

# Sustainability

## Case Study

### Corbion is making an exciting plastic product

#### Pot-ential of one investment!

Impax Asset Management is one of the investment managers working on behalf of the pension fund members. We are delighted to tell you about one of the many sustainable companies in the portfolio.

Corbion is making an exciting plastic product, polylactic acid (bio-PLA), which is both bio-based and biodegradable. It is one of the largest producers globally. Bio-PLA is a polymer of lactic acid and it is currently the only bioplastic that can be produced in large enough commercial quantities.



The company has a strong history of producing lactic acid for the food industry; it thus has both the knowledge and ability to increase the production of this product where there is increasingly strong demand – such as for biodegradable cutlery and food packaging. The bioplastics market is growing at double-digit rates and this is forecast to accelerate as governments put more supportive policy in place.

The challenges to developing and incorporating biodegradable bioplastics at scale are numerous, with substantial price premiums of 20% to 200%, high barriers to entry and prohibitive adoption costs. Despite this, demand remains strong – with demand for bio-PLA set to double every four years – paving the way for innovative companies such as Corbion.