

FOR SOME COMPANIES, THE EXTERNAL COSTS EXCEED THEIR OPERATING PROFIT

- External environmental costs as percent of operating profit:

not sales!
Project!

AIRFRANCEKLM
GROUP

212%
\$3,3 Billion

American Airlines



140%
\$4,8 Billion



Lufthansa

110%
\$2,3 Billion



DELTA

81%
\$4,2 Billion

PRODUCT IMPACT

Quantity and duration

How many products are sold and what is the average product life?

Recyclability

What happens to the product once it has been consumed?

Quality

Does the product work as it should?
Does it pose health and safety concerns?



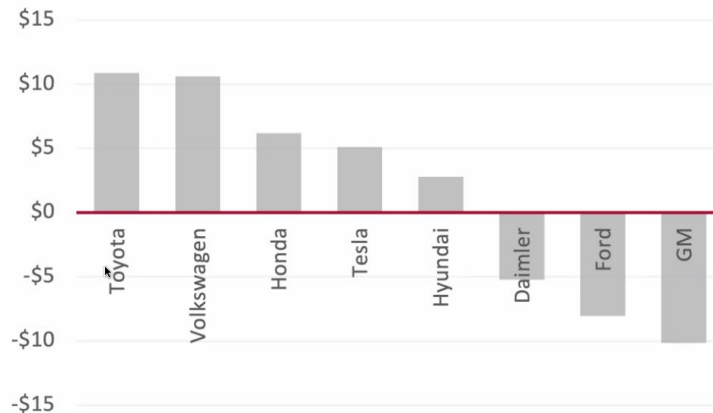
Emissions

What are the emissions' impacts resulting from product use?

Access

Is the product accessible and affordable?

2019 Company Product Impact in USD bn



maybe for intel? go into one product and analyze it?

More information on the method is available here:

Serafeim, George and Trinh, Katie, A Framework for Product Impact-Weighted Accounts (October 27, 2020). Harvard Business School Accounting & Management Unit Working Paper No. 20-076, Available at SSRN: <https://ssrn.com/abstract=3532472> or <http://dx.doi.org/10.2139/ssrn.3532472>

Source: [Richmond Global Sciences](#)

This is from our paper.



ENVIRONMENTAL COSTS SCALED BY OPERATING INCOME

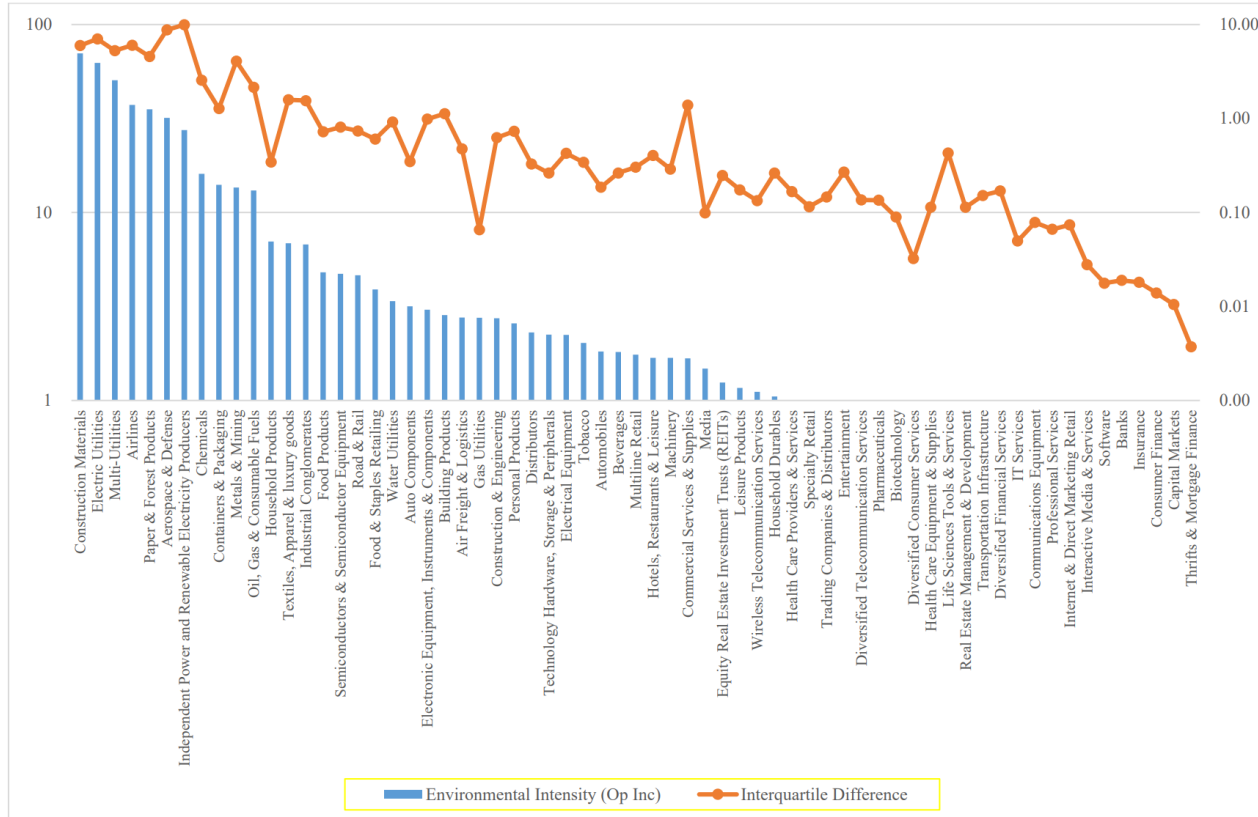


Figure 2b graphs distribution of environmental intensity (scaled by operating income) by GICS industry. Environmental Intensity (Op Inc) indicates log-transformed environmental intensity scaled by operating income. Interquartile Difference highlights log-transformed difference between the third and first quartile of the distribution of environmental intensity scaled by operating income across firm-year observations in each industry.

Freiberg et al. 2022