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TerraCycle and Kraft Looking to Revolutionize Industry

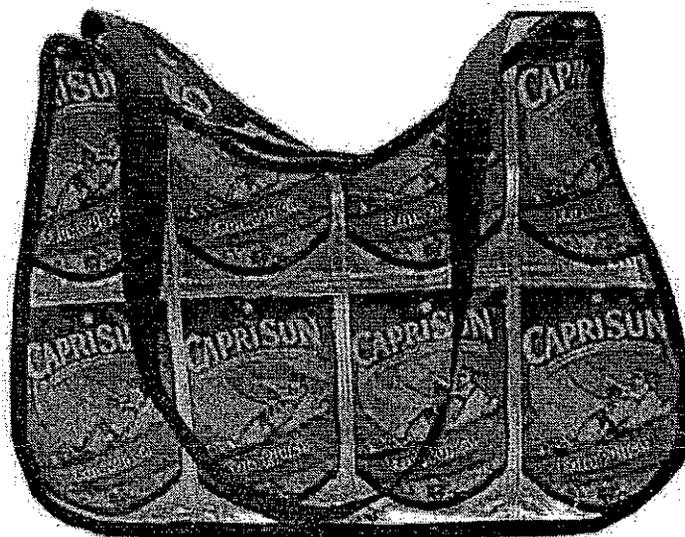
By Vincenzo LoGiudice, Contributing Writer

Garbage is a commodity everyone has, but no one wants. Creating a business model around it seems like both a genius idea and a ridiculous one. Tom Szaky prefers the former.

Szaky is the founder and CEO of TerraCycle, a company based in Trenton that makes and packages products out of waste. Its current catalog includes fertilizers and plant food made from feeding worms garbage and liquefying their excrement, as well as household cleaners made from natural sources. Products are bottled in used soda bottles. The company also recently formed a partnership with Kraft Foods to collect used drink pouches, plus energy bar and cookie wrappers, to fuse them into products such as backpacks, handbags, purses, umbrellas and school binders. TerraCycle's products are carried by many major retailers including Walgreens, Home Depot, Target and Wal-Mart.

The company relies on brigades to donate the used products, which would otherwise be thrown into trash cans and dumped into landfills. The brigades sign up on TerraCycle's website and receive a few cents for each product they send. Shipping is free and the money earned can be donated to a charity or school.

"What's interesting about garbage is it's a commodity that people are willing to pay to get rid of, and that paradigm is what



A handbag made from recycled CapriSun fruit juice - a collaboration of TerraCycle and Kraft.

really drove TerraCycle to where it is today," he says.

Using this basic idea, Szaky has turned his concept into a multi-million dollar business. TerraCycle will sell about \$7.5 million in products by year's end and expects to double that with \$15 million in 2009. Even with this success, Szaky is aspiring higher and is in talks with many major brands in the country.

"We want massive growth for the future. We want to turn this into a billion-dollar business and that just requires a lot of growth," he explains.

"We're addressing packaging

sustainability through sourcing, design and end of life and it's the end of life aspect that brings us to TerraCycle," says Jeff Chahley, senior director of sustainability at Kraft.

In order to educate consumers, Chahley says some Kraft products such as CapriSun and Chips Ahoy! will have the TerraCycle logo on their packaging.

Founded in 2003, TerraCycle employs about 50 people in its Trenton headquarters. It also operates a factory in California and an office in Atlanta. It is the only company that creates products out of waste on such a large scale.



Ecopreneurist

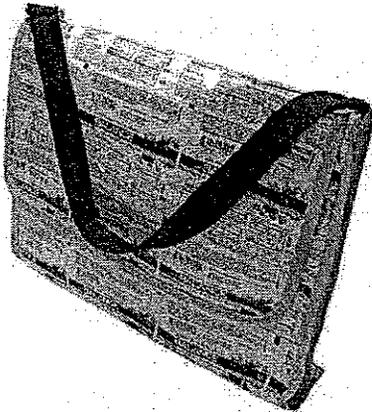
How to Recycle the Unrecyclable - Terracycle shows the way



Written by Paul Smith

Published on August 21st, 2008 in [Eco-entrepreneurs](#), [Energy](#)

[7 Comments](#)



It's encouraging to see the increasingly wide assortment and availability of products made from recycled materials, but there's a problem on the other end: A lot of things aren't accepted for recycling by curbside collection services, at least not in the US.

As this recent [article](#) in Fast Company details, it's not currently profitable for recyclers to take much beyond the most common, high volume items, like aluminum, paper, and a select few types of plastic. You can forget about candy and snack wrappers. Too many commingled materials, too difficult to create a consistent, usable result on the other end.

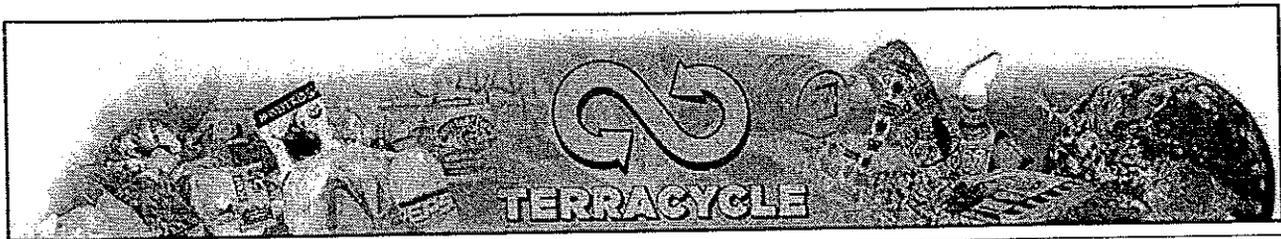
But, thanks to [Terracycle](#) and companies like mega food producer Kraft Foods teaming up, that's changing, on a potentially huge scale.

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Continuing the innovative thinking that started with their [Worm Poop](#) garden products being bottled in cleaned and reused soda bottles, this time they will take things like energy bar wrappers, braiding them to make purses and backpacks. Nabisco cookie wrappers will find new life as waterproof fabric for shower curtains and umbrellas. And things like Kool Aid drink pouches will transform into tote and handbags.

Enabling all this to happen will be thousands of [Brigades](#). These brigades cover everything from the above mentioned items to the oft shunned yogurt containers. Cork even sees some action here. In all cases, brigades get from \$0.02 to as much as \$0.05 per item sent in, via free shipping, to Terracycle.

Brands such as Stonyfield, Clif Bar, Bear Naked, and Capri Sun are all sponsors of brigades for their respective categories. Anybody from individuals to schools, non-profits and community groups can participate in a brigade. When you add a monetary incentive to the recycling equation, take out the logistical speed bumps of shipping and the costs of it, and have messages on the targeted products about this unique opportunity to divert what would otherwise be landfill bound waste, you've got a powerfully impactful thing happening here.



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Tom Szaky's Biography

Born in Budapest, Hungary in 1982, Tom Szaky emigrated from Hungary to Holland. In 1989 he and his family emigrated again from Holland to Canada. At 14 he started his first business, a web design company called Flyte Design, which employed three associates and earned its young proprietor a five-figure income. Flyte Design also earned a number of Canadian national design awards. Tom then engaged in the start-up of three small 'dot.com' companies: Werhome.com (an online home improvement site), priority.com (an online fundraising school), and studentmarks.com (an online grade tracking software).

While in secondary school, Tom was also active in community service and philanthropy. As a third-year student, he cycled solo from Toronto to Vancouver to raise \$4000 for the environmental organization Ontario Naturalists, setting a national speed record of 21 days for such a bike ride. As a fourth-year student, he organized and directed a full-scale fashion show, managing a volunteer staff of 200 people, which raised \$35,000.

Tom came to the United States in 2001 when he matriculated as a freshman at Princeton University. In 2002, he took a leave of absence to dedicate himself full-time to starting TerraCycle, Inc., beginning as a two man outfit in the crowded basement of an old office building in Princeton.

Today, Tom Szaky serves as TerraCycle's 25 year old CEO and has been interviewed numerous times by several prestigious, international news organizations such as CNN, Business Week, Time and CEO Magazine and many other niche and local news publications. Contrary to what you might be thinking, Tom's mission is not to merely save the environment. His mission is to prove that you can make a lot of money while saving the environment. Tom Szaky is a very savvy businessman. In his own words, "I'm here to show that I can make a tremendous amount of money for my investors. The consumer wins by not having to pay more. The retailer wins by getting great margins. My shareholders win because we grow the company at 400 percent a year consistently and we're doing that in the most eco-friendly way possible."

And, if his business accomplishments to date aren't enough to impress you, consider this: Wired Blog classified Tom as a "Sexy Geek" and had this to say about him:

"We love Tom Szaky for his way with worm poop. He's the 24-year-old founder of TerraCycle, which makes plant food made entirely of waste — including the packaging. That's hot — and look at his cute spiky hair..." (December 13, 2006)

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GREEN BUSINESS CONFERENCE 2008, SAN FRANCISCO EDITION

Posted by Xavier on 11.13.2008 at 5:34 pm

I had the pleasure of speaking to the [2008 Green Business Conference](#) yesterday in my lovely home city of [San Francisco](#). I was on a panel that addressed the way businesses and financial institutions were handled the crazy financial times we're in. Let me tell you, people could not be more optimistic. With the lost credibility of the world of high finance and greed, people are hungering for something more real and authentic. The Green Business community provides this in spades.

I would like to claim that I stole the show, but that honor goes hands down to [Tom Szaky of Terracycle](#). In a true show of audacity, he proposed the elimination of the concept of waste in favor of "upcycling". In his company, Caprisun pouches are turned into tote bags and old floppy disks into jot pads. What separates Tom is not just that he's a visionary, but that he's scaled his enterprise, growing over 100% a year and working with some of the biggest names in packaged goods.