

Good Egg Kitemark Company Summary

SUGI

26/01/2023

This report provides a summary of the main business conducted by the provider, its ratings according to the [Good Egg criteria](#), a summary of comments from Ethical Screening, an independent specialist consultancy, and selected comments from the Good Egg expert panellists.



Assessment: Good Egg Recommended

Key information

Principal activity:

Sugi provides personalised climate and nature metrics to everyday investors via its public app, business-focused API interface and non-profit partnerships. Sugi also enable users to offset some or all of their portfolio impact using carbon credits.

Product types:

Free to use platform via an apple only (iOS) App. Sugi also offers a business-focused API, and other bespoke tech solutions.

Key product details:

Sugi sources company-level environmental data from a variety of leading data providers, including S&P Trucost, to create its proprietary footprint and benchmark metrics. The carbon elements follow international carbon accounting best practice (as per the Task Force on Climate-Related Financial Disclosures and the Partnership for Carbon Accounting Financials).

Sugi covers over 17,000 globally listed equities and fixed income investments, and over 55,000 investment trusts, ETFs, mutual funds and pension funds.

Awards, memberships and registrations:

GreenTech Alliance (1,000+ startups and advisors in climate tech space)

Key component of winning submission for WealthBriefing's Boutique Wealth Manager of the Year March 2022

TechRound Startup Awards December 2022, #27 in top 100 UK startups

Finder Awards December 2021 (ESG Investing Innovation; Investing Innovation Newcomer)

Positive impact ratings – summary

	Low positive impact	Medium positive impact	High positive impact	Negative impact	Neutral	N/A
Industry/ customer		/				
Environmental		/				
Social	/					
Internal (staff/ policies/ offices)	/					
Overall		/				

Key strengths and concerns/ Ethical Screening and panellist comments:

Industry/ customer:

STRENGTHS	CONCERNS
<p>Sugi's public iOS app is free-to-use and will remain so. The app will be released to more platforms in 2023.</p> <p>The app enables everyday investors to access objective, reliable information from leading environmental data providers about their portfolios. The environmental data relates to carbon emissions and implied temperature rise from the portfolio or fund.</p>	<p>The app is initially only available for iPhones (no desktop or Android versions are available).</p> <p>The Sugi website refers to "green investing" throughout, whilst the app provides information on carbon impact only. We note that investors may consider there are other relevant areas within "green", (more environmentally sound), investing alongside carbon.</p>

Users sign up, link their portfolios using Open Finance technology and receive their personalised impact data, as well as similar investments and benchmarks to compare with. This aims to give them as much context as possible about their investment choices and in doing so, make it easier for them to make greener financial choices. Users are also able to construct a dummy portfolio to research investment products.

Sugi also works with investment businesses to provide metrics via their existing platforms.

Sugi states that it will not sell customers data and that it takes the privacy of users seriously. Data is encrypted while in transit and at rest, and cloud servers are secured by industry-standard AWS RDS encryption.

The app contains an easy link to contact the help team. Email addresses for core team members are available on the website. Contact information is also listed on Sugi's social media platforms. The company also has a FAQ section on the website.

Sugi states that transparency in investing is a core mission of the company. Rather than focusing on Environment, Social and Governance (ESG) metrics which are often aimed at professional investors, it states information is designed to be understandable for everyday investors. As an independent third party, Sugi states it is catalysing greater transparency in the asset management industry.

The Sugi blog and social media posts also provide topical information about green investing for non-experts.

Environmental:

STRENGTHS	CONCERNS
<p>Sugi provides free-of-charge carbon impact and temperature alignment information to the investing public. Nature-based metrics are under development and will remain free-of-charge when released. Users can also choose to offset their investment impact using high-quality nature-based carbon credits which meet the highest environmental standards.</p>	<p>See note above referring to the term "green investing".</p>

Social:

STRENGTHS	CONCERNS
<p>No specific measures to address social issues have been identified as yet.</p>	<p>The company states it is not yet focusing on measures to address social problems.</p>

Internal (Staff/policies/offices):

STRENGTHS	CONCERNS
<p>The company is a fully remote company and states that it encourages team members to work around their other, including family, commitments.</p> <p>As of 2023, the company has under 10 employees, 40% of which are women (including consultants).</p> <p>The company states it is currently reviewing 100% renewable energy tariffs.</p>	<p>No policies, such as a human rights policy or living wage policy, are currently in place. However, the company has under 10 employees and encourages a healthy work/life balance.</p>

Panellist comments:

A. Sugi is looking great and clearly has a 'good' purpose and intentions. I would be happy to see them with a Good Egg mark. However, I would expect them to align their communications with the science and communicate that offsets are not an alternative to emission reductions and while they can be helpful in transition, they are not the solution. They should also be transparent about the risk that carbon cannot be permanently stored in forestry due to harvesting, fire, or disease. (Though restoring forest is a good thing to do regardless, of course)."

B. I tried the app and most of my fund investments have no data showing. It's unclear as to how they make money and I would expect them to declare this. Trucost is a good source of data so that's re-assuring. One issue is that sector averages can be misleading. Qualification of the results would be helpful, i.e. it doesn't tell you how well the fund manager is bringing about change and what the average sector is for that stock. This sort of detail matters. Overall, the product seems potentially useful if they can address the above.

C. In general I would say that improving transparency on environmental issues and fund performance is a good thing. I can't comment on whether the methodology used by Sugi to calculate emissions is solid as I don't have sufficient detail, and I'm not sure whether the app aggregates up to pension fund level (e.g. a mastertrust fund may be made up of various constituent funds) so I don't know the audience it may be suitable for. On offsetting, in general we need to be careful that it is not used as a replacement for meaningful carbon reductions this decade. And note that it uses Verra which has been heavily criticised by a Guardian story recently [Revealed: more than 90% of rainforest carbon offsets by biggest certifier are worthless, analysis shows | Carbon offsetting | The Guardian](#) [Biggest carbon credit certifier to replace its rainforest offsets scheme | Carbon offsetting | The Guardian](#)