

The Climate Club launches voluntary principles for action to address carbon leakage and other spillovers at Climate Week NYC

The Climate Club – now with 46 members from diverse geographies and stages of development – aims to support accelerating effective climate action and the implementation of the goals of the Paris Agreement through coordinated approaches to industrial decarbonisation, enhanced circularity of the industrial sector, and green growth.

New York, September 25, 2025. Today, Türkiye and the UK presented voluntary principles for action to address carbon leakage and other spillovers, agreed by Climate Club members. These principles offer a constructive plurilateral response to a key challenge to ambitious industrial decarbonisation.

Members recognised that carbon leakage (i.e. the increase of foreign greenhouse gas emissions caused by the introduction or intensification of domestic climate policies, translating into different levels of domestic climate policy induced costs) may undermine investments in decarbonisation and the overall effectiveness of domestic and global mitigation efforts. Members agreed to explore options for coordinated policy approaches to address risks of carbon leakage, including developing guiding principles for action to address carbon leakage and other spillovers. At the invitation of the Climate Club Co-Chairs, Türkiye and the UK coordinated the development of these principles.

Minister for Climate, Department for Energy Security and Net Zero of UK, Katie White: "At home, Britain is taking back control of our energy so we can bring down bills for good. But we also need to work with other countries to protect our children and grandchildren from the climate crisis. Tackling emissions in industries like cement and steel is more important than ever, and by joining forces internationally through the Climate Club we can reduce emissions whilst driving economic growth".

Minister of Environment, Urbanisation and Climate Change of Türkiye, Murat Kurum: "The climate crisis knows no borders, making carbon leakage a global challenge that requires joint action. The adopted principles strengthen solidarity, transparency, and

trust to pave the way for a more inclusive green transition, while promoting international cooperation and enhancing global climate action".

Ambassador Julio Cordano for Chile as Co-Chair of the Climate Club: "As a country of the Global South, Chile reaffirms its commitment to advancing collective solutions to the climate crisis. These principles mark an important step in addressing challenges



such as carbon leakage and other spillover effects that threaten the effectiveness of our policies. We believe that a just and ambitious green transition is only possible through coordinated action and strengthened multilateral cooperation".

Director General Berthold Goeke for Germany as Co-Chair of the Climate Club: "We appreciate that the discussions in the Climate Club on principles on carbon leakage have led to a constructive and helpful outcome. Carbon leakage needs to be addressed as long as mitigation efforts differ across countries. With the Climate Club, we want to provide a forum for constructive discussions on cooperative approaches to address carbon leakage and other negative climate policy spillovers".

The voluntary and non-binding principles build on existing and future work of the Climate Club and are intended to:

- guide policy design on action to address carbon leakage and other spillovers.
- promote efforts towards greater international cooperation on action to address carbon leakage and other spillovers.
- support action on ambitious climate policies and spillover effects.

The Climate Club will seek to engage with existing international initiatives where relevant, to support the ambition and momentum needed to achieve tangible outcomes on addressing carbon leakage and other spillovers.

For more information, journalists are invited to contact <u>Anna Lockwood</u>, Communications Officer at the Climate Club Secretariat.

The principles were launched at the Climate Club Side Event that took place in the margins of the Climate Club Body of Members meeting in New York on 25 September 2025.

The Climate Club is an open and inclusive high-ambition intergovernmental forum for cooperation on accelerating industry decarbonisation. The Secretariat of the Climate Club is co-hosted by the OECD and the IEA.