

# CARBON PRICING STRATEGIES:

## SUMMARY OF INSIGHTS FROM DIVERSE INDUSTRIES IN CAMBRIDGE

This research presents findings on carbon pricing mechanisms employed by organisations based in the Cambridge city region.

Our goal is to provide actionable guidance on effectively implementing carbon pricing models, while consciously avoiding any practices that may lead to greenwashing, even unintentionally.

*The effectiveness of sustainability strategies, including carbon pricing, is significantly linked to strong management and decision-making structures. Active involvement of decision-makers in sustainability initiatives enhances their success.*

### FINDINGS SUMMARY

#### **Exposure to carbon emissions varies across industries**

Organisations face challenges in reducing carbon emissions. There is a need for companies to invest in innovative tools to track emissions across their operations and adopt cutting-edge methods to reduce their emissions.

#### **Senior managers play a crucial role in the sustainability decision-making process**

Companies with decision-makers on sustainability committees are more likely to successfully achieve their sustainability goals.

#### **Diversity in carbon pricing methods both within and across sectors**

Companies prefer internal pricing mechanisms. To create a level of certainty, organisations develop their own, in-house, version of carbon pricing, based on a price that is internationally competitive, and relevant to their particular sector. This, however, leads to a diversity of carbon prices within individual sectors and across different industries.

*“Currently, there are 73 regional, national, and subnational carbon pricing initiatives that have been implemented, with numerous other organisation-specific carbon pricing practices”*

### OBSTACLES TO ADOPTING CARBON PRICING STRATEGIES:

- ▶ Selecting an appropriate carbon price
- ▶ Dealing with international price fluctuations
- ▶ Convincing decision-makers of the importance of sustainability projects
- ▶ Concerns over greenwashing
- ▶ Navigating regulatory complexities

## CASE STUDY 1: CARBONICA – MORGAN SINDALL CONSTRUCTION'S INNOVATIVE TOOL

CarboniCa is Morgan Sindall Construction's intelligent carbon calculator. CarboniCa is used across various projects, over 100 to date, enabling teams to assess the impact of changes at each development stage and make data-driven decisions.

CarboniCa has been instrumental in analysing the use of materials and their corresponding carbon emissions.

saving  
**1089.8**  
tonnes CO<sub>2</sub>e

*“fosters a culture of learning and improvement within the company.”*

It encourages collaboration with clients, architects, and the supply chain, promoting sustainable practices and driving the company closer to its net-zero ambitions. The tool enables comprehensive and detailed schedules to be prepared, assisting with Morgan Sindall Construction's 2045 net-zero target for Scope 3 emissions.

The varied experiences shared by our respondents exemplify the complexity of tackling climate change...

...However, they also demonstrate the potential of integrating carbon pricing into sustainable business practices.

### RECOMMENDATIONS AND CALLS TO ACTION

- ▶ Sustainability leaders should focus on improving their communication with decision-makers, highlighting the long-term advantages of sustainability projects.
- ▶ Companies must address concerns about greenwashing by promoting transparency in emissions assessment, sustainability efforts, and reporting.
- ▶ Organisations must consider developing internal carbon pricing models that are internationally competitive and relevant to their specific sector, providing a level of certainty amid fluctuations in global carbon prices.
- ▶ Companies must consider tailoring sustainability strategies, including carbon pricing, to the specific challenges and characteristics of their operations, recognising the specific considerations of their products and services.
- ▶ It is important for companies to advocate for clearer and updated legislative or policy guidance on achieving net zero.

## CASE STUDY 2: TRINITY COLLEGE, CAMBRIDGE'S SUSTAINABILITY JOURNEY IN ITS ENDOWMENT

Trinity College Cambridge's sustainability strategy for its endowment is centred on three pillars: **decarbonisation**, **positive investment**, and **engagement**. The engagement pillar was particularly crucial, as

Over  
**80%**  
of emissions

were from sources over which they had limited control, such as properties and equities.

Trinity College's case underscores the complexity of integrating sustainability into traditional financial frameworks. It highlights the need for a comprehensive approach involving all stakeholders, and the challenges of balancing immediate financial returns with long-term sustainability goals.

*“It highlights importance of alignment across the organisation”*