

How Premium Brands Build a Reliable Supply - The HolyPoly Approach with Fridolin Pflüger

Key Learnings

Anticipate Regulatory Supply Shocks

Mandatory recycled content regulations are expanding from packaging to vehicles, electrical appliances, and other product groups because **recycled content is the most energy-efficient and climate-effective tool for plastics**. Companies relying on commodity purchasing models will face severe supply shortages and production stoppages, as **recycling capacity is currently decreasing whilst demand should be doubling**.

Invest Before Scarcity Creates Premiums

The winners in plastics recycling **expanded their timeframe horizon by building supply chains from waste streams that don't yet formally exist**. Traditional procurement optimises for quarterly cost reductions on commodity markets, but this creates fatal blindness to multi-year capacity buildout requirements. **Companies must compare upfront investment costs against the risk of having no material access in five to ten years**, particularly as 95% of engineering plastics currently go to incineration or landfill despite being technically recoverable.

Prioritise Mechanical Over Chemical Recycling

If you can solve recycling mechanically, it will always be more energy-efficient and cost-efficient than chemical recycling. The long-term model resembles a downward staircase where each mechanical recycling cycle is one step, with quality decreasing due to contaminations from use and degradation. Chemical recycling serves as the elevator back up in quality, but should only be deployed if needed because it's more expensive and creates higher process losses.

Design Closed-Loop Based on Lifecycle

The user's end-of-life moment is where waste is created and where access should begin. Successfully capturing end-of-life products creates **a new direct customer touchpoint in a void where no competitor has a relationship**, which can be leveraged for core business advantages like market share and brand perception. This approach requires treating the standard disposal pathway as competition and optimising conversion rates into dedicated collection programmes.

Listen to the full episode here:

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