

Clearer Accounting for Cleaner Air

Context

In the UK, **air pollution contributes to up to 43,000 premature deaths every year**. It also costs the economy billions, including through reduced worker productivity. By 2035, Public Health England estimates that **the cost to the UK economy could be as high as £18.6 billion**. One of the most harmful air pollutants to human health is particulate matter, specifically PM2.5 (fine particulate matter with a diameter of 2.5 microns or less).

The World Health Organization (WHO) recommends that annual average concentrations of PM2.5 should not exceed 5 micrograms per cubic meter ($\mu\text{g}/\text{m}^3$) to protect public health. Recent data indicates that the UK's urban background PM2.5 concentrations average around 10-12 $\mu\text{g}/\text{m}^3$. This means that **current levels exceed the WHO's recommended limit by approximately 2 to 2.4 times**. Furthermore, commercial activities can be linked to at least 40–50 percent of global PM2.5 emissions. However, companies are not effectively held to account for their contribution to PM2.5, undermining the Government's broader health missions.

Transparent corporate disclosures are therefore needed to hold companies to account for the air pollution they cause, and to support them to align their activities with national health objectives.

The Health Threat

PM2.5 is a mixture of microscopic particles generated by industrial processes, vehicle emissions, the combustion of fossil fuels, and agricultural activities. Due to its small size, PM2.5 can penetrate deep into the lungs and enter the bloodstream, leading to a wide range of serious health conditions:

- Cardiovascular disease: PM2.5 exposure increases the risk of **heart attacks, strokes, and hypertension**.
- Respiratory illness: It exacerbates **asthma, chronic obstructive pulmonary disease (COPD), and lung infections**.
- Neurological effects: Emerging evidence links PM2.5 to **cognitive decline, dementia, and developmental issues in children**.
- Premature mortality: Long-term exposure is linked to **tens of thousands of deaths annually** in the UK.

The Economic Threat

Beyond its direct health toll, PM2.5 poses a significant barrier to sustained economic growth, including:

- **Increased NHS spending** due to air pollution-related hospital admissions and chronic illness.

- **Lost productivity** from illness-related absences, impaired cognitive function, and long-term health impacts on workers.
- **Reduced quality of life** and wellbeing across affected populations, exacerbating inequalities.
- **Regulatory uncertainty** from uneven local enforcement, limited monitoring infrastructure, and a lack of consistent corporate emissions data.

Greater Transparency Through Strengthened Corporate Disclosure

The UK Government has committed to reducing health disparities and improving air quality, including through the Environmental Improvement Plan (EIP) 2023. We anticipate further announcements as part of the forthcoming Clean Air Strategy. However, meaningful progress requires coordinated action across all sectors, particularly from high-polluting industries.

Despite its severe impacts, corporate accountability for PM2.5 emissions remains limited. Current **disclosure requirements are fragmented and voluntary**, making it difficult to assess corporate contributions to air pollution or to drive investor and public scrutiny. This lack of consistency represents a major barrier to improved public health outcomes, better financial returns, and economic growth.

Strengthening corporate disclosure can enable better decision-making by investors, regulators, and the public and drive corporate behaviour change by highlighting specific pollution hotspots and incentivising cleaner operations. It can also support policy implementation by providing more complete data for air quality monitoring and enforcement.

As the Government begins assessing and endorsing the International Sustainability Standards Board's (ISSB) global corporate reporting standards, forming the basis the UK's Sustainability Reporting Standards (SRS), this is an opportunity to advance greater corporate transparency on air pollution.

Recommendations

We are therefore calling on the UK Government to:

1. **Integrate air pollution metrics** into corporate reporting frameworks, including the UK Sustainability Reporting Standards.
2. **Mandate disclosure of PM2.5 emissions** across key sectors, especially manufacturing, construction and mineral products, waste management, agriculture, and transport.
3. **Set sector-specific emissions-reduction targets.** The Government should introduce new clean air legislation with clear, enforceable targets for PM2.5 and other harmful pollutants from key industrial sectors, encouraging measurable progress over time.

Please contact mary-alice.thornhill@shareaction.org, Health Policy Manager, to discuss these issues further.

I will be very happy to meet with you online or in Westminster.