

Multiplier Overview

This document provides an overview of different types of multipliers and their applications. These multipliers provide valuable insights for businesses, policymakers, and researchers aiming to assess economic, environmental and social impacts.

Indirect Multiplier

Indirect multipliers measure the economic, environmental or social effect triggered by spending 1 USD in a specific industry and country. These effects can be expressed in physical or monetary units.

Scope 3 Multiplier (Emission Factors)

Scope 3 multiplier quantify the greenhouse gas (GHG) effects in kg triggered by spending 1 USD in a given industry and country.

The Scope 3 multipliers are different in each tier of the supply chain:

- **Tier 1:** Represents the GHG emissions occurring in the industry in which the product was bought.
- **Tier 2 and Beyond:** Captures emissions from supplier industries due to the increase in economic activity.

Scope 2 emissions (emissions from electricity suppliers) are shown separately to provide transparency about the emissions caused by electricity supply. A low share of emissions from electricity suppliers suggests a reliance on "clean energy" sources (e.g. nuclear or renewable energy), which do not pollute the atmosphere.

Please note that the Scope 3 multiplier is equal to the indirect GHG multiplier minus the Scope 2 multiplier.

Multiplier Application

To assess the impact of spending in a particular country and industry, multiply the expenditure amount by the corresponding multiplier value.

For example, if the indirect multiplier for a selected industry is 0.10, then spending \$100 in that industry would generate an indirect impact of \$10.

Similarly, if the Scope 3 multiplier for a sector is 2.0 kg / USD, then spending \$100 in that sector would result in 200 kg of greenhouse gas emissions.

