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## Launch of the Voluntary Recycling Credits (VRC) Initiative at COP28 Marks World's First Standard to Incentivize Recycling Globally

Munich/Dubai, December 2023: In response to global waste crisis and aligning with global commitments to Environmental, Social, and Governance (ESG) standards and net-zero targets, an international consortium led by Roland Berger and BEEAH Group, in collaboration with DFINITY Foundation, and the International Solid Waste Association (ISWA), demonstrated the world's first global incentive system to counteract the solid waste footprint. Supported by the UAE Ministry of Climate Change & Environment (MoCCaE) and the COP28 Presidency, the public-private coalition introduced the Voluntary Recycling Credits (VRC) Initiative at the UAE Pavilion at COP28, marking a new era of positive climate action.

Commenting on the initiative, Hani Tohme, Managing Partner, Roland Berger Middle East said: "The VRC Initiative is built to solve a concrete market gap: with the private sector setting more commitments towards net-zero and circularity, we also acknowledge major barriers to deliver on it. Double-counting, transparency, cost-effectiveness. We decided to tackle it over solid collaboration and exchange between public and private sector, with a cross national approach and a cooperative mindset. Involvement from different stakeholder across countries and multiple layers of the value chain is a crucial part of the VRC value proposition, which aims at a joint effort to shape the future industry standards."

Announced in Paris in May 2023 by Roland Berger, BEEAH Group, and ISWA on the sidelines of the Intergovernmental Negotiating Committee on Plastic Pollution (INC-2) in Paris, the VRC Initiative is poised to make a significant

impact and transform global recycling practices. It emphasizes the responsibility of all stakeholders to mitigate their environmental impact, promoting standardized processes and transparency on offset activities. The Proof of Concept for the VRC Initiative has been successfully developed, with the first live transaction showcased at the UAE Pavilion, COP28, on December 4th, 2023. The full-scale platform is set to be developed and officially launched in 2024. The initiative is actively seeking project investors, ecosystem partners for recycling credit trading, and technology collaborators for growing the system at the global scale.

Khaled Al Huraimel, Group CEO of BEEAH Group, commented on the VRC Initiative, stating: “BEEAH Group has been working relentlessly towards a zero-waste to landfill future, which we see as closely linked to fulfilling the UAE’s Net Zero by 2050 Strategic Initiative and broader sustainability agenda. While we drive increasing landfill waste diversion rates, accelerate the circular economy and support lower emissions in the UAE and the region, we want to enable similar positive impact globally. The VRC Initiative is a standardized incentive that is inclusive of all stakeholders across sectors, from waste collectors and recycling companies to large organisations who are committing to addressing the environmental impact of waste produced in their operations.”

In the face of the expanding global waste crisis, the world is struggling with a staggering generation of waste. Annually, individuals produce approximately 2 billion tons of municipal solid waste. When industrial, electronic, agricultural, and other economic activities are accounted for, this figure surges to an alarming 17-18 billion tons. With only half of this waste being managed, the remaining portion is contributing to significant environmental damage through landfilling, dumping, and burning, impacting soils, water resources, and air quality.

To counteract this situation, the VRC Initiative establishes a set of standardized rules and processes to enable institutions to compensate their solid waste footprint through a transparent ecosystem. This mechanism involves trading 'recycling credits' on a blockchain-based marketplace, ensuring auditable and secure transactions between waste off-setters and recycling companies. The initiative, which emphasizes additionality the principle to incentivize more recycling worldwide, aims to boost collection and recycling of solid materials, furthering the management of all types of waste.

The DFINITY Foundation, the technology partners for this initiative, will provide a solution built on the Internet Computer blockchain that will instill confidence, credibility, and scalability into the project, ensuring its viability as a global standard for recycling incentives. “The VRC platform is a great showcase on how we use Web3 technology for tackling environmental issues. The Internet Computer Protocol technology from Dfinity is a perfect match for it”, says Pierre Samaties, Partner and Global Head of Digital Assets and Web3 at Roland Berger.

Dominic Williams, Founder and Chief Scientist of the DFINITY Foundation, expressed his views on the VRC Initiative: “The Internet computer is a fully decentralized and tamper-proof network. It guarantees a transparent, auditable, and secure record of recycling credits and transactions. This transparency ensures that all parties – whether waste producers or recyclers – can trust in the veracity of the credits they purchase, sell, or trade.”

Brazil welcomes the VRC Initiative, which aligns seamlessly with the country’s ongoing strong efforts to shift from a linear to a circular economy. Emphasizing the importance of efficient waste management, Adalberto Maluf, National Secretary of Urban Environment and Environmental Quality at the Ministry of the Environment, Brazil, attended the event and shared that the country aspires to further develop and showcase this initiative, with the goal of presenting it as a global standard at COP30 in Brazil. He emphasized the important social role this initiative could bring as it accounts for waste pickers, an important social category for the country.

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*BEEAH Group*

*BEEAH Group is the region’s leading sustainability and digitalisation expert,*

*renowned for ground-breaking environmental innovations and smart solutions for future-ready cities. Recognising sustainability and technology as the pillars of a modern economy, BEEAH Group has invested in a comprehensive, full-circle strategy for the future. BEEAH Group operates in the industries of waste management, renewable energy, technology, consulting, education, transport, real estate and healthcare. Raising the bar for the quality of life in the region, BEEAH Group businesses continue to set industry benchmarks in sustainable, smart solutions and help countries across the region create and execute their roadmap for a socially responsible future. The Group currently operates in the UAE, Egypt and KSA.✉*

### *DFINITY Foundation*

*The DFINITY Foundation is a not-for-profit organization comprised of leading cryptographers, computer scientists and experts in distributed computing. With a mission to shift cloud computing into a fully decentralized state, the Foundation leveraged its experience to create the Internet Computer and currently operates as a major contributor to the network.*

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