Never Say DEI?

How large businesses are reporting on diversity, equity and inclusion in a politically charged climate.

Stratton Craig

A Positive Change Company

/ Contents

1.

Introduction

"There are stark and ever-changing differences in the expectations stakeholders have for how businesses engage in diversity, equity and inclusion initiatives."

Walmart on DEI in its 2025 ESG report

This comment by Walmart may be the corporate understatement of the year.

In its 2025 ESG report, the US grocery giant points out that the position it takes on diversity, equity and inclusion (DEI) will be "tracked, monitored and subject to heightened scrutiny from consumers, investors, advocacy groups and public figures". The challenge, says the company, is to evolve fast and move in a direction acceptable to different stakeholders. But how, when those stakeholders have competing interests and desires?

In refreshingly honest narrative, the multinational articulates a problem that has clearly tormented large organisations all over the world this year. How should they talk about DEI in the current – highly charged – climate?

An Atlantic 'DEIvide'?

When President Donald Trump ordered the shutdown of all federal DEI programmes in January 2025, he urged the private sector to do the same.

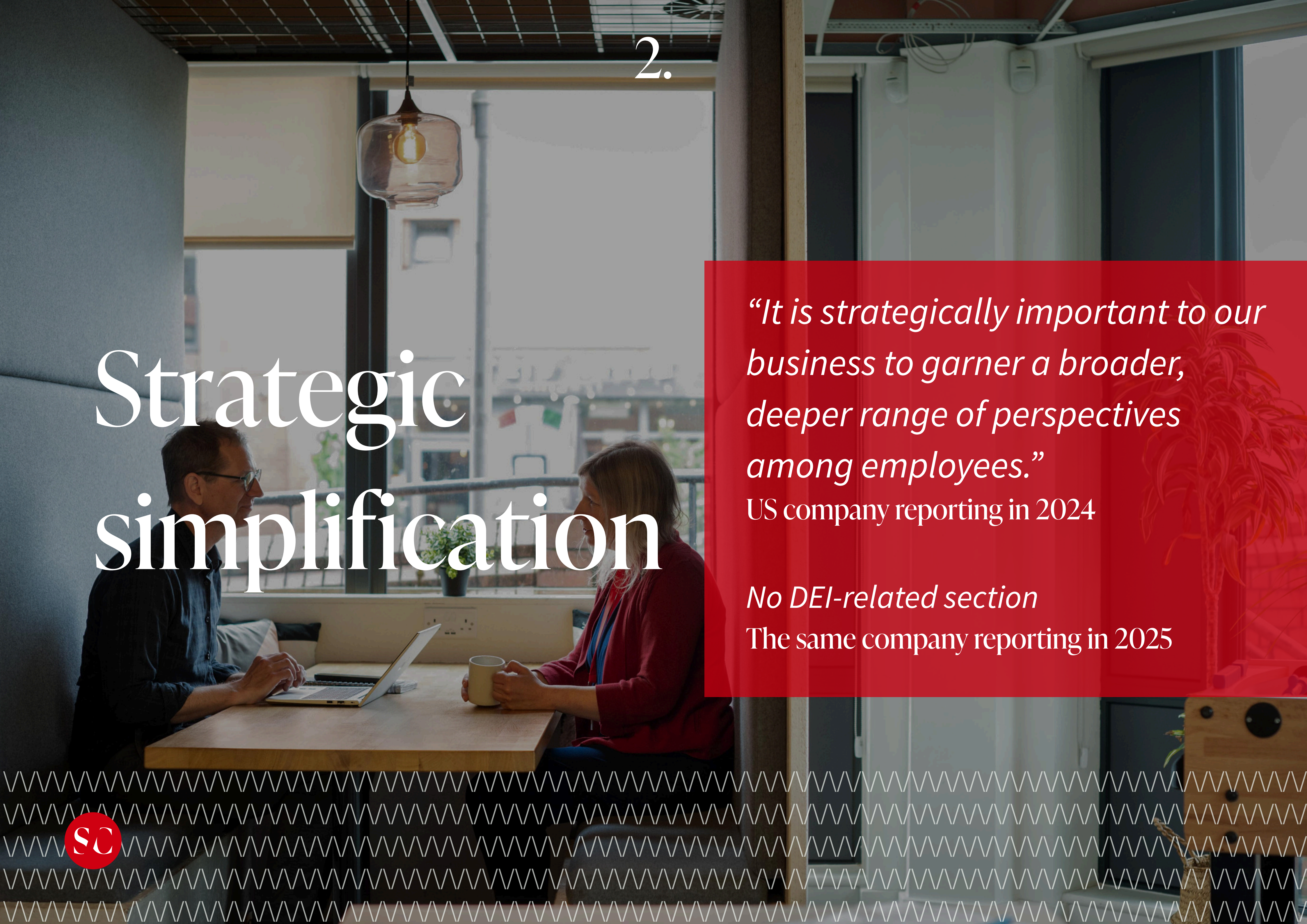
A flurry of headlines followed as several mainstays of Corporate America announced they would be scaling back their initiatives. But what is the bigger picture when you stand back and look at large organisations on both sides of the Atlantic? How are they articulating themselves in the midst of the DEI backlash?

To find out, we analysed the sustainability/corporate responsibility reports of 50 listed companies in the US, UK and Europe and compared the DEI-related disclosures they published in 2025 with what they said in 2024.

In this report we present the four key approaches companies have taken this year and ask whether an Atlantic 'DEIvide' has opened between US, EU and UK reports.

We looked at the reports of:

For our full methodology, see page 24.



2.

Strategic simplification

“It is strategically important to our business to garner a broader, deeper range of perspectives among employees.”
US company reporting in 2024

No DEI-related section
The same company reporting in 2025

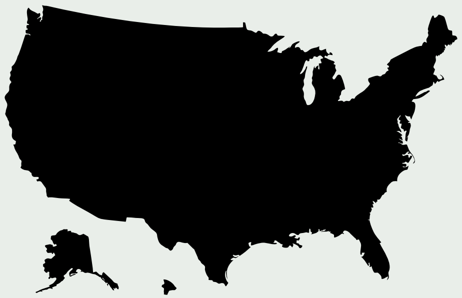
Not long ago, DEI was a watchword of responsible business. From global banks to tech giants, companies described it as a cornerstone of their strategies, central to their purpose and a driver of their success.

Along with the effusive narrative in reports, we saw dedicated DEI strategies, policies and initiatives, backed up by targets or commitments. DEI leaders were mentioned, by job title if not by name, and board oversight was emphasised.
Yet this year, DEI coverage as a proportion of the total length of reports we analysed shrank by 29%. US companies dedicated less than half the space they did in 2024 (a 53% cut). The drop was more modest in the EU (22%) and much more subtle in the UK (11%). But overall, 35 of the 50 companies disclosed less about DEI this year than last year. Only five reports gave DEI greater prominence than before.

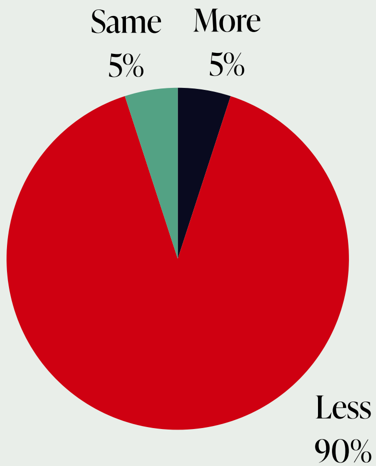
As coverage has contracted, strategic discussion also receded. Diversity is the area where we saw the biggest decline. While most companies (70%) continued to disclose data on the demographic make-up of their workforces, there was a lot less commentary accompanying it. Rather, the narrative focused on inclusive cultures, pay equity and objective hiring practices in line with anti-discrimination laws. Of the five reports that did have more prominent DEI disclosures in 2025, this was mainly due to graphics or case studies rather than strategic detail.

More, less or the same emphasis on DEI in 2025 vs 2024

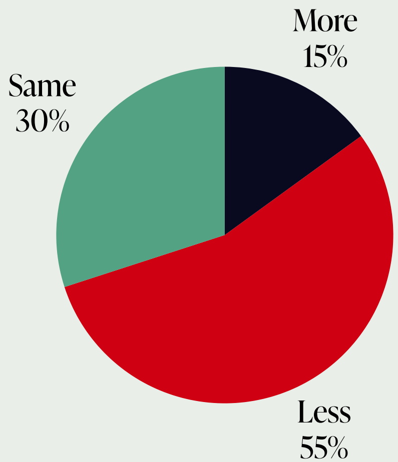
Percentage of companies that have dedicated more, less or the same amount of space to DEI-related coverage in 2025 compared with in 2024.



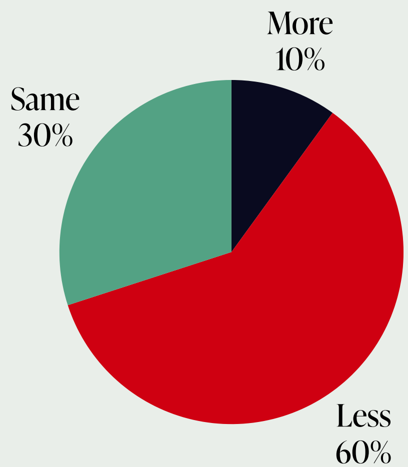
USA



UK



EU



Target dropping

Movements of the last 10 years such as #MeToo and Black Lives Matter have forced companies to confront inequities and discrimination within their own structures. Setting measurable workforce diversity targets has been a visible way to show concrete action and mitigate reputational risk.

In 2025, however, it's clear that many companies now regard the disclosure of diversity targets as more of a risk than a safeguard.

None of the US companies we analysed disclosed workforce representation targets, commitments or even ambitions in their reports this year, whereas 30% did in 2024. US corporate appetite for such targets has been cooling for a few years, accelerated by the Supreme Court's 2023 ruling against race-based affirmative action in higher education.

In Europe, the dropping of targets has been much more dramatic and seems directly linked to the return of Donald Trump to office. Whereas 90% of EU companies disclosed workforce diversity targets in 2024, this plummeted to just 30% in 2025.

For now, the UK is bucking the trend, even though most of the companies we've looked at have operations in the US. 70% are still declaring demographic targets – only a modest drop from 80% in 2024.

Time will tell if this is a deliberate decision by UK companies to stay the course or merely a lag in their alignment with norms across the Atlantic. One UK company that met its aspirational diversity targets for leadership in 2025 said it would no longer set these in the future to ensure compliance with the law and "being respectful of our operating environment".

Includes workforce diversity targets*

	2024	2025
US	30%	0%
UK	80%	70%
EU	90%	30%
Total	66%	33%

*Percentage of companies with clear coverage in main body of report of measurable employee representation commitments, e.g. gender balance/representation of people of colour, LGBTQIA+ employees and/or people with disabilities across the workforce or in leadership.

Repositioning and consolidation

Standalone DEI chapters decreased this year as narrative was subsumed into chapters with broader themes, such as people, talent, culture, employee engagement, even human rights and health & safety.

None of the US companies we analysed used 'diversity, equity and inclusion' in chapter headings or subheadings this year whereas last year 85% referenced at least 'diversity' and 'inclusion' in relevant headings. We saw the same trend in European and UK reports too, albeit to a lesser extent, reflecting the downplaying of DEI as a strategic priority.

How headings of DEI-related sections have changed

2024 examples	2025 examples
(US) Diversity, equity, inclusion and belonging	Culture & talent
(US) Inclusion, diversity and equity	Advancing inclusion as a competitive advantage
(UK) Diversity, equity and inclusion	Inclusion & allyship
(UK) Diversity, equity and inclusion	An inclusive workplace
(EU) Diversity, equity and inclusion	Workforce inclusion
(EU) Fostering diversity, equity and inclusion	Fostering belonging

Diversity hushing

"We recognize that our strength is in our diverse workforce."

US company reporting in 2024

"We recognize that our strength is in our workforce."

The same company reporting in 2025

A striking finding of our analysis is the widespread disappearance of the word ‘diversity’ from workforce-related reporting this year.

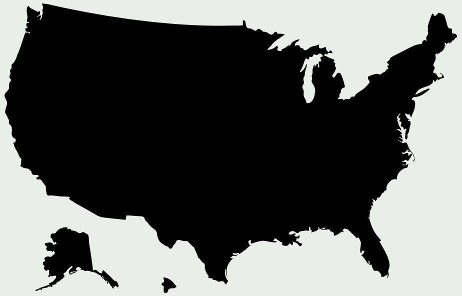
Whereas almost eight out of 10 companies mentioned ‘diversity’ in the title of DEI-related sections last year, this year just three in 10 did – and only one in 20 US companies. For one US company we analysed, ‘diversity’ relating to the workforce cropped up 75 times in 2024 disclosures but only once in 2025.

Companies have been talking proudly and earnestly about the diversity of their workforces for decades, as the report archives of Unilever, Nike, Nestlé and others bear testament. The belief that people with a variety of backgrounds and perspectives make businesses stronger has been taking hold since the 1980s.

It has only intensified in recent years with the publication of research such as a 2018 Boston Consulting Group study and oft-quoted McKinsey studies that found a strong association between diverse leadership teams and a company’s financial performance. It would be inaccurate to suggest the backlash is entirely due to President Trump’s executive order in January. The US Supreme Court’s decision in 2023 that race could no longer be considered a factor in university admissions was followed by dozens of anti-DEI bills in US states, signalling a sea change that rattled Corporate America.

Since then, US organisations have talked less and less about ‘diversity’, with the word largely scrubbed from US corporate reporting this year and dropping sharply in the EU and UK.

Diversity mentioned in titles of DEI-related sections



	USA	UK	EU	Total
2024	65%	85%	90%	78%
2025	5%	45%	50%	30%

A change of rhetoric, not reality

So, does this mean companies have abandoned the idea that diverse workforces are good for business? It doesn't look like it. Most continued to express the opinion this year that a variety of perspectives enhanced their thinking and that customer relationships improved when workforces reflected the communities they served. It's just that they rarely used the word 'diversity' to articulate this.

Likewise, they were much less likely to refer directly to women and people from ethnic minorities as being 'underrepresented' or 'historically disadvantaged' – terms that imply action must be taken to redress the balance.

"We strive to recruit and hire diverse candidates and advance qualified women, minorities, veterans and individuals with disabilities."

US company reporting in 2024

"We strive to recruit and hire qualified candidates who will bring a variety of experiences, perspectives and ideas to the workplace."

The same company reporting in 2025

Never say DEI?

Most companies have also dropped the acronyms routinely used in the past to sum up diversity, equity, inclusion and belonging, such as DEI, DE&I, D&I, ED&I and DEIB.

Just 28% of companies overall – and none in the US – used these labels this year, suggesting they have become politically charged and polarising. Instead, companies have been at pains to explain their positions in more neutral and nuanced terms, using words such as ‘fairness’ and ‘opportunity’.

Equity, inclusion, culture and belonging

Usage of the word ‘equity’ also fell this year, although companies that referenced pay equity in 2024 tended to continue in 2025. In the vocabulary void, other terms rose to prominence. ‘Inclusion’ became the dominant theme in EU and UK reports whereas ‘Culture’ and ‘Belonging’ became the most frequently used umbrella terms for DEI-related narrative in the US. We also saw terms such as ‘gender balance’ and ‘gender parity’ favoured over ‘diversity’ when referring to the representation of women.

“We continue to strengthen our approach to diversity, with the roll-out of a diversity, equity and inclusion (‘DE&I’) playbook.”

UK company reporting in 2024

“We continue to strengthen our approach on this important topic, with the roll-out of our inclusion and allyship playbook.”

The same company reporting in 2025

4.

Rise of meritocracy

"We continue to drive an organisation that is unwavering in its support for a true meritocracy."
UK company reporting in 2025

"[Our company] has focused on access and opportunities for women at all levels within the Company through merit-based selection processes in compliance with anti-discrimination laws."
EU company reporting in 2025

Companies in defence mode

A day after returning to the White House in January, President Trump urged the private sector to end “illegal” and “discriminatory” race- and sex-based preferences in their employment practices and restore “merit-based opportunity”.

His message clearly struck home. This year, there’s a tone of defensiveness in corporate responsibility reporting on both sides of the Atlantic as companies have adjusted their language to rationalise their approach to hiring, promotion and pay.

Mentions relating to approach to hiring, promotion and pay	2024	2025
‘Right thing to do’ / ‘Champion(ing)’	**70**	39
‘Merit’ / ‘Qualified’	38	**73**

From conviction to compliance

Last year, DEI programmes were commonly lauded in warm, inspirational language as a moral imperative or core to foundational values. Now we're seeing an increased focus on objectivity, fairness and compliance.

Many companies are at pains to emphasise that their employment practices are based on skills and experience. Mentions of the words ‘merit’ or ‘qualified’ in relation to talent have almost doubled in 2025 while references to ‘champion(ing)’ DEI because it’s the ‘right thing to do’ have dropped by 44%. One EU company mentioned ‘merit’ 10 times in relation to candidates and employees this year, compared with zero references in 2024.

> *“We never make any talent decisions based on identity.”*
> US company reporting in 2025

Companies have also adopted a more legalistic tone, using caveats such as “within the legal parameters of the countries where we operate” and “where lawful and appropriate” when talking about inclusive hiring.

While many companies are clearly still actively diversifying their candidate pools by reaching out to underrepresented groups, the rhetoric now firmly positions diversity as a by-product of fair and objective processes rather than pursuing greater equity or meeting quotas.

5.

Doubling down

"It would be easy, in times of challenge, to reduce activities and attention to this important area of work."
UK company reporting in 2024

"Our focus on equality, diversity and inclusion remains unchanged, at both Board and at a wider organisational level."
The same company reporting in 2025

While most companies toned down DEI reporting (68%) this year, an active minority held steady (22%) or even ramped up (10%) disclosures.

We found this particularly in the UK where nine of the 20 companies we analysed dedicated as much space if not more to DEI in 2025 compared with just two US companies.

Deliberate differentiation

Will stakeholders appreciate their consistency, or worry that they are ignoring the political zeitgeist? It’s too early to tell. What’s clear is that these companies are conscious of standing out from the crowd.

“It would be easy, in times of challenge, to reduce activities and attention to this important area of work,” declared a director at one UK company in its annual report last year before reiterating this year: “Our focus on equality, diversity and inclusion remains unchanged.” The company, which no longer operates in the US having sold its North American division several years ago, continued to publish its standalone diversity and inclusion report this year, in contrast with the likes of Google and Nike which have changed their approach. That same UK company also maintained its gender and ethnicity representation targets and struck the same tone of previous years, using language like “proud”, “passionate” and “embracing diversity” when talking about DEI.

Proud champions

It's not just organisations without US exposure that are doubling down. Another British multinational with significant operations in the US doubled its coverage this year and gave heightened prominence to its workforce diversity targets, which aim to achieve gender balance and increased ethnic representation. The company dedicated two pages to a showcase of its inclusion initiatives, and continued to “champion” and “take pride” in its culture, albeit describing that culture as “inclusive” rather than “diverse” this year.

> “Our focus on equality, diversity and inclusion remains unchanged.”

The four doubling down camps

Overall, companies that maintained or increased their DEI coverage this year tended to fall into one of four camps:

DEI differentiators:

These companies are doubling down as a differentiator. They continue to use warm, values-centric language to make their case and often showcase awards or accreditations on their performance as a DEI-conscious employer, suggesting they are prioritising engagement with existing and prospective talent.

Reframing realists:

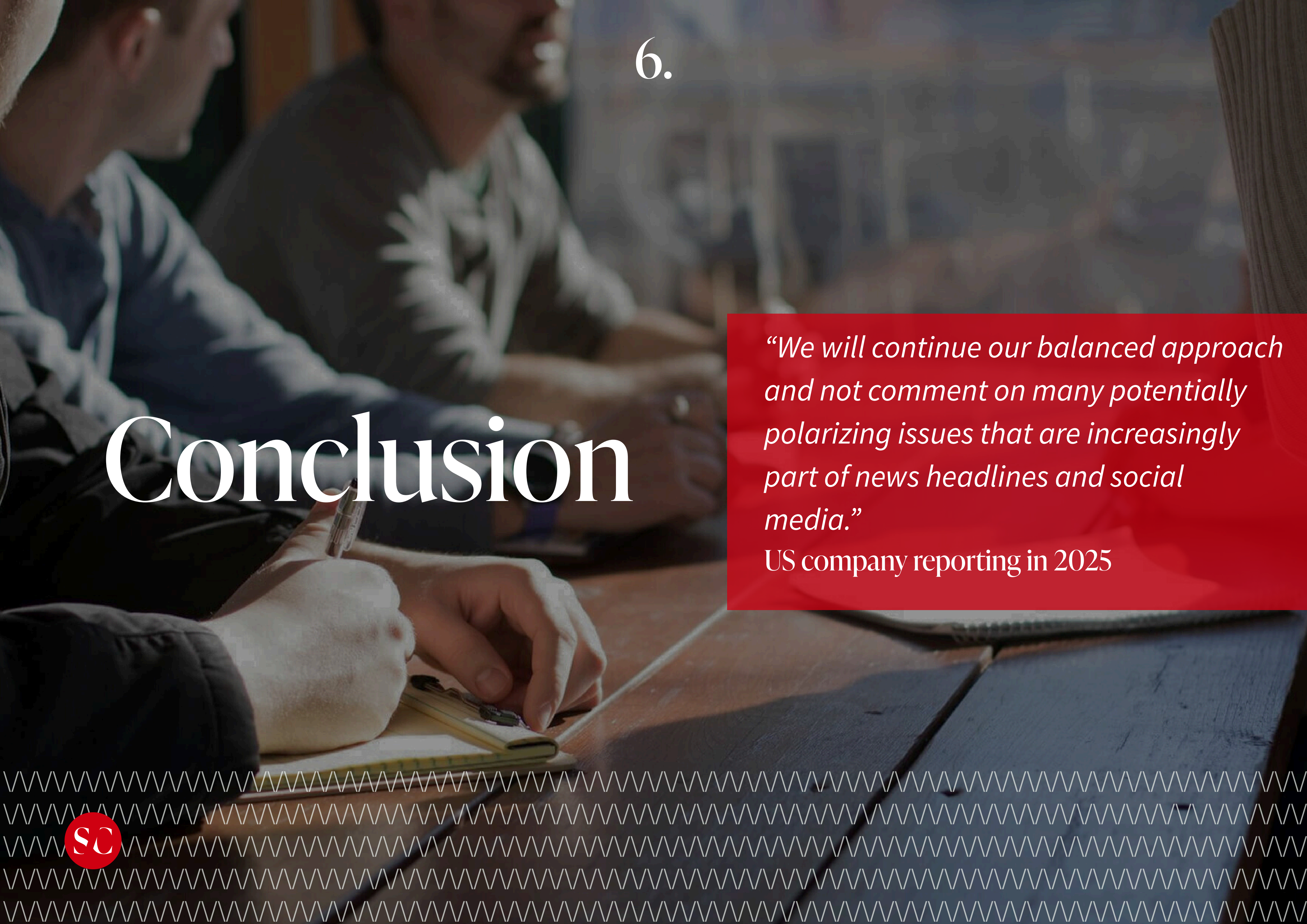
These companies are firm believers in the business case for DEI but are treading cautiously due to the political environment. They have maintained their DEI coverage but taken a more defensive stance – for example changing headings such as "Promoting diversity and inclusion" to "Talent diversity, a performance lever".

Incidental activists:

These companies are only a year or two into high-profile new DEI programmes or objectives. Backtracking now could be reputationally risky, drawing more scrutiny and potentially alienating their people and consumers. It will be interesting to see how their strategies evolve next year.

Consistent minimalists:

This select group was already emphasising a meritocratic stance to employment matters and was typically sparing in its strategic narrative on DEI matters. Therefore these companies don't feel pressured to cut back or significantly change their DEI-related narrative this year.



6.

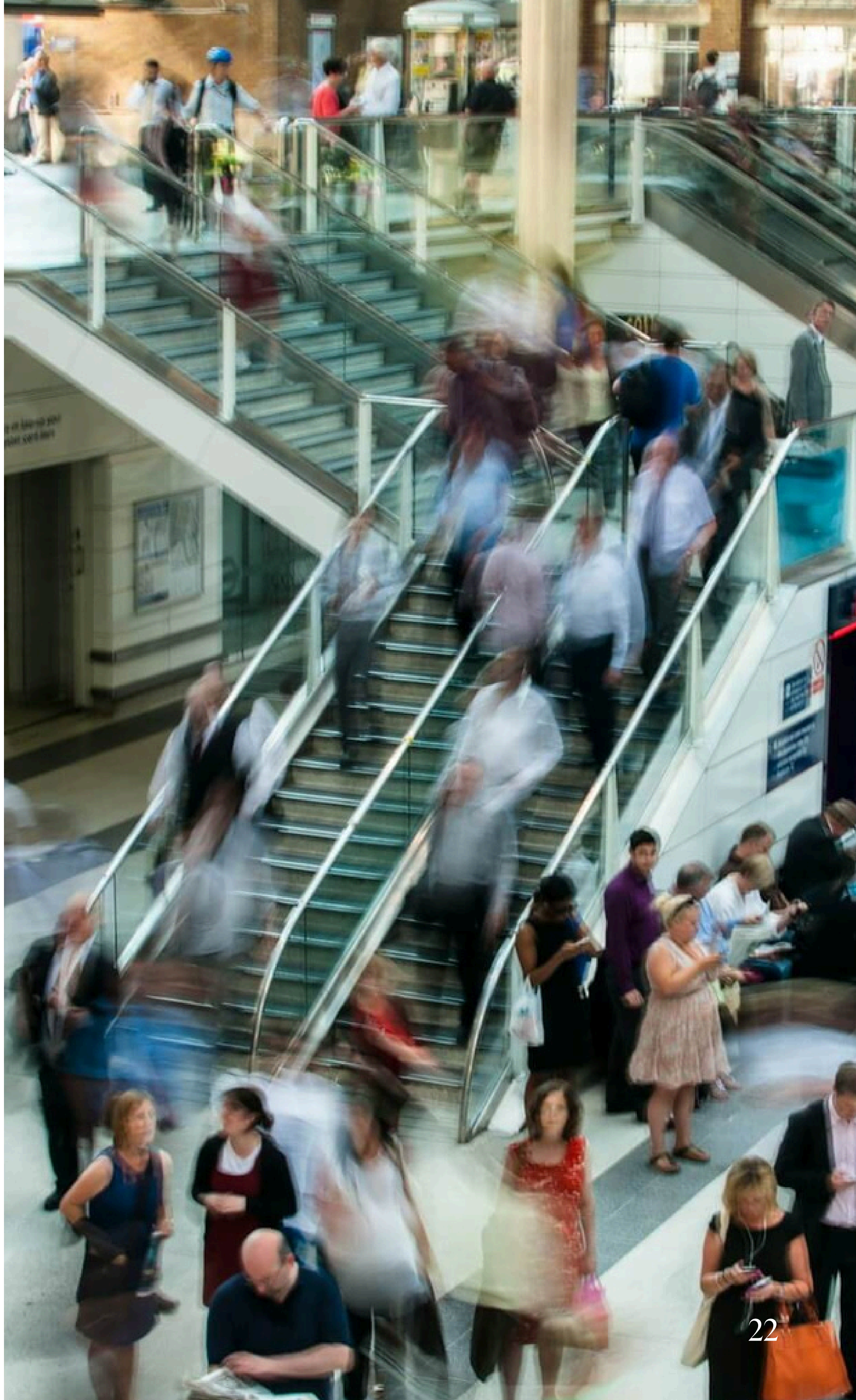
Conclusion

"We will continue our balanced approach and not comment on many potentially polarizing issues that are increasingly part of news headlines and social media."
US company reporting in 2025

All-inclusive?

All but one of the 50 companies in our analysis reported on workforce diversity, equity and inclusion in some form in 2025 – even if they avoided using those exact words. This in itself is telling.

Tone and terminology have changed, and the strategic importance of the topic has faded in the face of political pressures and heightened scrutiny. But most companies are still making the business case for an inclusive approach that fosters a workforce with a variety of perspectives and reflects the communities it serves.



Rules to the rescue?

It's clear business leaders are nervous about saying too much or the 'wrong' thing as they walk the tightrope between conflicting stakeholder expectations.

In this tense environment, it may be that sustainability reporting standards and tightening regulation will bring some relief by taking decisions out of their hands.

CSRD compliance

The EU's Corporate Sustainability Reporting Directive (CSRD) requires companies under its mandate to publicly disclose the representation of women and/or ethnic groups or minorities in their workforce as well as age distribution and the percentage of employees with disabilities. They must also explain how they ensure "equal treatment and opportunities for all" including "gender equality and equal pay for work of equal value" as well as "inclusion of persons with disability" and overall approach to diversity.

ISSB pressure

The International Sustainability Standards Board (ISSB) has yet to issue reporting standards for human capital topics, but we can expect to see a draft within the next two years that may include specific DEI-related requirements.

New norms

In the coming years, more and more companies around the world will come under the remit of one or both reporting frameworks, making DEI-related reporting a matter of compliance and rather than voluntary commitment. Meanwhile, emerging changes to employment law such as the EU Pay Transparency Directive and the UK's Employment Rights Bill 2025 will force a growing number of companies to report on their gender pay gaps. So, while some have been dreading the administrative burden, new reporting requirements might turn out to be a blessing by taking some heat out of the DEI debate.

This is an area that we'll be watching closely, along with our partner agencies in the Positive Change Group. For a deep dive into FTSE 100 reporting, see: Black Sun Global's *Complete 100* 2025 report *Trust in Transition*.

Read it here.

7.

Methodology

- For the *Never Say DEI?* report, we randomly selected 50 companies representing a wide range of sectors: 20 from the FTSE 100, 20 from the S&P 500, and 10 from the STOXX All Europe indices (not including UK constituents).
- We compared DEI-related reporting in the company's main sustainability disclosures published in 2025 with content in the same report in 2024, whatever these reports were called, e.g. sustainability, corporate responsibility, ESG, impact, progress, integrated annual report, etc.
- Only report formats that allowed a like-for-like comparison from one year to the next were used. As many EU companies were reporting against the Corporate Sustainability Reporting Directive (CSRD) for the first time in 2025, we did not analyse any sustainability statements in CSRD-aligned annual reports for this reason. Instead, we analysed their standalone sustainability reports or separate human capital sections upfront in these annual reports.
- Our analysis was based on workforce diversity, equity and inclusion, not on supplier diversity or DEI initiatives in the community. We did not analyse narrative on board diversity, except where it was woven into coverage of workforce-related DEI.
- Assessments of length of coverage took into account pictures, diagrams, tables and title pages, not just text. Appendices were not included in the analysis.
- The people photography in this report features members of the Stratton Craig team.

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