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## **Sarah Goodman: Note to COP29: Engaging more women innovators in the climate battle is about so much more than DEI**

*Opinion: By failing to fully engage and support half our talent, we're leaving untapped innovation and economic potential on the table*

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As our warming world turns its attention from the United States presidential election to the United Nations' 29th Climate Change Conference ([COP29](#)) in Baku, Azerbaijan, we again confront a pivotal question: How can we accelerate climate action?

Part of the answer lies in addressing what I call “the two per cent problem.” Since 1901, a mere two per cent of Nobel Prize winners in physics and chemistry — fields central to climate technology innovation — have been women. Not coincidentally, two per cent is also the alarmingly low share of venture capital that [flowed](#) to women-founded start-ups in 2023. This disparity underscores a stark truth: by failing to fully engage and support half our talent, we're leaving untapped innovation and economic potential on the table.

This issue isn't just about fairness. Rather, it's a planetary and economic imperative. If we're to meet the climate challenge, we need all hands — and minds — on deck. Indeed, [research](#) confirms that gender-diverse organizations are more productive and innovative.

With today's trillion-dollar climate tech market expected to double in value every decade, Canada's leadership of that sector depends on unlocking the potential of our entire workforce. Climate tech is already creating thousands of jobs in Canada each year — most of which require creativity, adaptability, and technical expertise — with as many as [400,000 jobs expected to be added by 2030](#). Yet women remain underrepresented. Only [10 per cent](#) of Canadian climate tech founders are women.

Despite enduring barriers to women's full participation across science, technology, engineering and mathematics (STEM) fields, Canada is making progress. Public, private and academic initiatives are overcoming biases and stereotypes by recruiting more women into STEM, building mentorship networks that were once lacking, and investing in leadership development.

As a result, women founders are driving some of Canada's most promising climate tech ventures, including Arca Climate, Moment Energy, Coastal Carbon, and Anodyne Chemistries.

But a major funding gap remains. While women-led climate tech companies receive more venture capital than women-led startups in general, just 21 out of 319 U.S. funding rounds went to these firms in 2023. That's a mere 6.6 percent of deals. At the same time, women represent only [15 per cent of venture partners](#) in Canada.

As was the case in the U.S. presidential election, these imbalances reflect how women leaders are evaluated. For one thing, investors favour founders who resemble themselves. For another, [research shows](#) women are questioned more about potential losses than gains when compared to men, resulting in relative undervaluations of their companies. Addressing these issues demands diversity-focused term sheets, investment committees that reflect diverse perspectives, and other advancements that promote an inclusive approach.

Another way to level the playing field is to focus on non-dilutive funding, particularly from government and not-for-profit sources. As well as supporting the longer investment timelines climate tech tends to require, non-dilutive funding — financing that allows a business to grow without giving up equity or ownership in the company — enables women-led companies to retain control over R&D efforts and removes valuations and other biased metrics from the equation. Issuers also have a history of helping women overcome early-stage challenges by providing resources such as R&D labs and equipment, and by facilitating mentorship and partnerships across government agencies, universities, accelerators, Indigenous communities, venture capital firms and other investors.

Embracing gender diversity in climate tech isn't merely a feel-good initiative, it's a strategic imperative for a country and a planet that are hungry for environmental and economic solutions. Regardless of whether the UN sidesteps the "two per cent problem" at COP29, Canada must face the issue head-on to show the world what's possible when the potential of each and every talent is realized.

*Sarah Goodman is the president and CEO of the B.C. Centre for Innovation and Clean Energy (CICE), an independent not-for-profit corporation that provides early-stage investment to fast-track the commercialization of clean energy and climate tech solutions. CICE has launched a Women in Climate Tech call for innovation, and will be investing \$3 million in women-led climate tech solutions.*