

**The Honorable Gary Gensler**  
**Ms. Vanessa A. Countryman, Secretary**  
U.S. Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C., 20549

February 17, 2022

**Re: Request for Public Comment on Climate Disclosures**

Dear SEC Chair Gensler,  
Dear Ms. Countryman,

FLIT Invest respectfully submits the following responses to the Securities and Exchange Commission's (SEC) Request for Public Comment on Climate Disclosures issued March 15, 2021.

Many leading climate action organizations such as Amazon Watch, As You Sow, Rainforest Action Network, 350.org and others already raised the key points related to climate disclosures. However, driven by recent conversations we had with multiple market participants in the investment management industry have driven us to provide our feedback to support the growth of impact investing. Due to our late submission, we aim to keep our feedback short and hope that it will be still considered for decision-making purposes.

FLIT Invest is developing an automated impact investing app for retail investors with no account minimums. FLIT was founded over a year ago by financial professionals with experience in multiple verticals of investment management, including wealth management, asset management and investment banking. FLIT aims to make its services available to investors during the first half of 2022.

FLIT has performed multiple investor interviews, surveys and other research with its potential users and found that most investors are misled by funds marketing themselves as "green" or "ESG". Investors – especially the younger generations – would like to increasingly align their investments with their values and support causes and solutions they care about. There is a clear need for impact investing, but without proper company disclosures, the impact measurement of individual companies is extremely difficult. **We welcome the SEC's aim to initiate climate disclosures and consider it the first step of many to equip investors with the data to evaluate the impact of their investments as well as safeguard investors from greenwashing.**

In the private markets space, majority shareholders of private companies can evidently request any data from its companies which makes impact measurement relatively simple and time-efficient. However, in public markets, we found that due to the lack of disclosure requirements, companies are not disclosing relevant impact information, which would be required to evaluate companies' environmental or impact performance.

Besides providing feedback on climate disclosures, we aim to highlight other key areas of environmental and social impact data that we consider relevant for investors. We would like to start with our **minimum requirements for climate disclosures**:

- Be mandatory and standardized for all publicly listed companies in the US
- Submitted in a machine-readable format to ease the processing and analysis of texts and figures
- Given the urgent need for climate action, disclosures should be made as frequently as possible – ideally quarterly audited (with the 10-Q), but at least on a yearly basis submitted and audited together with the 10-K
- Regulation should follow TCFD final (and latest) recommendations to ease the implementation for companies (both from timing and financial perspectives). The SEC should engage in conversation with the TCFD to tackle the shortcomings
- Report on total greenhouse gas emissions (Scopes 1, 2, and 3) with breakdowns per
  - countries
  - the company's business lines (and ideally per products) to help conscious consumers make purchasing decisions
- Special focus on financed emissions (both equity and debt) by financial institutions
- Any use of carbon credits or offsets
- Energy / electricity consumption and water use
- Any involvement in deforestation (including Tier 1 suppliers)
- Net zero goals with related climate mitigation plans and scenario planning in line with The Paris Agreement
- Strong sanctions and fines for non-disclosure, non-compliance with the rules, as well as for false or misleading information

FLIT would also like to kindly ask the SEC to **consider further disclosures regarding environmental and social impact to protect the investors from greenwashing**:

1. In private markets impact measurement, the mapping of companies' revenues to the **United Nations' Sustainable Development Goals** (UN SDGs) is a broadly used method to evaluate private companies' impact. Those companies whose products and services are not aligned with the UN SDGs could hurt the company's bottom lines and pose a long-term risk for investors. Requirements for public companies to **disclose the alignment of their business lines and products with the UN SDGs** could also support investors which companies they want to support and invest in.
2. Through its Navigating Impact Project, the Global Impact Investing Network (GIIN), the trend-setter and thought leader in the impact investing industry, developed and maintains a database for thematic environmental and social impact measurement and management (IRIS). **We encourage the SEC and GIIN to create standards for thematic impact disclosures for public companies.**

3. Building on the UK disclosure requirements **to tackle the gender and racial pay gap and representation of women and minorities in public companies**, we kindly ask the SEC to consider the disclosures regarding the representation on three corporate levels:

- Board of Directors (% of women, % of minorities, remuneration)
- Executive Board (% of women, % of minorities, remuneration)
- Total Workforce (% of women, % of minorities, remuneration)

Thank you for your time and consideration.

Sincerely,

*Alejandro Fritz*

Alejandro Fritz, CFA  
Co-Founder & CEO

*Richard Papp*

Richard Papp  
Co-Founder & Strategy