A BIODIVERSIFY SERIES

Beyond Carbon Tunnel Vision

Integrating Climate and Nature

”

NEARLY HALF OF GLOBAL ECONOMIC OUTPUT DEPENDS ON NATURE IN SOME FORM, YET THIS DEPENDENCY IS NOT ALWAYS REFLECTED IN HOW RISK IS ASSESSED OR MANAGED.

BEYOND CARBON TUNNEL VISION

TABLE OF CONTENTS

ABOUT US

FOREWORD

Integrating nature and carbon is now a defining challenge for corporate sustainability. Yet, for many businesses, the two agendas remain siloed.

This second report in the Biodiversify guide series focuses on how to bring them together in business strategy. Across the series, we explore how businesses can make the business case for nature, embed it in procurement and supply chains, strengthen decision-grade data, and shift from fragmented initiatives towards landscape-level resilience.

This report is shaped by sustainability professionals working through these challenges. Biodiversify was proud to co-host the event "Accelerating Corporate Nature Positive Journeys" with the Corporate Partnerships team at the Royal Botanic Gardens, Kew, where sustainability managers shared practical barriers and opportunities for embedding nature in business strategy. We are also grateful to members of the Nature and Biodiversity Peer Group, whose perspectives have contributed further insights.

This guide series has been made possible through the support of the Porticus Foundation.

Dr Sam Sinclair,

Co-Founder & Director, Biodiversify

Chair, Nature & Biodiversity Peer Group

BEYOND CARBON TUNNEL VISION
Integrating Carbon and Nature

In 2023, the price of cocoa began to climb. By early 2024, it had surpassed gold. Behind the headlines was a quieter story. Decades of deforestation, soil degradation and climate stress had pushed West African cocoa-growing ecosystems to a tipping point.

For the businesses that depended on them, the consequences were immediate and financial.

This was not an environmental issue unfolding at a distance, or one that could be captured through emissions metrics alone, it was a supply chain disruption with direct commercial impact.

Participants noted that similar dynamics are beginning to emerge across other commodities, although they are often only recognised once disruption occurs.

Over the past decade, organisations have developed increasingly sophisticated approaches to managing carbon. Many have set science-based targets, measured emissions across value chains and embedded net-zero commitments into governance structures. This progress is widely recognised as both necessary and significant.

However, carbon represents only one dimension of environmental risk.

The ecosystems that regulate climate, secure water availability, stabilise soils and underpin global supply chains are under increasing pressure. In many organisations, these risks are still only partially understood. Nearly half of global economic output depends on nature in some form, yet this dependency is not always reflected in how risk is assessed or managed.

Across discussion at the October 2025 convening, one point came up repeatedly.

The question is no longer whether nature matters to business. The challenge is how to integrate it into systems that have largely been designed around carbon.

THE CARBON DOMINANCE ERA

Carbon became embedded in enterprise strategy because it could be translated into forms that aligned with existing business systems.

A single dominant metric enabled comparability across geographies and sectors. Accounting methodologies created consistency. Disclosure frameworks introduced external pressure. Financial instruments linked emissions performance to capital markets.

Together, these conditions moved carbon from environmental concern into enterprise discipline.

This has not only shaped how organisations measure environmental performance, but how they prioritise it.

Participants observed that issues that can be standardised, quantified and compared are more likely to influence decision-making. Issues that cannot are more likely to be deferred, even where the underlying risk is significant.

Nature does not fit this model.

Ecological systems are local, interdependent and multi-dimensional. Impacts cannot be reduced to a single unit. Dependencies vary across commodities and geographies. Measurement is often indirect and incomplete. These characteristics make nature harder to standardise, but they also tie it more closely to the conditions in which businesses operate.

As a result, nature-related risk is often most visible at the level of sourcing, production and local operating contexts, rather than in aggregated reporting.

This creates a mismatch between where risk sits and how it is managed. In practice, risks that are not captured through carbon frameworks are often managed separately, or not at all.

In many organisations, nature is treated as a secondary agenda, to be addressed once equivalent standards and metrics are established. Across peer discussion, this assumption was repeatedly challenged.

Nature does not need to follow the same pathway as carbon in order to be integrated. However, treating carbon as the primary lens for environmental risk is beginning to create limitations.

THE BLINDSPOTS OF CARBON-ONLY STRATEGIES

Participants described several situations in which carbon-focused strategies created unintended exposure to risk:

Tree-planting initiatives designed to maximise carbon sequestration may prioritise speed and scale over ecological diversity. In some cases, this leads to monoculture systems that are more vulnerable to pests, disease and climate variability.

Agricultural interventions aimed at reducing emissions may neglect soil health. Over time, this can reduce productivity, increase dependency on external inputs and weaken resilience to climate variability. Participants pointed to examples where short-term emissions gains masked longer-term exposure to yield instability and cost volatility.

Water availability, which is critical to many production systems, is not always fully accounted for in climate strategies. In water-stressed regions, this can create direct operational risk.

Participants also described **sourcing decisions that prioritised lower-emissions suppliers without fully assessing ecological conditions in those regions.** This increased exposure to land degradation and supply disruption.

Each of these examples follows a similar pattern. One dimension of environmental performance improves, while another deteriorates.

In isolation, these decisions can appear rational. Taken together, they increase exposure to risk.

These outcomes are rarely the result of poor execution. They reflect decisions made within a carbon-led framing of risk. **Optimising for one dimension of risk can create exposure in another.**

WHY INTEGRATION FAILS IN PRACTICE

Despite growing recognition of these risks, integration remains limited. Across sectors, participants described several recurring barriers:

1. ORGANISATIONAL FRAGMENTATION

Climate and nature are often managed by different teams, with separate reporting lines and priorities. Participants noted that alignment often depends on individual relationships rather than embedded processes, making it difficult to sustain.

2. METRIC IMBALANCE

Carbon benefits are quantifiable and comparable. Nature-related impacts are often localised and less easily standardised. Several participants described situations where decisions tend to default to carbon because it is easier to measure. This reinforces existing systems, even where they only capture part of the risk.

3. PERCEIVED COMPLEXITY

Nature is often seen as too complex to integrate effectively. Teams can become stalled in attempts to achieve completeness before acting, which slows progress.

4. CAPABILITY AND OWNERSHIP GAPS

Nature-related knowledge often sits within sustainability teams. Participants highlighted the difficulty of influencing procurement, finance and operational decision-making.

5. INVESTOR AND BOARD DISCONNECT

Nature is closely linked to operational and supply chain risk, but it is not always presented in a way that aligns with investor expectations. As one participant put it, ***"their main interest is risk"***. Where nature-related impacts are not translated into cost exposure, supply continuity or asset risk, they are less likely to influence capital allocation. Capital may be available, but confidence in how to deploy it is often limited.

6. POLICY AND MARKET INSTABILITY

Participants also noted that policy environments remain uneven and, in some cases, unstable. Short policy cycles and inconsistent signals can create hesitation, particularly where investments are long-term.

These barriers are not primarily technical. They are structural.

Until they are addressed, integration tends to remain conceptual rather than operational.

INTEGRATION AS RISK ARCHITECTURE

Integration begins with aligning how organisations understand and manage risk across both carbon and nature.

Across peer discussion, three areas of overlap came through clearly.

1 SHARED DRIVERS

Land-use change, resource extraction and supply chain expansion affect both emissions and ecological stability.

2 SHARED SUPPLY CHAINS

Agriculture, forestry and fisheries sit at the centre of both climate and nature exposure. This is often where integration becomes most tangible in practice.

3 SHARED STAKEHOLDER EXPECTATION

Investors and regulators are increasingly assessing organisations on their ability to manage both emissions and ecological risk.

These overlaps are already present within most organisations. However, they are often managed through separate processes.

Integration improves coherence by aligning these dimensions within a single view of risk and resilience. This does not eliminate complexity. It makes it more visible and more manageable.

PRESSURE TESTING INTEGRATION

Participants described a set of questions they use to assess whether integration is working in practice:

Is environmental risk being assessed across multiple dimensions, or primarily through emissions?

Do climate initiatives take account of ecological impacts, particularly at the level of sourcing and production?

Are procurement and sourcing decisions informed by both emissions and ecosystem risk?

Is nature being framed in a way that influences finance and risk functions?

Where these questions cannot be answered clearly, integration is likely to be partial.

OPERATIONAL IMPLICATIONS

Participants described several practical entry points for integration:

1. EMBEDDING WITHIN EXISTING GOVERNANCE

Nature considerations can be incorporated into climate governance structures rather than managed separately.

2. ALIGNING DECISION CRITERIA

Decisions need to account for both carbon outcomes and ecological resilience, rather than treating them as separate considerations.

3. REFRAMING THROUGH RISK AND RESILIENCE

Framing nature in terms of supply chain stability, cost exposure and long-term asset protection makes it more relevant to finance and risk teams.

Participants also noted that **many organisations are already engaging with nature through sourcing standards, water stewardship programmes or land management initiatives. However, these activities are often not recognised internally as part of a broader nature strategy.**

4. RECOGNISING EXISTING ACTIVITY

Making these connections visible can reduce perceived complexity and help build internal momentum. As one participant described, ***"we realised we were already doing parts of this, but we weren't calling it nature"***.

5. TESTING FOR UNINTENDED CONSEQUENCES

Climate initiatives can be assessed for their ecological impact, and vice versa, to reduce the risk of creating new vulnerabilities.

6. WORKING BEYOND ORGANISATIONAL BOUNDARIES

Several participants noted that many nature-related risks cannot be addressed by individual organisations alone. Supply chains are shared; ecosystems extend beyond corporate boundaries and effective action often depends on coordination across sectors and stakeholders.

In practice, integration is iterative. It typically starts with alignment and develops through use.

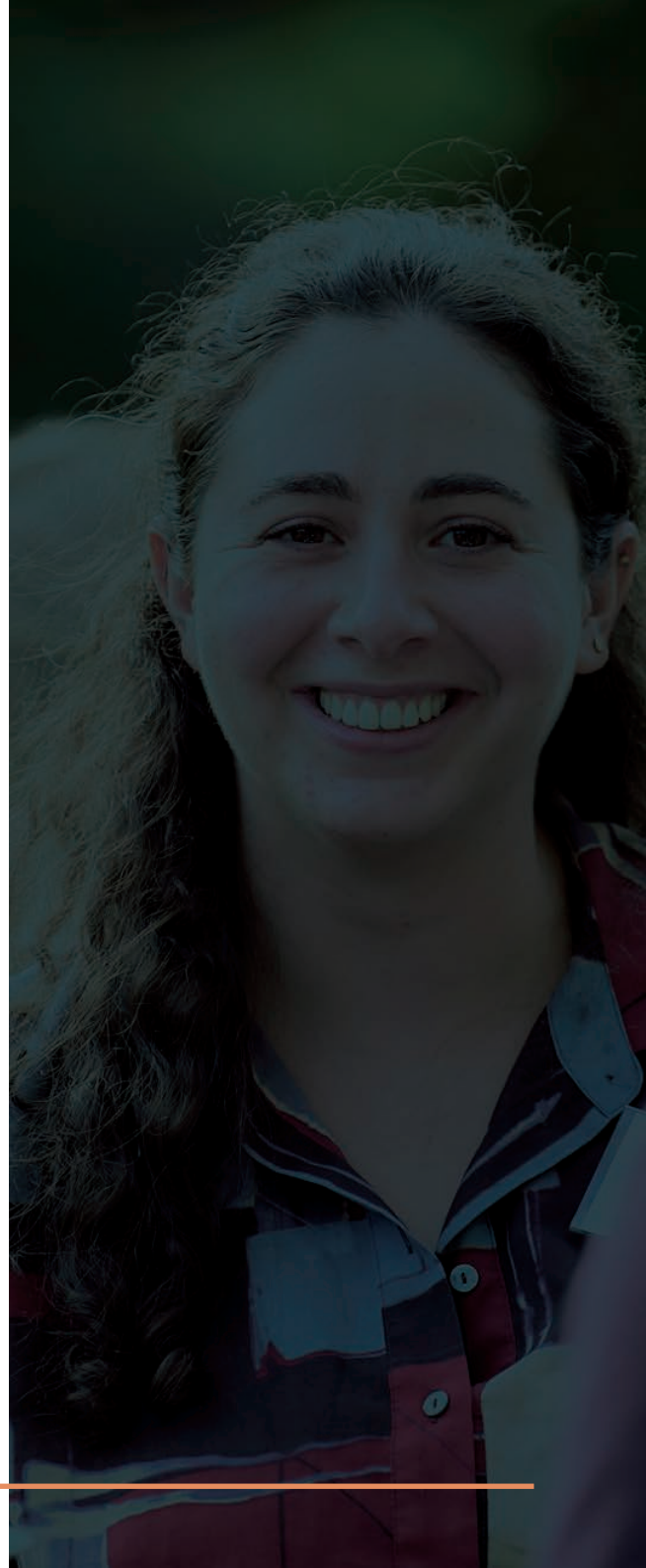
INSTITUTIONAL MATURITY

Early-stage organisations treat climate and nature as separate workstreams.

Intermediate organisations begin to recognise interdependencies but manage them inconsistently.

More mature organisations integrate both into a single approach to risk, capital allocation and operational decision-making.

This shift is not about adding complexity. It is about reducing fragmentation.



CONCLUSION: FROM SILOED TO INTEGRATED

The separation of climate and nature was historically understandable. It is becoming harder to sustain.

As ecological constraints increasingly shape supply chains, and investor scrutiny is moving beyond carbon, treating these agendas in isolation is a gamble. It leads to 'optimal' decisions in one dimension that create systemic exposure in another.

Integration depends on recognising that resilience depends on how these systems interact, much more so than on perfect data or full alignment.

Organisations that move early are unlikely to have the most sophisticated models. They are more likely to have a clearer understanding of how these risks connect.

The thousands of Scope 3 practitioners I work with (in the Scope 3 Peer Group) want to understand how nature & biodiversity can be a solution for the climate challenge. Meanwhile, the nature practitioners (in the Nature Peer Group) want to understand how to align nature efforts with climate action in their business. There is a huge opportunity to strengthen business cases; and make cost/risk/impact reduction more effective if we can better integrate the issues and the opportunities.

OLIVER HURREY, FOUNDER - GALVANISED
SCOPE3 AND NATURE & BIODIVERSITY PEER GROUP

CONTINUE THE DIALOGUE

The Nature & Biodiversity Peer Group was established to provide a neutral forum for senior sustainability leaders to share candidly and learn from one another. Biodiversify now stewards the Group, continuing its role as a trusted convening space for corporate nature strategy. Participation is invitation-led to preserve candour and depth of discussion.

If your organisation is navigating similar questions, we welcome an exploratory conversation about future participation.

Join the Nature and Biodiversity Peer Group

APPLYING THIS WITHIN YOUR ORGANISATION

Every organisation's starting point is different. Translating the insights outlined in this report requires adapting expertise to your specific governance structure, risk profile and strategic priorities.

Biodiversify works with companies to design defensible nature strategies that align biodiversity science with commercial reality.

To explore how these insights apply within your organisation, you can arrange a short conversation with Dr Samuel Sinclair, who leads Biodiversify's work in corporate nature strategy and stewards the Nature & Biodiversity Peer Group.

Book a 15-minute discussion

MORE GUIDES IN THIS SERIES

Moving towards a nature-positive future is a journey that goes beyond high-level commitments. This series of guides is designed to help your organisation navigate the path forward, offering the practical frameworks and clear insights needed to turn environmental ambitions into lasting, meaningful change

EMBEDDING NATURE INTO ENTERPRISE STRATEGY:

How to make the business case for nature

Making the business case for nature is seen as the most significant barrier to progress in corporate nature strategy. This practical guide is written for nature managers working inside large organisations to help build a business case that can win internal traction and buy-in.

FROM AMBITION TO IMPLEMENTATION:

Building Nature Strategies that Deliver

Many organisations have commitments on paper but struggle with delivery. This guide explores the execution gap: impacts and dependencies, traceability, internal champions and strategic clarity.

DATA:

From Paralysis to Decision-Grade Insight

What to measure, what to ignore, and how to prioritise. A lot of companies begin with data that feels too messy or incomplete to be useful. This guide helps clarify what information is necessary, what should be done first, and how frameworks can strengthen methodological credibility without overwhelming organisations.

PROCUREMENT AS LEVERAGE:
Embedding Nature into Supply Chains

Nature strategy becomes tangible where sourcing decisions are made. Supply chains are at risk if the raw materials companies depend on aren't protected. This guide explores the transparency gap, supplier fatigue, procurement incentives and the shift from pilot projects to embedded action.

LANDSCAPE-LEVEL INTERVENTIONS:
From Fragmented Projects to System Resilience

Commodity-level action alone cannot secure resilience. This final guide examines the move from fragmented supply-chain initiatives to coordinated, landscape-level collaboration and finance models.

CONTACT US

hello@biodiversify.org
www.biodiversify.com

BIODIVERSIFY

BEYOND CARBON TUNNEL VISION