

**Session Title: Private Sector's Responsibility for Achieving Carbon Neutrality**

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**Abstract title: Financing pathways to carbon neutrality**

Ignoring climate change presents physical, transition, and litigation risks to the financial sector, but these can be avoided. Finance must meanwhile play a role in driving decarbonisation. Investors have several potential levels, including capital allocation that favours companies and sectors aligned with climate goals and shareholder engagement to demand more ambitious emissions reduction targets. Climate tools like the Transition Pathway Initiative and Climate Action 100+ inform investors by evaluating companies' climate performance and governance. With the proliferation of net zero targets and ESG-labelled investment funds, corporate and investor commitments must be rigorously scrutinised.