



SBTi Releases Net-Zero Standard 2.0: What It Means for the Metals Supply Chain

The Science Based Targets initiative (SBTi) published the final version of its Corporate Net-Zero Standard Version 2.0 on June 11, 2026—the most significant update to the framework since its launch in 2021. After two rounds of public consultation and years of development, the revised standard signals a clear shift in corporate climate expectations: from target-setting to demonstrated implementation.

For organizations throughout the metals supply chain—from mining and steelmaking to service centers, fabricators, and logistics providers—the update clarifies where corporate climate expectations are heading next.

A More Practical Approach to Industrial Decarbonization

One of the most meaningful changes in Version 2.0 is its recognition that companies do not always control every factor affecting emissions reductions. The original framework emphasized achieving specific reduction targets—creating challenges for organizations dependent on suppliers, energy infrastructure, and technologies not yet at commercial scale.

The revised standard introduces a more pragmatic, cyclical model: companies set targets, implement plans, report progress annually, and reset targets on five-year cycles. Transparency about barriers is now explicitly expected. For industrial sectors such as steel and aluminum, this reflects operational reality. Many emissions reductions depend on factors outside direct control—grid decarbonization, low-carbon raw material availability, and technologies still years from commercial deployment.

Scope 3: More Flexible, But More Demanding

Scope 3 emissions—often the dominant share of a metals company's footprint—receive updated treatment in Version 2.0. Rather than requiring coverage of 67% of total Scope 3 emissions, the new standard focuses on any category representing more than 5% of total Scope 1+2+3 emissions, with an expanded menu of compliance methods including emissions intensity targets, activity alignment targets, and supplier engagement.

The practical implication: companies throughout the metals supply chain should expect increasing requests for product-level emissions data, carbon footprints, and environmental disclosures from customers pursuing their own validated targets.



Product-Level Carbon Data Grows in Importance

The SBTi update arrives as multiple policy and market forces converge around product-level emissions measurement. The EU's Carbon Border Adjustment Mechanism (CBAM), California's climate disclosure regulations, and the U.S. Department of Energy's PROVE IT Act carbon intensity study all point toward growing interest in granular emissions data—not just company-wide averages.

For steel and metals producers, this creates both a challenge and a competitive opportunity. Producers capable of demonstrating lower-carbon methods may gain an advantage as customers seek verified emissions data for procurement decisions. Those without credible data risk falling behind.

Carbon Removals Enter the Framework

Version 2.0 introduces a formal recognition program for companies that take responsibility for ongoing emissions through qualified carbon credits or climate contributions—a meaningful departure from the original standard's cautious stance on carbon markets. Eligible activities include verified emission reductions outside a company's value chain, protection or restoration of natural carbon sinks, and permanent carbon removal.

Critically, carbon credits cannot substitute for direct emissions reductions—they complement them. Still, this shift is likely to increase corporate demand for high-integrity carbon removal solutions such as biochar, direct air capture, and sustainable forestry projects—a developing market dynamic worth monitoring.

Why This Matters for U.S. Manufacturing

Perhaps the most notable aspect of Version 2.0 is how closely it aligns with broader trends in trade and industrial policy. Even amid ongoing policy debates, carbon intensity data is increasingly viewed as an element of international competitiveness—not just environmental compliance.

The United States holds meaningful carbon advantages in several industrial sectors compared to global competitors. Efforts like the DOE's PROVE IT Act study are designed to quantify those advantages through consistent methodology. Companies that can document their emissions performance will be better positioned in markets where carbon intensity becomes a purchasing criterion alongside cost, quality, and delivery.



Looking Ahead

Version 2.0 does not change the direction of corporate decarbonization—it changes what’s required to prove you’re on track. Companies may continue submitting targets under Version 1.3.1 through January 2028, after which Version 2.0 becomes mandatory for all new target submissions.

For the metals supply chain, the practical priorities are clear: build product-level emissions data capabilities and deepen supplier engagement. Organizations that establish these foundations now will be better prepared for both evolving frameworks and a marketplace that increasingly rewards demonstrated carbon performance.

The message from SBTi is the era of setting targets is giving way to the era of proving progress.