

OPTIMISTIC PRODUCERS TURN UP THE HEAT ON RENEWABLES

FOR THE fourth time in an ICIS/ Genomatica survey on the topic of biobased material, hundreds of people shared their insights on renewables. Users and distributors show increased interest and action.

But producers stood out:

■ **Increasingly strategic:** 46% say it's "very important" to be a leader in sustainable chemicals (Slide 22 – download the set by visiting <http://tinyurl.com/ybzxqr2j>). That's big – and the opposite of a "nice to have". More than half see long-term economic advantage in using renewable feedstocks (S20).

■ **Taking action:** 61% are showing a strong commitment to offer more sustainable chemicals (S14). And 34% are setting specific targets and benchmarking versus competition (S25), suggesting they're applying action-oriented management disciplines, rather than just considering an alternative.



Genomatica's CEO Christophe Schilling: "more traction in product value chains" for renewables

■ **Planning to deliver:** 79% of producers offer or plan to offer more sustainable chemicals within a few years (S13); that is up from 72% last time for a similar question. That is likely due to hearing stronger buying signals: producers say 91% of their customers express the same or greater interest in sustainable chemicals than a few years ago (S24) – up from 80%.

Some 17% show much greater interest, up from 10%. And users and distributors are bullish, with 89% (S13) planning to offer more sustainable products, which suggests they feel confident they can get the necessary sustainable ingredients.

Producers and users predict a big future for renewables: For the first time we asked for views about the future – a sort of "Renewables Confidence Index". A remarkable 71% (S9) believe renewables-based chemicals will be in common use in five years.

Why now? Our view is that producers, especially, are seeing first-hand that renewable technologies are increasingly deployable and advantageous. The last few years have seen more commercial process technologies, real commercial plants, costs coming down and traction in product value chains.

Almost two-thirds of their custom-

ers are showing greater or much greater interest (S24), and they're telling producers they want it.

The drive toward renewables is consistent with an increased C-suite focus on corporate responsibility. A recent KPMG study of 4,900 companies showed 67% of the world's 250 largest firms disclose carbon reduction targets, and 43% tie corporate responsibility to the UN's recently-launched Sustainable Development Goals. Deploying renewable technologies will only help.

■ Christophe Schilling is CEO of Genomatica (www.genomatica.com), which develops biobased process technologies to make widely used chemicals, such as butanediol, butylene glycol, caprolactam and butadiene, from alternative feedstocks. He has been named on the ICIS Top 40 Power Players list five years in a row.

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