Virtuous circles

The circular economy: an explainer for Swiss companies

September 2025

UBS

Contents

1 What is the circular economy?

05 Deep dive: Switzerland's circularity progress

2 Growing relevance for firms

10 Driver: New rules and incentives on the horizon
12 Driver: Growing recognition of the benefits
14 Squaring the circle
16 How are some Swiss firms putting circularity into practice?
18 The bottom line

3 Closing the loop

Lead contributor:

William Nicolle

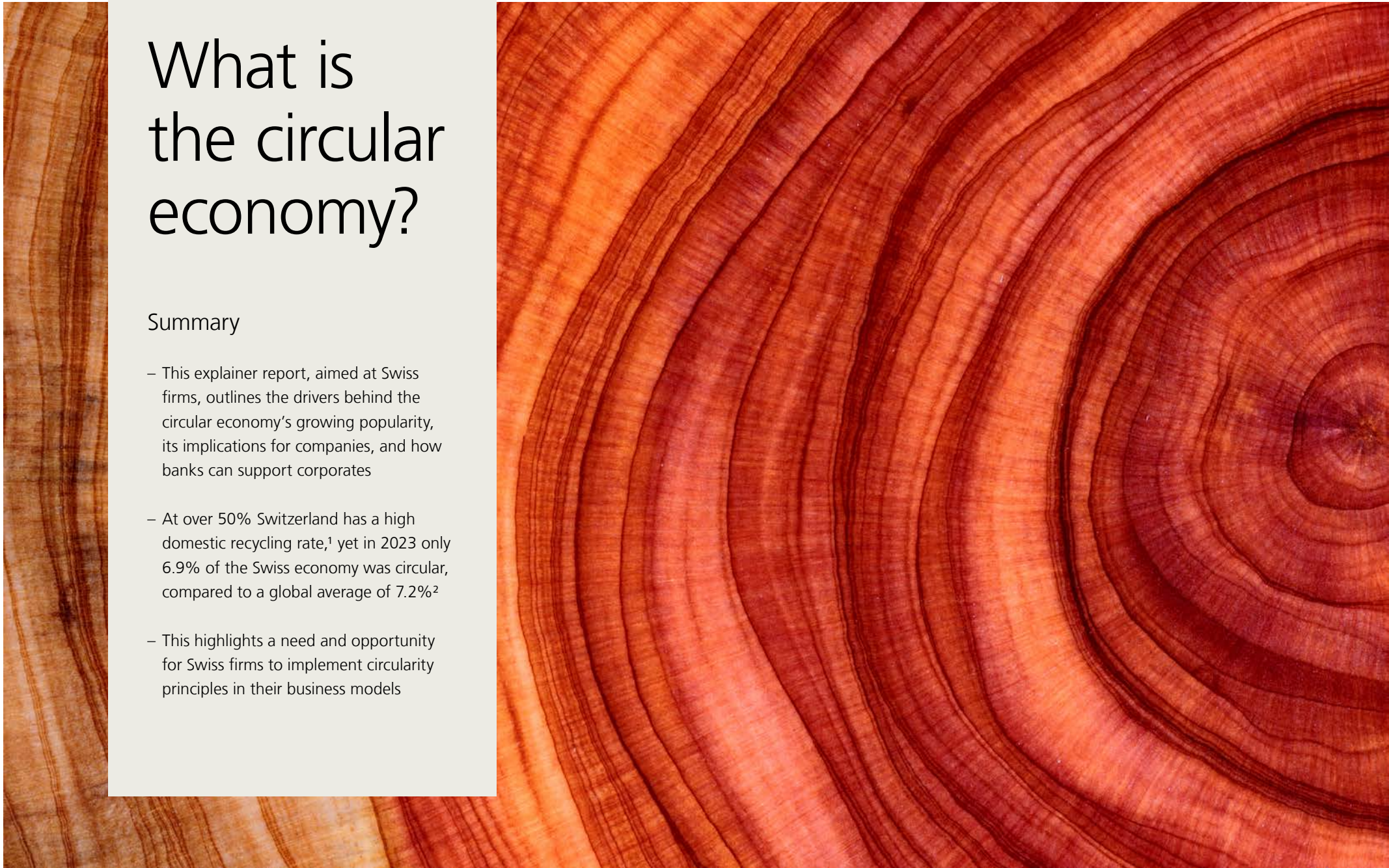
Contributors:

Gillian Dexter
Mirjam Frei
Tanja Furrer-Turcic
Renata Jankunaite
Yvonne Johansson
Grégorie Muhr
Felix Mundwiler
Richard Mylles
Katrin Vögeli
Veronica Weisser
Pascal Zumbühl
Eugenia Zwahlen

Design:

Samantha Speechley

What is the circular economy?



Summary

– This explainer report, aimed at Swiss firms, outlines the drivers behind the circular economy's growing popularity, its implications for companies, and how banks can support corporates

– At over 50% Switzerland has a high domestic recycling rate,[1] yet in 2023 only 6.9% of the Swiss economy was circular, compared to a global average of 7.2%[2]

– This highlights a need and opportunity for Swiss firms to implement circularity principles in their business models

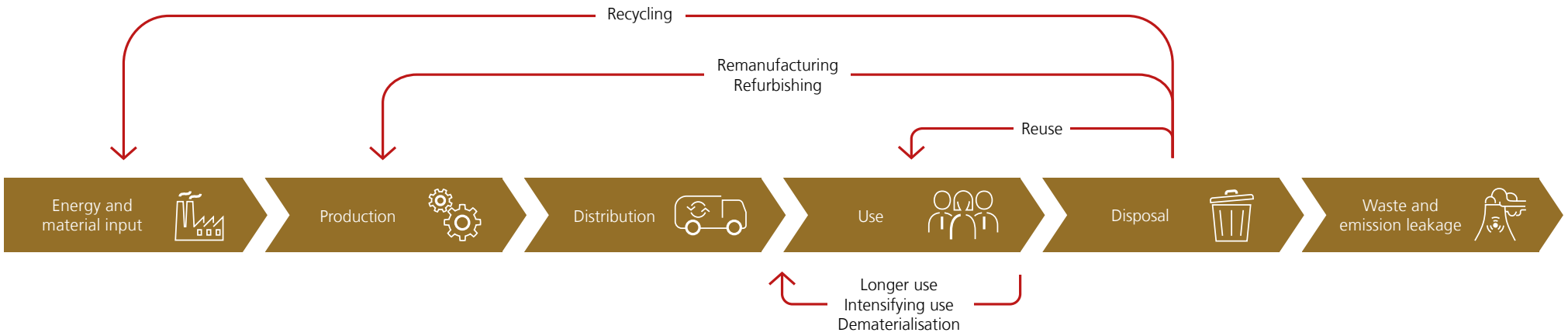
The circular economy is a well-known concept. But unlike today's mainstream 'take-make-dispose' approach, it is more holistic (Figure 1.1) minimizing the materials used in initial production processes and then reusing as many as possible. That way, society gets more value from its existing stock of resources and reduces the downsides of extraction like pollution. But although it sounds simple, implementation takes careful planning, particularly for corporates.

Circularity has surged in popularity. For example, over the last five years the number of articles and discussions mentioning circularity has tripled, and 80% of all circular economy policies in place globally have been launched since 2010.[3]

This short report outlines the drivers behind that growth in popularity, its implications for firms, and how banks like UBS can support corporate ambitions to go circular.

Part One takes a close look at Switzerland's circularity journey while Part Two explains two key drivers: a flurry of new rules and regulations aimed at promoting circularity, and a renewed recognition of the circular economy's benefits for firms and society. It also provides practical case studies highlighting ways Swiss firms across the sectors are implementing circular economy principles. We close with a note on how banks, such as UBS, can support corporate ambitions to go circular.

Figure 1.1: Illustration of linear vs. circular economy



Sources: Geissdoerfer et al (2020), UBS

[1] The Swiss Federal Statistical Office
[2] Circularity Gap Report 2025
[3] Change for Circularity Gap Report 2024; Chatham House (2023), A global roadmap for an inclusive circular economy
[4] The Organisation for Economic Co-operation and Development (OECD)

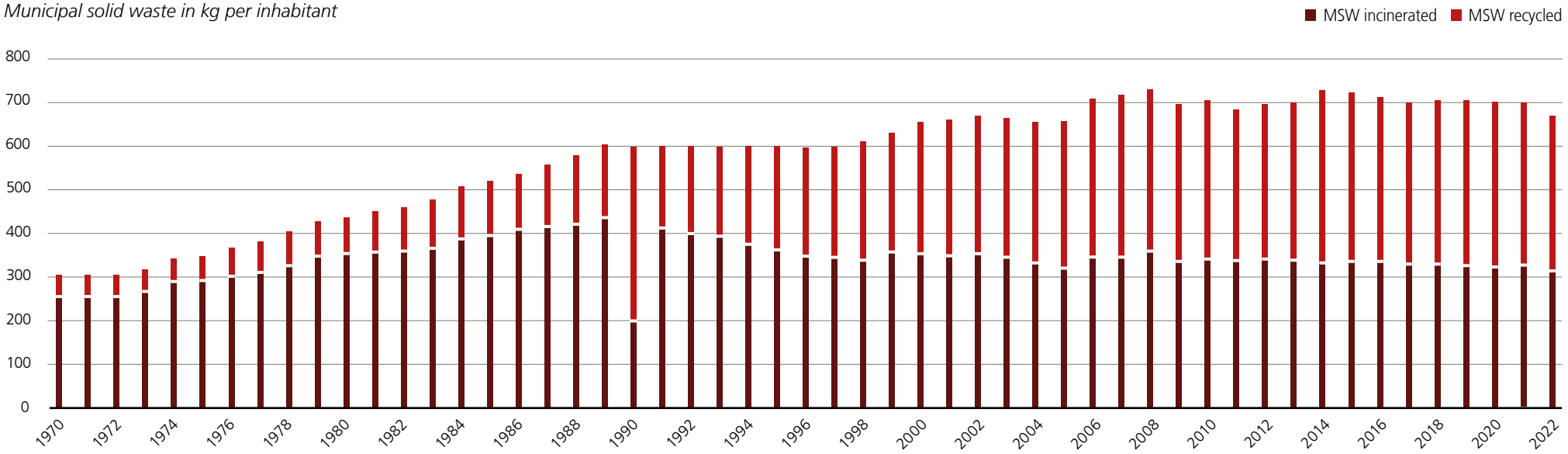
1.2. Deep dive: Switzerland's circularity progress

Switzerland currently produces around 6 million tons of municipal solid waste (MSW) annually, or an average of 700kg per person, per year. By contrast, for OECD countries that same average is just 550kg.[4] Public MSW statistics only focus on garbage produced by private households and small and medium sized enterprises (SMEs). Large companies are excluded.[5] For the purpose of this report, we assume the trends are directionally similar for all groups.[6]

The Swiss MSW number (Figure 1.2), has more than doubled since records started in the 1970s. This trend is closely linked to population and economic growth, both of which are rising (Figure 1.3). Technological and societal change are also key drivers - lifestyles have become more resource intensive during this time.[7]

Figure 1.2: Municipal solid waste more than doubled over the past five decades

Municipal solid waste in kg per inhabitant



Sources: FSO Environmental Indicator – Efficiency of Municipal Waste, UBS

[5] The official definition of an SME is any business with a maximum of 249 employees.

[6] They only account for 1% of the number of companies. FSO

[7] Federal Office for the Environment (FOEN)

Looking ahead, over the next 25 years we think the amount of waste per person will remain steady or even fall slightly as more conscious consumption and disposal sets in. This assumption is supported by the material efficiency index, a measure of material consumption in relation to economic output, which has seen a constant improvement during the last 20 years (Figure 1.4).

However, despite a slowdown in population growth rates and a rise in sustainable behavior, we expect total waste production will expand as Switzerland's population rises and the economy grows at trend.[8] This makes it all the more crucial that Switzerland achieves a circular economy.

The actions of businesses today will be key – experimenting with circular products and improving the circularity of their own operations and supply chains.

Figure 1.3: Population and economic growth drive waste

Total population and real GDP per capita between 1970 and 2023

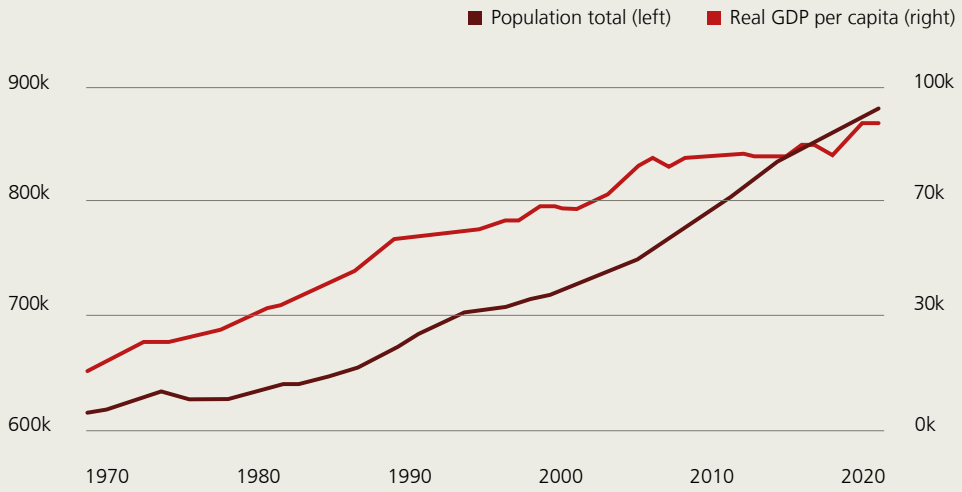
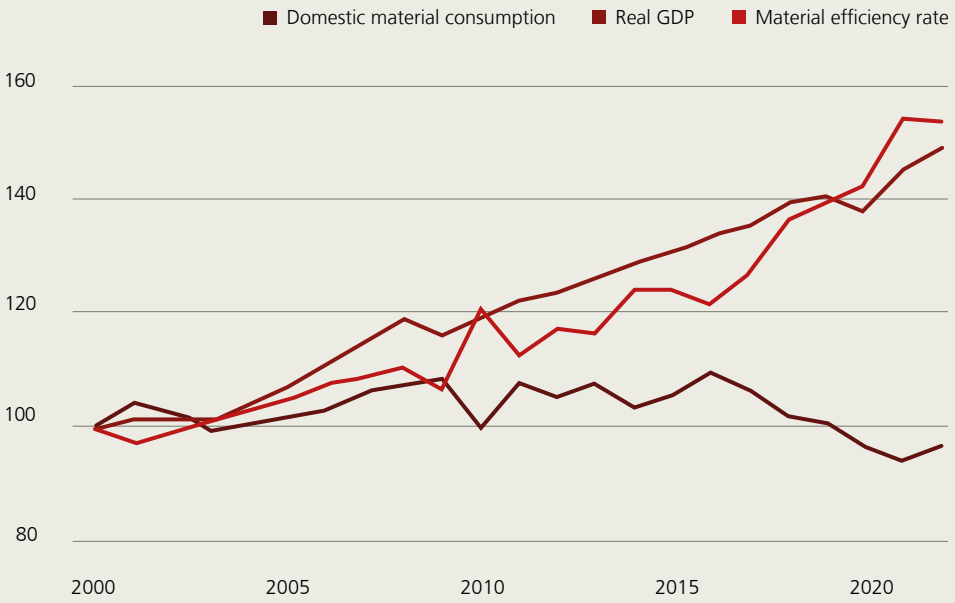


Figure 1.4: Material efficiency has improved

Real GDP per capita divided by material consumption per person indicates the material efficiency of the economy



Sources (Figure 1.3): FSO, UBS
Sources (Figure 1.4): FSO – Umweltgesamtrechnung, VGR, ESPOP/STATPOP, UBS

[8] Linear regression based on the government's median reference scenario population forecast through to 2050, UBS long term trend growth estimates of 1.6% real growth and 1% inflation as well as historical developments of municipal solid waste and recycling rates. 5-year-moving averages and accounting for an exceptional environment during the Covid-19 pandemic period from 2020–2022.

Despite, or because, of the high amounts of waste produced, Switzerland has a high recycling rate - over half of all MSW is recycled.[9] In European OECD countries the average recycling rate is 44%.[10] For some materials, like glass, cans, PET (Polyethylene Terephthalate), and paper, Switzerland recycles nearly 80% (Figure 1.5), mainly due to the efforts of private households (Box 1.1).

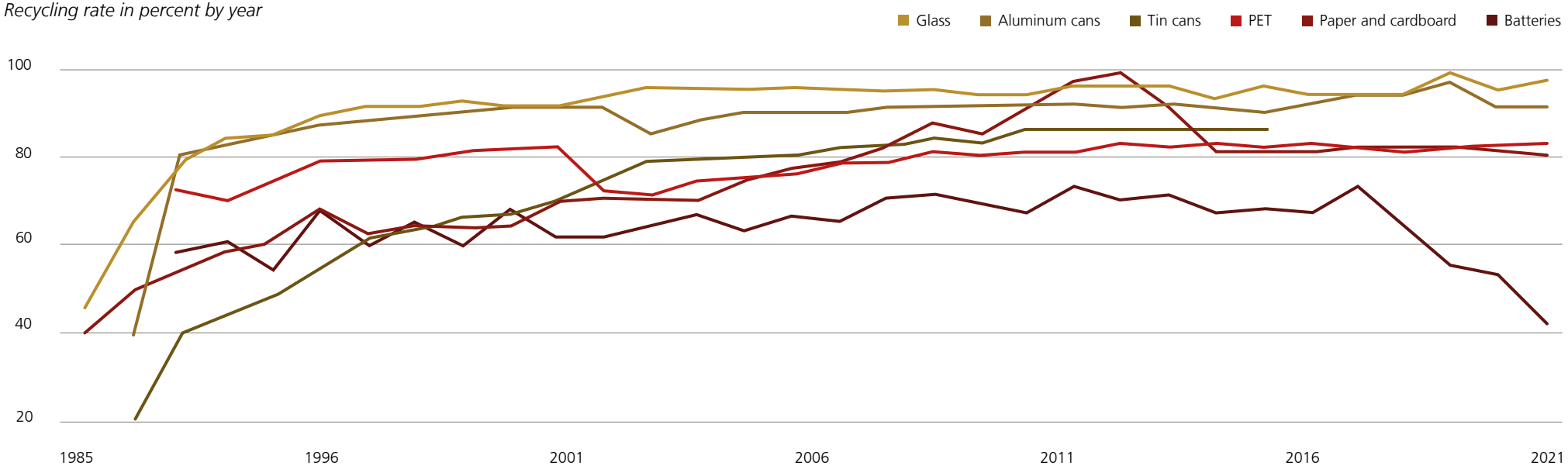
If the PET recycling rate drops below 75%, Swiss law allows the Swiss Federal Office for the Environment (FOEN) to implement a refundable deposit on bottles.[11] Although this might boost recycling, it would complicate the process for consumers and require costly new collection systems.

Other products, like glass and electronics, include a disposal fee in their price to help pay for recycling. For PET and aluminum packaging, recycling is paid for by the industry through voluntary agreements.

Overall, Switzerland's recycling regulation is light. Activity is largely driven by people and companies taking individual responsibility. But this could change if new laws are introduced – something we explore in Section 2. To help avoid unforeseen operational costs, Swiss firms could benefit by reviewing their own recycling rates now and comparing them to potential new requirements.

Figure 1.5: A very high recycling rate in Switzerland for general household waste products

Recycling rate in percent by year



Sources: The Swiss Federal Statistical Office, UBS

[9] The Swiss Federal Statistical Office

[10] The European Economic Area (2024), Waste recycling in Europe

[11] Swiss Info

Box 1.1

Marketing is no waste

PET is a common type of plastic used in bottles. It is the most widely recycled material in Switzerland, even though there's no deposit system to encourage it. Why so? As the popularity of PET for drinks packaging rose in the early 2000s[12] a federally mandated deposit scheme was discussed. However retailers saw this as an administrative hassle, so they funded a producer owned association to take care of PET recycling. Large nationwide campaigns and eye-catching designs helped make it a strong part of Swiss culture and the success of those campaigns continues to this day. The campaign "Luft raus, Deckel drauf!" ("air out, cap on", featuring a caricature dinosaur squeezing a PET bottle) was memorable, practical, and resonated. The blue-yellow PET collection bins can't be missed – they are everywhere from train stations to doctor's waiting rooms. PET-Recycling Switzerland claims to recycle almost 35'000 tons of PET bottles per year, a rate of 85%.[13]

Improvement potential

According to the Circularity Gap Report, which takes a whole economy view of how many resources are reused or recycled, only 6.9% of Switzerland's economy was circular in 2023, compared to a global average of 7.2%.[14]

Based purely on Switzerland's recycling rate, the rate of circularity could increase, especially when it comes to food, textiles, and certain plastics.[15] The Federal Office for the Environment (FOEN) commissioned a sample analysis of garbage bags in 2022 which showed 20% – 50% of their content could be recycled instead of going to incineration plants.

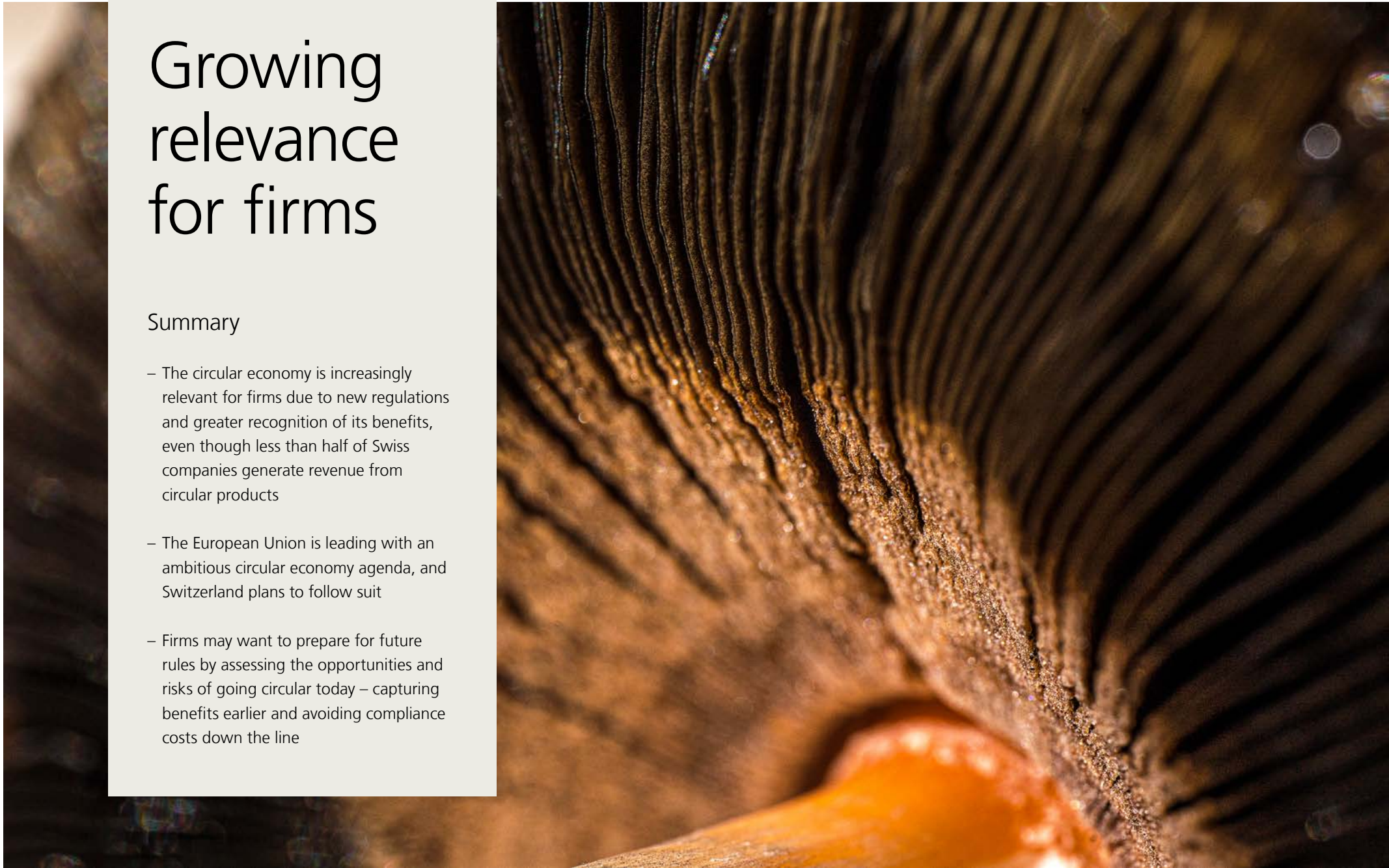
For instance, almost 3 million tons of food are wasted each year. Around 1 million tons would still be edible and more could be used as livestock feed, fertilizer, or compost.[16] Textile recycling is harder to measure as discarded pieces likely end up in MSW. Nonetheless, statistics imply the quantity of textiles deposited in dedicated collection bins has grown from 10'000 to 60'000 tons over the past four decades.[17] Plastics are similarly challenging. Numerous types exist and they should not be mixed in the remodeling process. Furthermore, some products contain multiple plastics which can only be recycled using advanced (and presumably more expensive) methods. And although many large supermarkets have drop-off facilities for different plastics, this is a voluntary option only open to households. A non-profit initiative called RecyPac wants to change this. In partnership with municipalities and companies they have launched a doorstep collection project for non-PET plastic waste in a bid to increase plastics recycling rates.[18]

Clearly, not all waste can be recycled. Increasing recycling efforts by households and small businesses would need disproportionately large government incentives, which may not be justified, either economically or ecologically.[19] For items like food, targeted campaigns could be cost-effective because a municipal disposal system already exists.

Consequently, the overall recycling rate is probably near its peak. Our estimates suggest it could climb to around 60% over the next 25 years from today's 52% before levelling off.[20] By contrast, the EU is aiming for a 65% recycling rate by 2035. If, as we explore later in this report, Switzerland follows the EU's stance on circularity, Switzerland will fall behind based on those estimates. This highlights the need for manufacturers to design for reuse from the start.

[12] Swiss Info
[13] PET-Recycling Switzerland
[14] Circularity Gap Report 2025
[15] Federal Office for the Environment (FOEN), Bericht zur Erhebung der Kehrichtsackzusammensetzung 2022
[16] FOEN
[17] The Swiss Federal Statistical Office
[18] RecyPac
[19] Avenir Suisse Recycling Serie
[20] Same regression analysis as for waste development.

Growing relevance for firms



Summary

– The circular economy is increasingly relevant for firms due to new regulations and greater recognition of its benefits, even though less than half of Swiss companies generate revenue from circular products

– The European Union is leading with an ambitious circular economy agenda, and Switzerland plans to follow suit

– Firms may want to prepare for future rules by assessing the opportunities and risks of going circular today – capturing benefits earlier and avoiding compliance costs down the line

In this section we explore the business drivers for circularity and pose some questions that firms can ask themselves when exploring the likely benefits for their business.

2.1. Driver: New rules and incentives on the horizon

Switzerland has a rich history when it comes to environmental management – in the early 1990s it was an early adopter of a garbage tax, for example. By making landfill or incineration more expensive it offered firms and public authorities' financial incentives to recycle eligible items. Over time, a strong system of municipal waste collection and recycling (Box 2.1) has gradually pushed up the national recycling rate.

However, designing a national framework that ushers in a circular economy is easier said than done. No country has achieved it, largely due to the sheer complexity of aligning incentives and rules across sectors, international value chains, and all layers of government. In the Swiss context that means across the Confederation but also the semi-independent cantons and communes. This is reflected by the recent struggle and latest failure of the international community to agree a 'Global Plastics Treaty'.[21]

Box 2.1

How waste management works in Switzerland

There are several ways for the Swiss to get rid of waste. For municipal solid waste, garbage is put in a specific plastic bag that is placed on the street. Contractors then collect and take it to landfill or incineration. The cost is covered by the purchase of the bag and a general waste disposal fee that each household and company pay their respective municipality. The municipality is then responsible for organizing adequate disposal. Recycling stations are also widespread. Some substances, like glass, tin, paper and plastic can be taken and disposed of free of charge, while others, especially bulky and contaminated items might require extra payment.

[21] European Commission

All roads lead to Brussels

Despite the challenges, the European Union (EU) is charging ahead with an ambitious, cross-economy circular economy agenda. Our review of the bloc's planned circular economy initiatives revealed at least 40 related targets and ambitions (see the appendix for a full review of the EU's targets), with many falling due before 2030.

These new rules and ambitions are diverse, ranging from new consumer protections on device durability – e.g., the lifespan of phone batteries – to rules requiring large retailers to dedicate 10% of their sales area to drink refill stations by 2030. Despite their diversity, they share one common aim: to deliver on the bloc's main circularity target – doubling circularity by 2030. In practice this means increasing the use of recycled and reused materials from 12% in 2023 to 24% by 2030. Setting such a clear circularity target in policy reflects the ambition of EU policymakers to expand the circular economy.

That enthusiasm is not isolated to the EU. Switzerland has clearly signaled its intention to follow in the bloc's footsteps. After several years of debate, the Swiss Parliament passed a new initiative, "Strengthening the Swiss Circular Economy" in March 2024.[22] It provides the Swiss Government with powers to set requirements for products and packaging around recyclability, durability, and repairability.[23] By using these powers and adopting a similar framework for the circular economy[24] the government intends to minimize frictions with their largest trading partner.

While their frameworks may diverge in practice, we ultimately expect the Swiss and EU circular economy agendas to converge. So, what does this mean for companies? The EU's sprawling circularity agenda likely provides a loose trajectory of where domestic rules and ambitions could go. In turn, businesses can use that information to help prepare for future rules in areas such as product design, spare parts availability, and downstream waste management.

[22, 23] The Federal Council, Switzerland (2024)

[24] See the Federal Council's press release

2.2. Driver: Growing recognition of the benefits

The exact reward to a firm from increasing circularity varies significantly. Nonetheless, the general benefits, such as cost savings, profit opportunities, business resilience, and better ecological outcomes are broadly recognized.

Benefit 1: Cost savings

The three main ways economies and companies can save costs by going circular are:

- Lowering primary resource need (e.g. land use, energy use, virgin raw material extraction and use) and thereby input costs.
- Lowering secondary outlays (e.g. waste disposal costs).
- Avoiding externalities which might have cost implications (e.g. health costs due to air pollution).[25]

In Switzerland, recycling can be cheaper than throwing away. For instance, sorted and recycled paper and cardboard, along with metal-based waste, can be sold at exchange prices. Similarly, waste disposal companies may offer to provide bins and regular emptying against a fee that can be lower than the price per ton of incinerated garbage.

Considerations for business owners:

- How much do your input materials cost?
- What are your waste products and how easily can they be sorted?
- Would secondary materials be available and cheaper?
- How much does it cost to dispose of your waste product?
- Is there a market for your waste product?

[25] McKinsey & Company (2015), Europe's circular-economy opportunity

Benefit 2: Profit opportunities

Circularity is not just about recycling and disposing of old things. It also refers to the whole process of making, designing and creating products. More circular design can change a product's appeal, offer new market opportunities and support a more profitable pricing scheme. Early adopters might benefit from greater differentiation in the market and potentially achieve higher loyalty long-term.

Considerations for business owners:

- Would a circular business model make your products more attractive to a different or larger target market?
- Would circular design improve your product quality and attractiveness?
- Is there even a whole new business opportunity to be built based on circularity?

Benefit 3: Business resilience

Going circular can increase a business's resilience. On the supply side, reduced reliance on virgin materials and greater use of secondary materials can make companies less reliant on raw inputs and generally longer supply chains while also widening the range of suppliers. On the demand side it can increase customer loyalty. And lastly, it can help with regulatory compliance. Overall, acting early and preemptively can often be beneficial.

More information on sustainability and supply chains can be found in our report "Chain reaction."

Considerations for business owners:

- Are you expecting changes in the preferences of your target market?
- In which circumstances are you expecting disruptions to your supply chains and would a more circular business model protect you from that?
- How long are your supply chains?
- What is the regulatory environment and how does circularity help achieve targets?

Benefit 4: Ecological implications

The circular economy supports society's efforts to tackle ecological damage and climate change. Less waste usually correlates with lower emissions,[26] while extracting fewer resources can result in reduced land use and biodiversity loss.

Some estimates suggest that over two tons of organic components could be recycled, saving 1.5 tons of CO_2 emissions per year while at the same time producing energy more effectively through biogas plants for example.[27]

Considerations for business owners:

- How much CO_2 are you emitting and how much do you need to save?
- How much could a circular economy approach support your sustainability goals?
- Is your input material damaging land and biodiversity when extracted and could this be reduced through secondary material use?
- Can circular economy investments help you meet your sustainability goals while also reducing operational costs?

[26] National Renewable Energy Laboratory

[27] CNG-Mobilität

2.3. Squaring the circle

Swiss companies have an opportunity to consider how circularity interventions could affect their business – on both the risk and opportunity sides of the equation (Box 2.2).

Box 2.2

Approaching the circular business model as a business owner – critical challenge

Circularity can increase costs. That cannot and should not be denied. It could be the high upfront investment needed to install circular infrastructure and processes, additional space requirements, more expensive recyclable or reusable input materials, or a mix of all three. By contrast, using secondary raw materials could lead to quality implications and volumes may be too low to scale up and sustain production. Every company needs to approach circularity within their own limits and with an open and critical mind to objectively assess whether a circular business model makes economic and ecological sense. The basic assessment process is similar for all:

1. Analyze your situation

– How much do you pay for waste and recycling?
– Is there a market for your waste products and what are the collection and disposal costs?
– Could you use secondary materials instead of primary ones? What would the implications be?

2. Evaluate your processes

– Determine how easy and costly it would be to change your processes
– What non-monetary costs and benefits are involved?
– Would a change in process, recycling, and input material sourcing increase your business resilience?

3. Train your employees

– If you change to a more circular business model, make sure your employees understand why. Help them become brand ambassadors to promote a more sustainable and resilient business model.

4. Raise customer awareness

– Your customers need to know about your efforts. It can increase loyalty, and appeal to a new or broader target market.

5. Get certified

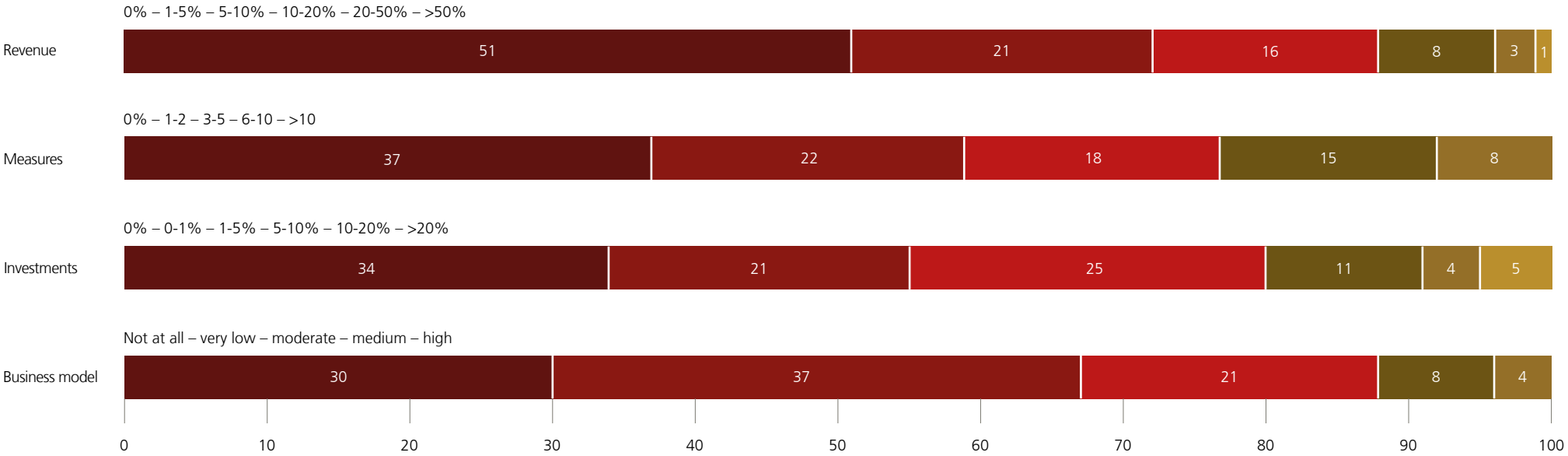
– Check if there are certifications available that will underline your efforts, increase your credibility and connect you to like-minded entrepreneurs.

Right now, circularity is only just starting to take hold among Swiss business owners – something highlighted by a 2023 survey of Swiss companies (Figure 2.1). More than a quarter of companies had not implemented any circular economy activities, while around a tenth had implemented more than one. Most efforts were focused on production, procurement, marketing/sales, and internal storage/logistics.

In the main, they were introduced to increase efficiency and save costs. Less commonly cited reasons for going circular included closing resource loops and extending product life.[28] Over a third said their product or service was not suited to circularity – which might also be a matter of mindset – while worries about the economic viability of the concept seemed to play a role, too.

Figure 2.1: Circularity still not well anchored in Swiss corporate world based on several measures

Legend on top of bar in order of coloring



Note: Each bar is a separate survey question relating to: proportion of revenue derived from circularity products or services, number of implemented circularity measures, proportion of investments towards circularity, and relevance of business model to circularity.
Sources: Stucki et al 2023, UBS

[28] Tobias Stucki, Martin Woerter, Nicole Loumeau (2023) "Clearing the fog: How circular economy transition can be measured at the company level", Journal of Environmental Management, Volume 326, Part B

2.4. How are some Swiss firms putting circularity into practice?

Despite the 2023 survey's apparently gloomy take on Swiss circularity, some companies are already experimenting with innovative and interesting projects and approaches as the case studies below highlight. We hope they inspire other Swiss firms as they consider what circularity could mean for their businesses.

Construction: Concrete plans

The construction industry is one of the largest global emitters of CO_2 and Switzerland is no exception. Construction is also resource intensive and produces large quantities of waste. So, it is a good example of how a more holistic approach to raw material use, design, processing, distribution and reuse holds promise.

As part of its sustainability strategy, Swiss cement company Holcim plans to use fully recycled construction materials by 2050.[29] With strict quality criteria, Holcim say their recycled concrete performs just as well as newly-produced concrete, and can be cheaper to produce[30] – benefits which the city of Zurich recognizes. Since 2005, all public buildings need to incorporate recycled concrete as part of the city's broader strategy to reduce construction emissions and waste. Holcim also uses waste and demolition material to fire their cement stoves and has developed ways to produce more environmentally friendly insulation material onsite. This helps them produce the right quantity at the right time, thereby cutting waste. They are also exploring a model where they 'lend' construction materials to a building project, taking it back and recycling it at the end of its lifespan. Lastly, they are developing stronger construction materials that will stay in use for longer and make it easier to renovate, thereby reducing virgin material need.

More information about sustainability in the built environment can be found in our report "Rethink, rebuild, reimagine."

Packaging and plastics: Turning the tide

Plastic waste represents one of the most significant threats to ocean ecosystems. According to the Ellen MacArthur Foundation, there could be more plastic than fish in our oceans by 2050.[31] Swiss company #tide began as the side project of a watch wristband manufacturing company and turned into a start-up focused on giving ocean plastic a second life. They collect that waste and process it into different plastic packaging products, yarn and wristbands, thereby upcycling the raw material. This helps the environment while also supporting local community projects.

Textile and fashion case study: Waste as a fashion statement

The Swiss label Freitag, named after its founding brothers, reached cult status with its bags made from truck tarp, seat belts, and bicycle tires. Initially the quest was for durable, weather resistant material. Today the company is a great example of a truly circular company. Looking back on over 30 successful years, Freitag is expanding its range of materials used to create new fashion icons – all recycled, of course. And it shows how one person's waste is another's treasure.

[29] Holcim Schweiz

[30] Holcim, The environmental benefits of recycled aggregates

[31] Ellen MacArthur Foundation (2021), Drawing a line in the sand

Food and agriculture: Waste no bean

The fact that consumers only tend to eat parts of a fruit or vegetable accounts for quite a lot of our food waste. And in Switzerland, food is also thrown away between the field and the table. Swiss start-up and UBS Global Visionary, Koa, is trying to tackle this, cutting food waste while supporting social impact (Box 2.3).[32] Usually it's just the cocoa beans, accounting for just 20% of the whole fruit,[33] which are used in chocolate production. The pulp, representing 30%, and husk, which accounts for the rest, are thrown away in African landfills. But the pulp can be processed and used in the food and drinks industry.

Closer to home, Nestlé's popular Nespresso aluminum coffee capsules can be recycled free of charge. The coffee residue is used as a component in fertilizer, soil, or burned for heat generation. The aluminum shell is either passed on to industry or used for the "second life collection". For the latter, Nespresso is collaborating with well-known brands such as Hublot for watches, Victorinox for pocket-knifes, and many more to create life-style products.

More information on sustainability in the agriculture and food industry can be found in our report "Grow, move, eat, repeat."

Industry: Manufacturing in circles

More and more manufacturing companies are developing strategies to lend their equipment rather than selling it, especially bulky, expensive and rarely used goods. Swiss home appliance manufacturer V-Zug, for example, rents its washing machines and dryers to B2B clients (i.e. commercial real estate developers), retaining responsibility for service, repair, and replacement after a certain time. Even at the end of life the machines' parts are recycled, reused and replaced. This also encourages the manufacturer to produce long-lived high-quality products. Elsewhere, precision tool manufacturer, Fraisa, offers its customers a tool reconditioning service, extending tools' lifespan. Alternatively, customers can buy reconditioned tools at a lower cost, or, for equipment which has reached the end of life, Fraisa offers a recycling service.

Collaborating for circularity

Greater economic and ecological impact can be achieved if companies collaborate and combine their individual strengths. We have highlighted Holcim's efforts – these are being further strengthened by collaboration with climate-tech-start-up Neustark. Neustark works on capturing CO_2 and storing it in Holcim's demolition concrete.

[32] UBS Global Visionaries – Koa
[33] Composition of cocoa pods
[34] The R Collective

Box 2.3

Connecting SMEs via the UBS Global Visionaries program

Through the UBS Global Visionaries program, UBS aims to accelerate impact entrepreneurs' initiatives by creating opportunities for them to connect with our clients, prospective clients and employees. This helps the entrepreneurs build their skills through learning and coaching programs; and by leveraging our brand and platforms it can raise awareness of their work.

Since the program started in 2016, it has onboarded and supported 90 entrepreneurs, a subset of which have business models that grow the circular economy. One example is the R Collective, which rescues luxury brands' excess materials. It then collaborates with award-winning sustainable designers to create upcycled clothing and catalyze the circular fashion model. A typical R Collective upcycled jacket has a 60% reduced carbon footprint compared to a jacket created with virgin materials. This is equivalent to diverting 14,882 plastic bottles from landfills.[34] Another example is Full Harvest, which created the first B2B marketplace for surplus and imperfect produce, aiming to achieve a "full harvest" by seeing 100% of the food we produce consumed.

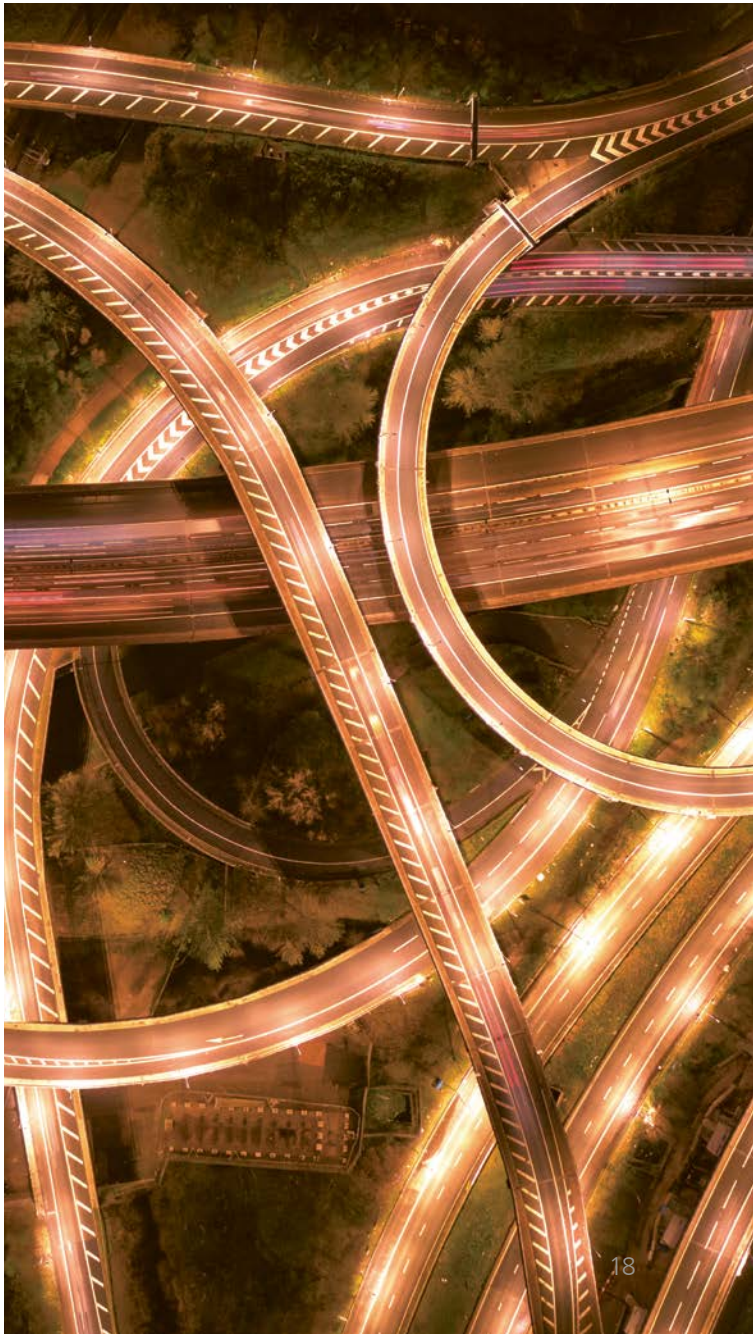
2.5. The bottom line

Based on our findings so far, we see three takeaways for Swiss firms:

First, supply chain expectations are growing
Sustainability-minded investors and regulators are already asking large companies to disclose more information about the circular economy.[35] This means large companies also need to provide information about the circularity of their supply chains and increases the likelihood that they will ask SMEs to disclose more about their production processes. Their supplier agreements may also ask for promises to implement circular economy practices. Firms can get ahead of these trends by proactively asking their clients for their emerging expectations on circularity to avoid unexpected issues later when market norms solidify.

Second, voluntary guidelines provide a technical compass:
Future regulations will likely build on today's voluntary guidelines and best practices. These guidelines provide clear, industry-specific examples and targets, making it easier for companies to assess risks, set goals, and create action plans for the circular economy. Doing this now, means businesses could be at an advantage if Switzerland decides to adopt similar rules to the European Union's.

Third, new markets can create new opportunity:
Demand for circular economy products and services could grow if markets place stronger expectations on firms to improve their circularity. As a result, new commercial opportunities could open in the Swiss market. These will vary significantly by sector, covering areas such as advanced recycling to entirely new 'second hand' business models. These ideas are explored in more detail by the UBS Chief Investment Office.[36]



[35] Circular Economy (2025), Why monibus is not a setback but an opportunity
[36] UBS Global Wealth Management Chief Investment Office (2024), Longer Term Investments – Circular Economy

Closing the loop

Summary

– Around 3% of global corporate spending is currently circular. While transitioning can involve high upfront costs, analyses suggest that these costs could be recouped over time

– The circular economy is growing in importance and regulatory expectations are evolving, presenting Swiss SMEs and corporates with opportunities and challenges to rethink their operations, redesign their products, and reimagine their role in a more sustainable future

– Banks can partner with SMEs and corporates to support them in realizing their circularity ambitions

Today, only around 3% of global corporate spending can be classified as circular.[37] Changing that takes high upfront capital with savings only realized over time, although broad analyses suggest these investments often pay themselves back.[38] While some of that initial capital spend could be funded through a company's own balance sheet, most firms will likely need external financing.

Financial Institutions can help Swiss firms in two major ways:

First, connecting and advising: The technical challenges of implementing process change can require expertise beyond an SME's core business model. Banks can help here; their relationships across the value chain means they can connect SMEs to other experts and peers. These could range from technical experts focused on specific solutions, costs and benefits, through to large companies who can share the market expectations of suppliers. One example of such a partner is Energieagentur der Wirtschaft (EnAW), with whom UBS has a relationship going back more than a decade. EnAW's mission is to optimize the energy balance of Swiss companies and support climate protection. Elsewhere, UBS partners with Cleantech Schweiz AG, who work with large energy users to help them optimize their energy efficiency and meet the legal requirements.

Beyond connecting corporates with technical and operational expertise, banks can also provide advisory services on market expectations and best practice when it comes to, for instance, disclosures related to new regulations like the EU Taxonomy.

Second, financing: In the first instance, banks can help private firms identify new business opportunities. For example, UBS's Chief Investment Office recently published a report identifying commercial circularity opportunities, particularly across waste collection, plastics recycling and the secondhand market.

For those firms, particularly SMEs, who might need support to cover circular investments, offering access to external financing is crucial. Banks can provide capital solutions, such as loans (with potentially improved conditions for sustainability related investments), or more tailored solutions for larger raises. There is a growing appetite for such offerings. For instance, green bonds focused on the circular economy, typically used by larger corporates or governments to raise capital for green projects at cheaper rates, grew 13-fold between December 2019 and December 2023, with over 500 bonds and USD 93 billion in cumulative issuance.[39]

[37] Schroder and Raes (2021), Financing an inclusive circular economy, Chatham House; estimate for 2019–2021, with total corporate spending amounting to USD 35tn.

[38] Ellen MacArthur Foundation (2015), Growth within: A circular economy vision for a competitive Europe

[39] Ellen MacArthur Foundation (2024), Financing the circular economy

Conclusion

The circular economy is no longer a fringe concept – it is a strategic imperative. As this report has shown, Swiss companies face both a challenge and an opportunity: to rethink their operations, redesign their products, and reimagine their role in a more sustainable future. The regulatory landscape is evolving, consumer expectations are shifting, and the ecological urgency is growing.

Now is the time to act.

Whether you're an SME exploring your first circular initiative or a large enterprise refining your sustainability strategy, the path forward is clear. Begin by assessing your current waste streams, identifying circular design opportunities, and engaging your supply chain partners. Leverage voluntary guidelines to benchmark your progress and prepare for future regulations. Most importantly, seek out collaboration – across industries, with technical experts, and with financial institutions.

At every stage, UBS can support you. Through our partnerships, advisory services, and tailored financing solutions we can partner with you to evaluate, invest in, and execute circular economy projects that help to deliver long-term value.

Let’s close the loop – together.

Appendix

Table A.1. Main EU targets and ambitions for going circular

Themes	Rules	2025–2030 ambitions	2030+ ambitions
Food, water, and nutrients	**2026:** Takeaway businesses must enable consumers to bring own containers, & offer 10% of products in reusables	**2030:** At least 10% drinks sold in reusable packaging **2030:** Large retailers should dedicate 10% of sales area to drink refill stations **2030:** Any packaging used by distributors is at least 40% reusable **2030:** Reduce food waste by 10% in food processing **2030:** Reduce food waste by 30% per capita in retail, restaurants, food services, and households **2030:** Reduce nutrient loss from fertilizers by 50%	**2040:** At least 40% drinks sold in reusable packaging **2040:** Any packaging used by distributors is at least 70% reusable
Buildings		**2025:** Recycle at least 25% of building waste streams	**Undated:** Introduce end-of-life criteria for treating building and construction waste and high standards for recycled materials
Vehicles		**2027:** 51% of light vehicle batteries recovered by industry **2027:** Batteries: 50% lithium and 90% cobalt recovery **2030:** 61% of light vehicle batteries recovered by industry	**2031:** 80% lithium and 95% cobalt recovery from batteries by 2031 **2031–2036:** Batteries must contain minimum recycled content (e.g., 6% and 12% for lithium by 2031 and 2036)
Electronics	**2025:** USB-C the universal charger for most electronic devices **2025:** Smartphones and tablets must display information on energy efficiency, battery longevity, and a repairability score **2026:** New mobiles and tablets must meet criteria on durability, repairability, reusability, and recyclability (e.g., 80% battery capacity after 800 charges) **2027**: Batteries on portable devices must be removable and replaceable	**2027:** Industry must collect 63% of portable batteries sold	**2030:** Industry must collect 73% of portable batteries sold **2030:** 73% of portable batteries sold must be collected by industry
Textiles	**2026:** Ban on the destruction of unsold textiles and footwear **2028*:** Textile producers pay for recovering & recycling	**Ambition:** All textiles must be durable, recyclable, repairable, made of recycled materials if possible	
Packaging		**2030:** All packaging must be reusable/recyclable in an economically viable way **2030:** Reduce microplastic releases by 30% **2030:** 70% of packaging recycled	**Undated:** Mandate replacement of virgin fossil packaging materials with recycled and bio-based substitutes
Cross sector	**2026:** Digital Product Passports (in-scope goods) **2026:** Right to Repair for consumers **2026:** Ban plastic waste exports for disposal, non-OECD **2027*:** Ban misleading/generic sustainability labels or claims **2027:** Ban hazardous waste exports, non-OECD **2027:** Ban export of non-hazardous waste (inc. e-waste) for disposal to non-OECD countries unless pre-approved	**2026:** Mainstream Green Public Procurement standards for all product groups **2030:** 60% of municipal waste recycled **2030:** 24% circularity (up from 12% in 2023) **2030:** 25% recycling rate of Critical Raw Materials **2030:** Halve residual municipal waste by 2030	**Ambition:** Prohibit green claims not supported by objective, public, and verifiable information **2035:** 65% municipal waste recycled

Notes: * = inferred date; excludes climate change policies and targets, but we note these often have circularity benefits; research as of June 2025.
Source: UBS

Disclaimer

This document has been prepared by UBS Switzerland AG and/or any of its subsidiaries or affiliates ("UBS"), part of UBS Group AG ("UBS Group"). UBS Group includes former Credit Suisse AG, its subsidiaries, branches and affiliates. Additional Disclaimer relevant to Credit Suisse follows at the end of this section. This document and the information contained herein are provided solely for information and UBS marketing purposes. Nothing in this document constitutes investment research, investment advice, a sales prospectus, or an offer or solicitation to engage in any investment activities. This document is not a recommendation to buy or sell any security, investment instrument, or product, and does not recommend any specific investment program or service.

Although all information and opinions expressed in this document were obtained in good faith from sources believed to be reliable, no representation or warranty, express or implied, is made as to the document's accuracy, sufficiency, completeness or reliability. All information in this document is subject to change without notice and UBS is under no obligation to update or keep current the information contained herein. Source of all information is UBS unless otherwise stated. UBS makes no representation or warranty relating to any information herein which is derived from independent sources. UBS may utilise artificial intelligence tools ("AI Tools") in the preparation of this document. Notwithstanding any such use of AI Tools this document has undergone human review.

Asset classes, asset allocation and investment instruments are indicative only. Any charts and scenarios contained in the document are for illustrative purposes only. Some charts and/or performance figures may not be based on complete 12-month periods which may reduce their comparability and significance. Historical performance is no guarantee for, and is not an indication of future performance.

Nothing in this document constitutes legal or tax advice. UBS and its employees do not provide legal or tax advice. This document may not be redistributed or reproduced in whole or in part without the prior written permission of UBS. To the extent permitted by the law, neither UBS, nor any of it its directors, officers, employees or agents accepts or assumes any liability, responsibility or duty of care for any consequences, including any loss or damage, of you or anyone else acting, or refraining to act, in reliance on the information contained in this document or for any decision based on it.

UBS retains the right to change the range of services, the products and the prices at any time without prior notice. Certain services and products are subject to legal provisions and cannot therefore be offered world-wide on an unrestricted basis.

Please be reminded that all investments carry a certain degree of risk. Your attention is hereby drawn to such risk (which can be substantial). Some investments may not be readily realisable since the market in the securities is illiquid and therefore valuing the investment and identifying the risk to which you are exposed may be difficult. Some investments may be subject to sudden and large falls in value and on realisation you may receive back less than you invested or may be required to pay more. You should consult your UBS client advisor on the nature of such investment and carefully consider whether such investment is appropriate for you.

Additional Disclaimer relevant to Credit Suisse:

Except as otherwise specified herein and/or depending on the local entity from which you are receiving this document, this document is distributed by UBS Switzerland AG, a Swiss bank, authorized and regulated by the Swiss Financial Market Supervisory Authority. Your Personal Data will be processed in accordance with the Credit Suisse privacy statement accessible at your domicile through the official Credit Suisse website https://www.credit-suisse.com. In order to provide you with marketing materials concerning our products and services, UBS Group AG and its subsidiaries may process your basic Personal Data (i.e. contact details such as name, e-mail address) until you notify us that you no longer wish to receive them. You can optout from receiving these materials at any time by informing your Relationship Manager.

Country-specific disclaimers:

Additional country-specific disclaimers relevant to Credit Suisse follow at the end of this section.

Brazil: This publication is not intended to constitute a public offer under Brazilian law or a research analysis report as per the definition contained under the Comissão de Valores Mobiliários ("CVM") Resolution 20/2021. It is distributed only for information purposes by UBS Brasil Administradora de Valores Mobiliários Ltda., entity regulated by CVM.

Canada: UBS Wealth Management is a registered trademark of UBS AG. UBS Bank (Canada) is a subsidiary of UBS AG. Investment advisory and portfolio management services are provided through UBS Investment Management Canada Inc., a wholly-owned subsidiary of UBS Bank (Canada). UBS Investment Management Canada Inc. is a registered portfolio manager and exempt market dealer in all the provinces with the exception of P.E.I. and the territories.

Denmark: This publication is not intended to constitute a public offer under Danish law. It is distributed only for information purposes by UBS Europe SE, filial af UBS Europe SE with place of business at Sankt Annae Plads 13, 1250 Copenhagen, Denmark, registered with the Danish Commerce and Companies Agency, under No. 38 17 24 33. UBS Europe SE, Denmark Branch, filial af UBS Europe SE is subject to the joint supervision of the European Central Bank, the German Central Bank (Deutsche Bundesbank), the German Federal Financial Services Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, "BaFin"), as well as of the Danish Financial Supervisory Authority (Finanstilsynet), to which this publication has not been submitted for approval. UBS Europe SE is a credit institution constituted under German law in the form of a Societas Europaea, duly authorized by BaFin. France: This publication is not intended to constitute a public offer under French law. It is distributed only for information purposes by UBS Europe SE Succursale de France (a branch of UBS Europe SE), having its registered office at 39, Rue du Colisée, 75008 Paris, France, registered with the "Registre du Commerce et des Sociétés" of Paris under N°844 425 629. UBS Europe SE Succursale de France is subject to the joint supervision of the European Central Bank, the German Central Bank (Deutsche Bundesbank), the German Federal Financial Services Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, "BaFin"), as well as of the French "Autorité de contrôle prudentiel et de résolution" and "Autorité des marchés financiers", to which this publication has not been submitted for approval. UBS Europe SE is a credit institution constituted under German law in the form of a Societas Europaea, duly authorized by BaFin.

Germany: This publication is not intended to constitute a public offer under German law. It is distributed only for information purposes by UBS Europe SE, Germany, with place of business at Bockenheimer Landstrasse 2-4, 60306 Frankfurt am Main. UBS Europe SE is a credit institution constituted under German law in

the form of a Societas Europaea, duly authorized by the German Federal Financial Services Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, "BaFin") and supervised jointly by the European Central Bank, the German Central Bank (Deutsche Bundesbank) and BaFin, to which this publication has not been submitted for approval.

Hong Kong: This publication is distributed by UBS AG Hong Kong Branch. UBS AG Hong Kong Branch is a branch of UBS AG, a public company limited by shares, incorporated in Switzerland. The contents of this material have not been reviewed by any regulatory authority in Hong Kong.

Israel: UBS is a premier global financial firm offering wealth management, asset management and investment banking services from its headquarters in Switzerland and its operations in over 50 countries worldwide to individual, corporate and institutional investors. In Israel, UBS Switzerland AG is registered as Foreign Dealer in cooperation with UBS Wealth Management Israel Ltd., a wholly owned UBS subsidiary. UBS Wealth Management Israel Ltd. is an Investment Marketing licensee which engages in Investment Marketing and is regulated by the Israel Securities Authority. This publication is intended for information only and is not intended as an offer to buy or solicitation of an offer. Furthermore, this publication is not intended as an investment advice. The word "advice" and/or any of its equivalent terms shall be read and construed in conjunction with the definition of the term "investment marketing" as defined under the Israeli Regulation of Investment Advice, Investment Marketing and Portfolio Management Law.

Italy: This publication is not intended to constitute a public offer under Italian law. It is distributed only for information purposes by UBS Europe SE, Succursale Italia, with place of business at Via del Vecchio Politecnico, 3-20121 Milano. UBS Europe SE, Succursale Italia is subject to the joint supervision of the European Central Bank, the German Central Bank (Deutsche Bundesbank), the German Federal Financial Services Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, "BaFin"), as well as of the Bank of Italy (Banca d'Italia) and the Italian Financial Markets Supervisory Authority (CONSOB – Commissione Nazionale per le Società e la Borsa), to which this publication has not been submitted for approval. UBS Europe SE is a credit institution constituted under German law in the form of a Societas Europaea, duly authorized by BaFin.

Jersey: UBS AG, Jersey Branch, is regulated and authorized by the Jersey Financial Services Commission for the conduct of banking, funds and investment business. Where services are provided from outside Jersey, they will not be covered by the Jersey regulatory regime. UBS AG, Jersey Branch is a branch of UBS AG a public company limited by shares, incorporated in Switzerland whose registered offices are at Aeschenvorstadt 1, CH-4051 Basel and Bahnhofstrasse 45, CH 8001 Zurich. UBS AG, Jersey Branch's principal place of business is 1, IFC Jersey, St Helier, Jersey, JE2 3BX.

Luxembourg: This publication is not intended to constitute a public offer under Luxembourg law. It is distributed only for information purposes to clients of UBS Europe SE, Luxembourg Branch ("UBS Luxembourg"), R.C.S. Luxembourg n°B209123, with registered office at 33A, Avenue J. F. Kennedy, L-1855 Luxembourg. UBS Europe SE is a credit institution constituted under German law in the form of a Societas Europaea (HRB n° 107046), with registered office at Bockenheimer Landstrasse 2-4, D-60306 Frankfurt am Main, Germany, duly authorized by the German Federal Financial Services Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, "BaFin") and subject to the joint prudential supervision of BaFin, the European Central Bank and the central bank of Germany (Deutsche Bundesbank). UBS Luxembourg is furthermore supervised by the Luxembourg prudential supervisory authority (Commission de Surveillance du Secteur Financier), in its role as host member state authority. This publication has not been submitted for approval to any public supervisory authority.

Mexico: UBS Asesores México, S.A. de C.V., (hereinafter, "UBS Asesores"), an affiliate of UBS Switzerland AG, is a non-independent investment advisor incorporated in accordance with Mexican Law, regulated and subject to the supervision of the National Banking and Securities Commission (Comisión Nacional Bancaria y de Valores, hereinafter, the "CNBV"), exclusively regarding the rendering of (i) portfolio management services, (ii) securities investment advisory services, analysis and issuance of individual investment recommendations, and (iii) anti-money laundering and terrorism financing matters. UBS Asesores is registered before CNBV under registry number 30060-001-(14115)-21/06/2016; such registry will not assure the accuracy or veracity of the information provided to its Clients. Likewise, UBS Asesores is not a credit institution, so it is not authorized to receive deposits in cash or of any other type, nor to safeguard securities and does not promote banking and credit services, either is part of any financial group. Finally, UBS Asesores: (i) does not offer guaranteed returns to its clients, (ii) has disclosed to its clients and suppliers any potential conflict of interest that could have before them, and (iii) can only charge the commissions expressly agreed upon with their clients for the investment services actually provided. UBS Asesores may not receive any commissions or any other type of remuneration from local or foreign issuers or intermediaries of the stock market, who provide services to their clients. Likewise, the information contained herein cannot be considered as an individualized recommendation unless expressly stated and through prior Agreement with UBS Asesores for the provision of an investment service. This UBS publication or any material related thereto is addressed only to Sophisticated or Institutional Investors located in Mexico.

Monaco: This document is not intended to constitute a public offering or a comparable solicitation under the Principality of Monaco laws, but might be made available for information purposes to clients of UBS (Monaco) S.A., a regulated bank having its registered office at 2 avenue de Grande Bretagne 98000 Monaco operating under a banking license granted by the "Autorité de Contrôle Prudentiel et de Résolution" (ACPR) and the Monegasque government which authorizes the provision of banking services in Monaco. UBS (Monaco) S.A. is also licensed by the "Commission de Contrôle des Activités Financières" (CCAF) to provide investment services in Monaco. The latter has not approved this publication.

Panama: UBS AG Representative Office is regulated and supervised by the Superintendency of Banks of Panama. Licence for operation of a Representative Office granted under the Resolution S.B.P. No 017-2007. UBS Switzerland AG Representative Office is regulated and supervised by the Superintendency of Banks of Panama. Licence for operation of a Representative Office granted under the Resolution S.B.P. No. 0178-2015.

Russia: UBS Switzerland AG is not licensed to provide regulated banking and/or financial services in Russia. Information contained in this document refers to products and services exclusively available through and provided by UBS Switzerland AG in Switzerland or another UBS entity domiciled outside Russia. UBS employees travelling to Russia are neither authorized to conclude contracts nor to negotiate terms thereof while in Russia. Contracts only become binding on UBS once confirmed in Switzerland or in the location where the UBS entity is domiciled. The Wealth Management Advisory Office within OOO UBS Bank does not provide services for

which banking license is required in Russia. Certain financial instruments can be offered in Russia only to the qualified investors. Any attachments and documents with reference to the specific financial instruments do not constitute a personal investment recommendation under Russian law.

Singapore: This publication is distributed by UBS AG Singapore Branch. Clients of UBS AG Singapore branch are asked to please contact UBS AG Singapore branch, an exempt financial adviser under the Singapore Financial Advisers Act (Cap. 110) and a wholesale bank licensed under the Singapore Banking Act (Cap. 19) regulated by the Monetary Authority of Singapore, in respect of any matters arising from, or in connection with, the analysis or report.

Spain: This document is distributed in Spain by UBS AG, Sucursal en España, authorized under number 1460 in the Register by the Banco de España.

Sweden: This publication is not intended to constitute a public offer under Swedish law. It is distributed only for information purposes to clients of UBS Europe SE, Sweden Bankfilial, with place of business at Regeringsgatan 38, 11153 Stockholm, Sweden, registered with the Swedish Companies Registration Office under Reg. No 516406-1011. UBS Europe SE, Sweden Bankfilial is subject to the joint supervision of the European Central Bank, the German Central Bank (Deutsche Bundesbank), the German Federal Financial Services Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, "BaFin"), as well as of the Swedish supervisory authority (Finansinspektionen), to which this publication has not been submitted for approval. UBS Europe SE is a credit institution constituted under German law in the form of a Societas Europaea, duly authorized by BaFin.

Taiwan: This material is provided by UBS AG, Taipei Branch in accordance with laws of Taiwan, in agreement with or at the request of clients/prospects. UBS AG and its branches in Taiwan (including Taipei branch, Taichung branch, Kaohsiung branch, Taipei Offshore Banking Branch and any other branches of UBS AG to be established in Taiwan; collectively, the "Bank") have notified the clients (including prospects) of the purposes, scope and other matters with respect to personal data collecting, processing and usage, and have obtained the clients' consent (or have not received objection) to use of their personal data. Based on such consent, the Bank sends you the materials. If you no longer want to receive such marketing info, please directly contact your UBS client advisor to notify the Bank to discontinue using of your personal data for marketing purpose. You can see the Bank's Privacy Notice and the information regarding the collecting, processing and usage of personal data at https://www.ubs.com/global/en/legal/privacy/taiwan.html.

UK: This document is issued by UBS Wealth Management, a division of UBS AG which is authorised and regulated by the Financial Market Supervisory Authority in Switzerland. In the United Kingdom, UBS AG is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of regulation by the Prudential Regulation Authority are available from us on request. A member of the London Stock Exchange.

Additional disclaimers for cross-border situations:

Australia: This document is provided by UBS Switzerland AG. UBS Switzerland AG does not hold an Australian Financial Services Licence (AFSL) and relies on an exemption to provide financial services to persons in Australia. This document is intended only for distribution to wholesale clients under the Corporations Act 2001 (Cth). UBS Switzerland AG is a related body corporate of UBS AG, Australia Branch and UBS Securities Australia Limited. This document may be distributed to clients by those entities, but it is provided by UBS Switzerland AG and is not provided under any of the other entities' AFSL. The information in this document is general in nature and is not intended to address the objectives, financial situation or needs of any particular individual or entity. Each recipient should consider their own objectives, financial situation or needs before acting on the advice and obtain the relevant Product Disclosure Statement (if required) before making any decision whether to acquire any product. This marketing material may contain an extract of UBS research which may be available from your Relationship Manager. In Australia, UBS entities, other than UBS AG, Australia Branch, are not authorized deposit-taking institutions for the purposes of the Banking Act 1959 (Cth.) and their obligations do not represent deposits or other liabilities of UBS AG, Australia Branch. UBS AG, Australia Branch does not guarantee or otherwise provide assurance in respect of the obligations of such UBS entities or the funds. An investor is exposed to investment risk including possible delays in repayment and loss of income and principal invested, as relevant. If you do not wish to receive marketing materials from UBS, please contact your UBS representative or the contact details listed in the Australia Privacy Notice: https://www.ubs.com/global/en/legal/privacy.html. Your personal data will be processed in accordance with this notice.

Bahrain: This document is distributed by UBS AG, Bahrain Branch, duly licensed and regulated by the Central Bank of Bahrain (CBB) as an Investment Firm Category 2 (Branch). Related financial services or products are only made available to Accredited Investors, as defined by the CBB, and are not intended for any other persons. CBB has not reviewed, nor has it approved, this document or the marketing of any investment vehicle referred to herein in the Kingdom of Bahrain and is not responsible for the performance of any such investment vehicle. UBS AG, Bahrain Branch is a Foreign Branch of UBS AG, Zurich/Switzerland and is located at Level 21, East Tower, Bahrain World Trade Centre, Manama, Kingdom of Bahrain.

Czech Republic: UBS is not a licensed bank in Czech Republic and thus is not allowed to provide regulated banking or investment services in Czech Republic. This communication and/or material is distributed for marketing purposes and constitutes a "Commercial Message" under the laws of Czech Republic in relation to banking and/or investment services. Please notify UBS if you do not wish to receive any further correspondence.

Indonesia, Malaysia, Philippines, Thailand, Singapore: This communication and any offering material term sheet, research report, other product or service documentation or any other information (the "Material") sent with this communication was done so as a result of a request received by UBS from you and/or persons entitled to make the request on your behalf. Should you have received the Material erroneously, UBS asks that you kindly delete/destroy the communication and Material and inform UBS immediately. The Material, where provided, was provided for your information only and is not to be further distributed in whole or in part in or into your jurisdiction without the consent of UBS. The Material may not have been reviewed, approved, disapproved or endorsed by any financial or regulatory authority in your jurisdiction. UBS has not, by virtue of the Material, made available, issued any invitation to subscribe for or to purchase any investment (including securities or products or futures contracts). The Material is neither an offer nor a solicitation to enter into any transaction or contract (including future contracts) nor is it an offer to buy or to sell any securities or products. The relevant investments will be subject to restrictions and obligations on transfer as set forth in the Material, and by receiving the Material you undertake to comply fully with

such restrictions and obligations. You should carefully study and ensure that you understand and exercise due care and discretion in considering your investment objective, risk appetite and personal circumstances against the risk of the investment. You are advised to seek independent professional advice in case of doubt. Any and all advice provided on and/or trades executed by UBS pursuant to the Material will only have been provided upon your specific request or executed upon your specific instructions, as the case may be, and may be deemed as such by UBS and you.

Portugal: UBS is not licensed to conduct banking and financial activities in Portugal nor is UBS supervised by the Portuguese Regulators (Bank of Portugal "Banco de Portugal" and Portuguese Securities Exchange Commission "Comissão do Mercado de Valores Mobiliários").

Qatar: UBS Qatar LLC is licensed by the Qatar Financial Centre Authority and authorized by the QFC Regulatory Authority, with QFC no. 01169, and has its registered office at 14th floor, Burj Alfardan Tower, Building 157, Street No. 301, Area No. 69, Al Majdami, Lusail, Qatar. This material is strictly intended for Eligible Counterparties and/or Business Customers only as classified under the QFCRA's Customer and Investor Protection Rules 2019. No other person should act upon this material.

United Arab Emirates (UAE)/DIFC: UBS is not a financial institution licensed in the UAE by the Central Bank of the UAE nor by the Emirates' Securities and Commodities Authority and does not undertake banking activities in the UAE. This document is provided for your information only and does not constitute financial advice. DIFC: UBS AG Dubai Branch is licensed by the DFSA in the DIFC as an authorised firm. This material is strictly intended for Professional Clients and/or Market Counterparties only as classified under the DFSA rulebook. No other person should act upon this material.

Ukraine: UBS is a premier global financial services firm offering wealth management services to individual, corporate and institutional investors. UBS is established in Switzerland and operates under Swiss law and in over 50 countries and from all major financial centers. UBS is not registered and licensed as a bank/financial institution under Ukrainian legislation and does not provide banking and other financial services in Ukraine. UBS has not made, and will not make, any offer of the mentioned products to the public in Ukraine. No action has been taken to authorize an offer of the mentioned products to the public in Ukraine and the distribution of this document shall not constitute financial services for the purposes of the Law of Ukraine "On Financial Services and Financial Companies" dated 14 December 2021. Any offer of the mentioned products shall not constitute public offer, circulation, transfer, safekeeping, holding or custody of securities in the territory of Ukraine. Accordingly, nothing in this document or any other document, information or communication related to the mentioned products shall be interpreted as containing an offer, a public offer or invitation to offer or to a public offer, or solicitation of securities in the territory of Ukraine. Electronic communication must not be considered as an offer to enter into an electronic agreement or other electronic instrument ("електронний правочин") within the meaning of the Law of Ukraine "On Electronic Commerce" dated 3 September 2015. This document is strictly for private use by its holder and may not be passed on to third parties or otherwise publicly distributed.

United States: Non-US UBS entities are not SEC-registered broker-dealers or investment advisers in the United States (with the exception of UBS Financial Services Inc. and UBS Securities LLC in the US). As such, the material presented is not directed at, or intended for distribution to or use by, any person or entity who is a US citizen or resident located or incorporated in the United States or otherwise deemed a US Person under applicable law. The services, securities, and financial instruments presented may not be available and/or are not offered in the United States and accordingly, the rules for the protection of private customers that apply in the United States will not apply in relation to such products and services.

Additional country-specific disclaimers relevant to Credit Suisse Wealth Management:

Brazil: This report is distributed in Brazil by Credit Suisse (Brasil) S.A.Corretora de Títulos e Valores Mobiliários or its affiliates.

Japan: This report is solely distributed in Japan by Credit Suisse Securities (Japan) Limited, a Financial Instruments Dealer, Director-General of Kanto Local Finance Bureau (Kinsho) No. 66, a member of the Japan Securities Dealers Association, Financial Futures Association of Japan, Japan Investment Advisers Association, and Type II Financial Instruments Firms Association or UBS SuMi TRUST Wealth Management Co., Ltd, Financial Instruments Dealer, Director-General of Kanto Local Finance Bureau (Kinsho) No. 3233, a member of the Japan Securities Dealers Association, Financial Futures Association of Japan, Japan Investment Advisers Association. Neither Credit Suisse Securities (Japan) Limited nor UBS SuMi TRUST Wealth Management Co., Ltd will distribute or forward this report outside Japan.

Mexico: This information is distributed by C. Suisse Asesoría México, S.A. de C.V. ("CS Asesores"), an affiliate of UBS Group AG, incorporated as a non-independent investment advisor under the Mexican regulation due to the relation with a Foreign Bank and its indirect relation with Grupo Financiero Credit Suisse (México), S.A. de C.V. CS Asesores is registered under number 30070-001-(14208)-10/10/2016 and subject to the supervision of the Mexican Banking and Securities Commission ("CNBV") exclusively regarding the rendering of (i) portfolio management services, (ii) securities investment advisory services, analysis and issuance of individual investment recommendations, and (iii) anti-money laundering and terrorism financing matters. This publication or any material related thereto is addressed only to Sophisticated or Institutional Investors located in Mexico.

Qatar: This information has been distributed by Credit Suisse (Qatar) L.L.C., which is duly authorized and regulated by the Qatar Financial Centre Regulatory Authority (QFCRA) under QFC License No. 00005. All related financial products or services will only be available to Business Customers or Market Counterparties (as defined by the QFCRA), including individuals, who have opted to be classified as a Business Customer, with net assets in excess of QR 4 million, and who have sufficient financial knowledge, experience and understanding to participate in such products and/or services. Therefore this information must not be delivered to, or relied on by, any other type of individual.

Saudi Arabia: This information is being distributed by Credit Suisse Saudi Arabia (CR Number 1010228645), duly licensed and regulated by the Saudi Arabian Capital Market Authority pursuant to License Number 08104-37 dated 23/03/1429H corresponding to 21/03/2008AD. Credit Suisse Saudi Arabia's principal place of business is at King Khaled Road, Laysen Valley, Building number 6, 12329-2376, Riyadh, Saudi Arabia. Website: https://www.credit-suisse.com/sa/en/cssa.html.

South Africa: This information is being distributed by Credit Suisse (UK) Limited which is registered as a financial services provider with the Financial Sector Conduct Authority in South Africa with FSP number 48779.

Türkiye: The investment information, comments and recommendations contained herein are not within the scope of investment advisory activity. The investment advisory services are provided by the authorized institutions to the persons in a customized manner taking into account the risk and return preferences of the persons. Whereas, the comments and advices included herein are of general nature. Therefore recommendations may not be suitable for your financial status or risk and yield preferences. For this reason, making an investment decision only by relying on the information given herein may not give rise to results that fit your expectations. This report is distributed by Credit Suisse Istanbul Menkul Degerler Anonim Sirketi, regulated by the Capital Board of Türkiye, with its registered address at Levazim Mahallesi, Koru Sokak No. 2 Zorlu Center Terasevler No. 61 34340 Besiktas/ Markets Istanbul-Türkiye.

United Kingdom: This document is distributed by Credit Suisse (UK) Limited. Credit Suisse (UK) Limited, is authorized by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Where this material is distributed into the United Kingdom by an offshore entity not exempted under the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 the following will apply: To the extent communicated in the United Kingdom ("UK") or capable of having an effect in the UK, this document constitutes a financial promotion which has been approved by Credit Suisse (UK) Limited which is authorized by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority for the conduct of investment business in the UK. The registered address of Credit Suisse (UK) Limited is 5 Broadgate, London, EC2M 2QS. Please note that the rules under the UK's Financial Services and Markets Act 2000 relating to the protection of retail clients will not be applicable to you and that any potential compensation made available to "eligible claimants" under the UK's Financial Services Compensation Scheme will also not be available to you. Tax treatment depends on the individual circumstances of each client and may be subject to changes in future.

© UBS 2025. The key symbol and UBS are among the registered and unregistered trademarks of UBS. All rights reserved.

Approval Date: 25.09.2025
Expiration: 25.09.2026
Review Code: 4850680

UBS Group AG
P.O. Box
CH-8098 Zurich

ubs.com

© UBS 2025. The key symbol and UBS are among the registered and unregistered trademarks of UBS. All rights reserved.