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Impact Report for Mexico

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Financial Market Chapter

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Introduction

Understanding the societal impact of public policy in economic sectors is vital for fostering growth while achieving transition and other policy goals. To this end, the present report offers key insights into the performance of specific sectors.

This document presents impact statements for United Mexican States's NACE sectors.[1] The tables show the *direct impact* of companies' own operations as well as the *upstream impact* along their supply chains.[2] Positive or negative impact values are quantified in monetary terms and divided by each sector's macroeconomic output. These '*Impact Intensities*' (expressed in EUR of impact per EUR of output) enable comparability across countries, sectors, and companies. The output part of the formula is based on a macroeconomic assessment and reflects overall sector turnover volume.

Impact Intensities are provided for each impact driver across four stages of the value chain: own operations, upstream tier 1, upstream tier 2, and upstream tier 3 to n.[3] Results are shown for specific countries—Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Korea, Spain, Switzerland, Türkiye, the UK, and the USA—as well as a global average.

The tables provide a foundation for 'Type 4' sector-based benchmarks;[4] companies can compare their reported or estimated impact with the table values. To ensure consistency, a company's impact must be monetized using the same value factor and scaled relative to revenue. In this way, company-specific Impact Intensity can be compared within the sector and across multiple sectors.

The comparison spans value chain stages within a company's control (own operations) and beyond (upstream). Impact Intensities are depicted for each upstream stage in the global supply chain, viewed from the perspective of the respective country. These stages are presented in tiers, enabling comparison with a company's global upstream supply chain. Note that these upstream impacts may not necessarily be located in the same country.

The values are modeled using input-output modeling, as outlined in the System of National Accounts.[5] WifOR compiles the hybrid multi-regional model based on WIOD, EORA, and

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1 Eurostat, NACE Rev. 2. Statistical classification of economic activities in the European Community, https://ec.europa.eu/eurostat/documents/3859598/5902521/KS-RA-07-015-EN.pdf.

2 VBA, VBA Impact Statement, 11.2024, https://www.value-balancing.com/_Resources/Persistent/6/b/e/c/6bec726b5e28d5f75e2e5f153db845a3bbb93f2e/VBA_Impact%20Statement_Final.pdf.

3 Tiers represent different levels of suppliers in the supply chain, where 'tier 1' refers to direct suppliers, 'tier 2' to the suppliers of those direct suppliers, and 'tier 3 to n' to all subsequent levels.

4 VBA et al., Valuing Impact Materiality 2025, 2025, https://www.value-balancing.com/en/publications/valuing-impact-materiality-report-1.html.

5 European Commission, International Monetary Fund, Organisation for Economic Co-operation and Development, United Nations, and World Bank. 2009. System of National Accounts 2008. New York: United Nations. https://unstats.un.org/unsd/nationalaccount/docs/SNA2008.pdf.

EXIOBASE,[6] enhanced by estimates based on *satellite accounts*, as outlined in the System of Environmental-Economic Accounting.[7] The modeled effects are then multiplied by publicly available context-specific value factors[8] to capture their societal impact.[9]

The tables are complemented by bar charts showing each impact driver's effect (in EUR per EUR output) in all the four value chain stages.

Responsibility of States

States have a primary duty to protect human rights and fundamental rights under international law, in accordance with the primacy principle. This obligation extends to preventing human rights abuses by third parties (including businesses) within their jurisdiction. This duty is grounded in legal obligations and reinforced by policy rationales that ensure consistency in enforcement.

Responsibility of Business

Businesses, by contrast, have a responsibility (rather than a duty) to respect human rights. Their role is supportive of state obligations but remains distinct. While international law has yet to fully define the extent of corporate human rights responsibilities, the UNGPs establish that businesses, at minimum, must prevent and address human rights harms linked to their operations. Beyond compliance with legal obligations, involvement in adverse human rights impacts must be prevented or remedied. Human rights due diligence is required for this purpose; this due diligence process includes assessing risks, integrating findings into corporate decision-making, and mitigating or remedying any adverse impacts.

Interplay

The interplay between *state obligations* and *business responsibilities* reflects a layered system of accountability: While states bear legal obligations to regulate corporate behavior, businesses have a practical responsibility to prevent harm. These responsibilities arise in different forms—whether they cause, contribute to, or are linked to human rights abuses. The nature of corporate involvement in human rights impacts determines their level of responsibility, with leverage and mitigation playing a critical role in addressing violations. Thus, while business responsibilities complement state obligations, they remain distinct and non-parallel, ensuring a balanced but clear accountability framework.

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6 Scholz, Richard; Dorndorf, Tabea; Tesch, Jasmin; Köster, Robert; Croner, Daniel; Kalamov, Zarko; Setzer, Jana. 2025. Impact measurement using WifOR's sustainability footprint method. Methodological report. Version February 2025. WifOR Institute.

7 United Nations, ed. 2014. *System of Environmental-Economic Accounting 2012: Central Framework*. New York, NY: United Nations.

8 WifOR, Value Factors, https://www.wifor.com/en/value-factors/#:~:text=Value%20factors%20convert%20physical%20units,dimensions%20and%20with%20financial%20indicators

9 Scholz, Richard; Albu, Nora; Croner, Daniel; Kalamov, Zarko; Mai, Lukas; Forin, Silvia; Tesch, Jasmin; Dorndorf, Tabea; Setzer, Jana. 2025. WifOR Impact Valuation. Methodological Report. Version February 2025. WifOR Institute.

Accountability

While global businesses in the main complement state efforts and uphold responsible practices, international law establishes the primacy of state responsibility. States must create robust legal frameworks to hold businesses accountable, while companies must conduct human rights due diligence to prevent, mitigate, and remediate adverse impacts. Together, these obligations form a layered system, where corporate responsibility reinforces (rather than replaces) state duties to address human rights risks. Impact accounting helps states and businesses alike understand their respective responsibilities in the context of human rights and broader social, environmental, and economic impacts. While companies must assess their roles within supply chains and address potential harms, it is the states that bear the primary responsibility to tackle these issues and implement policies that prevent extensive negative impacts. Regulatory frameworks should go beyond preventing harm. They should empower businesses to generate positive impacts throughout the value chain. Neither states nor businesses may evade their responsibilities. States cannot plead powerlessness given that international treaties and criminal law extend their reach beyond national boundaries. By the same token, businesses cannot excuse harmful actions by pointing to weak state enforcement of human rights protections.

Benchmarks

This document explores the impacts of Mexico's economy, focusing on direct and upstream supply chain impacts on the economic, environmental, and social domains. The analysis is based on the NACE classification of economic activities. Positive and negative impact values are quantified in monetary terms per unit of macroeconomic output (hereinafter "*Impact Intensities*"). The tables display these Impact Intensities in EUR per EUR output for each impact driver across five stages of the sector's value chain: own operations, upstream tier 1, upstream tier 2, and upstream tier 3 to n. The output data is derived from a macroeconomic assessment and reflects the turnover of each sector.

Intensities

The tables help identify the domestic economic sectors with the largest impacts across the country-specific value chain serving the Mexican economy. By providing maximum transparency on where significant impacts occur throughout the value chain stages, our analysis enables policymakers and regulators to more effectively manage the impacts. It supports the crafting of regulatory frameworks to mitigate negative and enhance positive impacts.

Sector Intensity Benchmarks

Agriculture, Forestry and Fishing (A)

Variable	direct	upstream tier 1	upstream tier 2	upstream rest	Total
Air Emission	-0.2	-0.03	-0.01	-0.01	-0.24
Fair Wages	-0.16	-0.06	-0.03	-0.04	-0.3
GHG	-0.39	-0.05	-0.02	-0.01	-0.46
GVA	0.62	0.19	0.1	0.09	1.0
Human Rights	-0.11	-0.01	-0.0	-0.0	-0.13
Invasive Species	-0.0	-0.0	-0.0	-0.0	-0.0
Land Use	-0.35	-0.04	-0.02	-0.01	-0.43
Occupational Health & Safety	-0.09	-0.02	-0.01	-0.01	-0.13
Ocean Plastic	0.0	-0.0	-0.0	-0.0	-0.0
Training	0.0	0.0	0.0	0.0	0.01
Waste	-0.04	-0.0	-0.0	-0.0	-0.05
Water	-7.99	-0.72	-0.21	-0.08	-9.0

Source: WifOR / VBA, Table for United Mexican States - Agriculture, forestry and fishing (NACE Code A), 2024, Calculated based on WifOR Institute, WifOR Value Factors, Version February 2025.

The impact intensity table for the Agriculture, Forestry, and Fishing sector in the United Mexican States reveals significant negative impacts across various categories, with the highest negative intensity observed in water-related impacts at -9.004142 EUR per EUR output. In contrast, the training variable shows a minimal positive impact intensity of 0.011108 EUR per EUR output, indicating a potential area for improvement in enhancing positive contributions. Overall, the total negative impact intensities across categories such as air emissions, fair wages, and land use further highlight the sector's challenges in achieving sustainable practices.

Mining and Quarrying (B)

Variable	direct	upstream tier 1	upstream tier 2	upstream rest	Total
Air Emission	-0.01	-0.0	-0.0	-0.0	-0.02
Fair Wages	-0.0	-0.01	-0.01	-0.02	-0.04
GHG	-0.04	-0.01	-0.0	-0.0	-0.06
GVA	0.8	0.12	0.04	0.04	1.0
Human Rights	-0.0	-0.0	-0.0	-0.0	-0.01
Invasive Species	-0.0	-0.0	-0.0	-0.0	-0.0
Land Use	0.0	-0.0	-0.0	-0.0	-0.01
Occupational Health & Safety	-0.01	-0.0	-0.0	-0.0	-0.01
Ocean Plastic	0.0	-0.0	-0.0	-0.0	-0.0
Training	0.03	0.0	0.0	0.0	0.04
Waste	-0.05	-0.0	-0.0	-0.0	-0.05
Water	0.0	-0.0	-0.0	-0.01	-0.01

Source: WifOR / VBA, Table for United Mexican States - Mining and quarrying (NACE Code B), 2024, Calculated based on WifOR Institute, WifOR Value Factors, Version February 2025.

In the Mining and Quarrying sector of the United Mexican States, the total negative impact intensities are evident across various categories, with the highest negative intensity recorded in waste impacts at -0.051992 EUR per EUR output. The training variable stands out with a positive impact intensity of 0.037754 EUR per EUR output, suggesting potential for enhancing workforce development and skills. Overall, the sector faces significant challenges related to air emissions, fair wages, and water usage, indicating a need for improved sustainability practices.

Manufacturing (C)

Variable	direct	upstream tier 1	upstream tier 2	upstream rest	Total
Air Emission	-0.03	-0.02	-0.01	-0.01	-0.08
Fair Wages	-0.04	-0.05	-0.04	-0.09	-0.23
GHG	-0.02	-0.04	-0.02	-0.02	-0.1
GVA	0.28	0.34	0.17	0.18	0.97
Human Rights	-0.01	-0.01	-0.0	-0.0	-0.02
Invasive Species	-0.0	-0.0	-0.0	-0.0	-0.0
Land Use	-0.0	-0.03	-0.02	-0.02	-0.07
Occupational Health & Safety	-0.03	-0.02	-0.01	-0.01	-0.07
Ocean Plastic	-0.01	-0.01	-0.0	-0.0	-0.02
Training	0.01	0.01	0.01	0.01	0.04
Waste	-0.0	-0.01	-0.0	-0.0	-0.02
Water	-0.04	-0.32	-0.08	-0.05	-0.48

Source: WifOR / VBA, Table for United Mexican States - Manufacturing (NACE Code C), 2024, Calculated based on WifOR Institute, WifOR Value Factors, Version February 2025.

The Manufacturing sector in the United Mexican States exhibits substantial negative impact intensities, particularly in water usage, which has the highest negative intensity at -0.483823 EUR per EUR output. Fair wages also reflect a significant negative impact of -0.226662 EUR per EUR output, indicating serious concerns regarding labor conditions in the sector. Conversely, the training variable shows a positive impact intensity of 0.035995 EUR per EUR output, highlighting an opportunity for enhancing workforce skills and development amidst the overall negative impacts.

Electricity, Gas, Steam and Air Conditioning Supply (D)

Variable	direct	upstream tier 1	upstream tier 2	upstream rest	Total
Air Emission	-0.11	-0.01	-0.0	-0.01	-0.13
Fair Wages	0.02	-0.02	-0.03	-0.05	-0.08
GHG	-0.21	-0.02	-0.01	-0.01	-0.25
GVA	0.6	0.19	0.14	0.12	1.05
Human Rights	-0.0	-0.0	-0.0	-0.0	-0.01
Invasive Species	-0.0	-0.0	-0.0	-0.0	-0.0
Land Use	0.0	-0.0	-0.0	-0.01	-0.01
Occupational Health & Safety	-0.0	-0.01	-0.0	-0.01	-0.02
Ocean Plastic	0.0	-0.0	-0.0	-0.0	-0.0
Training	0.01	0.01	0.01	0.0	0.03
Waste	-0.0	-0.0	-0.0	-0.0	-0.01
Water	-0.05	-0.01	-0.01	-0.02	-0.08

Source: WifOR / VBA, Table for United Mexican States - Electricity, gas, steam and air conditioning supply (NACE Code D), 2024, Calculated based on WifOR Institute, WifOR Value Factors, Version February 2025.

In the Electricity, Gas, Steam, and Air Conditioning Supply sector of the United Mexican States, the most significant negative impact intensity is observed in greenhouse gas emissions, with a total intensity of -0.247266 EUR per EUR output, indicating substantial environmental concerns. Additionally, air emissions also contribute notably to negative impacts at -0.125841 EUR per EUR output, reflecting the sector's challenges in managing pollution. Conversely, the training variable presents a positive impact intensity of 0.028567 EUR per EUR output, suggesting opportunities for workforce development and skill enhancement amidst the overall negative impacts.

Water Supply; Sewerage, Waste Management and Remediation Activities (E)

Variable	direct	upstream tier 1	upstream tier 2	upstream rest	Total
Air Emission	-0.02	-0.0	-0.0	-0.0	-0.03
Fair Wages	-0.08	-0.02	-0.01	-0.03	-0.15
GHG	-0.35	-0.01	-0.01	-0.01	-0.38
GVA	0.7	0.15	0.08	0.07	1.0
Human Rights	-0.01	-0.0	-0.0	-0.0	-0.02
Invasive Species	-0.0	-0.0	-0.0	-0.0	-0.0
Land Use	-0.0	-0.0	-0.0	-0.01	-0.01
Occupational Health & Safety	-0.03	-0.01	-0.0	-0.01	-0.04
Ocean Plastic	0.0	-0.0	-0.0	-0.0	-0.0
Training	0.03	0.01	0.0	0.0	0.04
Waste	-0.0	-0.0	-0.0	-0.0	-0.0
Water	-0.0	-0.0	-0.0	-0.01	-0.02

Source: WifOR / VBA, Table for United Mexican States - Water supply; sewerage, waste management and remediation activities (NACE Code E), 2024, Calculated based on WifOR Institute, WifOR Value Factors, Version February 2025.

In the Water Supply; Sewerage, Waste Management, and Remediation Activities sector of the United Mexican States, the highest negative impact intensity is found in greenhouse gas emissions, with a total intensity of -0.377701 EUR per EUR output, indicating significant environmental challenges. Fair wages also present a considerable negative impact of -0.147466 EUR per EUR output, highlighting issues related to labor conditions within the sector. Conversely, the training variable shows a positive impact intensity of 0.042907 EUR per EUR output, suggesting potential for enhancing workforce skills and development despite the overall negative impacts.

Construction (F)

Variable	direct	upstream tier 1	upstream tier 2	upstream rest	Total
Air Emission	-0.02	-0.03	-0.01	-0.01	-0.07
Fair Wages	-0.03	-0.03	-0.02	-0.05	-0.12
GHG	-0.01	-0.02	-0.01	-0.01	-0.05
GVA	0.56	0.22	0.11	0.11	0.99
Human Rights	-0.02	-0.0	-0.0	-0.0	-0.03
Invasive Species	-0.0	-0.0	-0.0	-0.0	-0.0
Land Use	0.0	-0.0	-0.02	-0.01	-0.03
Occupational Health & Safety	-0.02	-0.01	-0.01	-0.01	-0.04
Ocean Plastic	0.0	-0.0	-0.0	-0.0	-0.01
Training	0.01	0.01	0.0	0.0	0.02
Waste	-0.0	-0.0	-0.0	-0.0	-0.0
Water	-0.0	-0.01	-0.01	-0.01	-0.03

Source: WifOR / VBA, Table for United Mexican States - Construction (NACE Code F), 2024, Calculated based on WifOR Institute, WifOR Value Factors, Version February 2025.

In the Construction sector of the United Mexican States, the total negative impact intensity is most pronounced in air emissions, with an intensity of -0.070547 EUR per EUR output, indicating significant environmental concerns. Fair wages also reflect a notable negative impact of -0.124710 EUR per EUR output, suggesting challenges related to labor conditions in the industry. Conversely, the training variable presents a positive impact intensity of 0.023480 EUR per EUR output, highlighting opportunities for workforce development and skill enhancement amidst the overall negative impacts.

Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles (G)

Variable	direct	upstream tier 1	upstream tier 2	upstream rest	Total
Air Emission	-0.0	-0.0	-0.0	-0.0	-0.01
Fair Wages	-0.13	-0.01	-0.01	-0.02	-0.17
GHG	-0.01	-0.01	-0.0	-0.0	-0.03
GVA	0.77	0.14	0.04	0.04	1.0
Human Rights	-0.03	-0.0	-0.0	-0.0	-0.03
Invasive Species	-0.0	-0.0	-0.0	-0.0	-0.0
Land Use	0.0	-0.0	-0.01	-0.01	-0.01
Occupational Health & Safety	-0.03	-0.0	-0.0	-0.0	-0.04
Ocean Plastic	0.0	-0.0	-0.0	-0.0	-0.0
Training	0.02	0.0	0.0	0.0	0.02
Waste	-0.0	-0.0	-0.0	-0.0	-0.0
Water	-0.0	-0.0	-0.01	-0.01	-0.02

Source: WifOR / VBA, Table for United Mexican States - Wholesale and retail trade; repair of motor vehicles and motorcycles (NACE Code G), 2024, Calculated based on WifOR Institute, WifOR Value Factors, Version February 2025.

In the Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles sector of the United Mexican States, the most significant negative impact intensity is associated with fair wages, which has an intensity of -0.170922 EUR per EUR output, indicating serious labor condition issues. Additionally, air emissions contribute a minor negative impact of -0.008078 EUR per EUR output, reflecting environmental concerns, albeit to a lesser extent compared to other sectors. Conversely, the training variable shows a positive impact intensity of 0.024747 EUR per EUR output, suggesting opportunities for enhancing workforce skills and development amidst the overall negative impacts.

Transportation and Storage (H)

Variable	direct	upstream tier 1	upstream tier 2	upstream rest	Total
Air Emission	-0.01	-0.0	-0.0	-0.01	-0.02
Fair Wages	-0.11	-0.02	-0.02	-0.04	-0.19
GHG	-0.04	-0.01	-0.01	-0.01	-0.08
GVA	0.59	0.21	0.14	0.13	1.07
Human Rights	-0.01	-0.0	-0.0	-0.0	-0.02
Invasive Species	-0.0	-0.0	-0.0	-0.0	-0.0
Land Use	0.0	-0.0	-0.0	-0.01	-0.01
Occupational Health & Safety	-0.03	-0.01	-0.0	-0.01	-0.05
Ocean Plastic	0.0	-0.0	-0.0	-0.0	-0.0
Training	0.02	0.01	0.01	0.0	0.03
Waste	-0.0	-0.0	-0.0	-0.0	-0.01
Water	-0.0	-0.0	-0.0	-0.01	-0.01

Source: WifOR / VBA, Table for United Mexican States - Transportation and storage (NACE Code H), 2024, Calculated based on WifOR Institute, WifOR Value Factors, Version February 2025.

In the Transportation and Storage sector of the United Mexican States, the most significant negative impact intensity is associated with fair wages, which has an intensity of -0.194673 EUR per EUR output, indicating serious labor condition issues within the industry. Additionally, air emissions contribute a negative impact of -0.024182 EUR per EUR output, reflecting environmental concerns related to transportation activities. Conversely, the training variable shows a positive impact intensity of 0.033766 EUR per EUR output, suggesting potential for workforce development and skill enhancement amidst the overall negative impacts.

Accommodation and Food Service Activities (I)

Variable	direct	upstream tier 1	upstream tier 2	upstream rest	Total
Air Emission	-0.0	-0.01	-0.01	-0.0	-0.02
Fair Wages	-0.26	-0.02	-0.02	-0.03	-0.33
GHG	-0.02	-0.02	-0.01	-0.01	-0.06
GVA	0.68	0.19	0.07	0.06	1.0
Human Rights	-0.05	-0.0	-0.0	-0.0	-0.05
Invasive Species	-0.0	-0.0	-0.0	-0.0	-0.0
Land Use	0.0	-0.0	-0.01	-0.01	-0.01
Occupational Health & Safety	-0.06	-0.01	-0.01	-0.0	-0.08
Ocean Plastic	0.0	-0.0	-0.0	-0.0	-0.0
Training	0.02	0.01	0.0	0.0	0.03
Waste	-0.0	-0.0	-0.0	-0.0	-0.0
Water	0.0	-0.01	-0.1	-0.04	-0.15

Source: WifOR / VBA, Table for United Mexican States - Accommodation and food service activities (NACE Code I), 2024, Calculated based on WifOR Institute, WifOR Value Factors, Version February 2025.

In the Accommodation and Food Service Activities sector of the United Mexican States, the most significant negative impact intensity is associated with fair wages, which has an intensity of -0.332912 EUR per EUR output, indicating severe labor condition issues within the industry. Additionally, water usage presents a substantial negative impact of -0.147342 EUR per EUR output, reflecting significant concerns regarding resource management in this sector. Conversely, the training variable shows a positive impact intensity of 0.026728 EUR per EUR output, suggesting opportunities for enhancing workforce skills and development despite the overall negative impacts.

Information and Communication (J)

Variable	direct	upstream tier 1	upstream tier 2	upstream rest	Total
Air Emission	-0.0	-0.0	-0.0	-0.01	-0.01
Fair Wages	0.02	-0.02	-0.01	-0.04	-0.06
GHG	-0.01	-0.01	-0.0	-0.01	-0.03
GVA	0.6	0.25	0.07	0.07	0.99
Human Rights	-0.0	-0.0	-0.0	-0.0	-0.01
Invasive Species	-0.0	-0.0	-0.0	-0.0	-0.0
Land Use	0.0	-0.0	-0.0	-0.0	-0.01
Occupational Health & Safety	-0.01	-0.01	-0.0	-0.01	-0.02
Ocean Plastic	0.0	-0.0	-0.0	-0.0	-0.0
Training	0.03	0.01	0.0	0.0	0.04
Waste	-0.0	-0.0	-0.0	-0.0	-0.0
Water	-0.0	-0.0	-0.0	-0.01	-0.01

Source: WifOR / VBA, Table for United Mexican States - Information and communication (NACE Code J), 2024, Calculated based on WifOR Institute, WifOR Value Factors, Version February 2025.

In the Information and Communication sector of the United Mexican States, the most significant negative impact intensity is associated with fair wages, which has an intensity of -0.056932 EUR per EUR output, indicating notable labor condition issues within the industry. Additionally, air emissions contribute a negative impact of -0.010995 EUR per EUR output, reflecting environmental concerns, albeit at a lower intensity compared to other sectors. Conversely, the training variable shows a positive impact intensity of 0.042282 EUR per EUR output, suggesting opportunities for enhancing workforce skills and development amidst the overall negative impacts.

Financial and Insurance Activities (K)

Variable	direct	upstream tier 1	upstream tier 2	upstream rest	Total
Air Emission	-0.0	-0.0	-0.0	-0.0	-0.01
Fair Wages	0.05	-0.0	-0.01	-0.02	0.03
GHG	-0.0	-0.01	-0.0	-0.0	-0.01
GVA	0.63	0.25	0.07	0.05	1.0
Human Rights	0.0	-0.0	-0.0	-0.0	-0.0
Invasive Species	-0.0	-0.0	-0.0	-0.0	-0.0
Land Use	0.0	-0.0	-0.0	-0.0	-0.0
Occupational Health & Safety	-0.0	-0.0	-0.0	-0.0	-0.01
Ocean Plastic	0.0	-0.0	-0.0	-0.0	-0.0
Training	0.02	0.01	0.0	0.0	0.04
Waste	-0.0	-0.0	-0.0	-0.0	-0.0
Water	0.0	-0.0	-0.0	-0.01	-0.01

Source: WifOR / VBA, Table for United Mexican States - Financial and insurance activities (NACE Code K), 2024, Calculated based on WifOR Institute, WifOR Value Factors, Version February 2025.

In the Financial and Insurance Activities sector of the United Mexican States, the most notable positive impact intensity is found in fair wages, with an intensity of 0.026847 EUR per EUR output, indicating relatively better labor conditions compared to other sectors. Conversely, air emissions present a negative impact intensity of -0.005753 EUR per EUR output, reflecting some environmental concerns, albeit at a lower level than many other sectors. Additionally, the training variable shows a positive impact intensity of 0.036926 EUR per EUR output, suggesting opportunities for workforce development and skill enhancement within the industry.

Real Estate Activities (L)

Variable	direct	upstream tier 1	upstream tier 2	upstream rest	Total
Air Emission	-0.0	-0.0	-0.0	-0.0	-0.0
Fair Wages	-0.01	-0.0	-0.0	-0.01	-0.02
GHG	-0.0	-0.0	-0.0	-0.0	-0.01
GVA	0.89	0.07	0.02	0.02	1.0
Human Rights	0.0	-0.0	-0.0	-0.0	-0.0
Invasive Species	-0.0	-0.0	-0.0	-0.0	-0.0
Land Use	-0.0	-0.0	-0.0	-0.0	-0.0
Occupational Health & Safety	-0.0	-0.0	-0.0	-0.0	-0.01
Ocean Plastic	0.0	-0.0	-0.0	-0.0	-0.0
Training	0.02	0.0	0.0	0.0	0.02
Waste	-0.0	-0.0	-0.0	-0.0	-0.0
Water	0.0	-0.0	-0.0	-0.0	-0.0

Source: WifOR / VBA, Table for United Mexican States - Real estate activities (NACE Code L), 2024, Calculated based on WifOR Institute, WifOR Value Factors, Version February 2025.

In the Real Estate Activities sector of the United Mexican States, the most significant negative impact intensity is associated with fair wages, which has an intensity of -0.021828 EUR per EUR output, indicating notable labor condition issues within the industry. Additionally, air emissions contribute a negative impact of -0.003090 EUR per EUR output, reflecting environmental concerns, although at a lower intensity compared to other sectors. Conversely, the training variable shows a positive impact intensity of 0.023828 EUR per EUR output, suggesting opportunities for enhancing workforce skills and development despite the overall negative impacts.

Professional, Scientific and Technical Activities (M)

Variable	direct	upstream tier 1	upstream tier 2	upstream rest	Total
Air Emission	-0.0	-0.0	-0.0	-0.0	-0.0
Fair Wages	-0.01	-0.01	-0.0	-0.01	-0.04
GHG	-0.0	-0.01	-0.0	-0.0	-0.01
GVA	0.76	0.17	0.04	0.03	1.0
Human Rights	0.0	-0.0	-0.0	-0.0	-0.0
Invasive Species	-0.0	-0.0	-0.0	-0.0	-0.0
Land Use	-0.0	-0.0	-0.0	-0.0	-0.0
Occupational Health & Safety	-0.01	-0.0	-0.0	-0.0	-0.02
Ocean Plastic	0.0	-0.0	-0.0	-0.0	-0.0
Training	0.02	0.0	0.0	0.0	0.03
Waste	-0.0	-0.0	-0.0	-0.0	-0.0
Water	-0.0	-0.0	-0.0	-0.0	-0.01

Source: WifOR / VBA, Table for United Mexican States - Professional, scientific and technical activities (NACE Code M), 2024, Calculated based on WifOR Institute, WifOR Value Factors, Version February 2025.

In the Professional, Scientific, and Technical Activities sector of the United Mexican States, the most significant negative impact intensity is associated with fair wages, which has an intensity of -0.036400 EUR per EUR output, indicating notable labor condition issues within the industry. Additionally, air emissions contribute a negative impact of -0.004244 EUR per EUR output, reflecting environmental concerns, albeit at a lower intensity compared to other sectors. Conversely, the training variable shows a positive impact intensity of 0.032018 EUR per EUR output, suggesting opportunities for enhancing workforce skills and development amidst the overall negative impacts.

Administrative and Support Service Activities (N)

Variable	direct	upstream tier 1	upstream tier 2	upstream rest	Total
Air Emission	-0.0	-0.0	-0.0	-0.0	-0.0
Fair Wages	-0.01	-0.0	-0.0	-0.01	-0.02
GHG	-0.0	-0.0	-0.0	-0.0	-0.01
GVA	0.89	0.07	0.02	0.02	1.0
Human Rights	0.0	-0.0	-0.0	-0.0	-0.0
Invasive Species	-0.0	-0.0	-0.0	-0.0	-0.0
Land Use	-0.0	-0.0	-0.0	-0.0	-0.0
Occupational Health & Safety	-0.0	-0.0	-0.0	-0.0	-0.01
Ocean Plastic	0.0	-0.0	-0.0	-0.0	-0.0
Training	0.02	0.0	0.0	0.0	0.02
Waste	-0.0	-0.0	-0.0	-0.0	-0.0
Water	0.0	-0.0	-0.0	-0.0	-0.0

Source: WifOR / VBA, Table for United Mexican States - Administrative and support service activities (NACE Code N), 2024, Calculated based on WifOR Institute, WifOR Value Factors, Version February 2025.

In the Administrative and Support Service Activities sector of the United Mexican States, the most significant negative impact intensity is associated with fair wages, which has an intensity of -0.021828 EUR per EUR output, indicating notable labor condition issues within the industry. Additionally, air emissions contribute a negative impact of -0.003090 EUR per EUR output, reflecting environmental concerns, although at a lower intensity compared to other sectors. Conversely, the training variable shows a positive impact intensity of 0.023828 EUR per EUR output, suggesting opportunities for enhancing workforce skills and development amidst the overall negative impacts.

Public Administration and Defense; Compulsory Social Security (O)

Variable	direct	upstream tier 1	upstream tier 2	upstream rest	Total
Air Emission	-0.0	-0.0	-0.0	-0.0	-0.01
Fair Wages	0.12	-0.03	-0.01	-0.02	0.06
GHG	-0.01	-0.01	-0.0	-0.01	-0.03
GVA	0.69	0.19	0.07	0.06	1.0
Human Rights	0.0	-0.0	-0.0	-0.0	-0.01
Invasive Species	-0.0	-0.0	-0.0	-0.0	-0.0
Land Use	0.0	-0.0	-0.0	-0.0	-0.01
Occupational Health & Safety	-0.11	-0.01	-0.0	-0.0	-0.13
Ocean Plastic	0.0	-0.0	-0.0	-0.0	-0.0
Training	0.02	0.01	0.0	0.0	0.03
Waste	-0.0	-0.0	-0.0	-0.0	-0.0
Water	0.0	-0.0	-0.01	-0.01	-0.03

Source: WifOR / VBA, Table for United Mexican States - Public administration and defense; compulsory social security (NACE Code O), 2024, Calculated based on WifOR Institute, WifOR Value Factors, Version February 2025.

In the Public Administration and Defense; Compulsory Social Security sector of the United Mexican States, the most significant positive impact intensity is associated with fair wages, which has an intensity of 0.058559 EUR per EUR output, indicating relatively favorable labor conditions compared to other sectors. Conversely, the sector also exhibits notable negative impacts in occupational health and safety, with an intensity of -0.125403 EUR per EUR output, highlighting serious concerns regarding worker safety. Additionally, water usage presents a substantial negative impact of -0.026891 EUR per EUR output, reflecting significant resource management challenges within this sector.

Education (P)

Variable	direct	upstream tier 1	upstream tier 2	upstream rest	Total
Air Emission	-0.0	-0.0	-0.0	-0.0	-0.0
Fair Wages	0.18	-0.01	-0.0	-0.01	0.17
GHG	-0.02	-0.01	-0.0	-0.0	-0.03
GVA	0.88	0.08	0.02	0.02	1.0
Human Rights	0.0	-0.0	-0.0	-0.0	-0.0
Invasive Species	-0.0	-0.0	-0.0	-0.0	-0.0
Land Use	0.0	-0.0	-0.0	-0.0	-0.0
Occupational Health & Safety	-0.08	-0.0	-0.0	-0.0	-0.09
Ocean Plastic	0.0	-0.0	-0.0	-0.0	-0.0
Training	0.02	0.0	0.0	0.0	0.02
Waste	-0.0	-0.0	-0.0	-0.0	-0.0
Water	-0.0	-0.0	-0.0	-0.0	-0.0

Source: WifOR / VBA, Table for United Mexican States - Education (NACE Code P), 2024, Calculated based on WifOR Institute, WifOR Value Factors, Version February 2025.

In the Education sector of the United Mexican States, the most significant positive impact intensity is associated with fair wages, which has an intensity of 0.166148 EUR per EUR output, indicating relatively favorable labor conditions compared to many other sectors. Conversely, the sector faces notable negative impacts in occupational health and safety, with an intensity of -0.088571 EUR per EUR output, highlighting serious concerns regarding the safety and well-being of educational staff. Additionally, water usage presents a substantial negative impact of -0.004856 EUR per EUR output, reflecting challenges in resource management within the education system.

Human Health and Social Work Activities (Q)

Variable	direct	upstream tier 1	upstream tier 2	upstream rest	Total
Air Emission	-0.0	-0.0	-0.0	-0.0	-0.01
Fair Wages	0.11	-0.02	-0.02	-0.03	0.04
GHG	-0.01	-0.01	-0.0	-0.01	-0.03
GVA	0.68	0.2	0.07	0.06	1.0
Human Rights	-0.02	-0.0	-0.0	-0.0	-0.02
Invasive Species	-0.0	-0.0	-0.0	-0.0	-0.0
Land Use	0.0	-0.0	-0.0	-0.01	-0.01
Occupational Health & Safety	-0.08	-0.01	-0.0	-0.0	-0.1
Ocean Plastic	0.0	-0.0	-0.0	-0.0	-0.0
Training	0.02	0.01	0.0	0.0	0.03
Waste	-0.0	-0.0	-0.0	-0.0	-0.0
Water	-0.0	-0.01	-0.01	-0.01	-0.03

Source: WifOR / VBA, Table for United Mexican States - Human health and social work activities (NACE Code Q), 2024, Calculated based on WifOR Institute, WifOR Value Factors, Version February 2025.

In the Human Health and Social Work Activities sector of the United Mexican States, the most significant positive impact intensity is associated with fair wages, which has an intensity of 0.040099 EUR per EUR output, indicating relatively favorable labor conditions compared to other sectors. However, the sector also faces considerable negative impacts in occupational health and safety, with an intensity of -0.097006 EUR per EUR output, highlighting serious concerns regarding the safety and well-being of healthcare workers. Additionally, water usage presents a substantial negative impact of -0.033595 EUR per EUR output, reflecting significant challenges in resource management within the healthcare and social work system.

Arts, Entertainment and Recreation and Other Services and Activities (R&S)

Variable	direct	upstream tier 1	upstream tier 2	upstream rest	Total
Air Emission	-0.0	-0.0	-0.0	-0.0	-0.01
Fair Wages	-0.17	-0.01	-0.01	-0.02	-0.21
GHG	-0.22	-0.01	-0.0	-0.0	-0.24
GVA	0.72	0.18	0.05	0.04	1.0
Human Rights	-0.03	-0.0	-0.0	-0.0	-0.03
Invasive Species	-0.0	-0.0	-0.0	-0.0	-0.0
Land Use	-0.0	-0.0	-0.0	-0.0	-0.01
Occupational Health & Safety	-0.03	-0.0	-0.0	-0.0	-0.04
Ocean Plastic	0.0	-0.0	-0.0	-0.0	-0.0
Training	0.02	0.01	0.0	0.0	0.03
Waste	-0.0	-0.0	-0.0	-0.0	-0.0
Water	-0.0	-0.0	-0.0	-0.01	-0.01

Source: WifOR / VBA, Table for United Mexican States - Arts, entertainment and recreation and other services and activities (NACE Code R&S), 2024, Calculated based on WifOR Institute, WifOR Value Factors, Version February 2025.

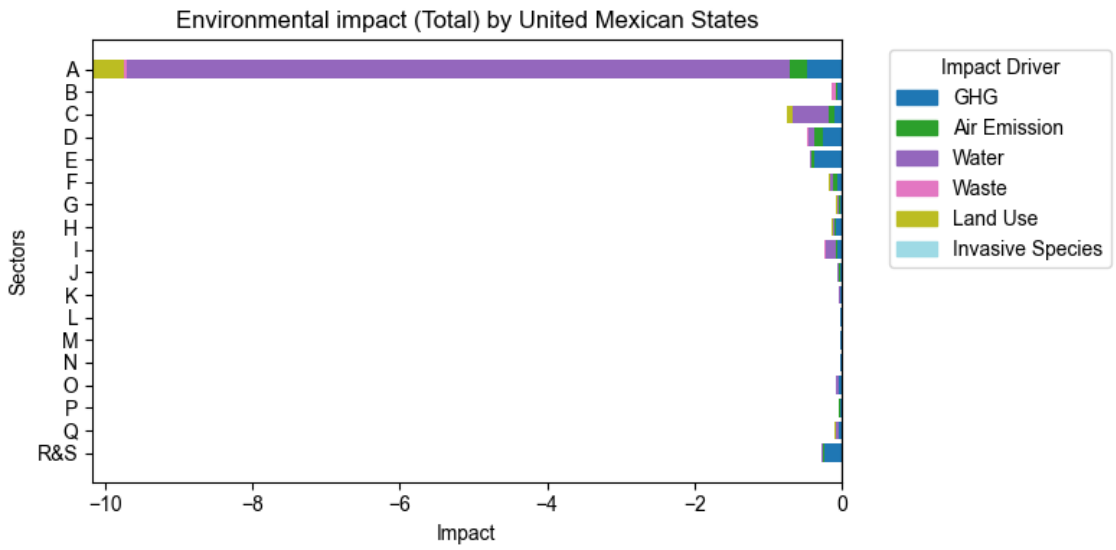
In the Arts, Entertainment, and Recreation sector of the United Mexican States, the most significant negative impact intensity is associated with fair wages, which has an intensity of -0.205906 EUR per EUR output, indicating serious labor condition issues within the industry. Additionally, greenhouse gas emissions present a substantial negative impact of -0.238322 EUR per EUR output, reflecting significant environmental concerns related to activities in this sector. Conversely, the training variable shows a positive impact intensity of 0.032061 EUR per EUR output, suggesting opportunities for enhancing workforce skills and development amidst the overall negative impacts.

Overview

The overall assessment of the United Mexican States, based on the Value Balancing Alliance methodology and WifOR's value factors, reveals significant environmental and social challenges across various sectors. Environmental impacts, particularly in agriculture, manufacturing, and transportation, highlight substantial negative intensities related to greenhouse gas emissions and water usage, indicating a pressing need for sustainable practices. Social impacts show a mixed picture, with sectors like education and health demonstrating positive contributions to fair wages and training, while upstream activities in sectors such as agriculture and manufacturing reveal concerning trends in occupational health and safety and human rights. The data underscores the interconnectedness of environmental and social factors, emphasizing that improvements in one area can positively influence the other. Overall, a comprehensive approach that addresses both environmental sustainability and social equity is essential for fostering long-term value creation in the United Mexican States.

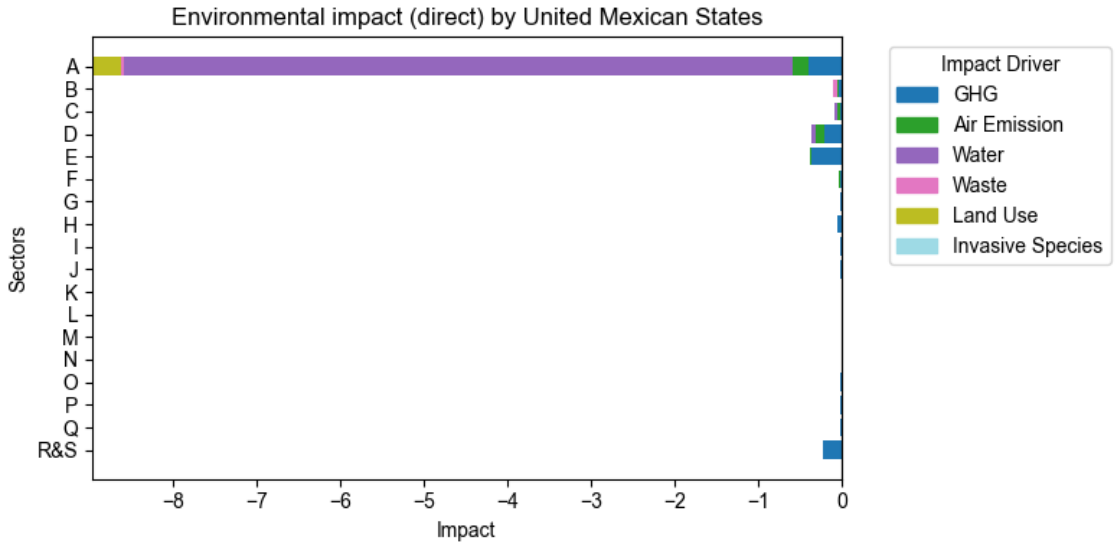
Environmental Impact MEX

Total



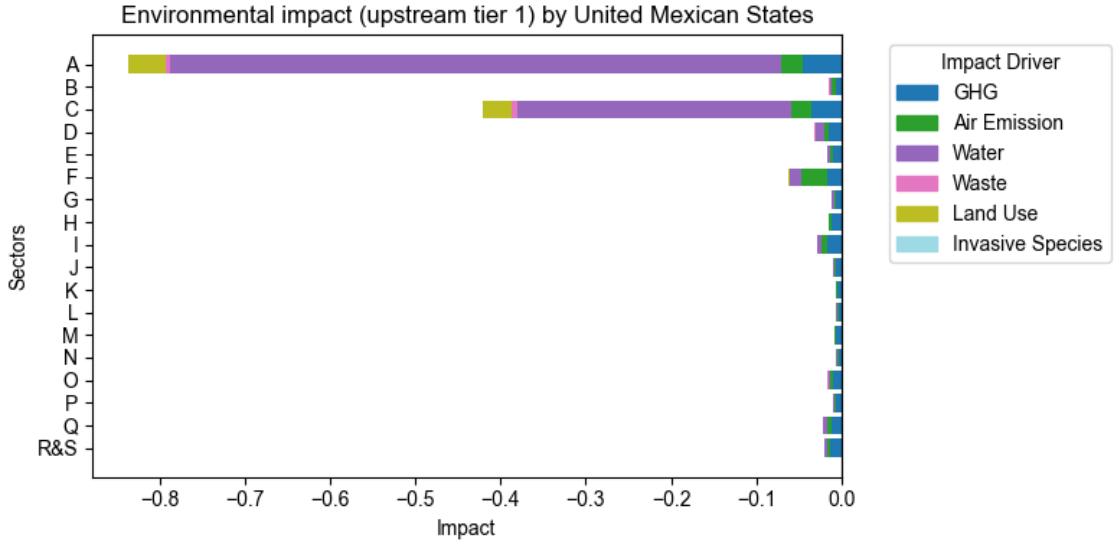
Source: VBA/WifOR, Overview of environmental impact, Total in United Mexican States, 2024, Calculated based on WifOR Institute, WifOR Value Factors, Version February 2025

direct



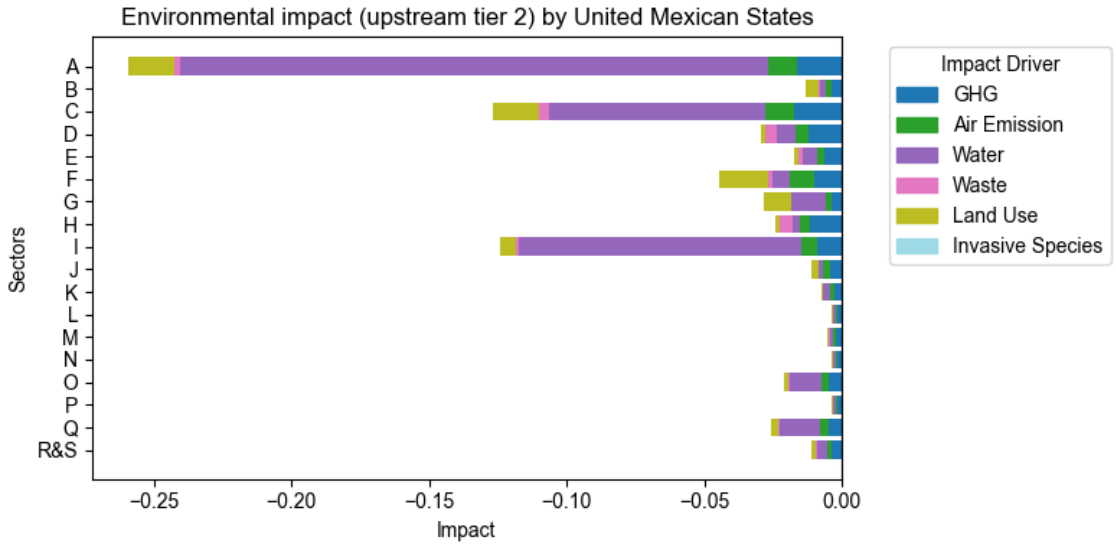
Source: VBA/WifOR, Overview of environmental impact, direct in United Mexican States, 2024, Calculated based on WifOR Institute, WifOR Value Factors, Version February 2025

upstream tier 1



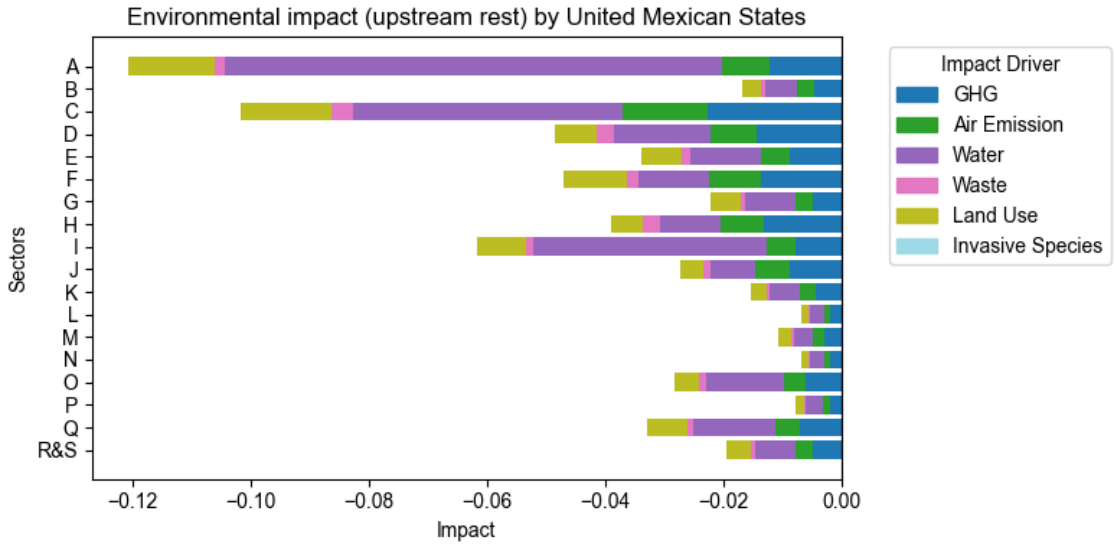
Source: VBA/WifOR, Overview of environmental impact, upstream tier 1 in United Mexican States, 2024, Calculated based on WifOR Institute, WifOR Value Factors, Version February 2025

upstream tier 2



Source: VBA/WifOR, Overview of environmental impact, upstream tier 2 in United Mexican States, 2024, Calculated based on WifOR Institute, WifOR Value Factors, Version February 2025

upstream rest

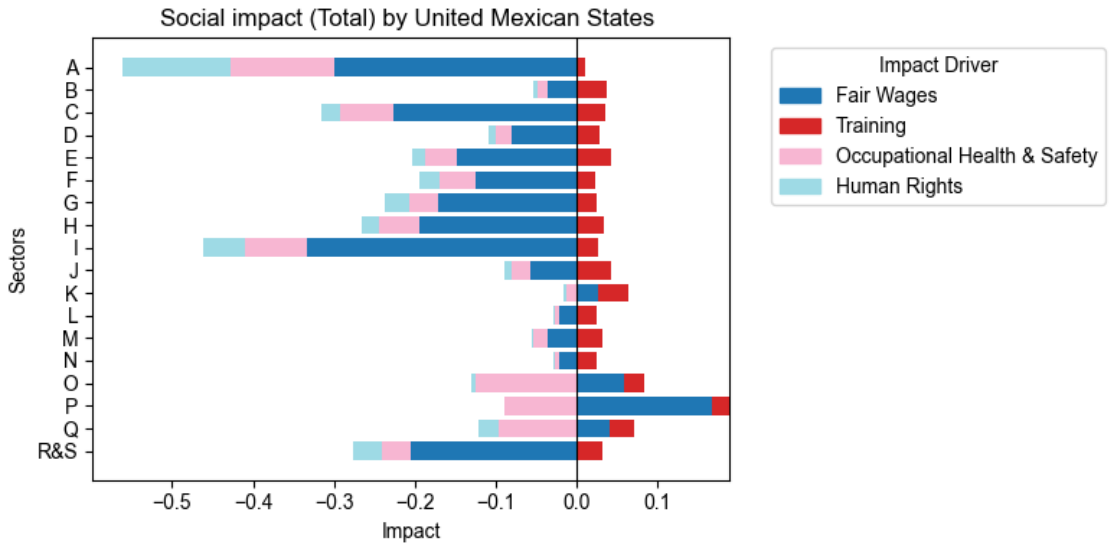


Source: VBA/WifOR, Overview of environmental impact, upstream rest in United Mexican States, 2024, Calculated based on WifOR Institute, WifOR Value Factors, Version February 2025

The environmental impact intensities across various NACE sectors in the United Mexican States reveal significant differences depending on the stage in the value chain. Direct impacts are generally lower compared to upstream impacts, particularly in upstream tier 2 and upstream rest stages, where cumulative effects from multiple sectors become more pronounced. Sectors such as Agriculture, Forestry, and Fishing, as well as Manufacturing, show higher negative intensities for greenhouse gas emissions and water usage, indicating substantial environmental burdens. In contrast, sectors like Education and Financial Services exhibit relatively lower environmental impacts across all stages. Overall, the upstream stages tend to amplify the environmental impacts due to the interconnected nature of supply chains, highlighting the importance of addressing upstream activities to mitigate overall environmental harm.

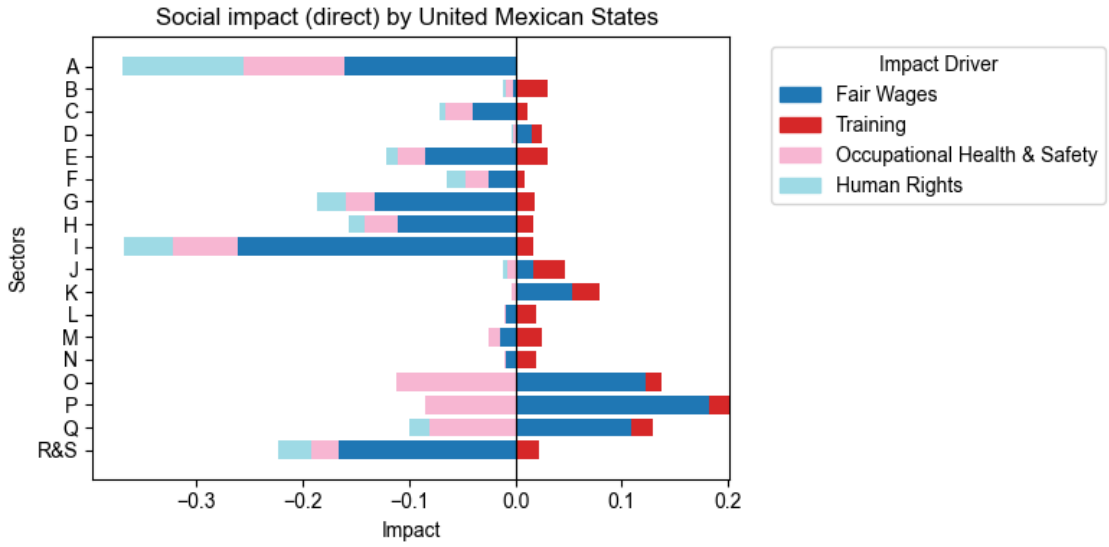
Social Impact MEX

Total



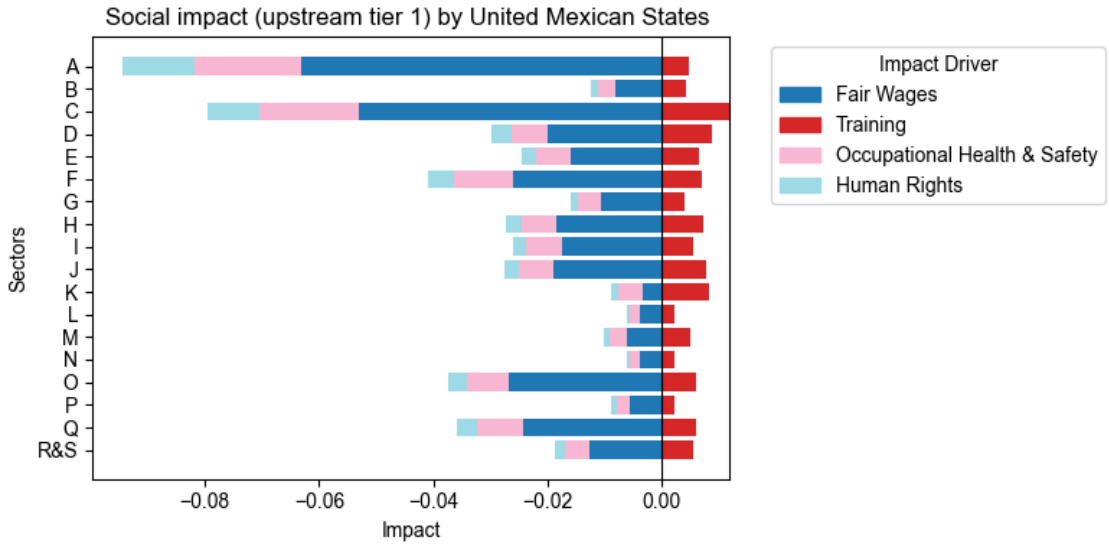
Source: VBA/WifOR, Overview of social impact, Total in United Mexican States, 2024, Calculated based on WifOR Institute, WifOR Value Factors, Version February 2025

direct



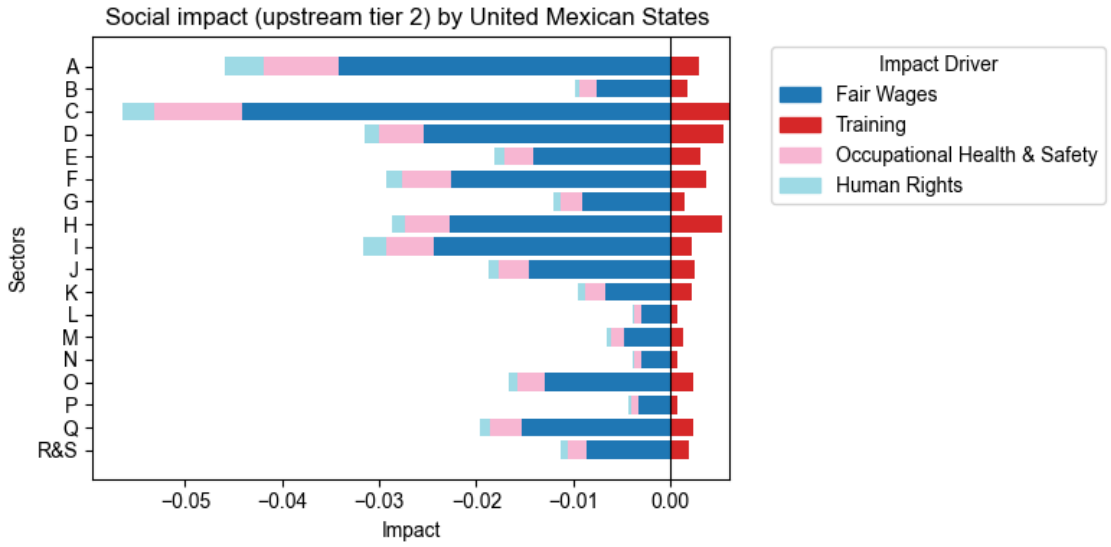
Source: VBA/WifOR, Overview of social impact, direct in United Mexican States, 2024, Calculated based on WifOR Institute, WifOR Value Factors, Version February 2025

upstream tier 1



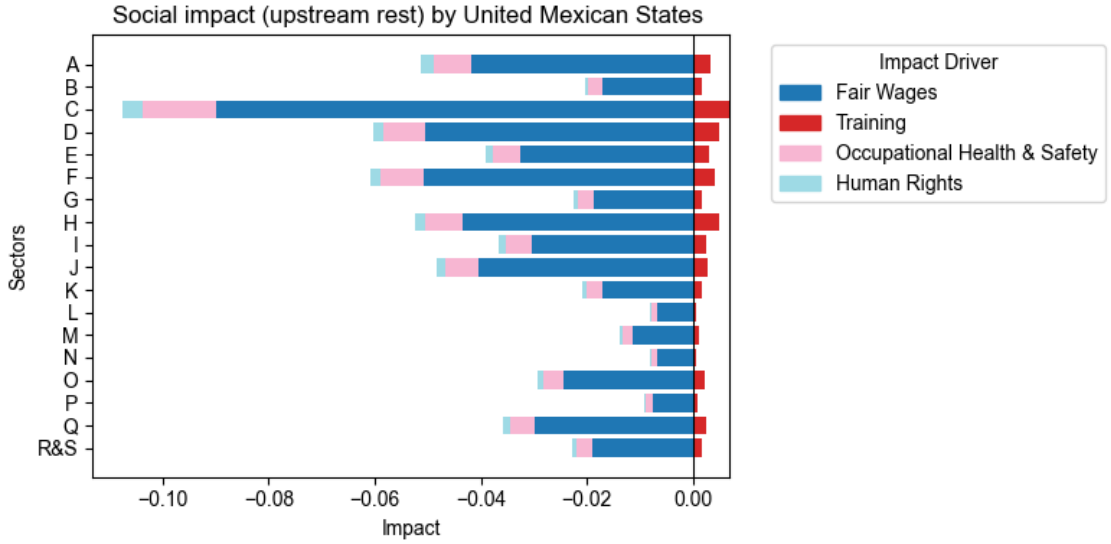
Source: VBA/WifOR, Overview of social impact, upstream tier 1 in United Mexican States, 2024, Calculated based on WifOR Institute, WifOR Value Factors, Version February 2025

upstream tier 2



Source: VBA/WifOR, Overview of social impact, upstream tier 2 in United Mexican States, 2024, Calculated based on WifOR Institute, WifOR Value Factors, Version February 2025

upstream rest



Source: VBA/WifOR, Overview of social impact, upstream rest in United Mexican States, 2024, Calculated based on WifOR Institute, WifOR Value Factors, Version February 2025

The impact intensities of social factors in the United Mexican States, as analyzed through the VBA and WifOR methodologies, demonstrate significant variations across different NACE sectors and stages in the value chain. Direct impacts often show higher positive intensities for

fair wages and training, particularly in sectors like Education and Health, indicating a strong emphasis on labor conditions and skill development. However, as we move upstream, particularly in upstream tier 1 and tier 2 stages, the negative impacts related to occupational health and safety and human rights become more pronounced, reflecting the cumulative effects of supply chain practices. Sectors such as Agriculture and Manufacturing exhibit notable negative impacts in these upstream stages, highlighting the importance of addressing labor conditions throughout the entire value chain. Overall, the methodologies underscore the need for a holistic approach to improve social impacts, focusing not only on direct operations but also on upstream activities that significantly influence overall social outcomes.

Application

Beyond comparing company and sector impacts, the data presented here can support various additional applications. This chapter highlights several such use cases.

Impact benchmarks can help state institutions assess risks, guide investments and funding strategies, inform procurement decisions, enforce compliance, and shape policies that promote human rights protection, environmental sustainability, and economic growth. By applying country-specific and industry-specific impact benchmarks, governments and regulatory bodies can reduce liabilities, such as pollution and labor exploitation, while ensuring fair competition.

Collection of ideas

	Regulation & Compliance	Policy & Economic Planning	Investment & Development Finance	Risk Assessment
Institution	Ministries	Development Institutions	Development Banks	Insurance Entities
Vision of application	Benchmarks could support industry-specific sustainability target setting and provide valuable insights for cost-benefit analyses of regulations	Development institutions could use benchmarks to shape industry-specific sustainability goals like labour protection guidelines	Benchmarks could help guide funding decisions for large projects, ensuring proper risk mitigation, particularly in sectors such as agriculture	Insurers could assess risks using industry benchmarks, helping determine eligibility and pricing for political risk insurance

	Public Procurement & Infrastructure	International Trade & Market Access	Accountability & Consumer Protection	Supply Chain Management
Institution	Public-Private Partnerships	Trade Ministries	Consumer Protection Agencies	Export Credit Agencies
Vision of application	Governments could use country-specific impact benchmarks to compare and select private sector partners (e.g., Infra-structure projects)	Trade ministries could apply sustainability benchmarks to imported goods (e.g., carbon intensity benchmarks for minerals)	Transparency rules could be enforced, requiring companies to disclose their impacts relative to benchmarks to prevent false claims and ensure accountability	Export credit agencies could use environmental and social benchmarks in financing decisions to promote ethical and sustainable supply chains

Figure VBA, Policy Applications, 2025

Impact Intensities represent the average environmental, social, and economic impact per sector output across countries, regions, and globally. They serve as a reference point for assessing an organization's sustainability performance in its own operations and supply chains across industries and geographies. By comparing their performance to sector averages, companies and other organizations can determine whether they meet or exceed benchmarks and set specific targets for improvement.[10]

Beyond internal assessments, Impact Intensities encourage collaboration with suppliers and partners, fostering sustainability improvements across shared supply chains. By identifying

[10] VBA et al., Valuing Impact Materiality 2025, 2025, www.value-balancing.com.

high-impact tiers or regions, companies can make informed decisions about production and sourcing. On a global scale, comparing benchmarks across countries highlights regions with critical sustainability challenges, enabling firms to focus efforts where they are most needed. These benchmarks also help organizations anticipate risks beyond production, such as regulatory pressures or resource availability constraints. By revealing industries and countries where unsustainable environmental or social challenges could lead to future restrictions, they support strategic decisions on production, sourcing, resource allocation, and diversification. Additionally, they help companies effectively communicate sustainability achievements across diverse markets.

The benchmarks serve as a key reference for materiality assessments, helping companies prioritize impacts, allocate resources efficiently, and align with stakeholder and sustainability goals. They provide reliable data for transparent reporting, enabling companies to demonstrate their performance to investors, customers, and other stakeholders. This fosters trust, ensures compliance with standards, and enhances corporate reputation.

As sustainability becomes increasingly important and disclosure regulations evolve, assessment and reporting methodologies must keep pace. Impact Intensity benchmarks offer valuable guidance for improving practices, refining sustainability reporting, sharpening decision-making, and optimizing resource allocation. It is important to note that Impact Intensities are monetized using WifOR value factors, and meaningful comparisons require companies to calculate their impacts using the same methodology.

To illustrate how these benchmarks can be applied in practice, consider the following example: In Australia's Consumer Goods sector, an increase of EUR 1000[11] in production results in an average negative impact of EUR 6.98 from greenhouse gas (GHG) emissions within a company's own operations. Direct suppliers contribute another EUR 16.04, while suppliers' suppliers account for EUR 10.20 globally, and the remaining global supply chain adds EUR 15.77. Altogether, the total damage due to GHG emissions across the entire value chain amounts to approximately EUR 49 per EUR 1000 of output. This indicates that the majority of GHG emissions are driven by the upstream supply chain rather than the direct operations of Consumer Goods companies.

A company operating in this sector in Australia can compare these Impact Intensity benchmarks with its own data to evaluate its performance. To calculate its own GHG Impact Intensities, the company must take its environmental data per country and value chain stage, divide it by its output or turnover (own operations in the respective country), and multiply the result with the WifOR value factor:

$$GHG\ Intensity_{c,v} = \frac{GHG\ emissions_{c,v}}{Output_c} * WifOR\ value\ factor\ for\ GHG\ emissions^{12}$$

[11] For ease of interpretation, the numbers in this example are scaled up by 1000. The tables show impact per EUR 1 of output.

[12] c = country of operation; v = value chain level

If the company's calculated GHG Intensity values are lower than the benchmark, this indicates a smaller GHG footprint relative to the sector average. Conversely, higher values suggest a larger-than-average impact.

For a materiality assessment, Impact Intensities at or above the sectoral benchmark can be considered material, signaling areas that may require targeted sustainability measures.

Caveats

Data Accuracy

The input-output model used to calculate the Impact Intensities integrates satellite accounts for various indicators, constructed using multiple data sources. These accounts aim to accurately portray industry effects across all countries based on the best available knowledge and data. [13] However, varying data availability across indicators, countries, and sectors necessitates certain extrapolations and assumptions. WifOR is committed to continuously updating its data to improve accuracy and minimize errors or gaps. As such, the results here represent a snapshot, capturing current impacts as comprehensively as possible. Despite inherent limitations, this dataset remains, to the best of our knowledge, the most detailed, granular, and comprehensive source available for assessing industrial impacts.

Impact Valuation

Impact Valuation advances traditional reporting beyond disclosure of companies' social and environmental effects in disparate units (e.g., GHG emissions in metric tons or occupational accidents in numbers of events). It captures the environmental and social changes caused by these outputs, tracks their broader impact on society, and conveys these effects in monetary terms—a unified metric that enables comparison across a diverse range of indicators.

Various approaches exist to quantify the societal value of indicators. In the present assessment, the indicators were monetized using the WifOR Impact Valuation methodology, with publicly available value factors. WifOR primarily focuses on damage costs to measure impacts. However, this is not feasible for all indicators, as some impact pathways and their consequences remain insufficiently understood. Each indicator therefore follows a specific valuation approach. For example, GHG emissions contribute to climate change regardless of their source and are thus valued using a 'social cost of carbon' approach and a global value factor. By contrast, water consumption is assessed based on economic damage and human health impacts, yielding country-specific value factors that reflect local water scarcity. This means water consumption in highly water-stressed regions will generate a disproportionately higher impact, in some cases exceeding that of GHG emissions at global level. Given such methodological

[13] Scholz, Richard; Dorndorf, Tabea; Tesch, Jasmin; Köster, Robert; Croner, Daniel; Kalamov, Zarko; Setzer, Jana. 2024. Impact measurement using WifOR's sustainability footprint method. Methodological report. 2024 WifOR Institute.

idiosyncrasies, comparisons between indicators should be interpreted cautiously, as differing valuation approaches limit direct comparability, especially on a worldwide level.

Double Counting

Impact Valuation carries the risk of *double counting*, as different impact drivers may share the same, or overlapping, impact pathways. This challenge is particularly relevant when analyzing multiple indicators together. For instance, waste incineration releases air pollutants that contribute to respiratory disease and health-related costs—accounted for in the value factor for *Waste*, but also included in the factor for *Air Emission*. Simply subtracting this impact from the waste coefficient would underestimate the true impact of waste, while summing both indicators would lead to double counting.

Economic Impact

Gross Value Added (GVA) is a key metric for assessing a company's economic contribution across value chains. It represents the economic value generated through company operations after deducting the cost of inputs and services used in production. Often, the total GVA across the entire value chain approximately matches the direct output of a company—if a company generates EUR 1,000 in direct output, the total GVA across its supply chain and internal operations typically also equals EUR 1,000. This equivalence is down to the fact that GVA encompasses all value-creation activities, from raw materials production to final goods and services, and is therefore distributed across all stages of the value chain. The distribution varies by industry and location: manufacturing or heavy engineering often rely on extensive supplier networks, resulting in significant upstream GVA contributions, while software development or advanced technology focus on highly integrated operations and tend to generate a substantial proportion of GVA internally.

Netting Impacts

Impact Valuation seeks to enhance transparency, an aim that cannot be achieved if results are overly aggregated. Expressing diverse impacts using a common monetary metric does reduce complexity, but it also risks obscuring critical nuances. And while simplification can be useful, it should not carry the implication that negative impacts can be offset by positive ones.

There are certain cases where netting impacts can be appropriate (e.g., aggregating an indicator across different locations). But practices such as netting across different indicators can lead to *greenwashing* and a misrepresentation of results. This risk is particularly relevant for economic impact (represented by GVA), which has therefore been intentionally excluded from the charts below.

In the current phase of Impact Valuation development, limitations remain, including overlapping indicators (double counting), divergent valuation approaches, and data gaps that hinder a fully comprehensive assessment. Moreover, different impacts affect different groups unevenly, meaning that a positive impact on one group does not necessarily compensate for a negative impact on another (for instance, extra vocational training for managers cannot offset agricultural losses caused by water scarcity).

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