

The company refilling your household goods is expanding to more states

By Sarah Min
July 10, 2019

Terracycle's Loop, the milkman for the modern age that picks up and refills your favorite household goods, announced that its pilot delivery service is now available in five more states in the Northeast: Connecticut, Delaware, Massachusetts, Rhode Island and Vermont. The waste management project is in a total of nine states and the District of Columbia.

Having launched in May, the project has attracted more than 40 participating household brands, including consumer giants Nestlé, Procter & Gamble, PepsiCo and Unilever. Early shoppers can finish their Häagen-Dazs ice cream or Tide detergent, toss the reusable containers in a tote and arrange for pick-up from waste management company Terracycle or drop the packaging off at a Kroger or Walgreens.

Users do not even have to clean the containers. TerraCycle will sterilize the glass, metal, or plastic packaging, refill the containers and ship them off once more for household use. "We don't want you to change your consumer behavior," TerraCycle CEO Tom Szachy told CBS MoneyWatch.

Solving a recycling crisis

The unique consumer approach helped Szachy pitch his waste management idea to the world's biggest consumer-good giants, some of the most notorious repeat offenders on climate change at the World Economic Forum in Davos. "We wondered is recycling the answer to waste? And we realized it's good at solving the symptom of garbage, but not the root cause, which is disposability," Szachy said. "And that got us to thinking of disposability and what could be the solution."

Announced in Davos in January, the program launched more than one year after China's ban on plastic waste had the U.S. scrambling for new countries to dump its waste. The U.S. shipped its recyclable plastic and cardboard overseas for more than 25 years and sent China more than 760 million tons of plastic just in 2016. Indonesia, Malaysia and the Philippines even recently sent waste back to the developed world so as to avoid becoming dumping grounds for rich countries.

In response, cities and towns across the U.S. have scaled back on their recycling programs or dropped them altogether. However, many environmentalists

have long said that recycling itself is a poor solution to the world's waste problem. While items like glass bottles can be recycled back into new glass bottles, products made with plastic are often recycled into lower quality plastic goods or aren't accepted by waste management programs. That means recycling barely makes a dent in plastic waste.

"When they say, 'Reduce, Reuse, Recycle,' 'Recycle' is in the last place for a reason," said Michelle Stevens, owner of the Refill Shoppe in Los Angeles, California, which refills products for customers.

The design challenge for reusability

Still in its infancy, whether consumer-goods companies continue to participate in Loop will depend on how subscription users use the service. While the products' prices are expected to remain the same, shoppers will have to pay a deposit for the packaging that will be refunded once the package is returned. The deposit can change depending on the price of packaging.

For example, Nestlé will charge \$6.49 for its Häagen-Dazs ice cream, with a \$5 deposit for the container. "We're assessing the willingness to pay to cover the cost," said Kim Peddle Rguem, president of the ice cream division of Nestlé USA.

But Nestlé is hoping that a new stainless-steel ice cream container it has designed will give customers an experience that brings them back. The dual-canister container is supposed to keep the ice cream cold and let it melt from the top once opened, as opposed to the sides. The container itself should be warm to the touch.

Rguem declined to say how much Nestlé has invested in Loop or how much it's paying TerraCycle to clean and refill the product. But she said the company has already dedicated one year of time and resources to develop the new packaging.

"The fact that it's available in this way, which also reduces waste, is exciting for us," Rguem said. "We know consumers are interested in this." In addition to the five Northeast states, Loop is also available in Maryland, New Jersey, New York and Pennsylvania. It plans to launch in London in September. It expects to expand next year in Canada, Germany and Japan.