

September 29, 2021

Chair Gary Gensler
U.S. Securities and Exchange Commission
Washington, DC 20549

Dear Chair Gensler:

Linux ESG: The Logical Next Step for Markets and Regulators

There is a lot of confusion about how to implement ESG analysis in finance. So, let's model a solution based on the Linux operating system as it's a platform for running applications to process information and amalgamating innovations – exactly what ESG needs now.

The Linux principle of openness creates a neutral playing field for investors, brokers, and ratings agencies to collectively contribute to and democratize ESG analysis to rapidly scale adoption for all participants equally.

Market failures have traditionally been mitigated through transparency. But instead of seeking transparency from just the issuers – as is the focus now – Linux ESG's innovation is to seek transparency from all the large players that drive the markets and share it equally on a platform that everyone can use. Linux ESG makes “public goods” an “investment edge” for everyone.

Like programmers sharing their code, Linux ESG is implemented by large fund managers disclosing their entire ESG analysis for each investment transaction, large brokers doing the same when they publish research, and major sustainable ratings agencies and ESG data providers making their work completely available to individual investors and small organizations (guaranteeing that the public and every innovator can participate).

Linux ESG means that everyone at the table plays their ESG cards face up to have the best read on ESG risks. The benefit to large fund managers, brokers, and raters from all this openness is their complete view of ESG risks which helps the bottom line. Moreover, markets will instantly improve by quickly iterating in a radically transparent way – as loads of new information would come out daily, the innovation will be unrelenting, reducing risk.

Standards like TCFD, SASB, UNPRI, etc. become applications that the Linux ESG environment automatically tests and refines. Linux ESG is a great funnel that can efficiently process ALL these competing applications. The more, the better! They won't be debated or promulgated – they'd

be organically ratified by use in real world investing, self-evident over time. Everyone can stop wasting energy hypothesizing about ESG and can get on with investing using ESG as they see fit.

Linux ESG will shine when thousands of incentivized, competent professionals compete globally to publish detailed analyses daily, making greenwashing impossible, and unlocking a tsunami of effectively invested green finance.

Linux ESG's Kernel Code

1. Linux is perfectly trusted because it is completely open so ESG should be likewise open too.
2. ESG professionals get that we have no time to waste as the climate is dangerously changing so let's be 100% transparent in our work now while we can still solve the problem.
3. To find what works, all ESG ratings and data should be disaggregated on a Creative Commons By license so that everyone can see and use everyone else's ratings and data.
4. Asset owners should require themselves, their fund managers, and their brokers to be totally ESG transparent in real time and to pay up for ESG ratings and data so it's ubiquitous.
5. By everyone disclosing via EDGAR how they are pricing ESG risks in different ways, we will crowdsource a clear picture of how to price ESG over time.
6. Issuers like public and private companies, municipalities, etc. should publish primary data in real time. Issuers should study investors' ESG analysis to provide better data.
7. Disagreement is a good thing, and everyone should publish several versions of analysis, data, etc. if there is internal disagreement to air all possible solutions and get feedback.
8. The goal is to learn quickly, so everyone should immediately publish analyses of their ESG mistakes with updates based on lessons learned. Linux ESG leadership will naturally gravitate to the bravely honest as they will generate the most learning and the best "code."

Warm regards,

Gregory C. Beier
Macro ESG Strategist and Founder
Sustainability Arbitrage LLC

Sustainability Arbitrage LLC is a macro ESG research startup.