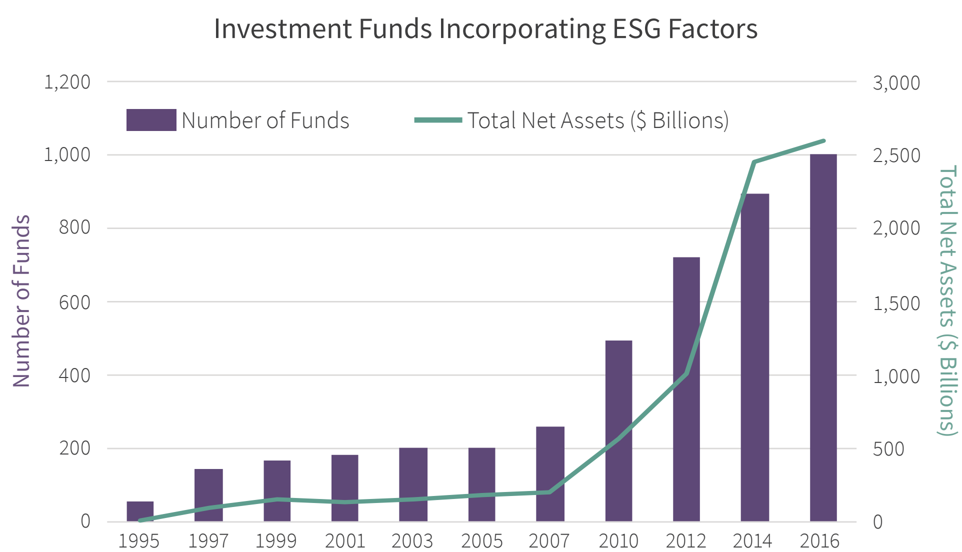
The Way You Invest Matters®

The field of responsible investing has developed significantly over the past few decades. According to US SIF: The Forum for Sustainable and Responsible Investment, there were **$8.72 trillion** assets invested in sustainable, responsible and impact investing (SRI) strategies[1] across the United States in 2016, or **one-fifth** of all assets under professional management. This was fourteen times the level of SRI assets invested back in 1995. While conventional asset managers and the academic community have more recently helped bring responsible investing to the mainstream, it was a small group of principled investors who built the groundwork for this movement.

> **"Over the next twenty years, the positions we have taken and the battles we have fought will lead to a universal understanding that what we have been saying, the way you invest matters, is absolutely correct. We will see our guiding principles integrated into the mainstream. We will be astonished at the acceptance and the impact that we have had."**
>
> —Amy Domini ("Looking Forward—Relevance Achieved," GreenMoney Journal, 2012)

Despite early skepticism, we have shown that investment strategies that include social and environmental standards can produce competitive returns. **Now the question being asked is, "what impact are your investments having?"**

With the growth of assets invested in the industry, we are witnessing change at a pace never seen before. Corporate leaders are rising to take action on climate change, defend diversity and immigration, and to advocate for sensible gun control, among many other environmental, social, and political issues.



SOURCE: US SIF Foundation: "Report on US Sustainable, Responsible and Impact Investing Trends 2016." Fig. B, pg. 14. NOTE: ESG funds include mutual funds, variable annuity funds, closed-end funds, exchange-traded funds, alternative investment funds, and other pooled products, but exclude separate accounts, unspecified vehicles and separate accounts, and community investing institutions. From 1995-2012, separate account assets were included in this data series, but have been excluded since 2014, in order to focus exclusively on commingled investment products.

By investing in the Domini Funds, you are part of a movement. We look forward to the day when responsible and impact investing is no longer considered a specialized strategy, but rather the only strategy for how the financial community operates.

This change begins with you.

1. US SIF's calculation of total SRI assets includes assets in investment strategies that apply any environmental, social and governance (ESG) criteria in their investment analysis and portfolio selection, and/or filed or co-filed shareholder resolutions on ESG issues at a publicly traded company from 2014 through 2016.

Our Investment Process

Domini manages more than $2 billion across three mutual funds: the **Domini Impact Equity Fund** (large-cap domestic equity), the **Domini Impact International Equity Fund** (large to mid-cap international equity), and the **Domini Impact Bond Fund** (U.S. intermediate-term fixed income).

Each of our mutual funds is actively managed according to an innovative strategy that combines our expertise in impact investing with **Wellington Management Company's** strength as a financial submanager. Domini is responsible for the development and application of environmental, social, and governance (ESG) standards, which we apply consistently across all of our funds. Subject to these standards, Wellington Management is responsible for each Fund's financial standards and portfolio construction. In addition, we engage with issuers in our equity fund portfolios to encourage improvements in their social and environmental performance, as well as with fixed-income issuers to convey investor expectations.

Domini®

Domini is a women-led SEC-registered investment adviser that specializes exclusively in impact investing. Founded by industry pioneers, we believe our decades of experience and our proprietary in-house research are key differentiators. Our skilled research team has a wide variety of expertise in social and environmental issues across industries and geographies.

Domini conducts proprietary in-house ESG research to determine which securities meet our standards.

WELLINGTON MANAGEMENT®

Wellington Management is one of the world's largest independent investment management firms. With over $1 trillion in client assets under management, they serve as a trusted adviser to clients in over 60 countries. Their innovative investment solutions are built on the strength of proprietary, independent research and span nearly all segments of the global capital markets.

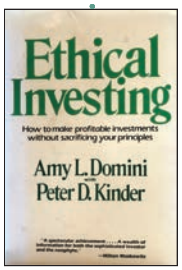
Wellington Management conducts financial analysis and constructs portfolios, selecting securities from Domini's approved list.

Domini Funds Portfolios

Domini engages with select issuers to drive positive change.

Domini History and Milestones

1984



Amy Domini writes *Ethical Investing*, one of the first comprehensive discussions of incorporating social and environmental criteria into investment decision-making.

1988

Peter Kinder, Steve Lydenberg and Amy Domini co-found KLD Research & Analytics.

1990

KLD launches the Domini 400 Social Index[1], the first socially and environmentally screened index.

1991

The Domini Impact Equity Fund[2] is launched as the first socially and environmentally screened index fund in the world.

1992

Domini Impact Equity Fund becomes one of the first mutual funds to publish its proxy voting guidelines.

1994

The Fund submits its first shareholder proposal.

1997

Domini Social Investments is founded to centralize management of the Domini Funds.

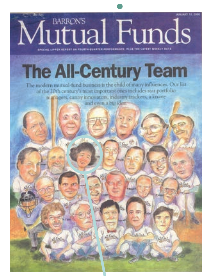
1999

Domini becomes the first mutual-fund manager in the U.S. to publicly disclose its proxy votes.

2000

The Domini Impact Bond Fund[3] is launched as one of the first fixed-income funds to incorporate social and environmental standards.

2000



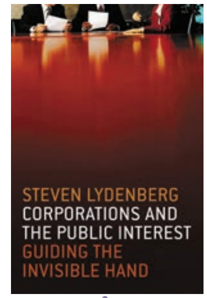
Amy Domini is named to Barron's "All-Century Team - The 25 Most Influential People of the Century on Mutual Fund Trends."

2003

Acting on rulemaking petitions from Domini and two labor unions, the U.S. Securities and Exchange Commission adopts a new rule requiring mutual funds to disclose their proxy voting policies and votes.

2005

Steve Lydenberg writes *Corporations and the Public Interest: Guiding the Invisible Hand.*



1. Now the MSCI KLD 400 Social Index, owned by MSCI, Inc.
2. Formerly "Domini Social Equity Fund" until November 30, 2016. On November 30, 2006, the Fund changed from a passive to an active management strategy.
3. Formerly "Domini Social Bond Fund" until November 30, 2016
4. Formerly "Domini International Social Equity Fund" until November 30, 2016

2005

Domini begins relationship with Wellington Management Company.

2005

Amy Domini is named to the TIME 100, Time Magazine's list of the world's most influential people.

2006

Domini Impact Equity Fund changes from passive to active management strategy.

2006

The Domini Impact International Equity Fund[4] is launched.

2006

Domini convinces Apple to adopt its first code of conduct for its global supply chain.

2008

Domini helps launch the Global Network Initiative, along with Microsoft, Google, Yahoo, human rights organizations, academics, and other investors to help protect and advance freedom of expression and privacy in the digital sphere.

2008

Amy Domini and Adam Kanzer are named to the NACD Directorship 100, NACD Directorship Magazine's list of the most influential people on corporate governance and in the boardroom.

2010

Steve Lydenberg co-authors *From Transparency to Performance* with Jean Rogers and David Wood, helping pave the way for the founding of the Sustainability Accounting Standards Board (SASB) the following year.

2014

Domini celebrates 20 years of shareholder activism and files its 250th shareholder proposal.

2016

To more clearly and effectively communicate the intentionality of its work, Domini rebrands as Domini Impact Investments.

2016

Domini CEO Carole Laible testifies in favor of the New York State Fossil Fuel Divestment Act.

2016

Representing Domini, Carole Laible joins SASB's Investor Advisory Group.

2018

Domini publishes its first comprehensive Impact Report.

See page 66 for important Domini Funds portfolio holdings disclosure. The composition of the Funds' portfolios is subject to change. Visit www.domini.com to view the most current list of the Funds' holdings.

The Evolution of Responsible Investment

Nearly 30 years ago, I began working with KLD Research & Analytics, a firm dedicated to producing research on the social and environmental performance of corporations. I have a hard time believing some of the changes that have taken place since then. There were just three of us working from Amy Domini's house in Cambridge at the start, without the Internet and on-line searches. To get a hold of the annual reports of the 600 companies we followed, we sent out postcards in the mail and got back duffel-bags full of reports that we filed away in filing cabinets. Press searches meant clipping the paper daily—yes, with scissors— for stories on our companies. Friday afternoons we gathered around the dining room table and clipped articles from the specialized magazines and newsletters we subscribed to—publications from the worlds of business, the environment, organized labor, and so on.

> **"Thanks to pioneering work by a committed and talented staff, working within a rapidly growing community of like-minded professionals, we have seen the financial industry gradually come around to our way of thinking."**

In those days, companies published little environmental, social, or governance (ESG) data. Aside from what we could glean from proxy statements on governance, a handful of U.S. companies published community-relations reports. A few others published philanthropy reports, and for those that had formal foundations we could go to the Foundation Center and look up their IRS filings. But we had to dig around here and there to find out what was going on. I never imagined that there would come a time when, without getting up from my desk, I could do comprehensive computerized press searches, download detailed corporate social responsibility reports, send emails—yes, we had to write letters or send faxes back then—and even find corporate sustainability data on a Bloomberg terminal.

It was not just how we gathered information that was different then. Awareness of responsible investing was minimal at that time and the attitude of those in the mainstream financial community was pretty universally dismissive. When we launched the Domini 400 Social Index[1] in 1990 we had to search high and low for a financial services firm willing to help with the pricing and other administrative details. It was an unheard-of product with no others like it for almost ten years, when Dow Jones and FTSE finally got around to deciding this might be a good idea. Today, MSCI offers over 700 socially responsible and sustainability indexes.

In 1990, the large financial services firms offered virtually no socially responsible investment (SRI) products (although some screened out companies with operations in apartheid South Africa). There were only a half dozen or so of us specialist SRI mutual funds. Certainly, none of the large Wall Street investment houses or major banks saw this as a market of any interest. Asked then if I thought that Morgan Stanley would ever create an Institute for Sustainable Investment and launch a Sustainable Investing Education Course for its 16,000 advisors, that Goldman Sachs* would acquire an impact investment firm, or Wells Fargo* would hire a Head of Social Impact Investing in its private banking division, I would have most likely said, "not in my wildest dreams."

And how about the apparently revolutionary idea at that time that environmental and social data could actually lead to better investment decision-making? It seemed like common sense to us. Nevertheless, we were told time and again that financial theory shows that any limitation on one's investment universe will result in "suboptimal" risk-adjusted returns. And we were talking only about stocks—essentially no one was integrating ESG into the other major asset classes. Although financial theory may not have changed

1. Now the MSCI KLD 400 Social Index, owned by MSCI, Inc.
*Not approved for investment by the Domini Funds as of 12/31/17.
See page 66 for important Domini Funds portfolio holdings disclosure. The composition of the Funds' portfolios is subject to change. Visit www.domini.com to view the most current list of the Funds' holdings.

Mr. Lydenberg has been active in researching the social and environmental performance of corporations since 1975 and was a co-founder of the Domini 400 Social Index, the first index to utilize social and environmental standards.

Mr. Lydenberg provides strategic vision and direction to guide the firm's policies, procedures, and daily practices. He oversees the integration of Domini's social and environmental standards into its research processes and into its communications with shareholders in the Domini Funds, the corporations these Funds invest in, and the public.

Steve Lydenberg

much since then, the attitude of financial analysts throughout the industry has swung strongly toward ESG integration, and that is increasingly true across all asset classes.

I suppose I shouldn't be surprised. Through those three decades Amy Domini and our firm have been constant advocates for the value of what we believe in and our voice has gradually been heard. Thanks to pioneering work by a committed and talented staff, working within a rapidly growing community of like-minded professionals, we have seen the financial industry gradually come around to our way of thinking. I had my first inkling that might be happening when, in 2000, Barron's named Amy to its 25-person "All-Century Team." Then in 2005, Time included Amy as one of the 100 most influential people in the world. Times, it seemed, they were a-changing.

Today we find ourselves at an interesting juncture, with more and more asset managers and owners committed to socially responsible investment at least at a basic level. What the future holds is anybody's guess. But if the past is any indication, I will expect to be pleasantly surprised.

Steve Lydenberg
Partner, Strategic Vision

Our Beliefs, Objectives, and Strategies

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.

As a firm, **our objectives** are to serve our clients' financial well-being while preserving and enhancing the environment and society through responsible asset management, and to measure and report, not only our financial results, but also our social and environmental impacts. That last part is where this Impact Report comes in.

From our earliest days we have employed **three fundamental impact-investing strategies**, and in the sections that follow, we cover how we use these strategies to create positive change:

Advocacy

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

Our tools:
Direct dialogue, shareholder proposals, proxy voting, and public policy

Setting Standards

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

Our tools:
Impact Investment Standards

Community Investing

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

Our tools:
Fixed-Income Investments that help increase access to capital, create public goods, and fill capital gaps

"Impact investing is a three-legged stool. Each leg is equally important, and without any one leg, the stool would fall over. Domini manages client assets in a way that uses each leg to help with the struggle for universal human dignity and ecological sustainability: creating value for people, planet, and profit, or what is referred to as triple-bottom-line investing."

—Amy Domini

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

Setting Standards

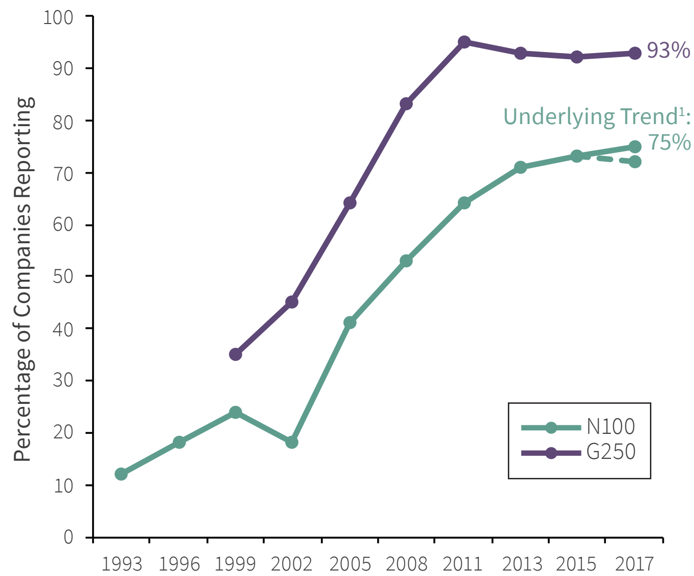
The Impact of Setting Standards

Transparency is critical to the growth of sustainable capital markets.

Standards developed and refined by impact investors over the past three decades communicated expectations and built demand for data on corporate social and environmental performance. When the Domini Impact Equity Fund was launched in 1991, only a small percentage of companies reported sustainability data. Today, not only do thousands of companies publish sustainability reports, but they are also increasingly appointing Chief Sustainability Officers to manage company-wide sustainability strategies overseen by their Boards of Directors.

With growing pressure from investors, companies, and policymakers, an increasing number of stock exchanges are issuing guidelines or setting mandatory listing requirements for companies to include disclosure of social and environmental data. In its 2016 progress report, the Sustainable Stock Exchanges Initiative found that **58 stock exchanges, representing over 70% of listed equity markets, have made a public commitment to advancing sustainability.**

Growth in Global Corporate Responsibility Reporting Rates



SOURCE: Source: KPMG International, KPMG Survey of Corporate Responsibility Reporting 2017. The N100 refers to a worldwide sample of 4,900 companies comprising the top 100 companies by revenue in each of the 49 countries researched in this study. The G250 refers to the world's 250 largest companies by revenue based on the Fortune 500 ranking of 2016.

1. The underlying trend of 75 percent applies when looking at the same sample of countries in 2015 and 2017. The overall N100 rate in 2017 is 72 percent due to the inclusion of 5 new countries with relatively low reporting rates in the 2017 research.

What gets measured, gets managed.

As the driving force behind this increase in transparency and disclosure, impact investors are helping to change the way the world invests, and we see the growing momentum around the **United Nations Sustainable Development Goals (SDGs)** as evidence of this. The SDG framework will be a valuable tool for investors to use in measuring and reporting on the impact of their investment decisions.

SUSTAINABLE DEVELOPMENT GOALS

Domini's core goals of universal human dignity and ecological sustainability are fully aligned with the SDGs, and our Impact Investment Standards map to many of the goals. Reaching the SDG targets will create strong and resilient social, environmental, and financial systems.

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.

To learn more about how we are working to increase **sustainability reporting and transparency** in capital markets, turn to page 36.

Our Impact Investment Standards

All investments have societal and environmental impacts, some good, some bad.

Beginning with the inception of our first mutual fund in 1991, Domini has made it a priority to focus on incorporating social and environmental standards into our investment process seeking triple bottom-line results: positive for people, planet, and profits.

Our investment approach begins with our Impact Investment Standards, which are focused on two fundamental goals: **Universal Human Dignity** and **Ecological Sustainability**.

Universal Human Dignity

We seek investments that promote universal values of fairness, equality, justice, and respect for human rights.

&

Ecological Sustainability

We seek investments that promote long-term environmental sustainability, including climate-change mitigation and adaptation.

We believe our social and environmental standards can help us identify strong long-term investments across both our equity and fixed-income strategies. These standards can help capture sources of opportunity and risk often overlooked by conventional financial analysis.

The investments we make today will shape tomorrow. The standards we apply to our investments can help create a more just and sustainable economic system. In keeping with our belief in the importance of transparency, our standards are publicly available on our website.

Read our **Impact Investment Standards** at ***www.domini.com***.

Exclusionary Screens

As investors, we acknowledge that there is no such thing as a perfect company. However, before our research team begins the environmental, social, and governance analysis of our investment universe, we have determined that there are certain lines of business we cannot support. These exclusionary screens are applied across all our funds.

Domini does not invest in companies that are significant manufacturers of alcoholic beverages or tobacco products, or significant providers of gambling goods and services. For these companies, effective marketing often means exploiting customers' addictions to these products or ignorance of their risks.

We believe capital markets are not meant to deliver products that have the potential to cause incalculable harm and therefore exclude corporations substantially involved in the production of military weapons and firearms. In addition, we exclude owners of active nuclear power plants. The dangers of weapons of mass destruction and the international arms trade are among the greatest we face today, and we are concerned about the connection between the spread of nuclear power and the proliferation of nuclear weapons, in addition to the significant risks to human health and the environment when things go wrong.

We exclude companies that are substantial owners and producers of oil or natural gas reserves,[1] as well as companies significantly involved in coal mining. We have made this decision in light of the financial, environmental, and moral concerns associated with fossil fuels and in recognition that divestment is a productive avenue to further the debate on climate-change risk—one of the most important and difficult issues of our time.

These industry exclusions are a small portion of our investment universe, but are critical to our goals of universal human dignity and ecological sustainability.

In addition to these industry exclusions, we have generally avoided for-profit **companies substantially involved in the operations of prisons**, as well as **major producers of synthetic pesticides and agricultural chemicals**. This is due to significant civil and human rights and environmental concerns, respectively, related to these two businesses.

1. Companies included in the Integrated Oil & Gas or Oil & Gas Exploration & Production Industries as defined by the Global Industry Classification System (GICS)

Evaluating Corporations

All businesses carry a mix of costs and benefits for society and the planet. We evaluate companies on two levels.

Business Alignment: the degree to which their business is aligned with our goals of universal human dignity and ecological sustainability

We seek to invest in business models that create solutions for social and environmental challenges and provide access to the underserved. We have determined that certain business models are directly aligned with our goals. For example, companies that derive large percentages of revenue from the sale of **organic food**, lead in **lending to small and medium enterprises** (SME), generate **renewable energy**, or manufacture **preventative healthcare products** such as vaccines. Our goal is to identify companies that have a beneficial impact on the environment and society.

On the other hand, we view business models that externalize costs to society and the environment, and/or produce harmful or addictive products as inherently negative.

Stakeholder Relations: the strength of its relations with key stakeholders

We believe companies will succeed and prosper in the long run based on the strength of their relations with their key stakeholders: **Investors**; **Employees**; **Suppliers**; **Customers**; **Ecosystems**; and **Local**, **National**, and **Global Communities**. Our assessments of these relationships are a vital part of our investment process.

But how do we decide where to draw the line?

If we set our standards too high, we would have very few companies to invest in and would lose the opportunity to act as a catalyst for change. If we set our standards too low, we would compromise our shareholders' principles and lose the opportunity to raise the bar for investor expectations.

To guide our decision-making, we developed **"Key Performance Indicators" (KPIs)** for each of our subindustry categories. The KPIs help us focus our analysis on the most important sustainability challenges and opportunities each company faces, within the context of its business model and its industry. We will examine other issues as they arise, but our KPIs will generally take precedence in our decision-making.

Effective KPIs, whether quantitative or qualitative, should be **ascertainable, measurable**, and **meaningful**, such as the age of an airline fleet, automobile safety records, working conditions in corporate supply chains, or the energy breakdown of installed capacity for electricity generators.

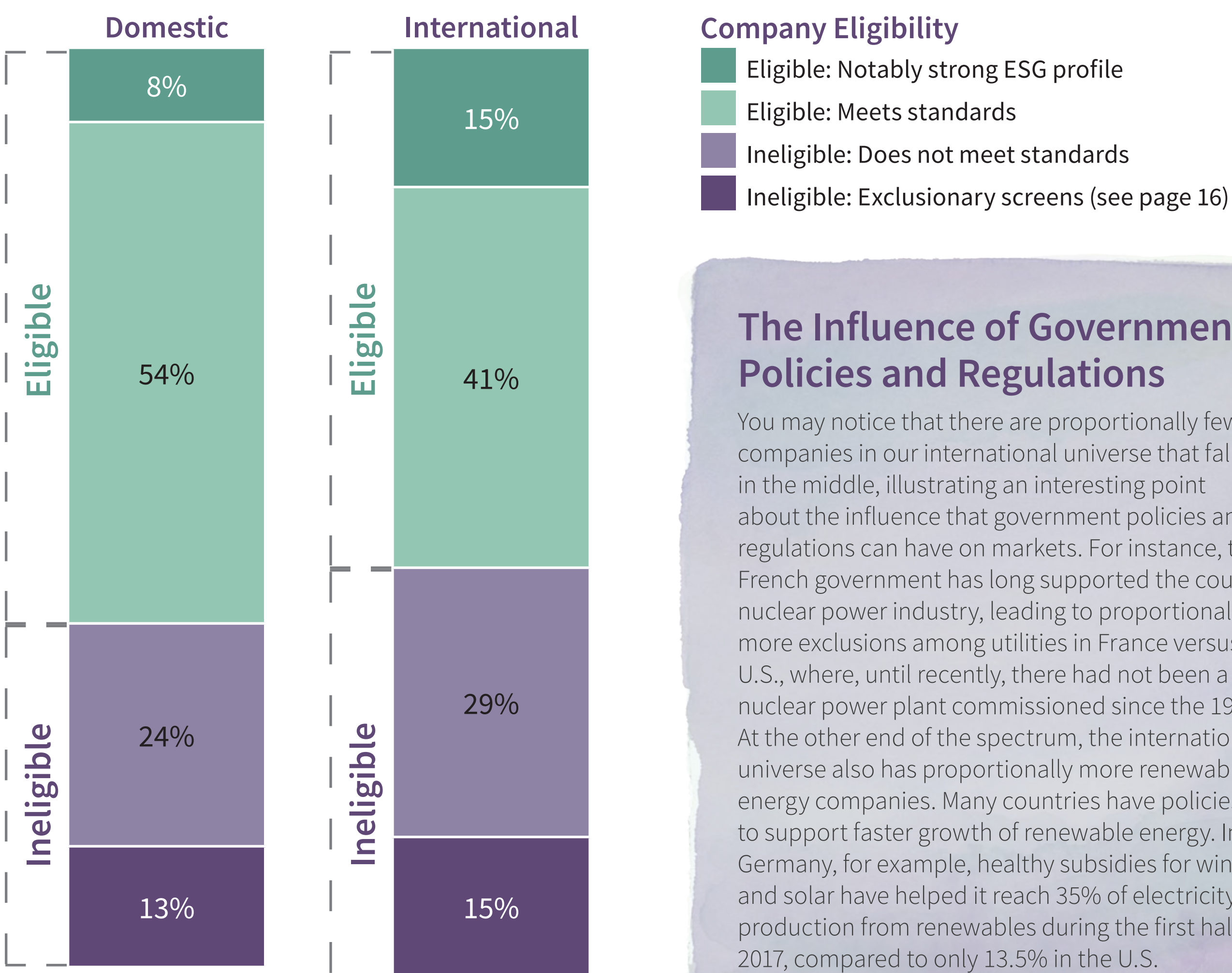
See page 50 within the **Community Investing** section to read about how we evaluate **non-corporate issuers**.

How Our Equity Universe Stacks Up

When people think of responsible or impact investing, they often think of what types of companies are excluded—weapons manufacturers or tobacco companies, for example. But that is actually only the first step in our process. Our research is designed to identify companies that can do well by doing good.

We cover companies across all industries in North America, Europe, Asia-Pacific, and emerging-market countries like South Africa and Brazil. Our work requires us to consider a wide variety of issues, from forced labor in global supply chains to how companies integrate renewables into their energy mix. Some of the decisions we make are easy. We will never invest in a coal-mining company, and we will generally seek to approve companies that create life-saving diagnostics. Most decisions, however, are not as clear-cut. As you can see below, the bulk of the companies that we evaluate fall somewhere in the middle. These are often complex companies that create value for society, but are not without challenges and controversies.

Domini Equity Universe



The Influence of Government Policies and Regulations

You may notice that there are proportionally fewer companies in our international universe that fall in the middle, illustrating an interesting point about the influence that government policies and regulations can have on markets. For instance, the French government has long supported the country's nuclear power industry, leading to proportionally more exclusions among utilities in France versus the U.S., where, until recently, there had not been a single nuclear power plant commissioned since the 1970s. At the other end of the spectrum, the international universe also has proportionally more renewable energy companies. Many countries have policies to support faster growth of renewable energy. In Germany, for example, healthy subsidies for wind and solar have helped it reach 35% of electricity production from renewables during the first half of 2017, compared to only 13.5% in the U.S.

The table above is illustrative of Domini's part of the investment process. Our mutual fund portfolios represent a subset of these companies. Although Wellington Management may only purchase the securities of companies that Domini has pre-approved, the percentage of companies in the portfolio with notably strong ESG profiles will vary. The table above does not represent actual mutual fund asset allocations. The percentages provided above are subject to change.

How Our Standards Impact Our Equity Portfolios

The **Domini Impact Equity Fund** and **Domini Impact International Equity Fund** are diversified portfolios of mostly large-cap stocks—companies with tremendous societal and environmental impacts. They are employers, community partners, and suppliers of essential goods and services that we all rely on every day. While many have complex business models and a mix of positive and negative social and environmental attributes, our research has determined that they all currently meet our standards.

As a reminder, our Fund portfolios are constructed from our approved universe by Wellington Management. A company's inclusion and allocation in the portfolio is the result of Wellington Management's financial process, and not a reflection of its ESG merits relative to other approved companies. The Funds' top ten holdings as of December 31, 2017 are provided below to give a sense of how the application of our standards helps shape our portfolios. For comparison, we provide the top ten holdings for their respective benchmarks to the right. For more specific examples of our standards in practice, we highlight the top five holdings for each of the Funds on the next pages.

Top Ten Holdings as of 12/31/2017: Funds and Benchmarks

	Domini Impact Equity Fund	% Portfolio
1.	Apple Inc.	4.2%
2.	Alphabet Inc. - Class A	3.6%
3.	PepsiCo, Inc.	2.9%
4.	Prudential Financial, Inc.	2.9%
5.	Mastercard Inc. - Class A	2.8%
6.	Ross Stores, Inc.	2.8%
7.	Walgreens Boots Alliance, Inc.	2.7%
8.	Cummins, Inc.	2.6%
9.	IBM Corporation	2.6%
10.	Intel Corporation	2.6%
Total Top Ten		29.7%

	S&P 500 Index	Domini Funds Eligibility
1.	Apple Inc.	Eligible
2.	Microsoft Corporation	Eligible
3.	Amazon.com, Inc.	Eligible
4.	Facebook, Inc.	Eligible
5.	Berkshire Hathaway Inc.*	Ineligible: Exclusionary screens
6.	Johnson & Johnson, Inc.*	Ineligible: Does not meet standards
7.	JPMorgan Chase & Co.*	Ineligible: Does not meet standards
8.	Exxon Mobil Corporation*	Ineligible: Exclusionary screens
9.	Alphabet Inc. - Class C	Eligible
10.	Alphabet Inc. - Class A	Eligible

	Domini Impact International Equity Fund	% Portfolio
1.	Sanofi S.A.	2.4%
2.	Allianz SE	2.3%
3.	Kering	2.1%
4.	Nissan Motor Co., Ltd.	2.0%
5.	Central Japan Railway Co.	1.7%
6.	DBS Group Holdings, Ltd.	1.7%
7.	Swisscom AG	1.7%
8.	Vodafone Group plc	1.6%
9.	Asahi Glass Co., Ltd.	1.6%
10.	Sandvik AB	1.6%
Total Top Ten		18.8%

	MSCI EAFE Index	Domini Funds Eligibility
1.	Néstle S.A.*	Ineligible: Does not meet standards
2.	HSBC Holdings plc*	Ineligible: Does not meet standards
3.	Novartis AG*	Ineligible: Does not meet standards
4.	Roche Holdings AG*	Ineligible: Does not meet standards
5.	Toyota Motor Corporation*	Ineligible: Does not meet standards
6.	British American Tobacco*	Ineligible: Exclusionary screens
7.	Royal Dutch Shell - Class A*	Ineligible: Exclusionary screens
8.	BP plc*	Ineligible: Exclusionary screens
9.	Total S.A.*	Ineligible: Exclusionary screens
10.	Royal Dutch Shell - Class B*	Ineligible: Exclusionary screens

*Not approved for investment by the Domini Funds as of 12/31/17.
See page 66 for important Domini Funds portfolio holdings disclosure. The composition of the Funds' portfolios is subject to change. Visit www.domini.com to view the most current list of the Funds' holdings.

Domini Impact Equity Fund

Apple is the largest publicly traded company in the world. While it is renowned for its technology leadership, it has also been subject to persistent media attention and scrutiny focused on issues that include working conditions in its global supply chain, tax practices, and privacy concerns. Domini is a long-term investor in Apple, and we have actively engaged with the company on human rights and tax issues. We convinced the company to adopt its first supply-chain code of conduct in 2006. The code set strong standards to help protect the basic rights of workers, and since 2007 Apple has released an annual supplier responsibility progress report. During this time, we have regularly met with Apple to discuss these issues and found that, while there is still work to do, the company is committed to ongoing improvement in how it monitors and addresses problems in its supply chain. In 2016, Apple conducted comprehensive audits at 705 supplier facilities employing a total of nearly 1.2 million people, its largest number of factory audits to date. While the company continues to improve on supply chain issues, it also actively uses its technological leadership and cultural influence to help provide solutions and promote social responsibility on topics ranging from corporate diversity and LGBT rights, to renewable energy investments and leadership in providing accessibility features for people with disabilities.

Alphabet is best known as the parent company of Google, a global leader in Internet services, but the parent holding company is also an incubator for numerous other ventures that are seeking to solve sustainability challenges through innovative technology applications. Google, along with Domini, is a founder of the Global Network Initiative, a multi-stakeholder organization seeking to protect freedom of expression and privacy (see page 30 for more). Google is the largest corporate purchaser of renewables globally. Since 2010, it has signed agreements to purchase more than 2.6 gigawatts of renewable energy around the world. Last year Google announced that it would reach its goal to purchase enough wind and solar energy to match 100% of the electricity consumed by its global operations during the year, including its data centers, which are 50% more efficient than the industry average. Google is also renowned for its employee relations, offering unparalleled benefits and a supportive and inclusive working environment that fosters creativity and innovation. As of 2017, it has topped Fortune's list of the "100 Best Companies to Work For" six years in a row.

When most people hear **PepsiCo**, the first thing they probably think of is the soft drink. However, Pepsi and other sodas are only a portion of the company's broad portfolio of food and beverage products. While we have concerns related to many of these products, we recognize that the company is making strides to promote sustainability and healthier diets. Under CEO Indra Nooyi, one of the only women of color at the helm of an S&P 500 company, PepsiCo is delivering on a commitment to transform its portfolio to appeal to more health-conscious customers. Its "Everyday Nutrition" category—which includes products with grains, fruits, and vegetables, like Quaker Oatmeal and Tropicana Probiotics, as well as naturally nutritious products like unsweetened teas—now make up about a quarter of the group's total revenue. PepsiCo also has ongoing efforts to include small farmers in its supply chain, is working to increase its use of recycled materials, and has a record of strong leadership on diversity. As a long-time investor in the company, Domini has had a number of successful engagements with PepsiCo on issues ranging from recycling to forestry practices, and we continue to push the company toward better social and environmental performance.

Prudential Financial is a leading life insurance and financial management company with a number of strong social and environmental practices. Through its partnership with Aequalis—an organization dedicated to providing insurance options to the LGBT community—Prudential became one of the first major insurers to make life insurance coverage available to people living with HIV. Prudential also integrates ESG factors into its investment management decisions, and is increasing its commitments to responsible and impact investments. As of 2016, Prudential had $3.8 billion in renewable energy investments, and had reached the halfway point in its goal to have $1 billion in investments in nonprofits and social enterprises creating positive impact by 2020. Prudential has also made strong commitments to improving financial literacy, including providing a wealth of financial education resources for free online.

MasterCard is a leading payment solutions provider with strong representation of women and minorities on its executive management team and Board of Directors. The company has demonstrated a commitment to expanding access to payment solutions in emerging markets. In 2016, it partnered with United Bank for Africa to expand into 18 new markets in Africa, and in 2017, it launched Kinect, a digital ordering system for small kiosk owners in Kenya to order and pay for products from wholesalers via SMS.

See page 66 for important Domini Funds portfolio holdings disclosure. The composition of the Funds' portfolios is subject to change. Visit www.domini.com to view the most current list of the Funds' holdings.

Domini Impact International Equity Fund

Sanofi is a French pharmaceutical company with a strong commitment to vaccines, treatments for rare diseases, and generic drugs, all of which are favored by Domini. In 2016, these respectively accounted for 13.5%, 7.3%, and 5.5% of net sales. Sanofi has taken steps to expand access to its medicines, reporting that 241 million people in over 90 countries benefited from its access programs in 2016. The company is also tackling industry controversy surrounding drug prices in the U.S. by pledging to limit annual price increases to projections for overall medical cost inflation. Sanofi will also disclose annual increases in its list prices, before and after the discounts given to health insurers.

Allianz is a German insurance and financial services group with a notably strong commitment to micro-finance and providing access to insurance products to customers in emerging markets. Many people in emerging markets across Asia, Africa, and South America remain severely under-insured, but Allianz is helping to close this gap by increasing access to low-cost financial services, including micro-insurance, micro-savings, and micro-equity options. During 2016, the group grew sales from its operations in these markets by 95%. Allianz also has strong commitments to impact investing. At the end of 2016, the group had €128.2 billion in sustainable and responsible investments. Across its portfolios, Allianz is divesting from coal-based businesses and rapidly scaling investments in renewable energy, which totaled €4.6 billion at the end of 2016.

Kering is a French apparel company whose best-known brands include Gucci, Bottega Veneta, Saint Laurent, and Alexander McQueen. Kering is a pioneer among apparel companies for sustainability and supply chain initiatives. The company consistently performs more than 2,000 social audits per year, and dedicates efforts to tracing and monitoring its supply chain for leather, fur, gold, jewels, and other materials. Beyond luxury brands, Kering also owns athletic apparel brand PUMA, which has consistently been at the forefront of sustainable supply chain management. PUMA discloses its entire factory supplier list and has dozens of supplier sustainability strategies and reports available on its website. It also maintains comprehensive due-diligence procedures to test raw-material suppliers, conducts extensive audits with detailed ratings for its fabric production facilities, and was the first company to publish an Environmental Profit and Loss report—showing the monetary value of the environmental impacts caused by its operations and supply chain. PUMA has often been a model for its parent company, and its leadership continues to push Kering to further develop company-wide supply-chain initiatives.

Nissan is a Japanese automotive company that has demonstrated an ongoing commitment to safety. As of 2015, it has achieved an average 58% reduction in fatalities from accidents involving Nissan vehicles compared to 1995. Nissan also has a strong commitment to improving environmental performance through emissions reductions, improved fuel efficiency, and increasing investments in electric vehicles and automated-driving technologies. As of 2016, the Group had sold more than 430,000 electric vehicles globally and has improved its average fuel efficiency by 35% since 2005.

JR Central (The Central Japan Railway Company) operates mass-transit services, including high-speed railway and bus services, in the Chūbu region of Japan. JR Central has demonstrated strong commitments to resource conservation and sustainability, investing in improvements to fleet efficiency and the resiliency of railway infrastructure.

See page 66 for important Domini Funds portfolio holdings disclosure. The composition of the Funds' portfolios is subject to change. Visit www.domini.com to view the most current list of the Funds' holdings.

Standards in Action: How We Address Climate Risk

Climate change is one of the most pressing social and environmental challenges we face today. Domini supports the **Paris Climate Agreement** and the global transition to a low carbon future. The Paris Climate Agreement calls for limiting the increase in global temperature by the end of this century to no more than 1.5 to 2 degrees Celsius over pre-industrial levels.

Reduction in Fossil Fuel Exposure and Related Climate Risk

We consider the impact of climate change and its risks across all our funds, asset classes and sectors through the implementation of our Impact Investment Standards and engagement with corporations and public policy makers. We have never invested in coal mining and have divested from oil and gas exploration and production companies across all our funds.

Electric utilities produce more greenhouse gas emissions than any other sector in the United States. We recognize, however, that affordable and broad access to electricity creates immense value for society. When evaluating electric utilities, we look to installed capacity as an important indication of how well equipped these companies will be in the future as society transitions away from fossil-fuel based sources of energy. We consider past environmental performance, timelines regarding the retirement of coal power plants, and plans for the expansion of renewable energy capacity.

In 2017, we refined our standards further. We now seek to avoid investment in electric-utility companies or municipal electric utilities that have either announced plans for new construction of coal-fired power plants, or started new construction after January 1, 2014.

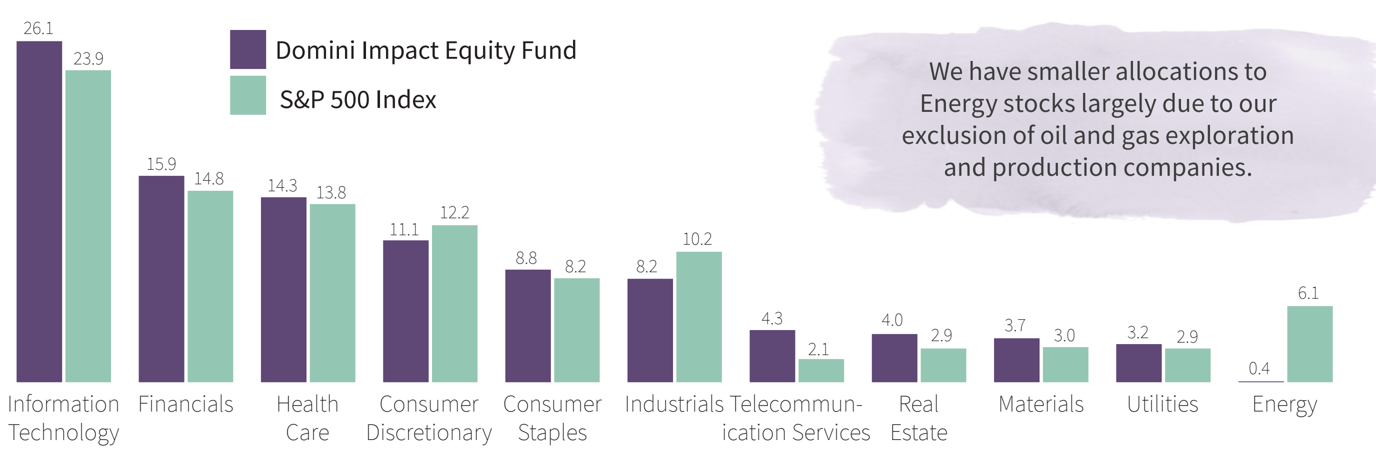
We believe that by reducing exposure to fossil fuel production, we are positively positioning our funds for the long term. It is important to note we expect companies across all industries to be actively addressing the effects of climate change and their role in the transition to a low carbon future.

Carbon Footprinting

The Financial Stability Board's **Task Force on Climate-related Financial Disclosures** (TCFD) highlights the usefulness of climate-related risk reporting. For asset managers, this may include calculating a portfolio's "carbon footprint" against a public benchmark. Over the years, an increasing number of investors have pledged to calculate the carbon footprint of their stock portfolios to better understand and measure either the risks climate change presents to their portfolios or the impacts of their investments on the climate. While we recognize the general importance of the exercise, we agree with TCFD that there are significant limitations with current carbon footprinting methodologies.

Climate change presents several different categories of risk to corporations and to investment portfolios, including physical risk from severe storms, transition risk due to changing consumer demands and innovative new technologies, regulatory and legal risk, and carbon-pricing risk. Carbon footprint reports do not cover all of these risks. They can be useful in

Domini Impact Equity Fund Sector Distributions as of 12/31/17



See page 66 for important Domini Funds portfolio holdings disclosure. The composition of the Funds' portfolios is subject to change. Visit www.domini.com to view the most current list of the Funds' holdings.

identifying the largest emitters in a portfolio or the least "carbon intensive" companies (tonnes of carbon/unit of revenue), but a company's greenhouse gas (GHG) emissions—the sole input of carbon footprint models—do not necessarily indicate the greatest risks it faces from a changing climate. A producer of oil, for example, may appear low-risk when only direct emissions are considered. An insurer of coastal properties faces climate risks that are completely unrelated to its GHG emissions.

Portfolio (as of 12/31/17)	Carbon Intensity[1]	Percentage Estimated[2]
Domini Impact Equity Fund	68.8	43.1%
S&P 500 Index	156.4	37.0%
Domini Impact International Equity Fund	122.4	14.1%
MSCI EAFE Index	189.0	13.3%

1. Carbon intensity is measured as tonnes of carbon dioxide equivalent (tCO2-e) emitted per USD million in sales. The figure provided is a weighted average of each company's carbon intensity by its proportion in the portfolio or index.

2. Where companies do not report Scope 1 and 2 emissions, the Bloomberg Portfolio Carbon Footprinting Tool estimates the value as the median of reported figures within the same industry group. The figure in the table indicates the percentage of portfolio value that was estimated.

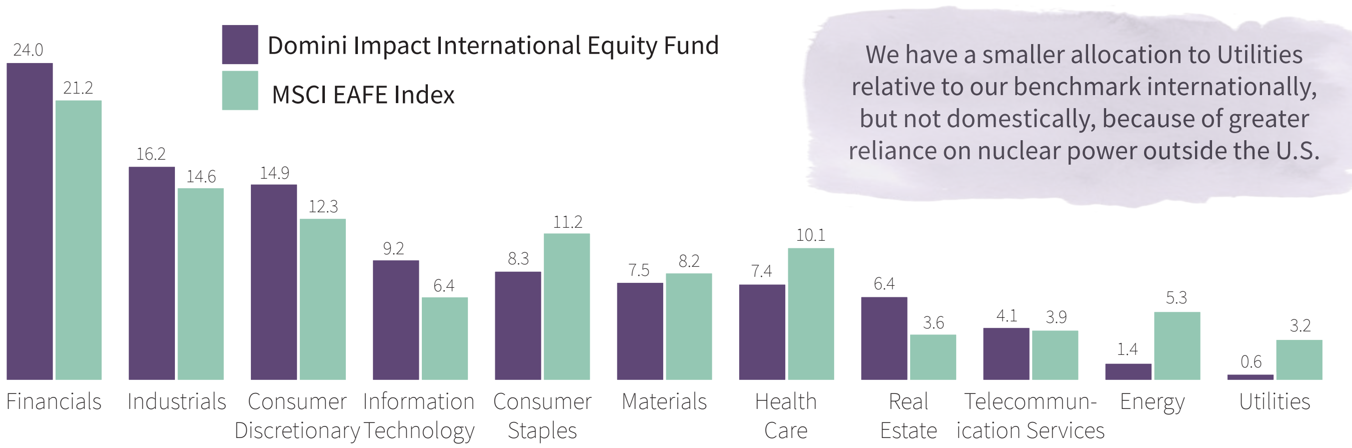
Footprint models are limited by the data they are based on. Scope 3 emissions (those resulting from use of a company's products, which are rarely reported) are not taken into account, despite their significance to the climate impact of industries such as oil and gas and automobiles. And when Scope 1 and 2 emissions (those resulting from company operations and electricity consumption, respectively) are not reported, the models must rely on estimations based on industry peers.

As a result of these limitations, we do not view portfolio carbon footprinting as a useful way to measure investment risk or a portfolio's 'contribution' to climate change. Rather, carbon footprinting of our equity funds provides us with an indication of which companies are the heaviest carbon emitters across our funds, which may inform our engagement work and our assessment of our Impact Investment Standards.

Nevertheless, investors in our mutual funds may wish to view a carbon footprint report as another lens into our decision-making. We welcome this scrutiny and are happy to respond to investor questions about any of our holdings. We also welcome innovation in public reporting. In that spirit, we used **Bloomberg's Portfolio Carbon Footprinting Tool** to calculate the carbon footprint of the Domini Impact Equity Fund and the Domini Impact International Equity Fund as of December 31, 2017. The carbon data used is Scope 1 and 2 (as available) as of 2016, the most recent year for which data are widely available. Comparing averages of carbon intensity (tonnes of carbon dioxide equivalent emitted per million USD in revenues, weighted by representation in the portfolio or index) shows that both of our equity funds were less carbon-intensive than their benchmark indexes as of December 31, 2017.

Climate change is a systemic risk, so efforts to reduce a portfolio's exposure to GHG emissions will only provide limited risk-mitigation benefits. Our multi-faceted approach to address climate change encompasses divestment to reduce fossil-fuel exposure, investment in companies that are active in the transition to a low-carbon economy, as well as corporate engagement, proxy voting, and public-policy advocacy to help reduce the global threat of climate change.

Domini Impact International Equity Fund Sector Distributions as of 12/31/17



We have a smaller allocation to Utilities relative to our benchmark internationally, but not domestically, because of greater reliance on nuclear power outside the U.S.

See page 66 for important Domini Funds portfolio holdings disclosure. The composition of the Funds' portfolios is subject to change. Visit www.domini.com to view the most current list of the Funds' holdings.

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

Advocacy

2017 Advocacy Highlights and Successes

We engaged **94** companies around the world through in-person meetings, multi-stakeholder dialogues, letters, phone calls and emails.

36 of these engagements were with companies headquartered outside of the U.S.

40 of these engagements represent focused commitments of time and resources, including multi-year dialogues and the filing of shareholder proposals.

We signed letters that reached an additional **150** companies across a wide range of social and environmental issues.

For the 2017 proxy season, we submitted **11** shareholder proposals, serving as lead on 7, and in a supporting role on 4.

We voted against directors at **63** meetings for inadequate board diversity

Chipotle Mexican Grill agreed to publish its first sustainability report.

Michael Kors and Sysco adopted policies to protect migrant workers in their supply chains.

Kraft Heinz published commitments to purchase sustainable palm oil, following our proposal.

We met with the **Chair of the SEC** to defend investors' rights to submit shareholder proposals

The **Global Network Initiative** welcomed **7** new corporate members.

We worked with the B Team and a group of global companies to produce a set of **responsible tax principles**

See page 66 for important Domini Funds portfolio holdings disclosure. The composition of the Funds' portfolios is subject to change. Visit www.domini.com to view the most current list of the Funds' holdings.

Domini has established a broad set of standards we use to measure corporate performance, but standard-setting is not a passive exercise.

For the past 20 years, the Domini Funds have been a voice for change in the capital markets, letting companies, investors and policymakers know that our shareholders are seeking more from their investments. This is achieved through a combination of **direct dialogue** with companies, the filing of **shareholder proposals**, the principled use of **proxy voting**, and by speaking out on **public policy** issues.

We believe that an effective advocacy program must be inclusive, creative and responsive to changing conditions in the world. Perhaps most importantly, this work is built on a foundation of trust. We must be viewed as a credible actor both by the business community and the communities we are seeking to impact. Any success that we have achieved has been through persuasion, consistency and persistence. Over the years, we have learned when to compromise, and when to stand firm. We have learned that certain issues take time to address, while others require a sense of urgency.

We look at public corporations from end to end, seeking to protect the most vulnerable workers that make the products you purchase every day, as well as ensuring that those products are safe to use—both for consumers and the environment.

Systemic issues, such as deforestation, child labor and worker health and safety cannot be effectively tackled alone. Our advocacy work is therefore highly collaborative, drawing on the expertise of fellow investors as well as civil society organizations. These relationships, built over the course of many years, have increased our leverage and deepened our approach to countless issues.

Our Advocacy Tools

Direct Dialogue

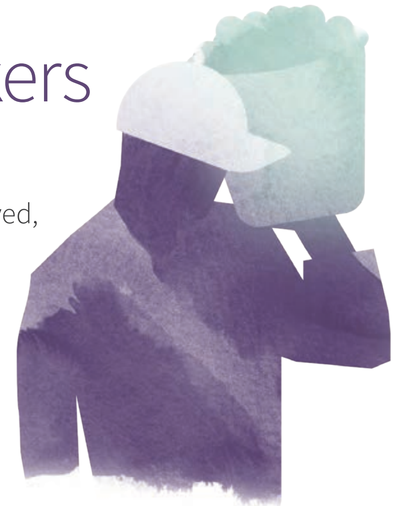
Shareholder Proposals

Proxy Voting

Public Policy

The pages that follow represent the **advocacy work we pursued in 2017**. Each of the issues addressed has deep roots, and some of these dialogues have persisted, and evolved, over the course of years or even decades. Each year builds on the past, as we do what we can to move companies and public policy ever closer to universal human dignity and ecological sustainability.

Ethical Recruitment of Migrant Workers



THE ISSUE No worker should ever have to pay for their job. Once they are employed, they must be able to understand the terms of their employment and be free to leave at any time. These are basic principles that most of us take for granted, but for millions of migrant workers around the world, they are far from the norm. Many workers are placed in conditions of bonded labor, indebted to unscrupulous recruitment agencies, sometimes without access to their passports. The International Labor Organization (ILO) estimates that almost 21 million people are trapped in conditions of forced labor, generating over $150 billion for other parties. More than 75% of these workers work within the private sector, particularly in industries such as agriculture, construction and manufacturing.

OUR INITIATIVES In addition to asking companies to align their policies with the **Interfaith Center on Corporate Responsibility's** (ICCR) "No Fees Initiative", we are also seeking disclosure of the actual amounts reimbursed to workers. For example, Apple reports that it forced suppliers to reimburse $28.4 million to 34,000 people since 2008. Because migrant workers are placed in a particularly precarious position when they are employed by a recruitment agency rather than the place where they work, we are also asking companies to consider a direct employment model for their suppliers. In late 2016, we co-signed letters authored by ICCR seeking the adoption of ethical recruitment practices at eleven companies. We then wrote our own letters to **Nike**, **Tapestry** (formerly known as Coach), **Michael Kors**, **Belle International**, **L Brands**, **Ralph Lauren**, **IBM**, and **Motorola Solutions**.

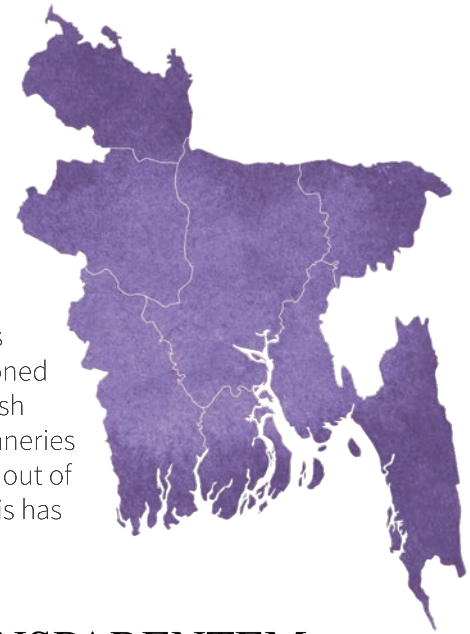
2017 ACTIONS

- When we did not hear back from **Michael Kors**, we submitted a shareholder proposal on the issue, prompting a series of constructive conversations with the company's General Counsel. Michael Kors agreed to improve its labor requirements for its suppliers based on detailed comments we provided, and updated its public reporting to describe the actions it is taking to address modern slavery. Among these new commitments, the company will ensure that no worker in its global supply chain pays for employment, and that any recruitment fees found will be "promptly" reimbursed. Prior to onboarding them into its supply chain, Michael Kors will also require all new suppliers to disclose information about the recruitment agencies they use. Additionally, the company strengthened its policies against non-discrimination and its protections for younger workers.
- We also followed our letter to **Motorola Solutions** with a shareholder proposal, which prompted a conversation with the company. Although we recognize that Motorola has appropriate policies in place, and has been working through an industry association to address these issues, investors have insufficient information to gauge progress. Our proposal seeks to rectify that by requesting an annual report on the company's efforts to ensure that its global supply chain is free of forced or bonded labor, including any efforts to reimburse workers for recruitment fees that were paid in violation of company policies. We resubmitted the proposal for 2018 and hope to continue our dialogue.
- After dialogue with Domini and other ICCR members, **Sysco** updated its requirements for its suppliers, adding ethical recruitment policies and strengthening its policies against child labor.
- During the year, we also engaged on these issues with **Campbell's**, **Tapestry**, **Ralph Lauren**, and **Gap**.

Visit ***www.domini.com*** to read our paper on **Protecting Migrant Workers**, originally published in our 2017 Semi-Annual Report.

See page 66 for important Domini Funds portfolio holdings disclosure. The composition of the Funds' portfolios is subject to change. Visit www.domini.com to view the most current list of the Funds' holdings.

Worker Health and Safety in Bangladesh



THE ISSUE For nearly 20 years, workers have toiled under egregious conditions at leather tanneries in Hazaribagh, Bangladesh. Many of these workers have been children. Toxic waste, flowing untreated from these facilities, has poisoned workers and their communities. Finally, after an unheeded order by the Bangladesh Supreme Court, the Bangladesh government has succeeded in shutting these tanneries down, and ordering that their operations be relocated. With thousands of people out of work and new, environmentally compliant tanneries still offline, however, the crisis has entered a new phase.

OUR INITIATIVES An investigative organization called **Transparentem** has been on the scene, documenting conditions and tracing the leather to global brands, including Michael Kors, Tapestry, and others. Transparentem asked the **Interfaith Center on Corporate Responsibility** (ICCR) to bring together a small group of investors, including Domini, to receive their findings and use our leverage to engage with these companies.

2017 ACTIONS

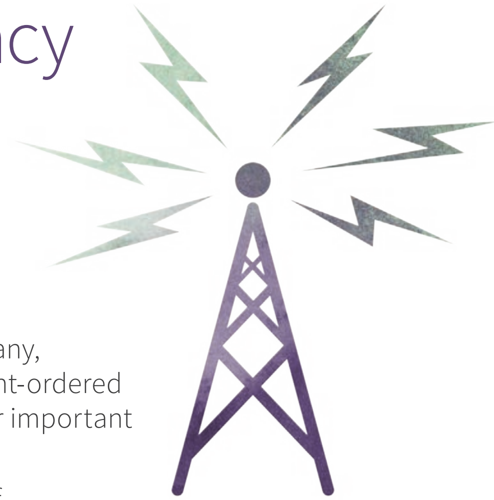
- We have taken the lead on engagement with both **Michael Kors** and **Tapestry**—which owns fashion brands Coach, Kate Spade and Stuart Weitzman—and began discussions about the appropriate corporate response. Both companies have terminated sourcing from the region, but questions remain regarding remediation efforts and due diligence processes that allowed these conditions to persist for so long.
- We co-signed an ICCR-authored investor letter to the **Leather Working Group** (LWG)—a multi-stakeholder group of brands, retailers, leather manufacturers, and other organizations involved in the leather supply chain—requesting that it broaden its mandate beyond environmental stewardship to include labor and human rights concerns.

Rana Plaza: Four Years Later

In April, we signed an ICCR-authored investor statement marking the fourth anniversary of the deadly collapse of the Rana Plaza apparel factory complex in Bangladesh. The statement acknowledged the progress made over that time in improving worker safety in the garment sector through successful implementation of the **Accord on Fire and Building Safety in Bangladesh**, a legally binding framework signed by retailers, NGOs and trade unions in the wake of the tragedy. The statement also called for an extension of the agreement beyond its 2018 expiration and recommended several new elements to broaden its scope. In June, we were happy to welcome a three-year extension of the Accord, which followed the recommendations to include protections for workers' rights to freedom of association and collective bargaining.

See page 66 for important Domini Funds portfolio holdings disclosure. The composition of the Funds' portfolios is subject to change. Visit www.domini.com to view the most current list of the Funds' holdings.

Freedom of Expression and Privacy



THE ISSUE In 2005, a Chinese human rights activist named Shi Tao was sentenced to ten years in prison for sending an email related to the anniversary of the Tiananmen Square massacre. As shocking as the case was, every day, companies receive requests from governments around the world to censor content on the Internet, or to turn over personal records. Many, perhaps even most, of these requests are perfectly legitimate law-enforcement efforts. Many, however, represent real threats to freedom of expression and privacy. Government-ordered shutdowns of Internet and telecommunication services around elections or other important civic events also threaten political participation and local economies.

This places Internet and telecommunications companies in a very difficult spot. If companies refuse to comply with these requests, they can face serious consequences, but if they do comply, they risk losing the trust of consumers and could become complicit in serious human-rights violations.

OUR INITIATIVES In 2008, we helped launch the **Global Network Initiative** (GNI), a multi-stakeholder organization comprised of companies, civil society organizations, investors, and academics, collaborating on ways to protect and advance freedom of expression and privacy in the Information and Communication Technology (ICT) sector. We participated in the drafting of the GNI Principles, which provide guidance to companies on how to respect, protect and advance user rights when they respond to government demands that may threaten freedom of expression or privacy. We were also deeply involved in the creation of GNI's unique independent assessment process, which evaluates each company's commitment to the Principles every two years, and we currently serve on the Board of Directors.

2017 ACTIONS

- On March 28, at an event in Brussels, GNI announced a dramatic expansion of its reach with the addition of seven new corporate members serving more than 1.5 billion people in over 120 countries in Africa, North, Central and South America, Europe, the Middle East and the Asia-Pacific regions. **Millicom**, **Nokia**, **Orange**, **Telefónica**, **Telenor Group**, **Telia Company*** and **Vodafone Group** joined existing corporate members Facebook, Google, LinkedIn, Microsoft, and Oath (formerly known as Yahoo), in addition to more than 35 human rights and press freedom groups, academics and investor members. The GNI is now poised for meaningful global impact at a particularly precarious time for freedom-of-expression and privacy rights.
- We provided our support for **Ranking Digital Rights** (RDR), speaking at an event in Geneva and on a webinar for investors. RDR publishes an open-source ranking of ICT companies on their policies regarding freedom of expression and privacy, to help investors and consumers make more informed choices.

*Not approved for investment by the Domini Funds as of 12/31/17.
See page 66 for important Domini Funds portfolio holdings disclosure. The composition of the Funds' portfolios is subject to change. Visit www.domini.com to view the most current list of the Funds' holdings.

Human Rights and Democratic Reform in Burma

THE ISSUE The Muslim Rohingya minority in Burma (Myanmar) is facing escalating violence that UN officials have called, "a textbook example of ethnic cleansing." The Burmese military is deliberately driving Rohingya communities out of the country. Mass killings, rapes, and destruction of villages have been reported. Since August, over half a million people have fled to squalid refugee camps in Bangladesh and may not be able to return to their homes. An estimated 60 percent of the refugees are unaccompanied children.

OUR INITIATIVES We believe that responsible investors can play an important role in Burma's progress towards democracy and prosperity by shifting from a strategy of avoidance and divestment to one of careful scrutiny and engagement. Because of this, we have long urged any companies operating in Burma to conduct human-rights risk assessments regarding their activities in Burma, backed by public reporting. We have a long history of engaging with companies operating in Burma. In 2006, for example, our research uncovered a link between Toyota Motor* and the Burmese military regime, through a Toyota affiliate. Our three-year engagement, in partnership with Toyota shareholders (the company was not approved for our funds), ultimately resulted in Toyota's partner ending its relationship with the military regime.

2017 ACTIONS

- In a crisis, the Internet and mobile phones can serve as critical lifelines, as well as platforms to tell stories that certain governments would prefer remain untold. We participated in a **Global Network Initiative** call with **Facebook** and **Telenor**, two members of the organization, to discuss their response to the escalating crisis. These conversations will continue.

- We also reached out to other companies doing business in Burma, including **Coca-Cola** and **Unilever**. We had a broader conversation with Coca-Cola about its approach to human rights, a continuation of a dialogue we have maintained for over ten years. We also participated in an "in-depth global consultation on the salient human rights risks of the company," resulting in revisions to Coca-Cola's human rights policies.

Other Human Rights Initiatives

- The **United Nations** (UN) is working to revise its approach to imposing sanctions to punish human rights offenders. We believe that a more effective system would help to deter such abuses, reducing risk to investors and individuals around the world. We participated in the High-Level Review of the UN sanctions regime, at an event at UN Headquarters, along with over 70 governments and experts. We followed up with a series of meetings with the UN's consultants on the project, to discuss the special role that investors could play in supporting these efforts.
- South Sudan is in the midst of an armed conflict and potential genocide. For several years, we had been monitoring Starwood Hotels and Resorts' plans to build a hotel in that country, but had been unable to get information from the company. Now that **Marriott International** has acquired Starwood, we reached out to that company and received confirmation that the project is on hold, indefinitely. We will be following up to learn more about their human rights due diligence practices.

Visit ***www.domini.com*** to read our paper detailing factors we consider when **evaluating companies operating in Burma**.

*Not approved for investment by the Domini Funds as of 12/31/17.
See page 66 for important Domini Funds portfolio holdings disclosure. The composition of the Funds' portfolios is subject to change. Visit www.domini.com to view the most current list of the Funds' holdings.

Public Health and Safety: Firearms

THE ISSUE Since 1968, nearly 1.5 million Americans have died from civilian gunfire, easily exceeding American casualties in all wars throughout our nation's history. The civilian gun industry in the United States is relatively small, with gun and ammunition sales in the $4-5 billion range annually. Most gun manufacturers are private—they are owned by private equity firms, which pump money into expanding their markets. The ultimate challenge facing the industry today is to expand a market where there are already more guns than people. Facing a declining interest in hunting and an aging population of gun owners, the industry has undertaken a strategy focused on designing and marketing military-style semiautomatic weapons for the civilian market.

OUR INITIATIVES We believe companies have a responsibility to assess whether their products, services and political activities are contributing to this epidemic of violence, or standing in the way of reform, and that investors have an obligation to use the tools at their disposal to address this urgent crisis. Beyond setting investment standards for our portfolios, we have raised concerns with several companies, and have published op-eds challenging the notion that asset managers have a fiduciary duty to invest in gun makers.

2017 ACTIONS

- The **New York City Pension Funds** joined us in our efforts to convince **Kroger** to ban the sale of semi-automatic weapons at its Fred Meyer stores, in a joint letter requesting a meeting with a member of the Board of Directors to discuss the matter. In 2016, we filed a proposal with Kroger seeking the ban, but it was excluded at the SEC. Although Kroger never responded to our letter, in early 2018, after the high school shooting in Parkland, Florida, the company announced it would phase out the sale of all guns and ammunition.

- After the tragic shooting at the Route 91 Harvest music festival in Las Vegas in October—the deadliest mass shooting in U.S. history—we reached out to **Amazon** for an update on how they are monitoring third-party sales of firearms accessories. Several years ago, in the wake of the Sandy Hook Elementary School shooting, we convinced the company to remove certain semi-automatic weapons accessories from its website. One of the products Amazon agreed to take down was similar to the "bump stock" accessory used in the Las Vegas shooting.

Other Public Health and Safety Initiatives

- We joined other investors in shareholder proposals to **Merck** and **Biogen** to address pharmaceutical price increases. Although the SEC allowed both companies to omit our proposal from their proxy statement, Merck did publish a "Pricing Action Transparency Report."

- We joined **Investors for Opioid Accountability**, a coalition of 30 treasurers, asset managers, and faith-based, public and labor funds with over $1.3 trillion in assets, to engage the major manufacturers and distributors of opioids on issues surrounding the ongoing public health crisis.

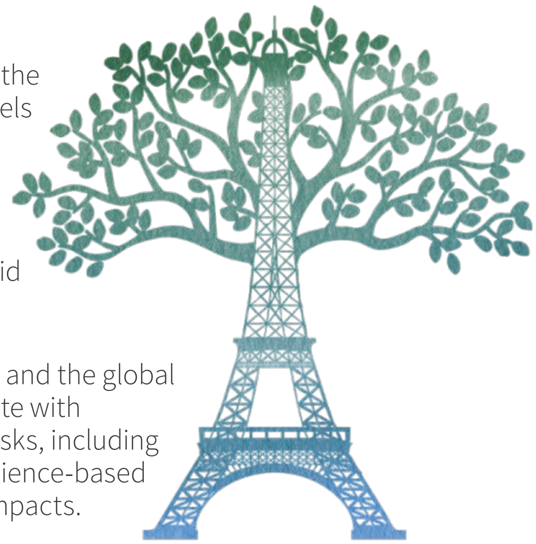
- We signed an investor letter to the 50 largest employers of the Fortune 500, calling on them to commit to providing employees with access to contraception and other reproductive health benefits.

- We endorsed a public investor statement on antibiotic stewardship, developed by **Farm Animal Investment Risk and Return** (FAIRR), an organization working to mitigate the environmental risks of industrial agriculture.

- We are serving on an advisory committee sponsored by the **Robert Wood Johnson Foundation** to develop indicators supporting a "Corporate Culture of Health." The project is looking at a range of issues relating to employee and community health and welfare.

See page 66 for important Domini Funds portfolio holdings disclosure. The composition of the Funds' portfolios is subject to change. Visit www.domini.com to view the most current list of the Funds' holdings.

Supporting the Low-Carbon Transition



THE ISSUE The private sector currently accounts for about half of the world's electricity consumption. While many businesses still rely on fossil fuels and inefficient, energy-intensive operations, companies are increasingly recognizing the need to reduce emissions and accelerate the transition to a low-carbon economy. Through innovative, long-term climate strategies, corporate leaders are reducing costs and increasing competitiveness, while helping deliver on emissions-reduction targets that will allow society to avoid the most disastrous impacts of climate change.

OUR INITIATIVES We support the **Paris Climate Agreement** and the global transition to a low-carbon future. We engage with companies and collaborate with environmental NGOs to encourage better management of climate-related risks, including 2-degree scenario planning, adoption of renewable-energy goals, setting science-based emissions-reduction targets, and enhancing disclosure of climate-related impacts.

2017 ACTIONS

- We submitted comments and signed a statement of support for the recommendations of the Financial Stability Board's **Task Force on Climate-related Financial Disclosures** (TCFD). The TCFD framework is a critical tool for assessing how the long-term risks of climate change will affect corporate value. Steve Lydenberg's paper on the use of scenarios for long-term risk management was considered "required reading" by the members of the TCFD as they developed their recommendations.

- We were a signatory to **Banking on a Low-Carbon Future**, campaign organized by Boston Common Asset Management and ShareAction, a London-based charity focused on driving responsible investment practices. The investor signatories, representing over $1.8 trillion in assets, have reached out to over 60 global banks, seeking more robust climate-related disclosure in accordance with TCFD recommendations.

- We joined the **Investor Decarbonisation Initiative** organized by ShareAction in conjunction with The Climate Group and the We Mean Business coalition. As part of this collaboration, we participated in the EP100 initiative, which sent letters to 11 companies on behalf of 51 investors, challenging them to double their energy productivity in the next 25 years. Companies receiving the letter included: **3M**, **BMW***, **Colgate-Palmolive**, **Ford***, **Heineken***, **JLL**, **Kingfisher**, **Kohl's**, **Novartis***, **Roche*** and **Whole Foods**. We also participated in the RE100 initiative, which seeks to convince companies to commit to 100% renewable energy use. To date, 112 companies have made the commitment.

- We joined a new global investor initiative called the **Climate Action 100+**, "a five-year initiative led by investors to engage with the world's largest corporate greenhouse gas emitters to curb emissions, strengthen climate-related financial disclosures and improve governance on climate change." To date, 256 investors with more than $30 trillion in assets under management have signed on to the initiative. Corporate engagements will begin in 2018.

- After co-filing a shareholder proposal, we had several calls with **UPS** to discuss the company's renewable energy key performance indicators.

Promoting a Sustainable Future for Japan

We met with the Chief Representative of the Japanese **Ministry of Health, Labour and Welfare**, as well as several representatives of Japan's **Government Pension Investment Fund** (GPIF), the largest pension system in the world. We discussed investor expectations for further integrating ESG factors into the long-term investment strategy of the Japanese government and GPIF. In particular, we raised concerns about energy security risks and the societal impacts of coal and nuclear investments, and discussed investment opportunities presented by the low-carbon transition. We also discussed these risks and opportunities with representatives of **Sumitomo Mitsui Trust Bank***, one of Japan's largest banks.

*Not approved for investment by the Domini Funds as of 12/31/17.
See page 66 for important Domini Funds portfolio holdings disclosure. The composition of the Funds' portfolios is subject to change. Visit www.domini.com to view the most current list of the Funds' holdings.

Mitigating Deforestation

THE ISSUE Investors, in our view, have been too slow to recognize and address the substantial systemic threat that deforestation poses to the climate, local communities, biodiversity and human rights. Many consumer goods companies purchase commodities, like palm oil and soy, through supply chains that originate in rainforests in places like Indonesia and Guatemala. Deforestation is a principal driver of climate change, responsible for roughly 15 percent of global greenhouse gas emissions. Extensive—and oftentimes illegal—deforestation can have devastating impacts on biodiversity and on local and indigenous communities that depend on forests for their livelihoods. Deforestation has also been linked to severe human rights violations and, in recent years, environmental campaigners and protesters have been arrested and killed in record numbers.

OUR INITIATIVES For more than ten years, we have engaged with companies in our portfolios to mitigate their impact on forests. We began with a focus on paper sourcing, and then expanded our efforts to address the dramatic impacts on forests and human rights from palm oil, soy and cattle. We developed a shareholder proposal that takes a multi-commodity approach to the issue, which we've submitted over the years to several companies with global agricultural supply chains. To understand this complex problem and ensure that our requests are appropriate, we maintain close connections with informed NGOs to help us understand conditions on the ground.

2017 ACTIONS

- A few years ago, we helped convince **PepsiCo** to adopt policies addressing its palm oil purchases and its impact on forests. Over the course of 2017, we had several meetings with the company to discuss implementation of these commitments, with a focus on controversies in Indonesia and Guatemala. Our conversations also covered water management, human rights and pesticides (we joined other investors in a shareholder proposal to the company on pesticide use).

- We have pursued the Kraft name on the issue of deforestation for several years, engaging with **Mondelēz International** when the company split from Kraft Foods in 2012—a dialogue that continues today—and now with **Kraft Heinz**, following the 2015 merger between Kraft Foods and Heinz. We made significant progress in 2017. After we submitted a shareholder proposal on deforestation, Kraft Heinz adopted policies on sustainable palm oil and significantly improved its disclosures. We led an investor call with the company to discuss these policies and its approach to other key commodities contributing to deforestation. Later in the year, the company published its first sustainability report, including a section outlining its commitments to responsible palm oil sourcing. In light of this progress, we chose not to resubmit the proposal for 2018. We hope to continue dialogue on these issues.

- We were honored to present the keynote address at the launch of **CDP's** Global Forests Report 2016, at the London Stock Exchange. The report presents the results of a comprehensive survey CDP asks corporations to complete each year, on behalf of investors managing $29 trillion, detailing their efforts to address deforestation in their supply chains. We were an early backer of the forestry survey. Earlier in the year, we also wrote to several companies to encourage them to complete CDP's survey on water risks.

CDP
DISCLOSURE INSIGHT ACTION

See page 66 for important Domini Funds portfolio holdings disclosure. The composition of the Funds' portfolios is subject to change. Visit www.domini.com to view the most current list of the Funds' holdings.

Addressing Forestry Crime

Perhaps one of the most under-appreciated aspects of the problem of global deforestation is its link to criminal activity. At the invitation of our colleagues at Friends of the Earth, Domini was pleased to speak at a Global Forestry Crime Conference at INTERPOL headquarters in Lyon, France. Interpol—the International Criminal Police Organisation—is the world's largest international police organization with 190 member countries supporting law-enforcement agencies around the world.

Interpol estimates that up to 30 percent of all timber traded globally is illicitly traded, and that illegal logging represents 50-90 percent of forestry activities in key producer tropical forests, such as the Amazon Basin, Central Africa and Southeast Asia. Interpol argues that corruption is driving illegal deforestation around the world, noting that the areas of the highest biodiversity align with the countries with the poorest records on corruption.

We spoke on a panel designed to educate attendees about the various tools investors use to address corruption and illegal deforestation. The event was attended by law enforcement representatives from many countries, including the U.S., as well as a range of environmental organizations. Domini was the only investment manager represented.

- In 2017, Ceres launched **Engage the Chain** (*www.engagethechain.org*), an investor guide to agricultural supply-chain risk. We served as an expert reviewer prior to launch of the new tool, which we hope will catalyze greater engagement on these critical issues.

- **Friends of the Earth** and **Rainforest Action Network** brought a particularly disturbing human rights case to our attention this year. According to the NGOs, environmental and human rights defenders have been killed and kidnapped and large areas polluted by **Reforestadora de Palmas de Petén** (REPSA), a private Guatemalan palm oil company. We shared a joint-NGO letter about the case with several companies that may have sourced palm oil from this region, asking that they adopt a policy to not buy from REPSA, and that they request an intervention by the UN High Commission on Human Rights and the Guatemalan Human Rights Ombudsman. We also raised the case directly with the UN Special Rapporteur on the Situation of Human Rights Defenders.

- We signed a global investor statement, organized by Green Century Capital Management, asking 21 companies to reaffirm and extend their commitments to mitigating deforestation in Latin America.

Defending the Defenders of Human Rights

We have been participating in meetings of an informal network of corporations calling itself the Business Network on Civic Freedoms and Human Rights Defenders, convened by the B Team (see page 38 for more information), the Business and Human Rights Resource Centre, and International Service for Human Rights. These companies have come together to learn from each other and others about how to most effectively intervene on behalf of human rights defenders around the world. We have provided some strategic advice to the group and look forward to continuing this work in 2018.

Sustainability Reporting and Transparency in Capital Markets

THE ISSUE Corporations cannot be held accountable without data. Today's investors want rigorous, standardized sustainability disclosure from corporations to support informed investment decisions and risk analysis. We strongly believe that meaningful, comparable sustainability information will not only help investors mitigate a range of financial risks, but will also help align capital markets with the needs of society and the planet.

OUR INITIATIVES We have worked for many years to encourage corporate sustainability reporting—both mandatory and voluntary—through direct engagement with companies and stock exchanges, advocacy at the Securities and Exchange Commission (SEC), and support for the Global Reporting Initiative (GRI), the world's leading sustainability reporting framework.

Stock exchanges, which serve as gateways to the capital markets for public companies, establish a variety of requirements, known as "listing standards," that companies must meet to list on their exchange. Today, only twelve stock exchanges maintain listing standards requiring some form of sustainability disclosure from companies. Largely thanks to the efforts of the investor-led **Sustainable Stock Exchanges Initiative** (SSE), a resource platform for exploring how exchanges can enhance corporate transparency, 40 stock exchanges have issued voluntary ESG guidance for their listed companies, or have committed to doing so in the future.

The **World Federation of Exchanges** (WFE), a membership organization of the world's stock exchanges, has spent the last several years working to develop ESG guidance for its members. A few years ago, we served on a drafting committee convened by the **Ceres Investor Network on Climate Risk and Sustainability**, which produced a set of recommendations for the WFE based on an extensive international consultation with investors and the consideration of more than 100 institutional comments from six continents.

2017 ACTIONS

- Under **Nasdaq's** leadership, this year, the WFE issued its formal ESG guidance to member exchanges. We provided written comments to Nasdaq, and helped review a Ceres report collecting investor feedback: *Investors Have Their Say on Sustainability & Stock Exchanges*. Nasdaq acknowledged our contributions in its ESG Reporting Guide for Nordic and Baltic markets. We were also pleased to see the **London Stock Exchange Group** reference the **Global Network Initiative** (see page 64 for more information on the GNI) in its newly issued guidance for issuers on ESG reporting.

- We are currently encouraging the **New York Stock Exchange** (NYSE) to join its peers in issuing guidance. In 2016, we submitted a shareholder proposal to **Intercontinental Exchange**, its corporate parent, and have had constructive discussions with Intercontinental Exchange and with NYSE directly. Although we have been unable to reach an agreement, the company published a statement supporting the SSE initiative, as well as resources for listed companies on sustainability reporting. We are making progress and look forward to continuing our dialogue.

Visit ***www.domini.com*** to read our op-ed on the significance of the Ceres report, **Setting the Record Straight on Sustainability Reporting**, originally published in Responsible Investor.

See page 66 for important Domini Funds portfolio holdings disclosure. The composition of the Funds' portfolios is subject to change. Visit www.domini.com to view the most current list of the Funds' holdings.

- **Chipotle Mexican Grill** has built its brand on "food with integrity" and often speaks about the importance of organic agriculture and local sourcing. As investors, however, we want details; we want to see policies and procedures; we want data; we want to know that the company has a deep understanding of these issues and is working continuously to improve its practices. We believe that meaningful reporting can provide that assurance and catalyze change within a company. For more than three years, we worked to persuade Chipotle to improve its disclosures. This year, following a strong 43% vote on our shareholder proposal in 2016, Chipotle agreed to begin comprehensive sustainability reporting, using GRI standards. Over the course of the year, we helped the company identify the most important issues its report should address, and provided feedback on an early outline and a full draft report. The final report was published in February 2018.

- When **Gap** published its first social responsibility report in 2004—following two years of dialogue with a small group of investors that included Domini—it was the first time a clothing retailer publicly rated the way its suppliers treat their employees. With that groundbreaking report, Gap also invited those investors to form a **Public Reporting Working Group** (PRWG) to provide feedback on the development of each of its sustainability reports. Over the years, as the company has expanded its reporting to cover additional aspects, including its workplace and environmental practices, it has maintained this unofficial investor sounding board. While this in itself is uncommon, each of the reports also includes an unedited statement from the PRWG—a particularly unique and praiseworthy commitment. In 2017, we worked with Gap on its eighth social responsibility report. This year's PRWG statement included our recommendations on how to enhance Gap's already strong commitment to ethical recruitment practices in its global supply chain.

Sustainable Development Goals

In 2015, 193 member states of the United Nations (UN) adopted its new global sustainability agenda, in the form of 17 Sustainable Development Goals (SDGs). These goals aim to address global topics such as poverty, climate, education, and clean water, among many others. We have a long history of seeking to impact many of these focus areas, and welcome the coordinated vision the goals provide. In 2012 and 2013, we were honored to represent a large global coalition of investors in meetings with UN delegates to promote the inclusion of corporate sustainability reporting, in order to catalyze corporate participation in the UN's sustainable development agenda. We were very pleased to see our request reflected in SDG 12.6, which encourages companies to "adopt sustainable practices and to integrate sustainability information into their reporting cycle" in order to help "ensure sustainable consumption and production patterns." This year, we continued working to promote the SDGs, and took the following actions:

- We signed the **Stockholm Declaration**, reaffirming our support for the SDGs and our commitment to using the SDGs as a framework for investing.
- We participated in a UN Business Forum on the SDGs, a full day gathering along with several hundred representatives from governments, UN agencies, and businesses from around the world.
- We participated in a small workshop hosted by BNP Paribas and the World Bank to discuss financing the SDGs and to share our investment approach. We stressed the application of the SDGs to all asset classes and industries, and the need to take a holistic approach in the integration of the goals.

See page 66 for important Domini Funds portfolio holdings disclosure. The composition of the Funds' portfolios is subject to change. Visit www.domini.com to view the most current list of the Funds' holdings.

Promoting Responsible Corporate Tax Practices

THE ISSUE We have become increasingly concerned that the international tax arrangements of many multinationals are unsustainable and threaten long-term economic growth. Particularly in times of austerity, aggressive tax avoidance tactics invite costly legal actions by tax authorities, and threaten brand value by undermining consumer trust.

OUR INITIATIVES For the past several years, we have been asking 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. 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.

2017 ACTIONS

- The **PRI task force** published additional guidance during the year, outlining our expectations for corporate income-tax disclosure, including the publication of a tax policy that aligns with the company's business and sustainability strategies, and addresses economic impacts. We are also working with a PRI advisory committee to conduct engagements with pharmaceutical and technology companies, beginning in 2018.

PRI Principles for Responsible Investment

- In March, we were invited by **The B Team** to participate in a meeting at Unilever's London headquarters to discuss this issue and its connection to the UN Sustainable Development Goals (see page 37 for more on the UN SDGs). The B Team describes itself as a "not for profit initiative formed by a global group of business leaders to catalyse a better way of doing business, for the wellbeing of people and the planet." The discussions at that meeting helped to convince the B Team to launch a project to publish a set of responsible tax principles. We were honored to be invited to join the B Team's Company Working Group, to oversee drafting and production of these principles, which were published in February 2018, and endorsed by **Allianz**, **BHP***, **A.P. Møller–Maersk***, **Natura**, **Repsol***, **Royal Dutch Shell***, **Safaricom**, **Unilever**, and **Vodafone Group**.

- We were pleased to represent the investor perspective on responsible tax at a meeting hosted by **Oxfam America** with the tax committee of the **United States Council for International Business** (USCIB), a large membership organization of multinational corporations, law firms and business associations, focused on international trade policy.

- The year saw the leak of yet another trove of confidential tax documents. The so-called "Paradise Papers" included documents linking **Nike** to a complex strategy that has allowed it to shelter billions in profits derived from its iconic "swoosh" logo. We would argue that the strategy diverts tax revenues from the very legal systems Nike relies upon to protect its intellectual property. We were asked by the **AFL-CIO** to join them in submitting a shareholder proposal to Nike asking the company to publish a set of responsible tax principles. We helped draft the proposal, which was adapted from a proposal we had submitted to **Google** and **Apple** in 2014 and 2015, respectively, and we participated in a press conference announcing the effort. We hope that Nike will entertain our offer to engage in dialogue.

*Not approved for investment by the Domini Funds as of 12/31/17.
See page 66 for important Domini Funds portfolio holdings disclosure. The composition of the Funds' portfolios is subject to change. Visit www.domini.com to view the most current list of the Funds' holdings.

Protecting Our Right to Submit Shareholder Proposals

THE ISSUE 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 of shareholders. The rules permit shareholders to offer proposals addressing a very wide range of social, environmental and governance issues.

The Financial CHOICE Act, which passed the House, but has stalled in the Senate, includes a provision that would effectively eliminate our ability to submit shareholder proposals by raising the bar so high to submit a proposal that only a handful of the largest institutional investors in the world could do so.

OUR INITIATIVES Although the CHOICE Act may never become law, we are actively coordinating with other investors to monitor other legislative and regulatory threats to this important shareholder right. **We have submitted 282 shareholder proposals to 125 companies since 1994**, because the shareholder proposal has proven to be a highly effective corporate accountability tool. Domini proposals helped convince Apple to adopt its first code of conduct to protect workers in its global supply chain, Nucor to address the risk of slavery in its purchases of Brazilian pig-iron and JPMorgan Chase* to hire its first Director of Environmental Affairs and adopt a comprehensive set of environmental policies. This year, shareholder proposals played an important role in our successes with **Chipotle**, **Michael Kors**, and **Kraft Heinz**.

2017 ACTIONS

- In April, we contributed to "The Business Case for the Current SEC Shareholder Proposal Process" published by Ceres, the Interfaith Center on Corporate Responsibility (ICCR), and US SIF: The Forum for Sustainable and Responsible Investment (US SIF), articulating the benefits of shareholder proposals.
- In April, we wrote to six New York State representatives in advance of a hearing on the Financial CHOICE Act.
- An op-ed written by Domini's Adam Kanzer, "The Business Roundtable's Unreasonable Proposal," was published by Responsible Investor on April 13.
- We were quoted in a US SIF press release: "Major US Investors Oppose Legislation That Would Stifle Filing of Shareholder Resolutions with Companies."
- On May 16, we sent an open letter to Nasdaq to share feedback and concerns on their report, "The Promise of Market Reform: Reigniting America's Economic Engine," and to express our opposition to attempts to limit or rewrite the current shareholder proposal rule.
- On June 15, an article written by Adam Kanzer, "The Dangerous 'Promise of Market Reform': No Shareholder Proposals" was published by Harvard Law School Forum on Corporate Governance and Financial Regulation.
- In early July, we joined a coalition of investors organized by Ceres and US SIF in meetings with Senate Banking Committee staff. Our articles published by Responsible Investor and Harvard Law School Forum were used by the coalition to help educate Senate staff about the importance of the SEC's shareholder proposal rule.
- In July, we worked with our colleagues at Walden Asset Management and Pax World Management on an open letter to the Business Roundtable, a leading organization of CEOs that has been leading the charge to "reform" the shareholder proposal process. Our letter outlined the key benefits shareholder proposals bring to corporations and society, highlighting shareholder proposal-driven advances on climate change, diversity and corporate governance.
- In October, we met with the Chair of the SEC and the SEC's Director of Corporate Finance to convey our strong support for the shareholder proposal rule, as it stands. We also participated in a separate meeting with the Director of Corporate Finance earlier in the year, in addition to an annual meeting with SEC Staff, investors, companies and their counsel that we regularly participate in to discuss each year's shareholder proposal season.
- In November, we contributed to "An Investor Response to the U.S. Chamber's Proposal to Revise SEC Rule 14a-8" published by Ceres, ICCR, and US SIF, responding to specific proposals put forth by the US Chamber of Commerce.

*Not approved for investment by the Domini Funds as of 12/31/17.
See page 66 for important Domini Funds portfolio holdings disclosure. The composition of the Funds' portfolios is subject to change. Visit www.domini.com to view the most current list of the Funds' holdings.

Our Shareholder Proposals

Shareholder proposals have catalyzed thousands of constructive engagements with corporations to the benefit of shareholders, corporations, and the broader society. Below is the list of all of Domini's shareholder proposals that went to a vote or that were filed during 2017. These proposals played important roles in many of the dialogues we held throughout the year.

Company	Proposal Topic	Status
We were the lead filer for the following proposals:		
AT&T	Report on political contributions made through trade associations and other third parties	30% vote
Chipotle Mexican Grill	Publish a sustainability report	Agreement Reached (See page 37)
Intercontinental Exchange	Assess global investor expectations for sustainability disclosure, and report to shareholders	10% vote
Kraft Heinz	Publish a report on how the company is addressing global deforestation, through purchases of palm oil, soy, beef and paper	13% vote
Michael Kors	Report on efforts to ensure supply chains are free of forced and bonded labor, and that recruitment fees are repaid to migrant workers	Agreement Reached (See pages 28-29)
Motorola Solutions	Report on efforts to ensure supply chains are free of forced and bonded labor, and that recruitment fees are repaid to migrant workers	12% vote*
Nucor	Report on political lobbying	38% vote*
We played a supporting role as co-filer for the following proposals:		
Biogen Merck	Report on pharmaceutical price increases	Excluded at SEC**
Nike	Adopt responsible tax principles	Pending for 2018
PepsiCo	Report on strategies to protect public health and pollinators through reduced pesticide use in the company's supply chain	9% vote
UPS	Set renewable energy goals	Agreement Reached (See page 33)

*Resubmitted for 2018
**The Securities and Exchange Commission (SEC) allowed both companies to omit our proposal from their proxy statements. The proposal was then re-crafted and resubmitted to Biogen for 2018, focusing on executive compensation incentives that might be driving high pharmaceutical prices. Merck published a report.

Visit ***www.domini.com*** to see a full list of all **282 proposals** we have ever filed.

See page 66 for important Domini Funds portfolio holdings disclosure. The composition of the Funds' portfolios is subject to change. Visit www.domini.com to view the most current list of the Funds' holdings.

Proxy Voting

The annual general meeting of a company is the primary forum where management seeks affirmation of what it's doing, and provides shareholders with the opportunity to weigh in on important issues. While most shareholders are unable to attend these meetings in person, they have the opportunity to participate in absentia, by way of proxy voting.

Proxy ballots typically contain proposals from company management on issues of corporate governance, including the election of the board of directors, executive compensation, capital structure and auditors. They may also include proposals submitted by other shareholders, which could cover a wide range of issues, including community environmental impact, sustainability reporting, and human rights policies.

When you purchase stock in a corporation, you have the right to vote at the company's annual meeting. When you own shares in a mutual fund, the fund exercises these rights of ownership on your behalf. Every mutual fund has a fiduciary duty to vote proxies for the stocks in its portfolio in the best interests of its shareholders.

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

Our Proxy Voting Milestones

1992
Among the first fund managers to publish proxy voting guidelines

1999
First mutual fund manager in the United States to publicly disclose its proxy votes

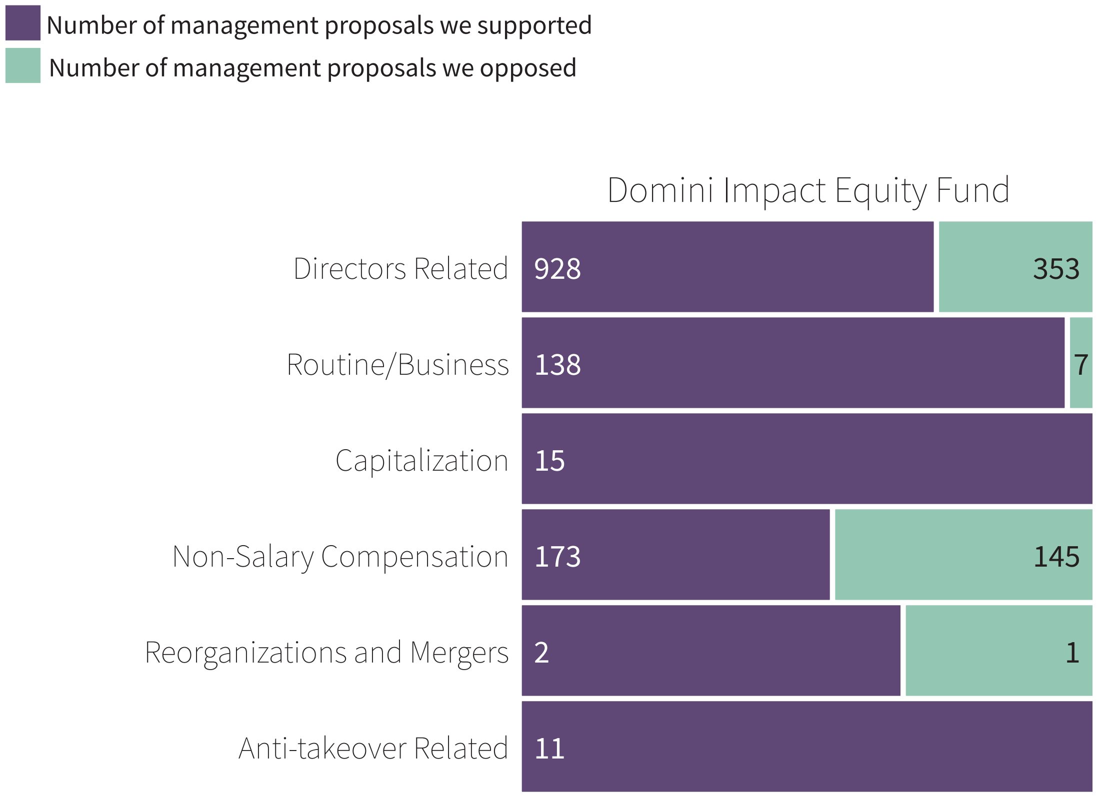
2003
Successfully petitioned the SEC to adopt a new rule requiring mutual funds to disclose their proxy voting policies and votes

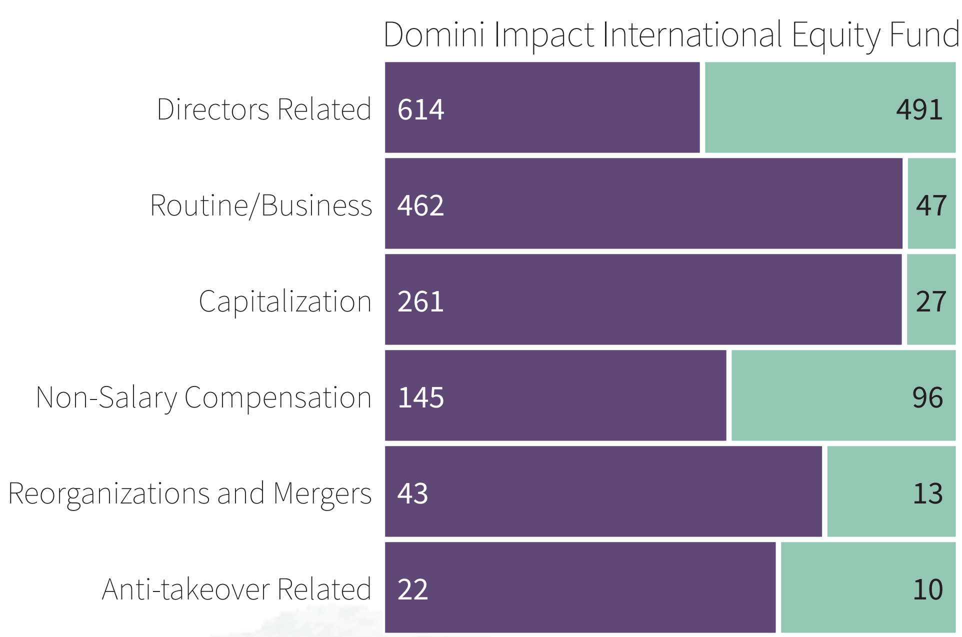
In 2017, Domini voted: on **4,130** Proposals at **298** Corporate Meetings

	Domini Impact Equity Fund	Domini Impact International Equity Fund
Number of Meetings	143	157
Number of Proposals	1,891	2,275
Percentage of Votes Against Management	32%	30%
Percentage of Shareholder Proposals Voted FOR	81%	34%
Percentage of Meetings with at Least 1 Vote Against Management	87%	82%

Visit ***www.domini.com*** to review our **Proxy Voting Guidelines and Votes**.

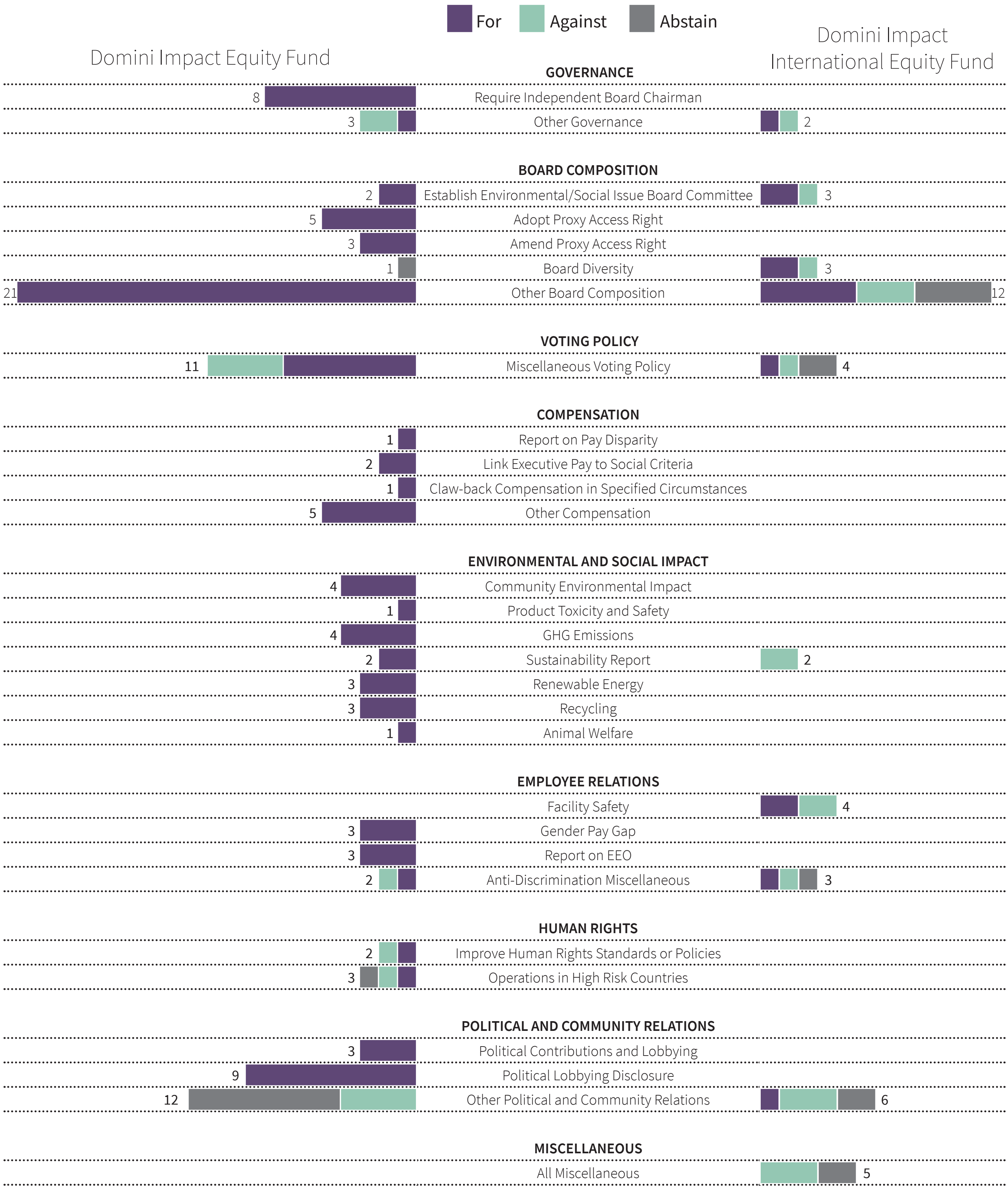
How We Voted on Management Proposals





How We Voted on Shareholder Proposals by Topic

During 2017, of 138 companies in the Domini Impact Equity Fund with meetings, 55 included votes on shareholder proposals. Of 155 companies in the Domini Impact International Equity Fund with meetings, 12 included votes on shareholder proposals. The chart below shows the number of shareholder proposals we voted on by topic.



Proxy Voting: Diversity

All corporations have the power to promote equality in the workplace and the marketplace. This year, the #MeToo movement was a pivotal moment in our culture to help catalyze the conversation around harassment in and out of the workplace as well as the importance of representation. In 2017, companies lost executives and faced major lawsuits and fines due to negligence or misconduct related to sexual harassment and discrimination. Companies have a responsibility to protect their employees from sexual harassment and discrimination, and investors should play a role in the conversation.

Domini incorporates diversity into our research as a way to mitigate investor risk while promoting a more equitable 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.

However, as of 2016, only 21.2% of board seats in the S&P 500 were represented by women. In a true meritocracy, a corporate board should look like the markets it serves. We are encouraged by the progress companies have made, but more is needed. Proxy voting is just one way we get our message across.

Highlights of Our Proxy Voting Guidelines on Diversity

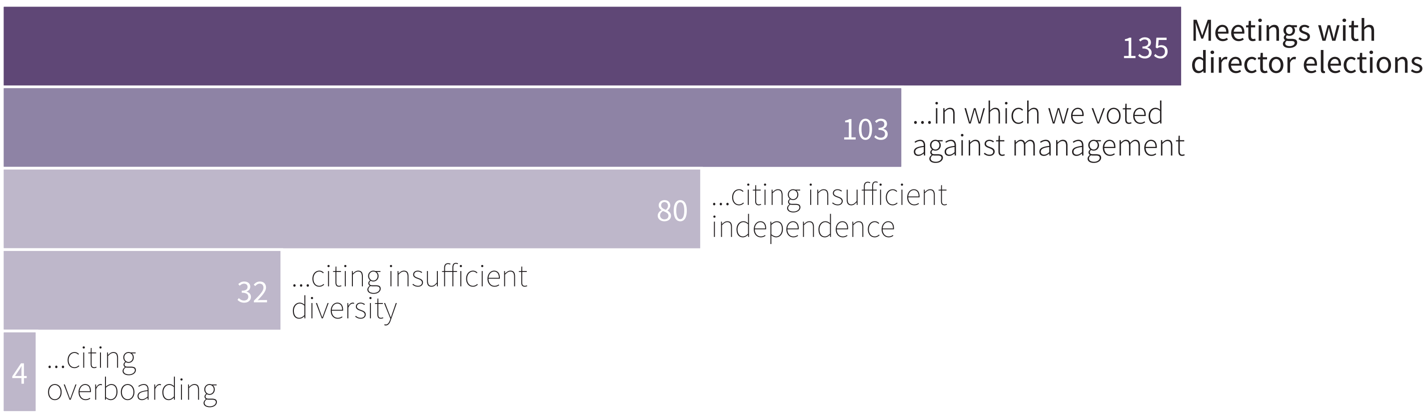
- If the board does not include at least one woman and one person of color, we will ***oppose*** the board's nominees. In addition, if 20% of the board is not represented by either women or persons of color, we will oppose the members of the nominating committee.
- Shareholders have asked boards to make greater efforts to search for qualified female and minority candidates for nomination to the board of directors, to endorse a policy of board inclusiveness, and to issue reports to shareholders on their efforts to increase diversity on their boards. We will ***support*** these resolutions.
- Shareholders have asked for reports that companies undertake studies to assure that all women and minorities are paid comparably with their counterparts. We will ***support*** these resolutions.
- Shareholders have asked for reports on the implementation of the Equality Principles on Sexual Orientation (example of implementation would be to adopt written prohibition against discrimination in employment based on sexual orientation). We will ***support*** these resolutions.

2017 Director Elections

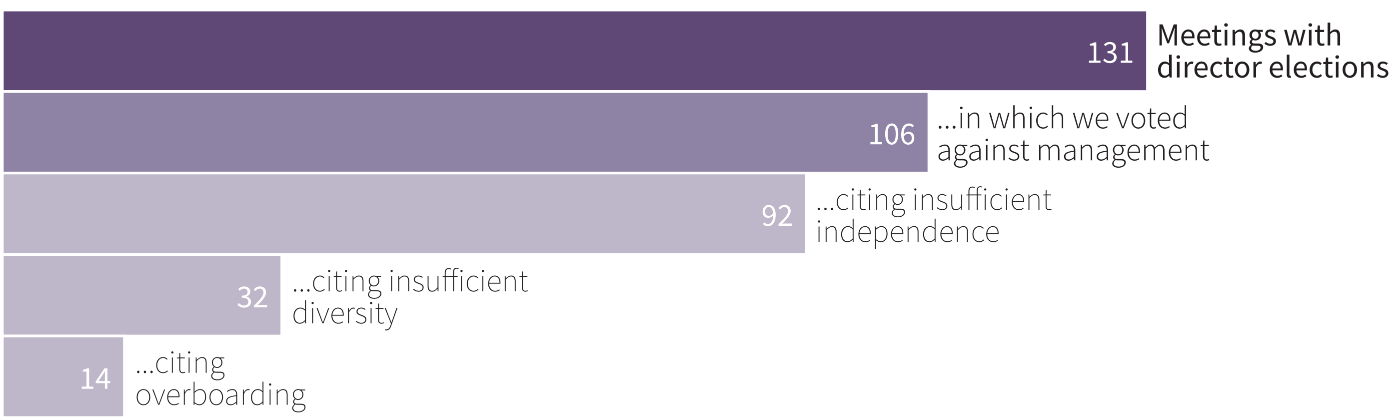
While Domini votes on a range of proposals to advance greater diversity, we do not just wait for shareholders to raise the issue. We analyze the composition of the board, and vote accordingly. In 2017, for the Domini Impact Equity Fund and the Domini Impact International Equity Fund, **we voted against directors at 63 meetings due to insufficient diversity on the board**. In Japan, it is so rare to find a female director that we oppose virtually every board. We take a similarly proactive stance with director independence, voting against non-independent directors in a variety of instances, including CEOs that serve as chair of the board.

Votes to Elect Directors

Domini Impact Equity Fund



Domini Impact International Equity Fund



2017 Shareholder Proposals on Diversity

We voted in favor of three shareholder proposals to report on the gender, race, and/or ethnicity pay gap at the following companies:

- **American Express Company**
- **Alphabet Inc.**
- **The TJX Companies**

We voted in favor of three shareholder proposals to prepare employment diversity reports, report on diversity policies and/or annually disclose EEO data at the following companies:

- **Lam Research Corporation**
- **The Home Depot**
- **The PNC Financial Services Group**

See page 66 for important Domini Funds portfolio holdings disclosure. The composition of the Funds' portfolios is subject to change. Visit www.domini.com to view the most current list of the Funds' holdings.

Proxy Voting: Executive Compensation

We find the excessive growth of CEO compensation to be a significant concern, particularly in the context of widening income and wealth inequality. We believe that it has been a mistake to view CEO compensation solely through the lens of shareholder value. This perspective has not curbed irresponsible risk-taking or the phenomenal growth of pay packages, and may in fact have encouraged these excesses. We believe that a pay package can be so large as to distort decision-making and isolate a CEO from the rest of the corporation. If CEOs are indeed paid to lead an organization and drive long-term value creation, their pay packages must align their interests with the interests of the corporation as a whole.

Additionally, we have longstanding concerns about the growing disparity between CEO compensation and employee wages. We believe these trends are unsustainable and present serious risks to investors and our economy. Our proxy voting guidelines explicitly lay out our viewpoints on this complex issue.

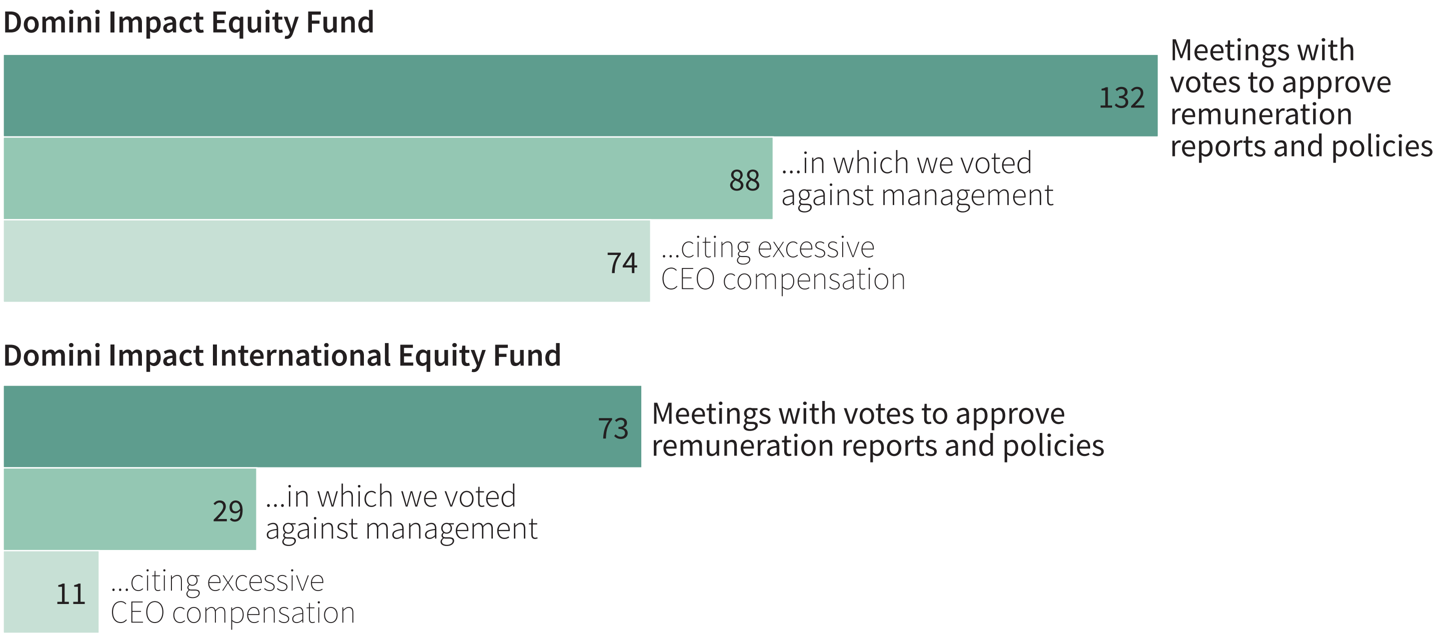
Highlights of Our Proxy Voting Guidelines on Executive Compensation

- We ***support*** reasonable compensation packages for managers and directors. In general, **we do not regard the following as reasonable**:
  - Pension plans for outside directors (since they usually benefit from other plans)
  - Gold or silver parachute plans triggered by a takeover
  - Total compensation to chief executive officers exceeding $10,000,000 per year
- We will ***oppose*** resolutions proposing these or similar compensation schemes. In addition, we will support resolutions calling for companies to review and report on executive compensation.
- We are strong supporters of “say-on-pay”, now codified in the Dodd-Frank legislation. We support an ***annual*** advisory vote on compensation. We will consider voting against members of the compensation committee where a company’s previous say-on-pay proposal received the support of less than 70% of votes cast and appropriate steps were not taken to address executive compensation.
- Shareholders have asked companies to prepare reports comparing the compensation packages of the average and lowest wage earners to those of top management. We will ***support*** these resolutions.
- Shareholders have asked companies to establish a cap for CEO compensation, tying it to the wage of the lowest-paid workers. We will ***support*** these resolutions.
- We will ***support*** shareholder proposals seeking to bar CEOs from serving on compensation committees, and will oppose directors serving on compensation committees that also serve as CEOs of another company.

2017 Votes on Remuneration Reports and Policies

In 2017, the Domini Impact Equity Fund and the Domini Impact International Equity Fund **voted against management in 85 meetings that sought investor approval of remuneration reports and policies due to excessive CEO compensation**.

Votes to Approve Remuneration Reports and Policies



2017 Votes on CEOs Serving on Compensation Committees

We voted against 57 directors because they were outside CEOs sitting on the board's compensation committee. Compensation committees must be independent of management to ensure fair and impartial negotiations of pay with individual executives. We are concerned that the inclusion of CEOs on the compensation committee may result in more generous pay packages than what is necessary to attract and retain talent. CEOs who benefit from generous pay may view large compensation packages as necessary to retain and motivate other executives. Perhaps most importantly, because compensation packages are often based on surveys detailing what their peers are earning, CEOs are subject to particularly troublesome conflicts of interest when they serve on compensation committees. It is in their general interest to see their peers' compensation rise.

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

Community Investing

Evaluating Fixed Income

The Domini Impact Bond Fund seeks to help build healthy and vibrant communities by directing capital to where it is needed most.

Fixed-income investments are particularly well suited for addressing a wide range of economic disparities in our society. We look to address a broad range of issues, including affordable housing, education, economic development, health care, and the environment.

As with all of our mutual fund investments, our Impact Investment Standards (see page 15) are a fundamental part of our approach to fixed income. We set social and environmental guidelines and objectives for each asset class. For some asset classes, like housing 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.

Why We Invest in Housing Agency Bonds Over U.S. Treasuries

Certain government bonds and various types of debt are excluded from our investments. For example, we have chosen not to invest in U.S. Treasuries or Russian government debt, in order to avoid financing the maintenance of each country's nuclear weapons arsenal. The United States and Russia possess over 90% of the world's nuclear warheads. This is not the kind of "leadership" we wish to support through our investments.

Instead of investing in U.S. Treasuries, the Domini Impact Bond Fund invests in U.S. housing agency bonds, an asset class with comparable risk/return characteristics. We consider these bonds directly aligned with our investment goals as they focus on providing access to affordable housing.

When our research team analyzes government debt from other countries, we seek to avoid sovereign debt issued by non-democratic countries; countries with a record of systemic corruption; countries that fail to adequately protect press freedoms; and countries with significant human rights concerns, including human trafficking.

When making any fixed-income investment, it is important to ask two questions:

To whom am I loaning my money? And for what purpose?

We then use key performance indicators to determine if the answers to those questions are aligned with our fundamental goals of universal human dignity and ecological sustainability. For corporate bonds, we generally apply the same standards we apply to our evaluation of corporations (see page 17).

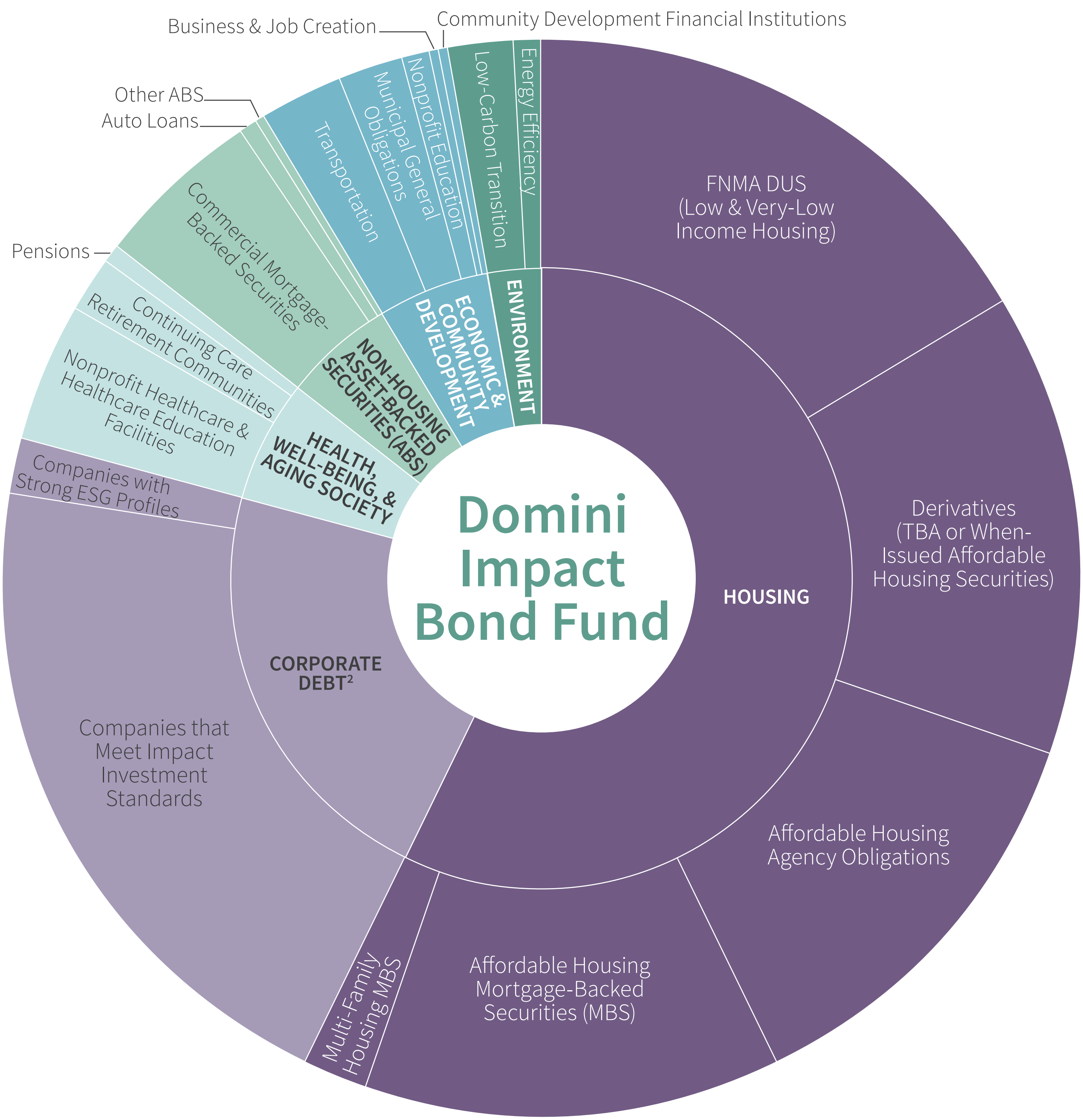
For non-corporate bonds, we focus on three key goals to build a more sustainable and equitable society:

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

These goals stem from our belief that healthy economies must be built on a strong foundation of fairness and opportunity for all.

Bond Fund Impact Themes

Through the Domini Impact Bond Fund, we look to address a broad range of impact areas, which we classify into themes and sub-themes. The breakdown of those themes, based on portfolio market values as of December 31, 2017[1], is below. See the next page for actual market values and allocations.



1. Portfolio holdings as of 12/31/17, excluding cash and cash equivalents, cash offsets, futures and swaps, with the exception of short-term U.S. Agency bonds and Certificates of Deposit, which are reflected in this reporting.

2. "Corporate Debt" includes corporate debt and bank loans with the exception of corporate-issued green bonds, which are classified under "Environment."

The composition of the Fund's portfolio is subject to change. Visit www.domini.com to view the most current list of the Fund’s holdings.

Bond Fund Impact Theme (Sub-Theme)	Dollars Invested	Portfolio Allocation[1]
HOUSING	**$103,554,273**	**57.27%**
FNMA DUS (Low- and Very-Low Income Housing)	30,088,305	16.64%
Derivatives (TBA or When-Issued Affordable Housing Securities)	25,043,040	13.85%
Affordable Housing Agency Obligations	22,586,332	12.49%
Affordable Housing Mortgage-Backed Securities	22,409,355	12.39%
Multi-Family Housing Mortgage-Backed Securities	3,427,240	1.90%
CORPORATE DEBT[2]	**$39,872,893**	**22.05%**
Companies that Meet Impact Investment Standards	37,058,028	20.50%
Companies with Notably Strong ESG Profiles	2,814,865	1.56%
HEALTH, WELL-BEING, AND AGING SOCIETY	**$11,422,531**	**6.32%**
Nonprofit Healthcare and Healthcare Education Facilities	7,508,218	4.15%
Continuing Care Retirement Communities	2,896,438	1.60%
Pensions	1,017,876	0.56%
NON-HOUSING ASSET-BACKED SECURITIES	**$10,890,760**	**6.02%**
Commercial Mortgage-Backed Securities	9,137,294	5.05%
Auto Loans	959,170	0.53%
Other Asset-Backed Securities	794,295	0.44%
ECONOMIC AND COMMUNITY DEVELOPMENT	**$10,284,319**	**5.69%**
Transportation	4,023,895	2.23%
Municipal General Obligation	3,891,660	2.15%
Nonprofit Education	1,373,186	0.76%
Business and Job Creation	500,708	0.28%
Community Development Financial Institutions	494,871	0.27%
ENVIRONMENT	**$4,788,641**	**2.65%**
Low-Carbon Transition	3,513,452	1.94%
Energy Efficiency	1,275,189	0.71%
	$180,813,418	100%

Numbers may not sum to total due to rounding.

1. Portfolio holdings as of 12/31/17, excluding cash & cash equivalents, cash offsets, futures and swaps, with the exception of short-term U.S. Agency bonds and Certificates of Deposit, which are reflected in this reporting.

2. "Corporate Debt" includes corporate debt and bank loans with the exception of corporate-issued green bonds, which are classified under "Environment."

As of 12/31/17, the Fund held **$7,604,069 in labeled green bonds,** representing 4.21% of the portfolio. The majority of these bonds (54.52%) are classified under the Environment theme, with the remainder classified under various other themes.

The composition of the Fund's portfolio is subject to change. Visit www.domini.com to view the most current list of the Fund's holdings.

Housing

The Domini Impact Bond Fund seeks to help build a sustainable housing system through **investments that provide access to affordable mortgage credit and rental properties**.

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 affordable housing primarily through the purchase of securities backed by pools of residential mortgages. The vast majority of the investments under our Housing theme are **affordable housing investments**, which includes:

	Dollars Invested	Portfolio Allocation[1]
FNMA DUS (Low- and Very-Low Income Housing)	30,088,305	16.64%
Derivatives (TBA or When-Issued Affordable Housing Securities)	25,043,040	13.85%
Affordable Housing Agency Obligations	22,586,332	12.49%
Affordable Housing Mortgage-Backed Securities	22,409,355	12.39%
Total Affordable Housing	$100,127,032	55.38%

Low-Income and Very-Low Income Housing

We especially favor affordable housing investments that support low-income communities. **Fannie Mae (FNMA) Delegated Underwriting and Servicing (DUS)** securities accounted for 16.64% of the portfolio and represented 4,438 multifamily rental housing units for low and very low-income tenants. In total, 4,161 units, or 93.8% of them, were designated for low-income households, defined as those with under 60% of area median income. Of these, 1,212 units, or 27.3% of all units, were designated for very low-income households, defined as those with income below 50% of the median.

We also make efforts to find bonds that finance **low-carbon, sustainable construction and retrofits** such as energy- and water-efficiency systems. This year, the Fund purchased a DUS bond that is also part of Fannie Mae's **Green Financing** program, which provided financing to the Oakbrook Terrace housing complex located in Orange, Virginia. The facility has 80 units, 100% are designated low-income units, of which 10% are for very-low income units. Multifamily properties accessing Fannie Mae Green Financing must meet at least one of two criteria: (1) possess a nationally recognized, current Green Building Certification; and/or (2) make property improvements that target reductions in energy and/or water use.

Fannie Mae highlights that one of the major challenges for affordable multifamily housing is the cost of energy in rental apartments, which are less energy-efficient and typically have higher energy expenditures than those in owner-occupied multifamily units. Energy-efficient housing is an important consideration for low-income families, particularly as monthly expenses attributed to housing and utilities continue to increase over time. As an example, in 2017, 980,000 low-income households in New York paid more than half their income for rent, approximately 18% more than in 2007.

Multifamily Housing

We also purchase bonds that support **the acquisition, refinancing, or moderate rehabilitation of multifamily housing communities**. For example, the Fund is invested in a Freddie Mac (FHLMC) Multifamily pool (FREMF 2017-K726) that contains 49 loans representing various types of multifamily properties. In this pool, 85.4% of the pooled trust was for multifamily properties, 7.5% represented manufactured housing communities, 3.8% represented student housing, and 3.2% represented assisted-living properties.

1. Portfolio holdings as of 12/31/17, excluding cash & cash equivalents, cash offsets, futures and swaps, with the exception of short-term US Agency bonds and Certificates of Deposit, which are reflected in this reporting. Numbers may not sum to total due to rounding.
As of 12/31/17, the securities noted above were held in the Domini Impact Bond Fund. See page 66 for important portfolio holdings disclosure.
The composition of the Fund's portfolio is subject to change. Visit www.domini.com to view the most current list of the Fund's holdings.

As of 2017, **16.64%** of our portfolio was invested in **4,438** multifamily housing units for low and very low-income tenants in the United States through **Fannie Mae DUS bonds**.

Midwest 1,072 units

1,009 units are low income
295 units are very low income

Example: **Warrensville Manor Apartments**
1476 Warrensville Center Road, Cleveland, OH 44121

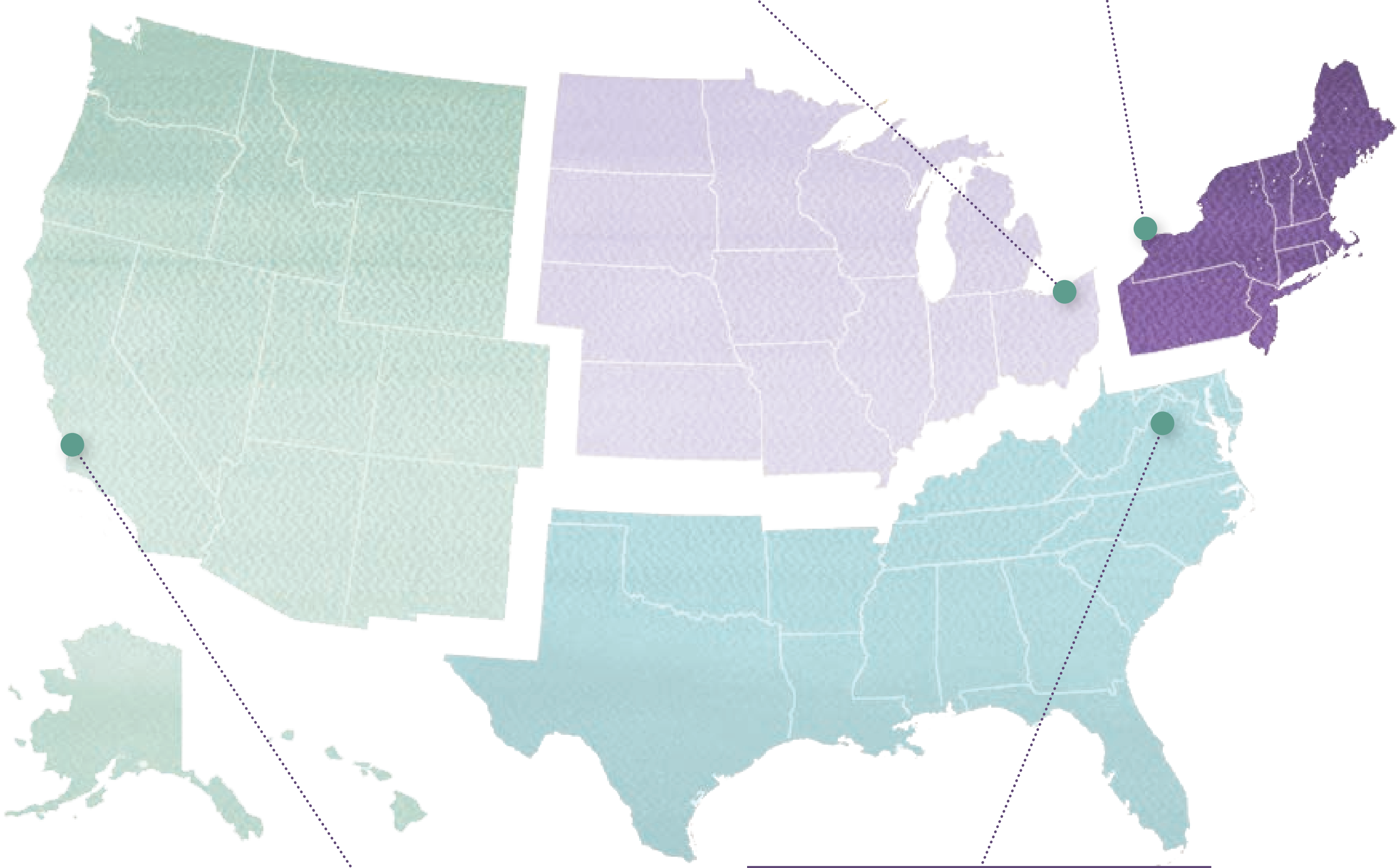
100 units. 100% are very low income

Northeast 377 units

288 units are low income
246 units are very low income

Example: **Norton Courts & Scarfone Apartments**
33 Spruce Street & 66 S. Central Lane,
North Tonawanda, NY 14120

250 units. 100% are low income,
of which 83% are very low income



Example: **Vintage Woods Senior Apartments**
870 Madison Avenue, Fair Oaks, CA 95628

185 units. 99% are low income,
of which 20% are very low income

West 575 units

572 units are low income
102 units are very low income

Example: **Oakbrook Terrace**
109 Oakbrook Drive, Orange, VA 22960

80 units. 100% are low income,
of which 10% are very low income

South 2,414 units

2,292 units are low income
569 units are very low income

Due to rounding, the total number of housing units for low and very low income in each region may not add up to actual totals.
As of 12/31/17, the securities noted above were held in the Domini Impact Bond Fund. See page 66 for important portfolio holdings disclosure.
The composition of the Fund's portfolio is subject to change. Visit www.domini.com to view the most current list of the Fund's holdings.

Health, Well-Being, and Aging Society

Investors can play a role in assuring health equity through the **financing of affordable, high quality, and accessible healthcare across health systems**. We consider health care to be a public good and acknowledge the limitations of private for-profit organizations in providing this good. Health, Well-Being, and Aging Society accounted for 6.32% of the Domini Impact Bond Fund as of December 31, 2017.

The Domini Impact Bond Fund invests in **public and nonprofit healthcare and nonprofit health education facilities**, because we believe these investments have the potential to play a critical role in addressing the health needs of society at large and in particular the unmet needs of underserved communities.

In addition, we invest in bonds that support the unmet needs of aging communities. The United Nations has noted that population aging is expected to become one of the most significant social transformations of the twenty-first century, magnifying the demand for goods and services required by this community. As investors, we seek to support the aging community through investments in services such as housing, healthcare, and financial stability. Domini supports this with investments in **continuing care retirement communities** and **pension obligation bonds**.

INVESTMENT EXAMPLES

Nonprofit Healthcare and Healthcare Education Facilities:

Indiana State Finance Authority

The Indiana State Finance Authority offers effective financing solutions to facilitate state and local public goods. This issuance financed the construction of a new public mental health care facility, to support public mental health care and addiction services for medically underserved populations.

City of Hope Medical Center

The City of Hope is a California-based nonprofit medical center which focuses on cancer, diabetes, HIV/AIDS and other life-threatening disease care. The organization continues to assist patients through leading research and drug development.

Boston Medical Center (Massachusetts Development Financial Authority)

Boston Medical Center (BMC) is a nonprofit, academic medical center. BMC is the largest safety net hospital in New England dedicated to providing accessible healthcare to everyone. 57% of patients are from underserved populations and 32% of patients do not speak English as a primary language.

Continuing Care Retirement Communities:

Mary's Woods at Marylhurst Project

Mary's Woods at Marylhurst is a non-profit in Lake Oswego, Oregon that provides housing and healthcare services for seniors in the form of independent living, assisted living, and memory care units.

Pensions:

County of Sacramento Pension Obligation Bonds

Proceeds are to be used for refunding of previously issued Taxable Pension Funding Bonds. As of June 30, 2016, the county's funded ratio was 87.3% on an actuarial basis.

As of 12/31/17, the securities noted above were held in the Domini Impact Bond Fund. See page 66 for important portfolio holdings disclosure. The composition of the Fund's portfolio is subject to change. Visit www.domini.com to view the most current list of the Fund's holdings.

Economic and Community Development

We seek to direct capital where it is needed most to help **support the creation of public goods essential to meeting the basic needs of society**. Economic and Community Development accounted for 5.69% of the Domini Impact Bond Fund as of December 31, 2017.

The Domini Impact Bond Fund invests in **municipal general obligations** issued by cities, counties, and states across the U.S. In addition, our investments support **basic infrastructure and transportation systems**, including low-carbon transportation and commuter systems that meet standards for climate integrity, improvements in highways and roads, and aviation-related financing. Other investments include bonds to finance **business and job creation**, as well as projects for **nonprofit education facilities**. **In all of these cases, we favor bonds that serve marginalized and low-income communities.**

We also seek out investments issued by **community development financial institutions** (CDFIs). By placing deposits with CDFIs, we channel money directly to projects that serve neighborhoods and regions of great need through the creation of, among other things, low-income housing, loans to small entrepreneurs, financial literacy, and the provision of affordable financial services for those who lack access to the mainstream banking system.

INVESTMENT EXAMPLES

Nonprofit Education:

Bremen, IL School District (Qualified School Construction Bonds)

Proceeds will be used to improve and repair school buildings and facilities, including building and equipping a new field-house and cafeteria, roof repair, security upgrades, health and safety improvements, HVAC renovations, and exterior improvements.

Business and Job Creation:

Pennsylvania Industrial Development Authority

The Pennsylvania Industrial Development Authority (PIDA) provides low-interest loans and lines of credit through certified economic development organizations (CEDOs) for eligible businesses that commit to creating and/or retaining jobs and for the development of industrial parks and multi-tenant facilities.

Municipal General Obligation:

Michigan State Finance Authority (City of Detroit General Obligation Bonds)

Proceeds of these bonds are being used to help the city re-capitalize after emerging from bankruptcy in 2014.

Transportation:

NY Metropolitan Transportation Authority Green Bond

Proceeds from this "Climate Bond Certified" green bond issued by NYC Metropolitan Transit Authority will be used to refinance debt from previous eligible transit and commuter capital projects.

Community Development Financial Institutions:

Self-Help (Certificate of Deposit)

Self-Help's mission is to create and protect ownership and economic opportunity for all, especially minority, female-headed, rural and low-income families. The Fund owns CDs issued by Self-Help Credit Union and Self-Help Federal Credit Union. The Self-Help family of organizations includes two credit unions (Self-Help Credit Union and Self-Help Federal Credit Union); a nonprofit loan fund (Self-Help Ventures Fund); and a research and policy group (Center for Responsible Lending).

As of 12/31/17, the securities noted above were held in the Domini Impact Bond Fund. See page 66 for important portfolio holdings disclosure. The composition of the Fund's portfolio is subject to change. Visit www.domini.com to view the most current list of the Fund's holdings.

Environment

We seek to invest in bonds that **support the transition to a low-carbon future**. Environment accounted for 2.65% of the Domini Impact Bond Fund as of December 31, 2017.

The majority of the bonds classified under the Environment theme are labeled and unlabeled green bonds, which finance projects and activities that address climate change or serve other environmentally beneficial purposes. We seek to invest in green bonds that help **mitigate the impact of fossil fuels**, and **promote renewable energy and energy efficiency**. We avoid those bonds we determine to be overly aggressive in the use of the term "green," such as first-generation biofuels, waste-to-energy facilities that use toxic substances, or projects that prolong the use of fossil fuels, such as coal-power-plant refurbishment and carbon capture and sequestration.

INVESTMENT EXAMPLES

Low-Carbon Transition:

Toronto-Dominion Bank Green Bond

Proceeds were used to support North American projects that contribute to the low-carbon economy through either renewable-energy generation, energy efficiency and management, or green infrastructure and sustainable land use.

American Municipal Power

American Municipal Power issued project revenue bonds to finance capital expenditures, costs and expenses associated with the construction of the Meldahl Hydroelectric Project run-of-the-river hydro-electric facility on the Ohio River. The bonds were designated as "Build America Bonds" for the purpose of the American Recovery and Reinvestment Act.

Queensland Treasury Corporation Green Bond (Australia)

The proceeds are expected to be invested in any one or more of the following projects, though not limited to: a light rail link; electric trains in South-East Queensland, Australia; cycleways; and the Sunshine Coast solar farm.

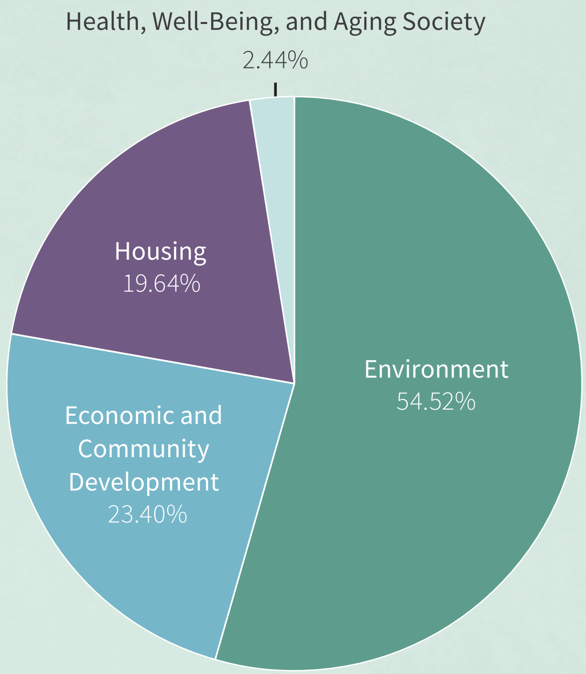
As of 12/31/17, the securities noted above were held in the Domini Impact Bond Fund. See page 66 for important portfolio holdings disclosure. The composition of the Fund's portfolio is subject to change. Visit www.domini.com to view the most current list of the Fund's holdings.

Green Bonds Across Our Portfolio

Green Bonds Exposure

As of 12/31/17, the Fund held $7,604,069 in labeled green bonds, **representing 4.21% of the portfolio**. The majority of these bonds (54.52%) are classified under the Environment theme, with the remainder classified under various other themes. All green bonds have an environmental impact. However, we do not classify all of the green bonds we invest in under our Environment theme. For example, we classify a Fannie Mae DUS green financing bond under Housing, a green bond issued for the benefit of a hospital under Health, Well-Being, and Aging Society, and a green bond issued by the NYC MTA under Economic and Community Development. Of the 4.21% of the portfolio invested in green bonds, we classify their primary area of impact as shown in the chart to the right.

Green Bond Classification by Impact Theme



Green Bond Engagements

We are excited to see the rapid growth of green bond issuances in the United States and around the world. Members of Domini's research team have spoken on industry panels to draw attention to our fixed-income research approach to green bonds and have attended numerous conferences to stay ahead of trends in the industry. We have focused our fixed-income engagement activities on the responsible development of the green bond market.

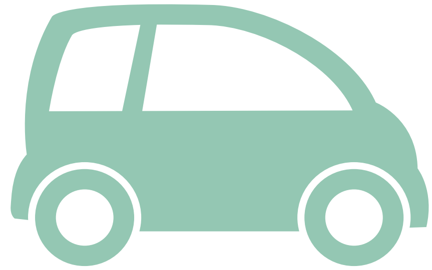
Issuers are actively looking for feedback on their green bond frameworks, what should be eligible for the use of proceeds, and what investors seek in terms of reporting. Over the past few years, we have had multiple pre-issuance engagements with both corporate and municipal issuers on their inaugural green bonds.

As investors, we have a long-standing commitment to transparency and seek the same from issuers. We look for green bonds that are accompanied by a green bond framework with explicit language and definitions, third party verification, a commitment to report on the use of proceeds, as well as post issuance reporting to disclose the allocations for use of proceeds, and we look for second party opinions.

As of 12/31/17, the securities noted above were held in the Domini Impact Bond Fund. See page 66 for important portfolio holdings disclosure. The composition of the Fund's portfolio is subject to change. Visit www.domini.com to view the most current list of the Fund's holdings.

Non-Housing Asset-Backed Securities

Asset-backed securities can help **provide responsible credit to underserved and unbanked borrowers**. Non-Housing Asset-Backed Securities accounted for 6.02% of the Domini Impact Bond Fund as of December 31, 2017.



We invest in several types of asset-backed securities other than housing mortgages, such as securitized loans issued by **CNH Industrial N.V.** for purchasing agricultural and construction farming equipment. However, we are selective in both the types of underlying assets and the issuers involved. For example, we avoid student-loan backed securities due to concerns over a series of abusive lending practices. Our due diligence includes monitoring regulatory trends, with a focus on consumer protection enforcement actions led by the Department of Justice, the Consumer Financial Protection Bureau, and other regulatory agencies.

As of 12/31/17, the securities noted above were held in the Domini Impact Bond Fund. See page 66 for important portfolio holdings disclosure. The composition of the Fund's portfolio is subject to change. Visit www.domini.com to view the most current list of the Fund's holdings.

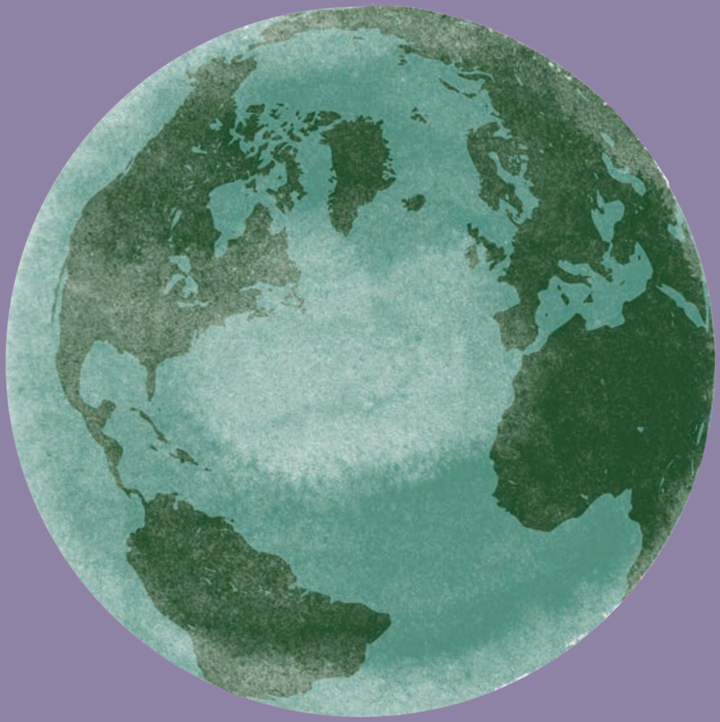
Corporate Debt

Corporate Debt accounted for 22.05% of the portfolio as at December 31, 2017. All general-obligation corporate bonds are **subject to the same standards we apply to our equity funds** (see page 23).

Debt issued by **companies with notably strong ESG profiles** represented 1.56% of the portfolio value. For example, this included a bond issued by **Swedbank**, a Swedish bank that has specific socially responsible investing (SRI) and sustainability criteria that represents approximately 40% of its total assets under management.

As of 12/31/17, the securities noted above were held in the Domini Impact Bond Fund. See page 66 for important portfolio holdings disclosure. The composition of the Fund's portfolio is subject to change. Visit www.domini.com to view the most current list of the Fund's holdings.

As **partners**, we seek to amplify our impact by collaborating with others to address systems-level issues.



Working Together

Member Organizations and Field-Building Collaborations

Domini Impact Investments is a member or supporter of the following organizations. While we maintain formal relationships with the following organizations, our collaborations extend beyond this list. Domini Impact Investments LLC and its subsidiaries are not affiliated with any of the following entities.

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 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 146 institutional investors, collectively managing more than $23 trillion in assets.

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 serves on CRN's steering committee.

The Farm Animal Investment Risk & Return (FAIRR) is 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. Domini is a member of the FAIRR network.

The **Global Network Initiative (GNI)** is a multi-stakeholder non-profit dedicated to the protection and advancement of freedom of expression and privacy rights in the Information and Communications Technology sector. GNI offers a collaborative approach to responding to efforts by governments that seek to enlist companies in acts of censorship and surveillance that violate international standards. Domini is one of the founders of GNI and currently serves on its Board of Directors.

Currently celebrating its 47th year, 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 $400 billion in managed assets. Domini is an Associate Member of ICCR and serves on its Human Rights Advisory Committee and various working groups.

The United Nations-supported **Principles for Responsible Investment (PRI)** works with its international network of signatories to put 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 $70 trillion. Domini is a founding signatory and has participated in various consultations.

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. Currently, we serve on the Investor Advisory Group (IAG), and are 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 (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, and Domini serves as an advisor to the project.

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

Public Statements Signed in 2017

We regularly endorse public statements on a variety of social and environmental issues. This year, in addition to statements and letters mentioned in the body of this report, we signed the following statements drafted by other organizations:

- **Jan. –** Investor Expectations on Labour Practices in Agricultural Supply Chains, PRI (Signed by 55 investors representing $3.9 trillion)
- **1/31 –** Letter to members of the U.S. House of Representative in support of H.J. Resolution 41 and the Cardin-Lugar Extractives Industry Anti-Corruption Provision, Publish What You Pay - United States coalition
- **2/1 –** Letter to President Trump's Strategic and Policy Forum urging rejection of Executive Order on travel and immigration and the promotion of human rights, International Corporate Accountability Roundtable, Institute for Human Rights and Business, and ICCR
- **2/6 –** Letter to President Trump and members of Congress in support of the Consumer Financial Protection Bureau, American Sustainable Business Council and ICCR
- **2/15 –** Global Investor Statement on Decreasing Deforestation in Latin America Through Joint Action Mechanisms (Sent to 21 consumer goods companies), Green Century Capital Management (Signed by investors representing $617.5 billion)
- **2/17 –** Investor Statement to Banks Financing the Dakota Access Pipeline (Sent to 17 global banks), Boston Common Asset Management (Signed by investors representing $653 billion)
- **2/21 –** Letter to Texas Governor Abbott, Lieutenant Governor Patrick, and Speaker Straus in opposition to discriminatory anti-LGBT legislation (including "bathroom bill" Senate Bill 6), NYC Office of the Comptroller and Trillium Asset Management (Signed by investors representing $11 trillion)
- **3/7 –** Statement: G20 governments must lead in phasing out subsidies and public finance for fossil fuels - to accelerate green investment and reduce climate risk, PRI (Signed by investors representing more than $2.8 trillion)
- **3/25 –** Investor statement in support of establishing a Modern Slavery Act in Australia, PRI (Signed by investors representing $2.2 trillion)
- **4/24 –** The Business Case for the Current SEC Shareholder Proposal Process, Ceres, ICCR, and US SIF (Domini contributed to the paper)
- **4/25 –** Investor Statement on the 4th Anniversary of the Rana Plaza Tragedy, ICCR (Signed by investors representing over $4.3 trillion)
- **5/31 –** Investor Statement in Support of No Tobacco Day, PRI (Signed by investors representing $3.53 trillion)
- **6/5 –** Letter to New York State Senator Avella and Assembly member Ortiz in support of bill calling on NY State Department of Health to publish a list of chemicals of high concern in children's products, Investor Environmental Health Network (Signed by investors representing $2.2 trillion)
- **6/13 –** "We Are Still In" Declaration in support of climate action to meet the Paris Agreement, Ceres (Signed by mayors, governors, college and university leaders, businesses, investors representing more than 127 million Americans and $6.2 trillion of the U.S. economy)
- **6/30 –** Investors Applaud Extension of Successful Accord for Fire and Building Safety in Bangladesh Garment Sector, ICCR (Domini quoted in press release)
- **7/6 –** Petition for rulemaking requesting that the Securities and Exchange Commission adopt new rules, or amend existing rules, to require issuers to disclose information about their human capital management policies, practices, and performance, Human Capital Management Coalition (Coalition of investors, including Domini, representing $2.8 trillion)
- **9/13 –** Letter to Sanderson Farms urging revisions to the company's policies regarding antibiotic use, As You Sow (Signed by investors representing over $46 billion)
- **9/29 –** Letter to Leather Working Group urging expansion of the scope of its protocol to include labor standards, ICCR (Signed by investors representing $400 billion)
- **10/5 –** Letter to U.S. Environmental Protection Agency urging that greenhouse gas emissions standards for light-duty vehicles be preserved or strengthened, Ceres (Signed by investors representing over $856 billion)
- **10/23 –** Investor Statement to the Equator Principles Association (Update to Feb. 17 statement to banks financing the Dakota Access Pipeline), Boston Common Asset Management (Signed by investors representing over $2.67 trillion)
- **11/9 –** An Investor Response to the U.S. Chamber's Proposal to Revise SEC Rule 14a-8, Ceres, ICCR, and US SIF (Domini contributed to the paper)
- **11/15 –** Investor Statement on Antibiotics Stewardship, FAIRR (Signed by investors representing over $2.67 trillion)
- **11/16 –** Letter to U.S. Congress in support of the Dream Act of 2017, ICCR (Signed by investors representing over $2.67 trillion)
- **12/11 –** Letter to the 50 largest employers of the Fortune 500 urging them to continue offering comprehensive sexual and reproductive health care benefits to their employees, Trillium Asset Management (Signed by investors representing $40 billion)
- **12/21 –** Letter to U.S. Congress in support of Conflict Minerals reporting requirements of Dodd Frank §1502, ICCR, US SIF, Boston Common Asset Management, and Responsible Sourcing Network (Signed by investors representing over $2.2 trillion)

All of these statements are available to read on ***www.domini.com***.

Carefully consider each Fund's investment objectives, risk factors and charges and expenses before investing. This and other information can be found in the Funds' prospectus, which may be obtained by calling 1-800-762-6814, or at www.domini.com. Please read the prospectus carefully before investing or sending money.

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 and Domini Impact International Equity Funds are subject to market, market segment, foreign investing and style risks. Investing internationally involves special risks, such as currency fluctuations, social and economic instability, differing securities regulations and accounting standards, limited public information, possible changes in taxation, and periods of illiquidity. These risks are magnified in emerging markets.

The Domini Impact Bond Fund is subject to interest rate, liquidity, credit and market 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 12/31/17, these securities represented the following percentages of the Domini Impact Equity Fund's portfolio: Alphabet Inc. (3.64%); Amazon.com, Inc. (2.24%); Apple Inc. (4.16%); Biogen, Inc. (1.55%); Colgate-Palmolive Company (1.67%); Cummins, Inc. (2.62%); Facebook, Inc. (2.27%); IBM Corporation (2.60%); Intel Corporation (2.58%); Lam Research Corporation (1.85%); Marriott International, Inc. (1.01%); Mastercard Inc. (2.78%); Microsoft Corporation (0.87%); PepsiCo, Inc. (2.91%); The PNC Financial Services Group, Inc. (0.24%); Prudential Financial, Inc. (2.88%); Ralph Lauren Corporation (0.43%); Ross Stores, Inc. (2.77%); The TJX Companies, Inc. (1.81%); and Walgreens Boots Alliance, Inc. (2.74%). As of 12/31/17, the following companies all represented less than 0.01% of the Fund's portfolio: 3M Company; American Express Company; Campbell Soup Company; Chipotle Mexican Grill, Inc.; The Coca-Cola Company; Gap Inc.; The Home Depot, Inc.; Intercontinental Exchange, Inc.; Kohl's Corporation; The Kraft Heinz Company; The Kroger Company; L Brands, Inc.; Michael Kors Holdings Limited; Mondelez International, Inc.; Morgan Stanley; Motorola Solutions, Inc.; Nike, Inc.; Nucor Corporation; Sysco Corporation; Tapestry, Inc.; United Parcel Service, Inc.

As of 12/31/17, these securities represented the following percentages of the Domini Impact International Equity Fund's portfolio: Allianz SE (2.32%); Asahi Glass Co., Ltd. (1.59%); BNP Paribas S.A. (0.59%); The Central Japan Railway Company (1.75%); DBS Group Holdings, Ltd. (1.73%); Kering S.A. (2.14%); Merck KGaA (0.22%); Millicom International Cellular S.A. (0.18%); Nissan Motor Co., Ltd. (1.97%); Sandvik AB (1.56%); Sanofi S.A. (2.43%); Swisscom AG (1.67%); Unilever N.V. (0.28%); Unilever plc (1.34%); Vodafone Group plc (1.62%).

As of 12/31/17, these securities represented the following percentages of the Domini Impact Bond Fund's portfolio: American Municipal Power [0.36%]; Boston Medical Center [0.41%]; Bremen, IL School District (Qualified School Construction Bonds) [0.26%]; City of Hope Medical Center [0.18%]; CNH Industrial N.V. [0.01%]; County of Sacramento Pension Obligation Bonds [0.21%]; FNMA Pool AM7507 (Warrensville Manor Apartments) [0.59%]; FNMA Pool AM9154 (Vintage Woods Senior Apartments) [0.59%]; FNMA Pool AN2791 (Norton Courts & Scarfone Apartments) [0.61%]; FNMA Pool AN5557 (Oakbrook Terrace) [0.83%]; FREMF 2017-K726 [0.10%]; Indiana State Finance Authority [0.13%]; Mary's Woods at Marylhurst Project [0.30%]; Michigan State Finance Authority (City of Detroit General Obligation Bonds) [0.59%]; NY Metropolitan Transportation Authority Green Bond [0.84%]; Pennsylvania Industrial Development Authority [0.28%]; Queensland Treasury Corporation Green Bond (Australia) [0.22%]; Self-Help (Certificate of Deposit) [0.27%]; Swedbank AB [0.50%]; Toronto-Dominion Bank Green Bond [0.27%].

As of 12/31/17, the following companies were not held by any of the Domini Funds: Jones Lang LaSalle Incorporated; Kingfisher plc; London Stock Exchange Group plc; Nasdaq, Inc.; Natura & Co S.A.; Nokia Oyj; Orange S.A.; PUMA SE; Safaricom PLC; Telefónica S.A.; Telenor ASA.

As of 12/31/17, the following companies were not approved for investment and therefore not held by any of the Domini Funds: A.P. Møller – Mærsk A/S; Bayerische Motoren Werke AG; Berkshire Hathaway Inc.; BHP Billton Limited; BP plc; British American Tobacco; Exxon Mobil Corporation; Ford Motor Company; The Goldman Sachs Group, Inc.; Heineken N.V.; HSBC Holdings plc; Johnson & Johnson, Inc.; JPMorgan Chase & Co.; Néstle S.A.; Novartis AG; Repsol S.A.; Roche Holdings AG; Royal Dutch Shell plc; Sanderson Farms, Inc.; Sumitomo Mitsui Trust Holdings, Inc.; Telia Company AB; Total S.A.; Toyota Motor Corporation; Wells Fargo & Company.

As of 12/31/17, the following companies were not publicly traded and therefore not held by any of the Domini Funds: Belle International Holdings Limited, LinkedIn, Oath Inc., Reforestadora de Palmas de Petén, and Whole Foods.

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), the Morgan Stanley Capital International Europe, Australasia and Far East Index (MSCI EAFE) and the MSCI KLD 400 Social Index are unmanaged indexes of common stocks. You cannot invest directly in an index.

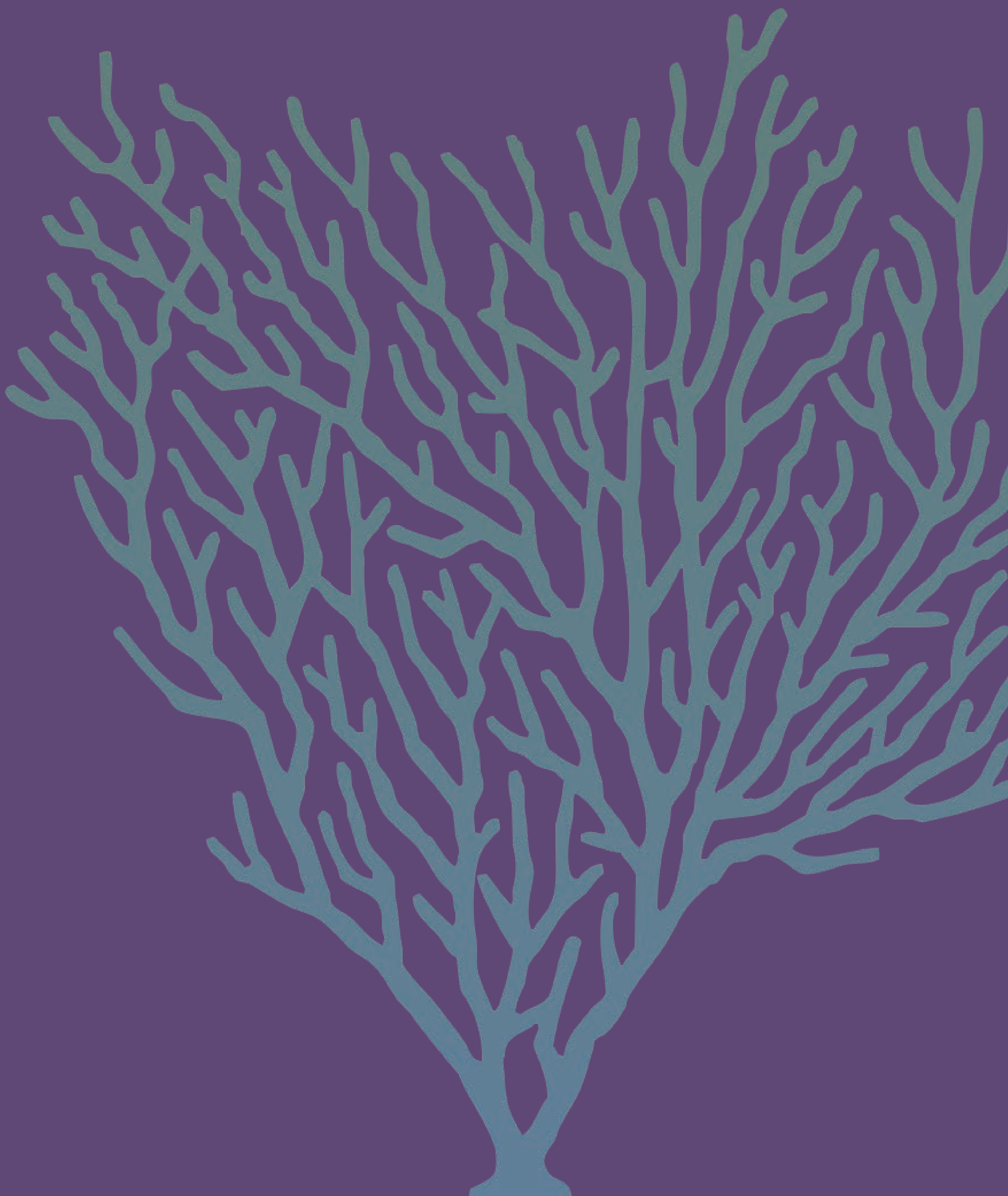
The Global Industry Classification Standard ("GICS") was developed by and is the exclusive property and a service mark of MSCI Inc. ("MSCI") and Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P") and is licensed for use by Domini Impact Investments. Neither MSCI, S&P nor any third party involved in making or compiling the GICS or any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification nor shall any such party have any liability therefrom.

This Impact Report is provided for informational purposes only. Nothing herein is to be considered a recommendation concerning the merits of any noted company, or an offer of sale or solicitation of an offer to buy shares of any Fund or company referenced herein. Such offering is only made by prospectus, which includes details as to the offering price and other material information.

The Domini Funds are distributed by DSIL Investment Services LLC (DSILD), Member FINRA. Domini Impact Investments LLC (Domini) is the Funds' investment manager. The Funds are subadvised by Wellington Management Company LLP. DSILD and Domini are not affiliated with Wellington Management Company LLP.

Domini Impact Investments LLC and DSIL Investment Services LLC are not affiliated with any of the following entities: Boston Common Asset Management, Green Century Capital Management, Pax World Management, Trillium Asset Management, Walden Asset Management.

Be part of the **solution**. Invest for good.



Domini Funds
P.O. Box 9785
Providence, RI 02940-9785

1-800-582-6757
www.domini.com