



CLIMATE TRANSPARENCY REPORT

2019

Domini Impact Investments

About the Climate-related Disclosure Indicators

Climate has been identified as a top priority for PRI signatories, with over 70% of asset owners reporting this as the most important long-term trend they are acting on.

The FSB Task Force's guidance on climate-related financial disclosure aim to create a single framework for disclosure on assessment and management of climate-related risk. The recommendations, supported by investors representing US\$22 trillion, identify four main disclosures, Governance, Strategy, Risk Management, Metrics and Targets, and include specific guidance for asset owners and managers.

As a result, the PRI introduced climate-related disclosure indicators that can be used to align with the TCFD recommendations in the 2019 PRI Reporting Framework.

About this report

This report is an export of only the climate-related indicators from the 2019 Reporting Framework response. The full Public Transparency Report is available here (https://reporting.unpri.org/surveys/PRI-reporting-framework-2019/-1E9E2968-1881-4CC6-80CE-D64BB6E34F03/00000000-0000-0000-0000-000000000000/doc/2/-%7C%7C*complete*%7C*public*/Merged/). It shows the responses to all the completed climate indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders.

The PRI will not publish this report on its website if you have designated your 2019 climate reporting as “private”. Otherwise, you will be able to access the Climate Transparency Report of your organisation and that of other signatories on the [PRI website](#) and on the [Data Portal](#).

To easily locate information, there is a **Recommendation index** which summarises the indicators that signatories complete and disclose. The report presents information exactly as it was reported as per signatory preference. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory are presented in this report.

TCFD Recommendations Index

Strategy and Governance - CC			TCFD Recommendation			
Indicator	Reported	Disclosure	Governance	Strategy	Risk Management	Metrics & Targets
SG 01.1	✓	Public				
SG 01.2	✓	Public				
SG 01.3	✓	Public				
SG 01.4	✓	Public				
SG 01.5	-	Public				
SG 01.6 CC	✓	Public				
SG 01.7 CC	✓	Public				
SG 01.8 CC	-	Public				
SG 01.9 CC	✓	Public				
SG 01.10 CC	✓	Public				
SG 01.11 CC	-	Public				
SG 01.12 CC	-	Public				
SG 02.2	✓	Public				
SG 07.5 CC	✓	Public				
SG 07.6 CC	-	Public				
SG 07.7 CC	-	Public				
SG 07.8 CC	-	Public				
SG 13.1	✓	Public				
SG 13.2	-	Public				
SG 13.4 CC	-	Public				
SG 13.5 CC	-	Public				
SG 13.6 CC	-	Public				
SG 13.7 CC	-	Public				
SG 13.8 CC	-	Public				
SG 14.1	✓	Public				
SG 14.2	✓	Public				
SG 14.3	✓	Public				
SG 14.4	-	Public				
SG 14.5	✓	Public				
SG 14.6 CC	-	Public				
SG 14.7 CC	-	Public				
SG 14.8 CC	✓	Public				
SG 14.9 CC	✓	Public				
SG 15.1	✓	Public				
SG 15.2	-	Public				
SG 15.3	-	Public				

Symbol	Status
✓	The signatory has completed this sub-indicator
-	The signatory did not complete this sub-indicator.
	This indicator is relevant to the named TCFD recommendation
Within the first column "Indicator", indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.	

ORGANISATIONAL OVERVIEW

This section provides an overview of your organisation. These characteristics are used to define your peer groups.

MAIN CHARACTERISTICS	
Name	Domini Impact Investments
Signatory Category	Fund Management - Majority
Signatory Type	Investment Manager
Size	US\$ 1 - 4.99 billion AUM
Main Asset Class	>50% Listed Equity Internally Managed
Signed PRI Initiative	2006
Region	North America
Country	United States
Disclosure of Voluntary Indicators	88% from 38 Voluntary indicators

Domini Impact Investments

Reported Information

Public version

Strategy and Governance

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Investment policy

SG 01

Mandatory

Public

Core Assessed

General

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input checked="" type="checkbox"/> Fiduciary (or equivalent) duties <input checked="" type="checkbox"/> Asset class-specific RI guidelines <input checked="" type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Engagement policy <input checked="" type="checkbox"/> (Proxy) voting policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

SG 01.3

Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)

Other description (1)

Our Impact Investment standards cover a wide range of social, environmental and governance issues. See our Impact Investment Standards.

Other RI considerations, specify (2)

Other description (2)

We integrate consideration of system-level impact. See page 2 of our Impact Investment standards and SG 01.4

SG 01.4 Describe your organisation’s investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

As impact investors, we believe: Investments have systems-level impact on finance, society and the environment. Investors have an ethical obligation to acknowledge these consequences. Investors that strengthen the resilience and integrity of these critical systems create lasting value. Investors that fail to do so cause harm. 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.

Each of Domini's mutual funds is actively managed according to an innovative strategy that combines Domini's 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 the international 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.

No

I confirm I have read and understood the Accountability tab for SG 01

I confirm I have read and understood the Accountability tab for SG 01

SG 01 CC	Voluntary	Public	Descriptive	General
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SG 01.6 CC Indicate the climate-related risks and opportunities that have been identified and factored into the investment strategies and products, within the organisation's investment time horizon.

We have been utilizing following comprehensive approaches to address the climate-related risks and opportunities as referenced in our impact investment standards, which applies to all of our investment strategies and funds, proprietary industry-specific key performance indicators, proxy voting practices, including support for shareholder proposals seeking to address/mitigate climate-related risks as well as opportunities. Further, we have actively engaging with various companies regarding both physical and transition risks of climate change as well as promoting the credible, measurable, comparable and consistent disclosures for investors to help make informed decision.

1. Investment Standards:

Our Impact Investment Standards, which explicitly addresses the following areas related to the climate change as risks and opportunities, applies across our investment strategies:

- a. Environmental Sustainability and Climate Resilience
- b. Renewable and Alternative Energy Sources
- c. Innovative and Sustainable Materials

d. Resource Efficiency and the Circular Economy

2. Industry-Level Frameworks and Key Performance Indicators (KPIs)

Through our proprietary Industry- and SubIndustry-level Key Performance Indicators, we have identified specific set of indicators and approaches/positions to address short-term and long-term horizon. We are in the process of industry-level KPIs to further align our process.

Followings are selective highlights:

- a. Automobile: We emphasize the climate-related transition risks and progress toward full electrification as a critical factor, but also considers forward looking data such as time-bound quantitative vehicle target for electrification against the entire production fleet, including 2025 or beyond.
- b. Utilities: We have emphasized coal-thermal power plant risks including the assessment of the current generation mix to evaluate the progress but also the ongoing construction as well as the announcement of new coal power plants as significant source of risks. As opposed to the risks of fossil-fuel based energy sources as risks, we consider renewable energy transition at the utilities scale
- d. Real Estate & REITs: We consider physical risk as a key indicators as well as whether the firm conducts due diligence regarding the climate-related risks. In addition, we evaluate the energy efficiency along with the integration of renewable energy as a potential source of opportunities/strengths, We also utilizes the specific green building certification (such as LEE, BREEAM, HQE) and percentage of the coverage of firm's entire portfolio. We also asses the water-related issues as potential source of risks and opporutnities.
- f. Energy Sector: We consider the firms with its primary revenue source from fossil fuel products or related services would pose significant risks as it is the most difficult sector to transition, thus divested from the entire GICS Energy sector during 2018, following the decade of engagements with the industry.

3. Lack of Assessment and Lack of Disclosure surrounding the Climate-related Decision Useful Information

Across the sectors, we consider lack of disclosure as well as the lack of assessment are the significant risks, thus actively engage with companies to encourage the improvement in climate risk assessment as well as reporting on progress. We also utilize public advocacy and proxy voting, combined with the engagement to address these risks.

SG 01.7 CC	Indicate whether the organisation has assessed the likelihood and impact of these climate risks?
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- Yes
- No

SG 01.9 CC	Indicate whether the organisation publicly supports the TCFD?
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- Yes
- No

SG 01.10 CC	Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.
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- Yes

	Describe
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Our key strategies are built around both the Global Impact Investment Standards, which is a top-down guidance while utilizing the bottom-up approaches of the sector-level frameworks and KPIs to identify the material climate-related risks and opportunities.

- No

SG 1.12 CC	Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.
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- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other

SG 02	Mandatory	Public	Core Assessed	PRI 6
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 02.1	Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.
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- Policy setting out your overall approach

	URL/Attachment
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- URL

	URL
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{hyperlink:https://www.dominicom.com/uploads/files/Dominicom_Impact_Investment_Standards.pdf}

- Attachment (will be made public)

	Attachment
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[File 1:Domini_Impact_Investment_Standards_4_1_19.pdf](#)

- Formalised guidelines on environmental factors

	URL/Attachment
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- URL

	URL
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{hyperlink:https://www.dominicom.com/uploads/files/Dominicom_Impact_Investment_Standards.pdf}

- Attachment (will be made public)

	Attachment
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[File 1:Domini_Impact_Investment_Standards_4_1_19.pdf](#)

- Formalised guidelines on social factors

URL/Attachment

URL

URL

{[hyperlink:https://www.dominic.com/uploads/files/Dominic_Impact_Investment_Standards.pdf](https://www.dominic.com/uploads/files/Dominic_Impact_Investment_Standards.pdf)}

Attachment (will be made public)

Formalised guidelines on corporate governance factors

URL/Attachment

URL

URL

{[hyperlink:https://www.dominic.com/uploads/files/Dominic_Impact_Investment_Standards.pdf](https://www.dominic.com/uploads/files/Dominic_Impact_Investment_Standards.pdf)}

Attachment (will be made public)

Fiduciary (or equivalent) duties

Asset class-specific RI guidelines

URL/Attachment

URL

URL

{[hyperlink:http://www.dominic.com/funddocuments](http://www.dominic.com/funddocuments)}

Attachment (will be made public)

Sector specific RI guidelines

URL/Attachment

URL

URL

{[hyperlink:http://www.dominic.com/funddocuments](http://www.dominic.com/funddocuments)}

Attachment (will be made public)

Screening / exclusions policy

URL/Attachment

URL

URL

{hyperlink:https://www.domini.com/uploads/files/Domini_Impact_Investment_Standards.pdf}

- Attachment (will be made public)
- Engagement policy
- (Proxy) voting policy
- We do not publicly disclose our investment policy documents

SG 02.2 Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment

- URL

URL

{hyperlink:http://domini.com/sites/default/files/_files/Impact_Investment_Standards.pdf}

- Attachment

File Attachment

{hyperlink:Domini_Impact_Investment_Standards 4_1_19.pdf [2807KB]}

- Your investment objectives that take ESG factors/real economy influence into account

URL/Attachment

- URL

URL

{hyperlink:http://domini.com/sites/default/files/_files/Impact_Investment_Standards.pdf}

- Attachment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches

URL/Attachment

- URL

URL

{hyperlink:http://domini.com/sites/default/files/_files/Impact_Investment_Standards.pdf}

- Attachment
- Active ownership approaches

URL/Attachment

URL

URL

{hyperlink:http://www.domini.com}

Attachment

Reporting

Climate change

URL/Attachment

URL

URL

{hyperlink:https://www.domini.com/uploads/files/Domini_Impact_Investment_Standards.pdf}

Attachment

Other RI considerations, specify (1)

Other description (1)

Our Impact Investment standards cover a wide range of social, environmental and governance issues. These are too numerous to enumerate here.

URL/Attachment

URL

URL

{hyperlink:http://www.domini.com}

Attachment

Other RI considerations, specify (2)

We do not publicly disclose any investment policy components

SG 02.3 Additional information [Optional].

See also the Prospectus for the Domini Funds, which addresses our use of ESG standards and engagement: www.domini.com/funddocuments

Governance and human resources

SG 07 CC	Voluntary	Public	Descriptive	General
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SG 07.5 CC	Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.
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	Board members or trustees
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- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

	Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee
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- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

	Dedicated responsible investment staff
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- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
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SG 13.1	Indicate whether the organisation undertakes scenario analysis and/or modelling and provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).
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- Yes, to assess future ESG factors
- Yes, to assess future climate-related risks and opportunities
- No, not to assess future ESG/climate-related issues

SG 14	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1
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SG 14.1

Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.

- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)
- Other, specify(2)
- None of the above

SG 14.2

Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments

Specify the AUM invested in low carbon and climate resilient portfolios, funds, strategies or asset classes.

	trillions	billions	millions	thousands	hundreds
Total AUM		1	953	346	873
Currency	USD				
Assets in USD		1	953	346	873

Specify the framework or taxonomy used.

Domini excludes the GICS energy sector across all of its investment products.

- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify
- None of the above

SG 14.3 Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify

other description

In our evaluation of investments for our funds, we utilize KPIs relating to climate change across a wide range of industries & exclude GICS energy sector

None of the above

SG 14.5 Additional information [Optional]

Domini's KPIs encompass a broad range of trends that may impact long-term value. See our Impact Investment Standards for more detail: https://www.domini.com/uploads/files/Domini_Impact_Investment_Standards.pdf

SG 14 CC	Voluntary	Public	General
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SG 14.8 CC Indicate whether climate-related risks are integrated into overall risk management and explain the risks management processes for identifying, assessing, and managing climate-related risks.

- Process for climate-related risks is integrated into overall risk management

Please describe

We use our investment standards and KPIs to guide our understandinf of risks relating to climate change. We look for disclopsure on related metrics across industries.

Our Impact Investment Standards explicitly addresses the following areas related to the climate change as risks and opportunities, applies across our investment strategies:

- a. Environmental Sustainability and Climate Resilience
- b. Renewable and Alternative Energy Sources
- c. Innovative and Sustainable Materials
- d. Resource Efficiency and the Circular Economy

Our proprietary Industry-Level Frameworks and Key Performance Indicators (KPIs) have identified specific set of indicators and approaches/positions to address short-term and long-term horizon. We are in the process of industry-level KPIs to further align our process.

Process for climate-related risks is not integrated into our overall risk management

**SG 14.9
CC**

Indicate whether the organisation undertakes active ownership activities to encourage TCFD adoption.

Yes

Please describe

As members of the Climate Action 100+, we continued to co-lead engagements with CalPERS on various climate-related issues with PepsiCo and Proctor & Gamble. We participated on Climate Action 100+ calls with Pepsi and P&G to discuss governance and oversight of climate issues, GHG emissions reduction goals, and progress on potential reporting of climate scenario modelling in accordance with TCFD recommendations.

No, we do not engage

SG 15

Mandatory to Report Voluntary to Disclose

Public

Descriptive

PRI 1

SG 15.1

Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.

Yes

No