Appendix 3: Supplementary tables for the ETED's SVC measurements

Table A3.1a: Summary of the sustainable value creation (SVC) measurements of the ETED.*

SVC measurement **[ref. nr.] (abbr.)**	**Description** **(Data sources)**	**Application** **(Implementation status)**
Elite quality Elite system measurements (meso-level)		
'Elite Quality Index' [1] (EQx)	Global comparative ranking of the aggregate sustainable value creation of the meso-level elite system. Data source: Macro-level indicators that represent quantifiable phenomena in the political economy and provide evidence of value/risk creation and value/risk transfers by elite business models; top-down (macro-to-meso level) aggregation.	– To benchmark the public discourse on the nation's elites and sustainable value creation in comparative terms – For research, comparative economics (e.g., inequality, growth) – For policy proposals to enhance national competitiveness – For sovereign risk assessments Status: Pilot EQx2020; EQx2021-2024 annual reports; panel-EQx (PEQx), based on longitudinal EQx data from 2005, has been available since 2023 for research purposes.
'Elite Quality Distance' [6] (EQ-dist)	Quantification of the differences between the elite quality profiles of two countries. Data source: EQx, or alternative internationally comparative elite quality measurements.	– For research on management and economics (FDI, trade, associated risks); supplements cultural and institutional distance measurements – To support practitioners operating across different elite quality environments Status: Research proposals.
'Perceptions of Elites Survey' [7] (PEz)	Perceptions survey on the sustainable value creation of the national elite system. Data sources: Elite/Non-elite Survey Questionnaires on general and specific elite value (risk) creation/transfers.	– To monitor national sentiment on elites – To benchmark the public discourse on the role and agency of elites – For research on political science, economics – For sovereign risk assessments Status: Sample extracts of survey questionnaire (Tables A3.4a and A3.4b).

*The ordering follows the reference numbers of Figure 7.8, the visual overview of all of the SVC measurements described here. While the conceptual elements underpinning these measurements are designed to be stable, it is possible that during their operationalization leading to validation, adjustments to the descriptions, data sources, and applications may occur.

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Table A3.1a (continued)

SVC measurement [ref. nr.] (abbr.)	**Description (Data sources)**	**Application (Implementation status)**
'World Elite Quality Index' [8] (world-EQ)	The weighted elite quality sum of all national elite systems (will *de facto* include cross-border elite business models). Data source: world macro-level indicators (e.g., global inflation or productivity growth).	– To appraise the 'state of the world' and gain insights into specific global trends, including mid/long-term development prospects – To benchmark the public discourse on global sustainability and multilateral institutions Status: Pilot measurement planned for 2025 (World-EQ2025).
'Elite Quality Rating' [9] (EQr)	The sustainable value creation of a nation's elite system based on the aggregation of the sustainable value creation of its elite business models. Data source: A country's elite business models' VCr scores; bottom-up (micro to macro) aggregation.	– Same as the EQx but with a domestic focus and non-comparative – For research on economics, micro to macro transmission mechanisms – For policy formulation, institutional and (de)regulatory measures, industry specific – For macroeconomic models, as inputs Status: Contingent on having a critical mass of a nation's elite business model VCr scores.
'Cross-border Elite Quality Rating' [14] (cb-EQr)	The sustainable value creation of a nation's elite system based on the aggregate cross-border sustainable value creation of its elite business models vs *all other nations*. Data source: A country's elite business models' IB-VCr scores; bottom-up (micro to meso) aggregation process.	– For analysis of international relations (IR) – For (global) macroeconomic models, as inputs – For research on IR, economics (FDI or trade), global political economy – For policy formulation, institutional and (de)regulatory measures, industry specific, international perspective – For the practice of diplomatic relationships Status: Contingent on having a critical mass of a nation's elite business model IB-VCr scores.
'Bilateral Elite Quality Rating' [15] (bl-EQr)	The sustainable value creation of a nation's elite system based on the aggregate cross-border sustainable value creation of its elite business models vs *one specific nation*. Data source: Same as the cb-EQr.	– Same as the cb-EQr, with a narrower bilateral focus Status: Same as the cb-EQr.

Table A3.1a (continued)

SVC measurement [ref. nr.] (abbr.)	**Description (Data sources)**	**Application (Implementation status)**
Sustainable value creation Business model measurements (micro-level)		
'Self-assessment Value Creation Position' [2] (self-VCp)	The sustainability (sustainable value creation) of a firm understood as the 'value created and appropriated' by a business model – on a self-reported basis – as a proportion of value appropriation (revenue/profits). Data source: SVC Metrics Self-assessment Survey (transfer-IN) responses given 'monetary equivalence' to the firm's revenue/profits.	– To aid in strategic planning, including decision-making on sustainability initiatives – To support a firm's internal reflections on governance, transformational leadership, ethics (via transfer-IN, 'value appropriated but *not* created') – For executive education and custom programs at business schools Status: Prototype; internally tested with international firms and used in executive education programs at business schools with various established SVC metrics (e.g., international business, manufacturing); sample extract of self-assessment survey questionnaire (Table A3.6).
'Self-assessment Value Creation Rating' [3] (self-VCr)	The sustainability (sustainable value creation) of a firm understood as the total value creation of a business model – on a self-reported basis – in relation to value appropriation (revenue/profits). Data source: Same as the self-VCp, supplementary questions on SVC metrics (transfer-OUT).	– Same as the self-VCp, with an additional layer of analysis (via transfer-OUT, 'value created but *not* appropriated') – For the allocation of capital, various investor applications Status: Same as the self-VCp.
'Value Creation Position' [4] (VCp)	The sustainability (sustainable value creation) of a firm understood as the 'value created and appropriated' by a business model as a proportion of value appropriation (revenue/profits). Data source: SVC metrics (transfer-IN, including transfer-COST, from profit and loss (P&L) statements, third party suppliers, set calculations) with 'monetary equivalence' to the firm's revenue/profits.	– For (elite) transformational leadership – For the public interest, as an alternative ESG measurement – For research on finance, management, sustainability (ESG), governance Status: Pilot report published in November 2024 as the *Value Creation Ratings Pilot Report 2024*, covering 122 corporate scores.
'Value Creation Rating' [5] (VCr)	The comprehensive sustainability (sustainable value creation) of a firm understood as the total value creation of a business model in relation to its value appropriation (revenue/profits). Data source: Same as the VCp, supplementary SVC metrics (transfer-OUT).	– Same as the VCp, with an additional layer of analysis (via transfer-OUT, 'value created but *not* appropriated') – For SVC valuations of equity, debt, and firms as inputs and sustainability references for the financial industry's capital allocation – For weighted policy formulation, institutional and (de)regulatory measures, industry specific Status: Same as the VCp.

Table A3.1a (continued)

SVC measurement [ref. nr.] (abbr.)	**Description (Data sources)**	**Application (Implementation status)**
'Perceptions of Value Creation Survey' [11] (360-VCz)	Perceptions survey on the sustainable value creation of the firm based on 360-degree performance feedback interventions. Data source: Firm outsider/insider Stakeholder/Principal Survey Questionnaires on the perception of a surveyed firms' value (risk) creation/transfers.	– For internal firm reflections on governance, transformational leadership, ethics, supported by outside perceptions (from stakeholders) – For custom educational programs, top management teams, boards of directors – As preparation for elite transformational leadership Status: Sample extracts of survey questionnaires (Tables A3.5a and A3.5b).
'Self-assessment International Business Value Creation Rating' [12] (IB-self-VCr)	The sustainability (sustainable value creation) of a firm's international business understood as the value creation of a business model – on a self-reported basis – in relation to its value appropriation abroad (global revenue/profits). Data source: Sub-set of questions in the SVC Metrics Self-assessment Survey.	– To aid in international strategic planning, including decision-making on sustainability initiatives abroad – To support assessments on a firm's international business impact (with stakeholder perspectives) – For executive education and custom programs at business schools Status: Same as self-VCr.
'International Business Value Creation Rating' [13] (IB-VCr)	The comprehensive sustainability (sustainable value creation) of a firm's international business understood as the value creation of a business model in relation to its value appropriation abroad (global revenue/profits). Data source: Same as the VCr, limited to international business SVC metrics.	– For the allocation of capital abroad, various international investor applications – As inputs for the cb-EQr, bl-EQr – For research on international business, economics, and international relations – For domestic policy proposals on development requiring foreign trade and investment flows – For weighted policy formulation and institutional and (de)regulatory measures related to foreign investors and investments and international institutions Status: Same as the VCr.
'Sector Value Creation Rating' [18] (sector-VCr)	The sustainable value creation benchmark providing an average, the median, or a percentile for a sector or industry considering only pertinent firms and based on their VCr and sector-specific SVC metrics. Data source: Same as the VCr, with discrete SVC metric selection according to industry.	– For comparative assessments of firms within given industries with the support of a sector-specific benchmark – For the formulation of industrial policy to determine which industries a nation ought to favor or discourage Status: Initial sector-VCr published as part of the *Value Creation Ratings Pilot Report 2024*.

Table A3.1a (continued)

SVC measurement [ref. nr.] (abbr.)	Description (Data sources)	Application (Implementation status)
Value creation modeling Economic measurements (macro-level)		
'Weighted transfers general equilibrium' macroeconomic model (also 'weighted transfers modeling') [10] (WTGE)	An econometric model that produces macro-level economic analysis and forecasts by weighting first-order value (and risk) creation vs second-order value (and risk) transfers occurring at the meso-level of the elite system. Data source: Macroeconomic models like DGSE, HANK and conventional variables, SVC measurements, VCr.	– For economic analysis based on weighting and (potentially) offsetting transfers and establishing *qui generat valorem* and matching this with *cui bono* for the optimization of value creation – For (long-term) economic forecasts – For elite system transformational leadership, a policy tool for weighted structural reform policy formulation, institutional and (de)regulatory measures, many industry-specific, all targeting the incentive system Status: Research proposal draft.
'Global weighted transfers general equilibrium' macroeconomic model [16] (G-WTGE)	Same as the WTGE, but multi-country. Data source: Same as the WTGE with supplementary variables and SVC measurements of the world's main economies and elite systems with an emphasis on cross-border elite business models.	Status: Dependent upon the validation of WTGE models for an initial set of countries.

Table A3.1b: Summary of the prospective sustainable value creation (SVC) measurements seeking to approach 'political economy omniscience'.*

SVC measurement [ref. nr.]* (abbr.)	**Description**	**Application (Status)**
'Political economy omniscience' Multiple levels from the individual to the global macro		
'Individual Value Creation Rating' [19] (ind-VCr)	Assesses the 'individual sustainable value creation' that emerges from a person's inclusive value creation and extractive value transfer relationships with his/her direct and indirect stakeholders across all related business models (from family to the state). For the purposes of economic development, the ind-VCr would be computed for members of elite coalitions, although in principle it could also be determined for non-elites. Because it is akin to a social credit score, the measurement should be made with the utmost caution. An additional factor for misgivings is the possibility that elite agency uses its bargaining power advantages in relation to institutional change to *de facto* realize the evidence-based ind-VCr for only non-elite individuals.	– To make elite coalition members of extractive business models accountable for their actions – To establish the 'takers' and 'givers' at the organizational and team levels – For firm valuations – For research on topics like comparative culture, inequality, or growthTo formulate policy proposals for institutional change – For *post-mortem* historical evaluations of individuals Status: Prospective, conceptual development pending.
'Weighted transfers game' [20] (WT-Game)	A comprehensive simulation of transfers in all socio-economic relations that is actualized by players on digital gaming platforms (like MMORPGs) who win by accurately describing first-order value (and risk) creation and second-order value (and risk) transfers that offer the best forecasts of future development trajectories. It becomes a network that connects society's diverse socio-economic groups through value creation and transfers; the connections become the core statements in the gameplay of committed (and possibly ethically motivated) gamers whose aim is to establish value transfer weights for optimal economic and human development.	– For entertainment – For research on economic development and management – To establish weighted policies to maximize economic and human development – To inform political economy narratives and test ethical systems Status: Prospective, a speculative political economy thought experiment, the realization of which is contingent on data availability and technological advances.
'Global weighted transfers game' [21] (GWT-Game)	Extends and duly completes the value creation/extraction map of the global political economy by covering cross-border business models.	– For entertainment – For research on international management and economics (FDI, trade) – To establish multilateral institutions and rules to maximize general, global development Status: Prospective, contingent on the realization of the WT-game and international institutions.

*The three SVC measurements are contextualized in Figure A5.10 and listed according to the reference numbers used in that figure (ref. nr.); an extension of Figure 7.8.

Table A3.2: Conceptual elements and terms in the Elite Quality Index (EQx).*

Aspect	Term	Description
Output level 1 (broad definition includes levels 1–3)	'Elite Quality Index' (EQx)	A global comparative index that scores and ranks countries on the conceptual element of elite quality. That is, on the aggregate value creation of a country's meso-level elite system evidenced by macro-economic phenomena captured by indicators consistent with the EQx's proprietary architecture and its conceptual bases. The EQx report is released annually and was launched in 2020 (EQx2020).
Output (levels 1–3)	'Panel EQx' (PEQx)	The PEQx is a historical measure of annual Elite Quality starting in 2005. It conceptually parallels the EQx but is based on its own methodological approach (to address technical matters such as missing values for new indicators).
Input (level 4)	'Indicator'	The conceptually indivisible, discrete datasets that jointly make up the composite index. For the EQx, each indicator must represent a quantifiable phenomenon in the political economy that provides evidence of value/risk creation or value/risk extraction/transfers. The data of an EQx indicator describes aspects of an elite business model along the conceptual 'value spectrum' that ranges from absolute value creation to absolute value extraction (transfers). Once normalized, weighted, and aggregated, EQx indicators inform the value position of the meso-level elite system in global comparative terms.
Architecture	'Level 1' … 'Level 4'	The EQx architecture is constructed in four levels. Level 1 is the overall EQx score and the highest aggregate. Level 2 consists of the two sub-indices (power and value), and the four index areas that result from combining the two sub-indices with the two dimensions (political and economic). Level 3 consists of the 12 pillars, each representing discrete political economy ideas and the conceptual homes of EQx indicators. Level 4 consists of the indicators themselves, the indivisible datasets that provide evidence of value creation/extraction phenomena reflecting elite quality.
Architecture (level 2)	'Power' sub-index I	The first of the two sub-indices (the other is value) that serve to organize all indicators in the EQx. In this context, power refers to elite bargaining power in the political economy and is thus conceived as future potential value extraction.
Architecture (level 2)	'Value' sub-index II	The second of the two sub-indices (the other is power) that serve to organize all indicators in the EQx. In this context, and consistent with the 'value is created or transferred' ontological assumption of the ETED, value refers to the current actual first-order value creation of elite agency, or its opposite, second-order extractive transfer activity.

*The architecture of the EQx and the Value Creation Rating (VCr) parallel each other, although the terms employed differ. For instance, the EQx's 'sub-index' becomes the 'sub-rating' in the VCr, while 'index area' becomes 'ratings area', and 'political power' becomes 'non-market power'.

Table A3.2 (continued)

Aspect	Term	Description
Architecture (level 2)	'Political' dimension	The first of the two dimensions (the other is economic) that serve to organize all indicators in the EQx and that refers to phenomena mainly occurring in the non-market arena (and to a lesser extent in the narrative market arena).
Architecture (level 2)	'Economic' dimension	The second of the two dimensions (the other is political) that serve to organize all indicators in the EQx and that refers to phenomena mainly occurring the market arena.
Architecture (level 2)	'The Political Economy Power and Value Matrix'	A 2x2 framework that links value (creation/extraction) and power to the political and economic spheres (see Figure 6.2). The four sectors of the matrix correspond with the four index areas that allocate the 12 pillars and all indicators in the EQx: (i) political power; (ii) economic power; (iii) political value; and (iv) economic value. The framework is useful in organizing political economy phenomena and operationalizing political economy measurements like elite quality.
Architecture (level 2)	'Index area (i)' … 'Index area (iv)'	The EQx has four index areas (level 2) corresponding to the four quadrants of the Political Economy Power and Value Matrix that link the 'value' and 'power' sub-indices with the 'political' and 'economic' dimensions. They are: (i) political power; (ii) economic power; (iii) political value; and (iv) economic value. Each of the four index areas contains three of the 12 EQx pillars (of level 3).
Architecture (level 3)	'Pillar 1' … 'Pillar 12'	The EQx has 12 pillars (level 3), three for each of the four index areas, to organize all EQx indicators (level 4). They are: (i.1) state capture; (i.2) regulatory capture; (i.3) human capture; (ii.4) coalition dominance; (ii.5) firm dominance; (ii.6) creative destruction; (iii.7) giving income; (iii.8) taking income; (iii.9) unearned income; (iv.10) producer value; (iv.11) capital value; and (iv.12) labor value.
Weighting assumption	'Economics doubles politics' assumption	An assumption used to conceptually establish the respective weights for the 'political' and 'economic' EQx dimensions. The political dimension of elite business models is generally deemed to eventually consolidate and grow into the economic dimension where it will have a higher impact on general value creation. Hence, 'political' is discounted to half the level of 'economic' through the use of a 1/3:2/3 weighting (rounded to 33% and 67%).
Weighting assumption	'Present doubles future' assumption	An assumption used to conceptually establish the weights for the 'power' and 'value' EQx sub-indices in respect to each other. While power is a pre-condition for value transfers, it is conceived in terms of potential future value extraction, making extractive transfers a matter of probability and degree (as these might never occur). Hence, 'power' is discounted to half the level of 'value', through the use of a 1/3:2/3 weighting (rounded to 33% and 67%).

Table A3.2 (continued)

Aspect	Term	Description
Weighting	'Conceptual deliberation '1' … '3'	Three EQx weighting decisions are based on conceptual and theoretical premises. Conceptual deliberation 1 assigns weights to the 'power' and 'value' sub-indices; under the 'present doubles future' assumption (adjusted to 33% and 67%) weights are respectively established. Conceptual deliberations 2 and 3 assign weights to the 'political' and 'economic' dimensions (within the 'power' and 'value' sub-indices); under the 'economics doubles politics' assumption about impact and immediacy (also therefore adjusted to 33% and 67%) weights are respectively established.
Weighting	BAP (Budget Allocation Process)	BAP is a generally accepted index weighting methodology that incorporates the subjective judgments of an expert panel about the relative importance of the respective component datasets. Most EQx weighting decisions are based on BAP. The BAP is used for the weighting of pillars (within each index area) and indicators (within each pillar).
Weighting	'Critical impact indicator'	Some elite business models are both country-specific and high-impact in terms of value creation and transfers. The EQx might miss such models or, when the relevant indicator is included, the scores won't reflect the sustainable value creation reality of particular countries if there is a consistent weighting of the indicator across the world (e.g., a housing affordability indicator would have to carry much more weight in Hong Kong than elsewhere). A solution is to allocate a slot in the EQx architecture for critical impact indicators that represent disproportionate value creation/transfer impact elite business models in a particular economy. The weighting of the critical impact indicator (s) would be done by conceptual deliberation (either on a country-by-country basis or by applying a consistent weight across countries).
Interpretation	'The State of the Elite System Framework' for the political economy	A 2x2 framework which links elite power (i.e., potential future value extraction) with elite value creation (see Figure 6.5). The four sectors of the matrix describe the state of the elite system and are: (1) 'Rentier elite system'; (2) 'Enlightened elite system'; (3) 'Striving elite system'; and (4) 'Competitive elite system'. Elite power and value are operationalized in the EQx as sub-index I and sub-index II, hence providing an empirical basis to place nations in this conceptual framework, which is intended to serve as a comparative classification and analytical tool for national elite systems to inform policy and structural reform.

Table A3.3: Conceptual elements used in the sustainable value creation (SVC) valuation frameworks for capital allocation.

Conceptual element	Description	Notation/Equation
Sustainable value creation (SVC) measurements	The firm-level sustainability measurements of business models, derived from the aggregation of SVC metrics and categorized, in consistency with the dualist ontological assumption for socioeconomic relationships, into extractive transfer-IN and exclusive transfer-OUT. The Value Creation Rating (VCr) is the SVC measurement utilized as the primary input to the functions that produce the adjustments used for SVC valuation frameworks as their outputs.	SVC measurement (VCr)
Sustainable value creation (SVC) valuation frameworks	Frameworks for finance that capture sustainable value creation and transfers to determine valuations for the allocation of capital. In the set of five decision-making tools, two are intended for enterprise value and equity (SVC-VF.1; SVC-VF.2); two are intended for debt instruments (SVC-VF.3; SVC-VF.4); and the fifth is intended for firm valuations using the WACC method (SVC-VF.5). Apart from the first framework, all the others rely on discounting cash flows for present value-based valuations.	SVC valuation framework
'The SVC-adjusted enterprise valuation framework' for private firms	'The SVC-adjusted enterprise valuation framework' for private firms offers two routes for valuing enterprises to incorporate value creation and transfers: the first is based on an adjusted revenue multiple; and the second is based on an adjustment to the standard enterprise value formula.	(SVC-VF.1)
'The SVC cost of equity valuation framework' for public firms	'The SVC cost of equity valuation framework' for public firms values equity. It is based on CAPM to which it adds a novel conceptual element, the 'SVC risk premium' for equity that incorporates value creation and transfers.	(SVC-VF.2)

Table A3.3 (continued)

Conceptual element	Description	Notation/Equation
'The SVC-adjusted credit rating valuation framework' for credit-rated debtors	'The SVC credit valuation framework' for credit-rated firms values debt and is based on the standard cost of debt formula to which it adds a novel conceptual element, the 'SVC risk premium for credit rating', that incorporates value creation and transfers.	(SVC-VF.3)
'The SVC cost of debt valuation framework' for debtors	'The SVC cost of debt valuation framework' for debtors values debt and is based on the standard cost of debt formula to which it adds a novel conceptual element, the 'SVC risk premium for debt', that incorporates value creation and transfers.	(SVC-VF.4)
'The SVC WACC-based valuation framework' for firms	'The SVC WACC-based valuation framework' for firms is based on the standard WACC method using adjusted costs of equity and debt that incorporate sustainable value creation and transfers.	(SVC-VF.5)
'The SVC-adjusted enterprise valuation framework' for private firms (SVC-VF.1)		
'VCr enterprise value adjustment function' for revenue multiple-based enterprise value	The function that weights sustainable value creation to provide the adjustment for the revenue multiple-based enterprise value (the function input is the VCr).	$fVCr^{m}$
'VCr enterprise value adjustment function' for enterprise value	The function that weights sustainable value creation to provide the adjustment for the standard enterprise value formula (the function input is the VCr).	$fVCr^{EV}$
'VCr revenue multiple adjustment'	The adjustment used for revenue multiple-based valuations (the output of the 'VCr enterprise value adjustment function').	VCr^{m}
'VCr enterprise value adjustment'	The adjustment used for standard enterprise value-based valuations (the output of the 'VCr enterprise value adjustment function').	VCr^{EV}
'SVC revenue multiple-based enterprise value'	The revenue multiple-based enterprise value formula with an adjustment for sustainable value creation and transfers.	EVm'
'SVC revenue multiple-based enterprise value' *equation (5.1a)*		$EVm' = Revenue * (Revenue\ Multiple * VCr^{m})$
'SVC-adjusted enterprise value'	The standard enterprise formula based on equity value and net debt (debt minus cash and equivalents) with an adjustment for sustainable value creation and transfers.	$EV' =$
'SVC-adjusted enterprise value' *equation (5.2a)*		$EV' = (Equity\ Value * VCr^{EV}) + Net\ Debt$

Table A3.3 (continued)

Conceptual element	Description	Notation/Equation
'The SVC cost of equity valuation framework' for public firms (SVC-VF.2)		
'SVC risk premium function' for equity	The function that weights sustainable value creation to provide the adjustment for the cost equity formula (the function input is the VCr).	fr_{svc}
'SVC risk premium' for equity	The adjustment used for the cost of equity, which is the additional return or, if negative, the discount that investors expect to receive for the risk associated with the sustainable value creation of the firm. The adjustment and its inclusion in the cost of equity formula operationalizes the connection between capital allocation processes and economic development.	r_{svc}
'SVC cost of equity'	The cost of equity rate based on CAPM adjusted for sustainable value creation with the addition of the 'SVC risk premium' for equity. Upon the adjustment, when the additional return is positive, capital is more expensive; when it is negative, capital is more affordable.	$k_{\acute{E}}$
'SVC cost of equity' *equation (6.1a)*		$k_{\acute{E}} = r_f + \beta_E \ast \left(r_m - r_f\right) + r_{SVC}$ The CAPM cost of equity equation is: $k_E = r_f + \beta_E \ast \left(r_m - r_f\right)$
'SVC equity valuation'	The present value of equity adjusted for sustainable value creation and transfers is derived from applying the DCF method to equity cash flows with the 'SVC cost of equity' as the discount rate, which in turn results from adding the 'SVC risk premium' for equity adjustment to the standard cost of equity formula.	$SVC_{\acute{E}}$
'SVC equity valuation' *equation (6.2a)*		$SVC_{\acute{E}} = \frac{CF_1}{(1+k_{\acute{E}})^1} + \ldots + \frac{CF_n}{(1+k_{\acute{E}})^n}$ The standard discounted cash flow (DCF) valuation method is: $DCF = \frac{CF_1}{(1+k_E)^1} + \ldots + \frac{CF_n}{(1+k_E)^n}$
'The SVC credit valuation framework' for credit-rated firms (SVC-VF.3)		
'SVC risk premium function for credit rating'	The function that weights sustainable value creation to provide the adjustment for the 'credit rating cost of debt' formula (the function input is the VCr).	$fr^{cr}_{SVC,D}$
'SVC risk premium for credit rating'	The adjustment used for the credit rating cost of debt, which is the additional yield or, if negative, the negative yield that investors expect to receive for the risk associated with the sustainable value creation of the firm. The adjustment and its inclusion in the credit rating cost of debt formula operationalizes the connection between capital allocation processes and economic development.	$r^{cr}_{SVC,D}$

Table A3.3 (continued)

Conceptual element	Description	Notation/Equation
'SVC-adjusted credit rating cost of debt'	The cost of debt rate based on the credit rating cost of debt formula adjusted for sustainable value creation with the addition of the 'SVC risk premium for credit rating'. Upon the adjustment, when the additional return is positive, capital is more expensive; when it is negative, capital is more affordable.	$k_D^{cr'}$
'SVC-adjusted credit rating cost of debt' *equation (7.1a)*		$k_D^{cr'} = r_f + CS_i^{cr} + r_{SVC,D}^{cr}$ The credit rating cost of debt formula is: $k_D^{cr} = r_f + CS_i^{cr}$
'SVC-adjusted credit rating debt valuation'	The present value of credit rating-based debt adjusted for sustainable value creation and transfers is derived from applying the DCF method to debt cash flows with the 'SVC-adjusted credit rating cost of debt' as the discount rate, which in turn results from adding the 'SVC risk premium for credit rating' adjustment to the standard credit rating-based cost of debt formula.	$SVC_D^{cr'}$
'SVC-adjusted credit rating debt valuation' *equation (7.2a)*		$SVC_D^{cr'} = \frac{CF_1}{\left(1+k_D^{cr'}\right)^1} + \ldots + \frac{CFn}{\left(1+k_D^{cr'}\right)^n}$
'The SVC cost of debt valuation framework' for debtors (SVC-VF.4)		
'SVC risk premium function for debt'	The function that weights sustainable value creation to provide the adjustment for the cost debt formula (the function input is the VCr).	$fr_{SVC,D}$
'SVC risk premium for debt'	The adjustment used for the cost of debt, which is the additional yield or, if negative, the negative yield that investors expect to receive for the risk associated with the sustainable value creation of the firm. If the additional yield is positive, debt is more expensive' if negative, debt is more affordable. The adjustment and its inclusion in the cost of debt formula operationalizes the connection between capital allocation processes and economic development.	$r_{SVC,D}$
'SVC cost of debt'	The cost of debt rate based on the cost of debt formula adjusted for sustainable value creation with the addition of the 'SVC risk premium for debt'. Upon the adjustment, when the additional return is positive, capital is more expensive; when it is negative, capital is more affordable.	k_D'
'SVC cost of debt' *equation (8.1a)*		$k_D' = r_f + CS_i + r_{SVC,D}$ The cost of debt formula is: $k_D = r_f + CS_i$

Table A3.3 (continued)

Conceptual element	Description	Notation/Equation
'SVC-adjusted debt valuation'	The present value of debt adjusted for sustainable value creation and transfers is derived from applying the DCF method to debt cash flows using the 'SVC cost of debt' discount rate, which in turn results from adding the 'SVC risk premium for debt' adjustment to the standard cost of debt formula.	SVC_D
'SVC-adjusted debt valuation' *equation (8.2a)*		$SVC_D' = \frac{CF_1}{(1+k_D')^1} + \ldots + \frac{CF_n}{(1+k_D')^n}$
'The WACC-based valuation framework' for firms (SVC-VF.5)		
'SVC WACC'	The weighted average cost of capital adjusted for sustainable value creation and transfers, based on the standard WACC formula. The proportion of firm equity to firm value is multiplied by the 'SVC cost of equity' and the proportion of firm debt to firm value is multiplied by the 'SVC cost of debt', or alternatively by the 'SVC-adjusted credit rating cost of debt'.	$WACC''$
'SVC WACC' *equation (9.1a)*		$WACC'' = \left(\frac{E}{V} * k_E'\right) + \left(\frac{D}{V} * k_D^{cr'} \vert k_D'\right)$ The standard weighted average cost of capital formula is: $WACC = \left(\frac{E}{V} * k_E\right) + \left(\frac{D}{V} * k_D\right)$
'SVC firm valuation'	The present value of a firm adjusted for sustainable value creation and transfers is derived from applying the DCF method to firm cash flows, with the 'SVC WACC' as the discount rate.	SVC''
'SVC firm valuation' *equation (9.2a)*		$SVC'' = \frac{CF_1}{(1+WACC'')^1} + \ldots + \frac{CF_n}{(1+WACC''n)}$

Table A3.4a: Perceptions of Elites Survey (PEz): Non-elite Questionnaire (1/2) (sample extract).

Perceptions of Elites Survey (PEz): Non-elite Questionnaire (1/2)
Country Name: Z
Note: At the start of the survey respondents are provided with a list of terms used in the questions and their definitions (e.g., for 'business elite', 'non-elite', or 'value creation'). This list remains accessible at all times during the survey.

Ref.	EQx Architecture category	Question	Answer
PEz-NE.1	Political Value Index Area (iii)	"How accurate do you find this statement: 'Our country's political elites create value for our country'?" (Answer options: 1. Very accurate; 2. Somewhat accurate; 3. Moderately accurate; 4. Slightly accurate; 5. Not accurate at all)	1–5
PEz-NE.2	Power Sub-Index I	"How accurate do you find this statement: 'The leading elite business models in our economy generate their profits through extractive activities and value transfers (rather than through value creation activities)'?" (Answer options: 1. Very accurate; 2. Somewhat accurate; 3. Moderately accurate; 4. Slightly accurate; 5. Not accurate at all)	1–5
PEz-NE.3	Regulatory Capture Pillar (2)	"How prevalent do you believe crony capitalism is in your country?" (Answer options: 1. Very prevalent; 2. Somewhat prevalent; 3. Moderately prevalent; 4. Slightly prevalent; 5. Not prevalent at all)	1–5
PEz-NE.4	EQx	"How much do you agree with this statement: 'The leading elite business models in my country create value for me, my family, or my social circle (by providing high quality jobs, widespread prosperity, and innovation)'?" (Answer options: 1. Completely; 2. Mostly; 3. Partially; 4. Slightly; 5. Not at all)	1–5
PEz-NE.5	Economic Value Sub-Index (iv)	"How accurate do you find this statement: 'The business elites in my country appropriate too much of the value that I create (for instance, through inflation, inefficiencies, regulation, depressed wages, or tax evasion)'?" (Answer options: 1. Very accurate; 2. Somewhat accurate; 3. Moderately accurate; 4. Slightly accurate; 5. Not accurate at all)	1–5
PEz-NE.6	EQx	"How much do you like 'the elites' in our country? (please don't differentiate between elite types such as political, business, and knowledge)" (Answer options: 1. Strongly like; 2. Like; 3. Neutral; 4. Dislike; 5. Strongly dislike)	1–5
PEz-NE.7	Value Sub-Index II	"How well are my country's elites doing in terms of investing in the future?" (Answer options: 1. Very well; 2. Well, 3. Neutral. 4. Not at all well; 5. Poorly)	1–5
PEz-NE.8	EQx	"How accurate do you find this statement: 'Our country's elites are of a higher quality, more inclusive, and more innovative than those of neighboring country X'?" (Answer options: 1. Very accurate; 2. Somewhat accurate; 3. Moderately accurate; 4. Slightly accurate; 5. Not accurate at all)	1–5

Table A3.4a (continued)

Ref.	EQx Architecture category	Question	Answer
PEz-NE.9	Political Power Sub-Index (i)	"To what extent do you agree with this statement: 'The knowledge elites in my country are very powerful'?" (Answer options: 1. Strongly agree; 2. Agree; 3. Neutral; 4. Disagree; 5. Strongly disagree)	1–5
PEz-NE.10	Political Value Index Area (iii); Economic Value Index Area (iv)	"In your opinion, which of the three elite types (business/political/knowledge) create the most value in our country? Please the rank elite types according to the contribution that they make to value creation from the highest to the lowest using the options below." (Ranking options: business>political>knowledge, business>knowledge>political, political>business>knowledge, political>knowledge>business, knowledge>business>political, knowledge>political>business)	1–5

Table A3.4b: Perceptions of Elites Survey (PEz): Elite Questionnaire (2/2) (sample extract).

Perceptions of Elites Survey (PEz): Elite Questionnaire (2/2)
Country Name: Z
Note: At the start of the survey respondents are provided with a list of terms used in the questions and their definitions (e.g., for 'elite', 'non-elite', or 'value transfer'). This list remains accessible at all times during the survey.

Ref.	EQx Architecture category	Question	Extent
PEz-EQ.1	Economic Value Index Area (iv)	"To what degree is it true that your business model is based on innovation, production, exchange, and other forms of value creation?" (Answer options: 1. Completely true; 2. Very true; 3. Moderately true; 4. Slightly true; 5. Not true at all)	1–5
PEz-EQ.2	Creative Destruction Pillar (6)	"To what degree is it true that the business models of your peers are based on innovation and intrapreneurship, or are start-ups?" (Answer options: 1. Completely true; 2. Very true; 3. Moderately true; 4. Slightly true; 5. Not true at all)	1–5
PEz-EQ.3	Economic Value Index Area (iv)	"To what degree is it true that your business model is primarily based on subsidies, barriers to entry, regulations, monopolies, monopsonies, or other forms of value transfers and rent seeking?" (Answer options: 1. Completely true; 2. Very true; 3. Moderately true; 4. Slightly true; 5. Not true at all)	1–5
PEz-EQ.4	Power Sub-Index I	"To what degree is it true that the business models in the economy as a whole are primarily based on subsidies, barriers to entry, regulations, monopolies, monopsonies, or other forms of value transfer and rent seeking?" (Answer options: 1. Completely true; 2. Very true; 3. Moderately true; 4. Slightly true; 5. Not true at all)	1–5
PEz-EQ.5	EQx	"How accurate do you find this statement: 'In our economy non-elites benefit from the value creation of the leading business models'?" (Answer options: 1. Very accurate; 2. Somewhat accurate; 3. Moderately accurate; 4. Slightly accurate; 5. Not accurate at all)	1–5
PEz-EQ.6	Power Sub-Index I	"How accurate do you find this statement: 'In our economy non-elites are able to appropriate the full value that they create through their productive work (in the form of wages, public services, cost of living, etc.)'?" (Answer options: 1. Very accurate; 2. Somewhat accurate; 3. Moderately accurate; 4. Slightly accurate; 5. Not accurate at all)	1–5
PEz-EQ.7	Value Sub-Index I	"To what degree is it true that business elites in our country create more value than political and knowledge elites?" (Answer options: 1. Completely true; 2. Very true; 3. Moderately true; 4. Slightly true; 5. Not true at all)	1–5
PEz-EQ.8	Economic Power Index Area (ii)	"To what degree do you believe business elites in our country are powerful (relative to non-elites)?" (Answer options: 1. Extremely powerful; 2. Very powerful; 3. Moderately powerful; 4. Slightly powerful; 5. Not powerful at all)	1–5

Table A3.4b (continued)

Ref.	EQx Architecture category	Question	Extent
PEz-EQ.9	Political Power Index Area (i)	"To what degree do you believe political elites in our country are powerful (relative to business and knowledge elites)?" (Answer options: 1. Extremely powerful; 2. Very powerful; 3. Moderately powerful; 4. Slightly powerful; 5. Not powerful at all)	1–5
PEz-EQ.10	Political Value Index Area (iii); Economic Value Index Area (iv)	"In your opinion which of the three elite types (business/political/knowledge) create more value in our country? Please the rank elite types according to the contribution that they make to value creation from the highest to the lowest using the options below." (Ranking options: business>political>knowledge, business>knowledge>political, political>business>knowledge, political>knowledge>business, knowledge>business>political, knowledge>political>business)	1–5

Table A3.5a: Perceptions of Value Creation Survey (360-VCz): Firm Stakeholder Questionnaire (1/2) (sample extract, questions for diverse stakeholder types).*

Perceptions of Value Creation Survey (360-VCz): Firm Stakeholder Questionnaire (1/2)
Company Name: Company A (industry B)
Stakeholder: Stakeholder S
Note: At the start of the survey respondents are provided with a list of terms used in the questions and their definitions (e.g., for 'power, 'value creation', or 'value transfer'). This list remains accessible at all times during the survey.

Ref.	**Category; Stakeholder type**	**Question**	**Answer**
	Political Power		
360-VCz-GS.1.1	State capture (i.1), transfer-IN SVC metric; Government stakeholder	"How accurate do you find this statement: 'Company A and its leaders have very strong connections and many friends in the government'?" (Answer options: 1. Very accurate; 2. Somewhat accurate; 3. Moderately accurate; 4. Slightly accurate; 5. Not accurate at all)	1–5
360-VCz-GS.2.1	Regulatory capture (i.2), transfer-IN SVC metric; Government stakeholder	"How true is this statement: 'Regulators restrict Company A's ability to pursue and realize business opportunities within industry B'?" (Answer options: 1. Completely true; 2. Very true; 3. Moderately true; 4. Slightly true; 5. Not true at all)	1–5
360-VCz-LS.3.1	Human capture (i.3), transfer-IN SVC metric; Labor stakeholder	"To what extent do employees possess the bargaining power to set wages above industry B standards?" (Answer options: 1. Not at all; 2. To a small extent; 3. To a moderate extent; 4. To a great extent; 5. To a very great extent)	1–5
	Economic Power		
360-VCz-SS.4.1	Coalition dominance (ii.4), transfer-IN SVC metric; Supplier stakeholder	"To what extent do you agree with the statement: 'Industry B is recognized as one of the most powerful sectors in the nation'?" (Answer options: 1. Strongly agree; 2. Agree; 3. Neutral; 4. Disagree; 5. Strongly disagree)	1–5
360-VCz-SS5.1	Firm dominance (ii.5), transfer-IN SVC metric; Supplier stakeholder	"To what extent do you agree with the statement: 'Company A holds a dominant position in industry B'?" (Answer options: 1. Strongly agree; 2. Agree; 3. Neutral; 4. Disagree; 5. Strongly disagree)	1–5
360-VCz-LS.6.1	Creative destruction (ii.6), transfer-OUT SVC metric; Labor stakeholder	"To what extent do you agree with the statement: 'Company A is one of the most disruptive and innovative players in industry B's markets'?" (Answer options: 1. Strongly agree; 2. Agree; 3. Neutral; 4. Disagree; 5. Strongly disagree)	1–5
	Political Value		
360-VCz-LS.7.1	Giving income (iii.7), transfer-OUT; Labor stakeholder	"How much do you agree with this statement: 'It seems to me that Company A pays more taxes than the average company in our country'?" (Answer options: 1. Strongly agree; 2. Agree; 3. Neutral; 4. Disagree; 5. Strongly disagree)	1–5

*The survey questionnaire is tailored to stakeholder types (e.g., employees, suppliers, governments, customers, citizens at large). This extract includes selected questions for different stakeholder types as is indicated in the column for The Business Model Sustainable Value Scorecard categories.

Table A3.5a (continued)

Ref.	Category; Stakeholder type	Question	Answer
360-VCz-CS.8.1	Taking income (iii.8), transfer-IN; Citizen stakeholder	"How much do you agree with this statement: 'It seems to me that Company A is one of the most subsidized entities in our country'?" (Answer options: 1. Strongly agree; 2. Agree; 3. Neutral; 4. Disagree; 5. Strongly disagree)	1–5
360-VCz-CS.9.1	Unearned income (iii.9), transfer-IN; Citizen stakeholder	"How much do you agree with this statement: 'In my view, Company A is one of the greenest, most carbon-conscious companies in our country'?" (Answer options: 1. Strongly agree; 2. Agree; 3. Neutral; 4. Disagree; 5. Strongly disagree)	1–5
	Economic Value		
360-VCz-CU.10.1	Producer value (iv.10), transfer-OUT; Customer stakeholder	"How much do you agree with this statement: 'Based on my experience as a customer, Company A's products provide excellent value for money?" (Answer options: 1. Strongly agree; 2. Agree; 3. Neutral; 4. Disagree; 5. Strongly disagree)	1–5
360-VCz-KS.11.1	Capital value (iv.11), transfer-OUT; Capital supplier stakeholder	"How much do you agree with this statement: 'From my experience in the finance industry, over the past decade, Company A has delivered returns that significantly surpass the industry B average'?" (Answer options: 1. Strongly agree; 2. Agree; 3. Neutral; 4. Disagree; 5. Strongly disagree)	1–5
360-VCz-LP.12.2	Labor value (iv.12), transfer-OUT; Labor stakeholder	"How much do you agree with this statement: 'Based on my knowledge as a worker, labor productivity at Company A is excellent'?" (Answer options: 1. Strongly agree; 2. Agree; 3. Neutral; 4. Disagree; 5. Strongly disagree)	1–5

Table A3.5b: Perceptions of Value Creation Survey (360-VCz): Firm Principal Questionnaire (2/2) (sample extract).

Perceptions of Value Creation Survey (360-VCz): Firm Principal Questionnaire (2/2)
Company Name: Company A (industry B)
Note: At the start of the survey respondents are provided with a list of terms used in the questions and their definitions (e.g., for 'elite', 'non-elite', or 'value creation'). This list remains accessible at all times during the survey.

Ref.	The Business Model Sustainable Value Scorecard category	Question	Answer
	Political Power		
360-VCz-PQ.1.1	State capture (i.1), transfer-IN metric	"To what degree is it true that your company has better chances of winning government contracts compared to competitors?" (Answer options: 1. Completely true; 2. Very true; 3. Moderately true; 4. Slightly true; 5. Not true at all)	1–5
360-VCz-PQ.2.1	Regulatory capture (i.2), transfer-IN metric	"To what degree is it true that your company is more capable than its competitors to shape the regulations for industry B?" (Answer options: 1. Completely true; 2. Very true; 3. Moderately true; 4. Slightly true; 5. Not true at all)	1–5
360-VCz-PQ.3.1	Human capture (i.3), transfer-IN metric	"To what extent do your employees possess the bargaining power to influence and set wages above industry standards?" (Answer options: 1. Not at all; 2. To a small extent; 3. To a moderate extent; 4. To a great extent; 5. To a very great extent)	1–5
	Economic Power		
360-VCz-PQ.4.1	Coalition dominance (ii.4), transfer-IN metric	"To what extent do you agree with the statement: 'Industry B is recognized as one of the most powerful in the nation'?" (Answer options: 1. Strongly agree; 2. Agree; 3. Neutral; 4. Disagree; 5. Strongly disagree)	1–5
360-VCz-PQ.5.1	Firm dominance (ii.5); transfer-IN metric	"To what extent do you agree with the statement: 'Our company holds a dominant position in industry B'?" (Answer options: 1. Strongly agree; 2. Agree; 3. Neutral; 4. Disagree; 5. Strongly disagree)	1–5
360-VCz-PQ.6.1	Creative destruction (ii.6), transfer-OUT metric	"To what degree is it true that your company disrupts industry B markets with its competitive technologies, products, or processes?" (Answer options: 1. Completely true; 2. Very true; 3. Moderately true; 4. Slightly true; 5. Not true at all)	1–5

Table A3.5b (continued)

Ref.	The Business Model Sustainable Value Scorecard category	Question	Answer
	Political Value		
360-VCz-PQ.7.1	Giving income (iii.7), transfer-OUT metric	"How accurate do you find this statement: 'At Company A we face a higher income tax rate than other companies in our industry'?" (Answer options: 1. Very accurate; 2. Somewhat accurate; 3. Moderately accurate; 4. Slightly accurate; 5. Not accurate at all)	1–5
360-VCz-PQ.8.1	Taking income (iii.8), transfer-IN metric	"How accurate do you find this statement: 'At Company A we receive less subsidies than the average for industry B'?" (Answer options: 1. Very accurate; 2. Somewhat accurate; 3. Moderately accurate; 4. Slightly accurate; 5. Not accurate at all)	1–5
360-VCz-PQ.9.1	Unearned income (iii.9), transfer-IN	"How accurate do you find this statement: 'At Company A we offset more carbon emissions than the average company in industry B'?" (Answer options: 1. Very accurate; 2. Somewhat accurate; 3. Moderately accurate; 4. Slightly accurate; 5. Not accurate at all)	1–5
	Economic Value		
360-VCz-PQ.10.1	Producer value (iv.10), transfer-OUT	"How accurate do you find this statement: 'Our products provide excellent value for money'?" (Answer options: 1. Very accurate; 2. Somewhat accurate; 3. Moderately accurate; 4. Slightly accurate; 5. Not accurate at all)	1–5
360-VCz-PQ.11.1	Capital value (iv.11), transfer-OUT	"How accurate do you find this statement: 'Over the past decade Company A has delivered returns that significantly surpass the industry B average'?" (Answer options: 1. Very accurate; 2. Somewhat accurate; 3. Moderately accurate; 4. Slightly accurate; 5. Not accurate at all)	1–5
360-VCz-PQ.12.1	Labor value (iv.12), transfer-OUT	"How accurate do you find this statement: 'Labor productivity at Company A is excellent'?" (Answer options: 1. Very accurate; 2. Somewhat accurate; 3. Moderately accurate; 4. Slightly accurate; 5. Not accurate at all)	1–5

Table A3.6: SVC Metrics Self-assessment Survey: Questionnaire (sample extract, based on Casas-Klett & Nerlinger, 2023).

SVC Metrics Self-assessment Survey (self-VCp/self-VCr/IB-self-VCr): Questionnaire
Company Name: Company A (industry B)
Note: Respondents require access to financial statements, internal information, exchanges with firm specialists, and other third-party data to guide their answers, as well as sufficient time. The numerical answer to each question is within a set minimum/maximum range and will be used to establish the SVC metric 'monetary equivalence' with the support of a 'calibration factor'.

Ref.	Metric	Question	Min/Max range
	Political Power		
Self-VCr_rc.LOC MQ.2.1	*Lobbying* Regulatory capture (i.2), transfer-IN metric (input to self-VCp/self-VCr)	Estimate the expenditures the firm spends for its lobbying activities. Note: If the firm does NOT undertake any lobbying activities, nor engages in institutional relations or communications activities aimed at shaping public opinion, policy, or institutional change, please answer '0'.	Absolute number
		Remark: Lobbying can provide decision makers at firms with valuable insights and data, as well as access to the development and implementation of public policies favorable to the firm. On the other hand, the OECD has determined that lobbying can lead to undue influence, unfair competition, and regulatory capture that is to the detriment of the public interest and effective public policies (Source: References OECD, 2013).	
Self-VCr_ hc.BDN MQ.3.1	*Board diversity (nationality)* Human capture (i.3), transfer-IN metric (input to self-VCp/self-VCr/IB-self-VCr)	Estimate the percentage of board members from foreign countries [percentage].	0 to 90%
		Remark: Board national diversity refers to the inclusion of individuals from various national backgrounds or citizenships on a company's board of directors. It encompasses the idea of having board members who represent different countries or regions. This type of diversity can bring a wide range of perspectives, experiences, and cultural insights to board discussions and decision-making. It is often seen as a way to enhance a company's global perspective and understanding of international markets.	

Table A3.6 (continued)

Ref.	Metric	Question	Min/Max range
	Economic Power		
Self-VCr_cd.CPO MQ.4.1	*Cartel power* Coalition dominance (ii.4), transfer-IN metric (input to self-VCp/self-VCr/IB-self-VCr)	Estimate the percentage of the firm's revenues gained from cartel agreements. Remark: "A cartel is an organization created from a formal agreement between a group of producers of a good or service to control supply or to regulate or manipulate prices. A collection of independent businesses or countries that act together like a single producer, cartel members may agree on prices, total industry output, market shares, allocation of customers, allocation of territories, bid-rigging, and the division of profits" (Source: Chen, 2023).	0 to 30% of revenue
Self-VCr_ fd.HHI MQ.5.1	*Market concentration* Firm dominance (ii.5); transfer-IN metric (input to self-VCp/self-VCr/IB-self-VCr)	Estimate the firm's monetary benefits that accrue from its market dominance (or market power) as a percentage of its revenues. Note: If the firm operates in a PERFECTLY competitive market (HHI<1,000 or 1,500) and has NO market power, please answer 0. Remark: Dominant firms in markets with high concentration incur the "risk of substantially lessening competition" and government agencies consider that illicit firm "coordination becomes more likely as concentration increases"; market concentration is assessed with the well-known Herfindahl-Hirschman Index (HHI), also a common measure used to determine market competitiveness (Source: References U.S. Department of Justice and the Federal Trade Commission, 2023).	0 to 50% of revenue
Self-VCr_cd.RDE MQ.6.1	*R&D expenses as percentage of revenue* Creative destruction (ii.6), transfer-OUT metric (input to self-VCp/self-VCr/)	Estimate the firm's R&D expenses as a percentage of revenue. Remark: Research and development (R&D) expenses refer to direct and indirect costs associated to the realization of new technologies, processes, applications, and ultimately products and services aimed at novel business possibilities. Firm R&D is more than a source of competitive advantage since the "new information" it produces coupled with the "ability to exploit and assimilate existing information" creates "innovation spillovers" that benefit the economy and society at large (Sources: References Cohen & Levinthal, 1989, p. 569; Griliches, 1992; Audretsch & Feldman, 1996, p. 639; Bonaglia, Rivera León, & Nindl, 2024).	0 to 30% of revenue

Table A3.6 (continued)

Ref.	Metric	Question	Min/Max range
	Political Value		
Self-VCr_ ti.ETR MQ.7.1	*Effective tax rate in comparison to peers* Giving income (iii.7), transfer-OUT metric (input to self-VCp/ self-VCr/)	Is the firm's effective tax rate above (+) or below (-) the industry average and what does this tax advantage/disadvantage represent as a percentage of firm revenue? If the firm pays the exact industry average tax rate, please answer 0.	0 to -/+ 20% of revenue
		Remark: If the effective income tax rate is below the average of industry peers (-) there is a tax advantage of savings; if it is above the average of industry peers (+) there is a tax disadvantage that represents an extraordinary expense and a contribution to the taxpayer stakeholder.	
Self-VCr_ti.SUB MQ.8.1	*Subsidies* Taking income (iii.8), transfer-IN metric (input to self-VCp/ self-VCr)	Estimate the total amount of direct (e.g., equity infusion) or indirect (e.g., price support) subsidies that the firm receives as a percentage of revenues. Note: If the firm does NOT receive ANY direct or indirect subsidies whatsoever, please answer 0.	0–50% of revenue [or] Absolute number
		Remark: A subsidy is defined by the WTO as a government practice that involves: (i) a direct transfer of funds (e.g. grants, loans, and equity infusions); (ii) potential direct transfers of funds or liabilities (e.g. loan guarantees); (iii) revenue that is otherwise due is forgiven or not collected (e.g. fiscal incentives such as tax credits); (iv) goods or services provided other than general infrastructure or purchased goods; and (v) payments to a funding mechanism, or entrusting or directing a private body to carry out one or more of the type of functions outlined in (i) to (iii) above that would normally be the responsibility of the government and the practice differs in no real sense from practices normally followed by governments (Source: adapted from Agreement on Subsidies and Countervailing Measures; WTO, 1994b, p. 229; Article 1: Definition of a subsidy, see https://www.wto.org/english/docs_e/legal_e/24-scm.pdf).	

Table A3.6 (continued)

Ref.	Metric	Question	Min/Max range
Self-VCr_ui. COC_MQ.9.1	*Carbon offsets and credits* Unearned income (iii.9), transfer-OUT (input to self-VCp/self-VCr/IB-self-VCr)	Estimate the equivalent of the CO_2 offsets, credits, and allowances in tons purchased or produced by the company. Remark: The equivalent of the CO_2 offsets, credits, and allowances in tons purchased or produced by the company during the fiscal year. Companies evolving in certain sectors have a limit on their CO_2 emissions; if they exceed this limit, they must purchase additional credits to balance it and if they fall short of the limit, they can sell the remainder of their emissions allowance. Carbon credits purchased and produced are considered. Investments in wind farms and planting trees that the company claims offset carbon emissions are also in scope.	Absolute number
	Economic Value		
Self-VCr_pv.GSC MQ10.1	*Global supply chain* Producer value (iv.10), transfer-OUT (input to self-VCp/self-VCr/IB-self-VCr)	Estimate the percentage of the supply chain that is located outside the firm's country of origin (location of headquarters). Remark: Global supply chains are often characterized by their complexity and the need for effective coordination across borders and cultures. Companies aim to create resilient and efficient global supply chains to optimize costs, improve product quality, meet customer demand, and remain competitive in the global marketplace. International interdependencies have been deemed to be a contributing factor to international peace and stability. On the other hand, some see risks like supply chain disruptions and geopolitical insecurity.	0 to 90%
Self-VCr_cv.KEX MQ.11.1	*Capital expenditure's as percentage of revenue* Capital value (iv.11), transfer-OUT (input to self-VCp/self-VCr)	What is the amount of capital expenditures (CAPEX) made by the firm as a percentage of revenue? Remark: Capital expenditures are funds dedicated to the acquisition and maintenance of assets like machinery or buildings. The purchase of assets by firms has a multiplier effect as these aggregate in the investment function of the economy. Firm CAPEX is more than a source of competitive advantage since it contributes to aggregate supply and employment, and indirectly to consumption, productivity, GDP growth, and future economic activity.	0 to 30% of revenue