



Cross-Cutting Environmental, Equity, and Labor Standards

Public investments such as those included in the Inflation Reduction Act must chart a path to a more equitable society. Investments must be used to generate jobs and economic ownership opportunities that reduce poverty along with racial, economic, and gender inequities. To yield a healthier and more stable future, investments must also address climate change, toxic pollution, and natural resource and biodiversity depletion. The materials, operations, and end use of publicly funded projects must be in service of these outcomes.

To achieve those outcomes, investments must uphold environmental, equity, and labor standards and guardrails such as those listed below (See also [this more extensive list of standards and guardrails](#) supported by [a broad range of civil society groups](#)).

Why Standards Matter

Without environmental, equity, and labor standards, investments could reinforce the unjust status quo instead of counteracting persistent economic, racial, and gender inequities.

For example, [modeling](#) of similar investments by the University of Massachusetts-Amherst strongly suggests that labor standards such as those listed below are needed to ensure that jobs actually offer workers family-sustaining salaries and benefits and access to a union. Absent such standards, the range of the jobs created goes from high-paid careers to low-quality occupations where workers earn about half of the national average salary and have little access to health insurance, retirement plans, or union protection. [See here for more detail on salaries, benefits, union density, and racial and gender composition of jobs created by public investments, in the absence of standards.](#)

Illustrative Environmental, Equity, and Labor Standards And Guardrails

Different kinds of environmental, labor, and equity standards are needed for different kinds of investments in order to reach more just and sustainable outcomes. Below are some illustrative examples. [For a longer list of more detailed standards and guardrails, see here.](#)

Climate and environmental standards and guardrails

- Investments should meet a baseline climate and environmental test. To qualify for funding, projects should demonstrate that their use will support reduced greenhouse gasses, reduced toxic pollution, and/or increased climate resilience along their lifecycle and supply chain.
- The materials and parts used in projects that receive public support should be subject to Buy Clean standards that reduce industrial pollution, climate resilience standards, and energy efficiency standards (as applicable).
- All construction and related contracts should include requirements to use sustainable and climate-resilient designs for infrastructure and operations.

Labor standards and guardrails

- All construction, service, and related contracts should include requirements for Davis-Bacon prevailing wages, project labor agreements, a neutrality policy on collective bargaining, and use of registered apprenticeship programs, among other labor standards, in addition to preferences for local hire, community-based businesses, and worker cooperatives.
- The materials and parts used should be subject to Buy America and other domestic content policies, after closing loopholes in those policies, to support manufacturing job retention and creation.
- No investment made under the federal spending program should degrade the quality of jobs or obstruct the right of workers to form or join a labor organization; to bargain collectively over terms and conditions of employment; and to engage in other concerted activities for mutual aid or protection.
- Public support should not go to any employer that misclassifies workers as independent contractors or seeks to use a corporate structure to hinder collective bargaining on a companywide, regional, or national basis.

Equity standards and guardrails

- At least 40 percent of investments and benefits (and ideally a greater percentage) should be directed toward low-income communities, communities of color, deindustrialized communities, and other communities facing disproportionate impacts from poverty, toxic pollution, and/or climate change.
- The share of infrastructure funding that goes to the District of Columbia, Puerto Rico, and all U.S. territories should be at least proportional to the population of these jurisdictions.
- All construction and related contracts should require **community benefits agreements**; a mandatory “**ban the box**” policy to ensure fair employment opportunities for all; and hiring and contracting preferences for low-income workers, people of color, women, people with disabilities, LGBTQIA2S+ individuals, and formerly incarcerated people.
- Programs should employ an equity assessment to evaluate the social, economic, and environmental impacts of the investment, program, plan or regulation, on impacted environmental justice communities
- Programs should undertake an environmental justice screening to assess greenhouse gas emissions, toxic pollution emissions, and other lifecycle impacts of programs across spatial distribution
- Programs should respect Indigenous sovereignty and the free, prior, and informed consent of Indigenous communities and Tribes.
- All jobs created should be accessible to undocumented immigrants and paired with a moratorium on deportations and a path to citizenship for those workers.

Governance standards

In order for these standards to be effectively incorporated and operationalized into investment programs, the governance and accountability mechanisms associated with those programs must also be equitable. See [these guidelines](#) for the design of equitable governance and accountability mechanisms.

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Sierra Club National
2101 Webster Street, Suite 1300
Oakland, CA 94612
(415) 977-5500

Sierra Club Legislative
50 F Street, NW, Eighth Floor
Washington, DC 20001
(202) 547-1141

sierraclub.org
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