

SOCIETAL & REPUTATIONAL INTELLIGENCE

The Case for Rebranding DEI: Articulating a New Narrative

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GRAVITY
RESEARCH

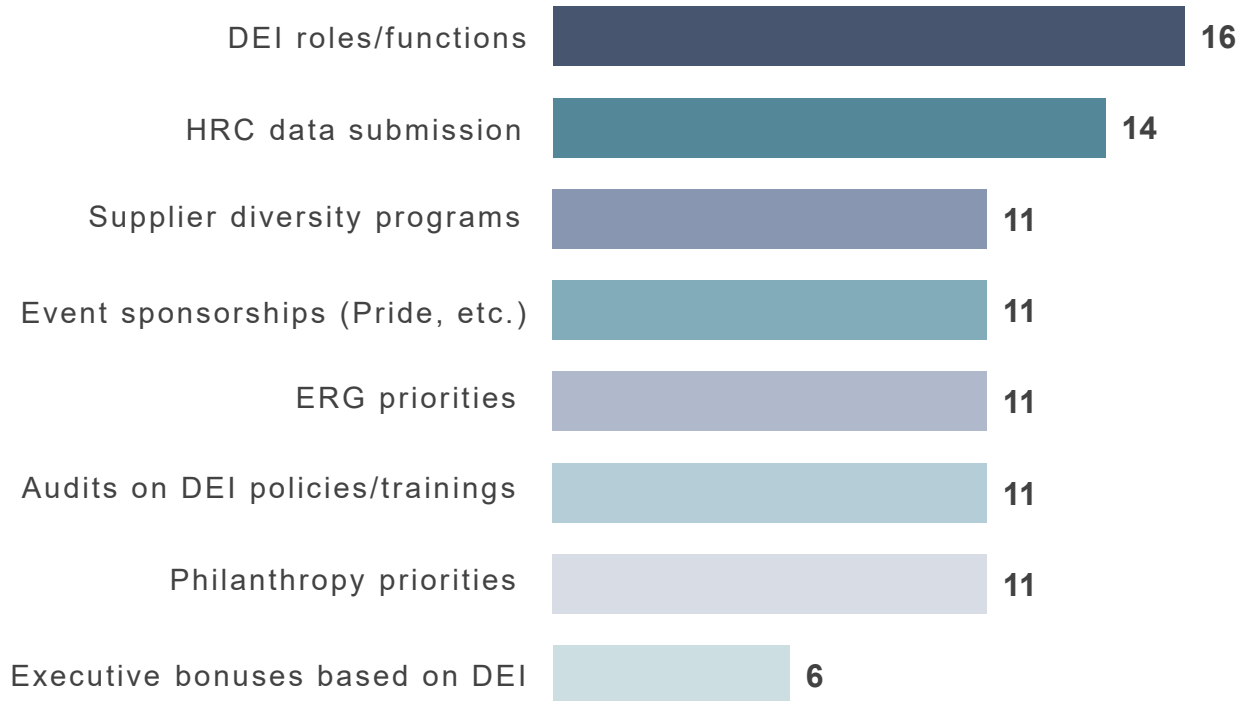
QUICK LOOK AT DEI

Companies are differing in their responses to DEI pressures

ADJUSTMENTS

Since June 2024, 32 companies have made **public statements** or have had **publicized adjustments to their DEI frameworks**

Count of companies who announced adjustments or cuts to...



DEFENSES

Some companies and CEOs have come out with **strong defenses of their DEI programs**, tied to business priorities

'Good for business'

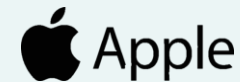
JPMORGAN
CHASE & CO.

CEO Jamie Dimon [claimed](#) its DEI efforts were “**good for its bottom line**”



[Asserted](#) DEI **attracts employee talent** and retains customers

'Legally compliant'



[Stated](#) it has a **robust compliance program** and does not discriminate in hiring or promotion

'Client concerns'

Goldman
Sachs

CEO David Solomon [said](#) **clients care** about diversity and climate impact

Most statements are being made via **interviews, media statements, proxy documents, conferences**

CORPORATE LANGUAGE

Fortune 100 using less DEI language in public reports

Corporations are opting for language like "belonging" and "diverse experiences" and backing away from hot-button terms like DEI, diversity, and racial equity

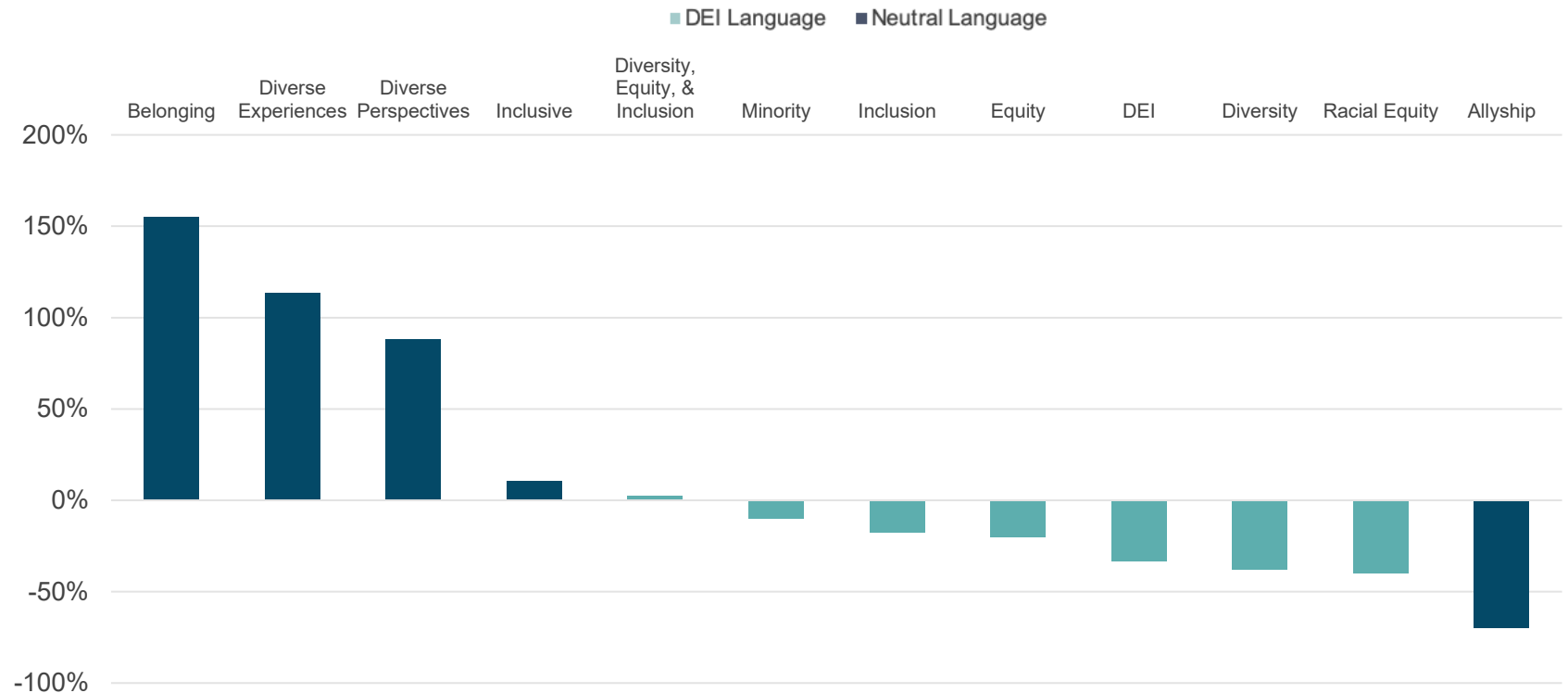
LESS DEI LANGUAGE

Corporate use rates for terms like "DEI" and "diversity" fell by an average of **22%** below 2023 rates

MORE NEUTRAL LANGUAGE

Use rates for some neutral language—like "belonging" and "diverse perspectives"—increased by an average of **59%**

Change in selected term frequency, compared to 2023



Source: 130+ ESG, DEI, and other Fortune 100 issue reports published between January 1, 2023, and May 1, 2024

Corps. adjust DEI language, cut diversity goals & DEI exec. pay practices

Several companies have revised or eliminated DEI goals and language, citing compliance with “evolving legal pressures,” following President Trump’s election and recent DEI-related executive orders

ROLLING BACK...

REFOCUSING...

Company	Date Reported	Starbuck “target”	DEI roles and functions	HRC & third-party data submission	Supplier diversity programs	Sponsoring social issue events	ERGs on networking, mentorship	Philanthropy on business-related topics	Policy and training audits	Exec. pay/hiring diversity policies	DEI messaging and terms
<u>McDonald’s</u>	1/6/25	✓		✓	✓	✓			✓		
<u>Meta</u>	1/10/25		✓		✓					✓	✓
<u>Amazon</u>	1/10/25		✓							✓	✓
<u>Target</u>	1/24/25		✓	✓	✓	✓	✓			✓	✓
<u>Lockheed</u>	1/24/25		✓		✓					✓	✓
<u>Booz-Allen</u>	1/28/25		✓		✓	✓			✓	✓	✓
<u>Google</u>	2/5/25									✓	✓
<u>Amtrak</u>	2/6/25		✓						✓		
<u>Accenture</u>	2/7/25		✓	✓	✓	✓				✓	✓
<u>PBS</u>	2/10/25		✓								✓
<u>Disney</u>	2/11/25		✓				✓			✓	✓
<u>Deloitte</u>	2/11/25										✓
<u>Goldman Sachs</u>	2/11/25									✓	

*Note: Boxes marked are based on publicly-available reporting and company statements. Empty boxes do not necessarily imply that the company has not made changes on such policies.

Brands “dropping” politicized language, supplier diversity, HRC reporting

In 2024, increased scrutiny of DEI initiatives, led by activists such as Robby Starbuck, prompted several companies to scale back commitments, withdraw from third-party surveys like the HRC’s CEI, and reassess internal and external partnerships

ROLLING BACK...

REFOCUSING...

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<u>Tractor Supply</u>	6/27/24	✓	✓	✓		✓	✓	✓			✓
<u>Deere & Co.</u>	7/16/24	✓				✓	✓	✓	✓		
<u>Harley-Davidson</u>	8/19/24	✓	✓	✓	✓	✓	✓		✓		✓
<u>Polaris</u>	8/19/24		✓								✓
<u>Brown-Forman</u>	8/22/24	✓		✓	✓				✓	✓	
<u>Lowe’s</u>	8/26/24	✓		✓	✓	✓			✓	✓	
<u>Ford</u>	8/28/24	✓		✓				✓			✓
<u>Molson Coors</u>	9/3/24	✓		✓	✓		✓	✓			✓
<u>SBD</u>	9/16/24	✓		✓	✓		✓	✓	✓	✓	✓
<u>Caterpillar</u>	9/19/24	✓	✓	✓	✓	✓	✓		✓		✓
<u>Toyota</u>	10/3/24	✓	✓	✓		✓		✓	✓		✓
<u>Boeing</u>	10/31/24		✓	✓		✓		✓	✓		
<u>Walmart</u>	11/25/24	✓	✓	✓	✓	✓	✓				✓
<u>Nissan</u>	12/18/24	✓	✓	✓	✓	✓			✓		

*Note: Boxes marked are based on publicly-available reporting and company statements. Empty boxes do not necessarily imply that the company has not made changes on such policies.

Muted HRC CEI celebrations, despite record participation

A fall in public acknowledgements of the 2025 HRC [Corporate Equality Index](#) ratings potentially indicates rising concern of conservative activist criticisms of the HRC/the Index, despite record HRC participation

HRC SCORES RELEASED

Corporate acknowledgements in the first two weeks after CEI release fell from 17 in 2024 to 2 in 2025

- Recognitions by a further 15 F100 companies occurred after the initial release of the CEI in 2024, meaning future acknowledgments could occur
- In 2024, companies linked their scores to other celebrations, program launches, or Pride Month

HRC, however, reported record corporate participation

- **Perfect scores increase by 28%.** 1,449 companies received CEI scores, with 765 earning perfect scores. No noted withdrawals from HRC beyond Starbucks' [targets](#)
- **But, HRC data may be dated.** Corporations submitted HRC survey data in summer '24, meaning impact of withdrawals may not be fully reflected

Limited media attention to corporate scores

- Highest-profile coverage is an *AP* article noting McDonald's policy change [coincided](#) with "record" CEI participation

WHAT MATTERS

Conservative activism likely driving HRC concerns in F100

- The fall in acknowledgements [occurred](#) after HRC's CEI withdrawals in the face of viral, anti-DEI pressure campaigns
- Limited recognition may also be tied to continuing executive concerns around third-party affiliations, particularly where external organizations (like the HRC) have [taken](#) partisan political positions

Broader F500 posts contextualize ongoing HRC participation

- Emphasis on how HRC scores tied to company commitments around "workplace equality," "inclusive cultures" and "diverse workforces"
- Corporations used a "One of many" approach, highlighting how 765 corps. received a perfect score

Shareholder pressures, interviews, and earning calls spur DEI “defenses”

Company	Primary Engager	Date Reported	REASON FOR “STATEMENT”					DEFENSE APPROACH			
			Response to shareholder pressure	Changing - political climate	Direct call-out	Reporter Inquiry / Earnings Call	Response to Trump Admin.	“Business case” for DEI	Corporate autonomy	Inherent to company values	Employee performance, well-being
<u>Costco</u>	Board	12/29/24	✓					✓	✓		✓
<u>Apple</u>	Board	1/13/25	✓					✓		✓	
<u>JPMorgan Chase</u>	CEO	1/24/25		✓				✓			
<u>Goldman Sachs</u>	CEO	1/22/25	✓	✓				✓			
<u>Delta</u>	VP	1/29/25				✓		✓			✓
<u>Levi’s</u>	CEO	2/3/25				✓		✓		✓	
<u>P&G</u>	CEO	2/17/25				✓		✓		✓	

KEY ENGAGEMENT TRENDS

- **Apple, Costco, and Goldman Sachs** responded to National Center for Public Policy Research (NCPFR) shareholder proposals challenging corp. DEI policies
- Corps and execs defending DEI primarily focused on tangible and quantifiable impacts of DEI

NOTABLE CORP. ENGAGEMENTS

Costco and **Apple** [urged](#) their shareholders to vote against respective anti-DEI proxy filings, arguing for their tangible benefit, legal compliance, and for corporate autonomy

NOTABLE CORP. ENGAGEMENTS

JPMorgan Chase CEO Jamie Dimon has used [shareholder letters](#) and [media interviews](#) to reinforce DEI’s business value, but [promised](#) to cut “stupid” costs in a recent townhall

*Note: Several recent CEO statements on DEI are excluded from this tracker, as they may be isolated and might not reflect their companies' broader DEI strategies or stances.

Varied responses to anti-DEI activism highlights ongoing pressure

DEI policy defenses or rollbacks continue to be amplified by the media, potentially fueling future fiduciary and activist scrutiny

WHAT'S HAPPENING

Costco mounted a notable public defense of its DEI policies

Costco was asked to report on the financial risks of its DEI policies. This occurred through a shareholder proposal [filed](#) by the National Center for Public Policy Research, a conservative activist group

Costco rejected the proposal and defended its DEI policies. Costco [called](#) its initiatives “critical” to “attract and retain employees” and “foster creativity and innovation” to serve consumers. Costco [argued](#) the NCPPR’s agenda was focused on the “abolition of diversity programs,” rather than its business interests

- Mainstream media outlets reported that Costco was “[doubling-down](#)” and “[pushing back](#)” against the anti-DEI movement

McDonald’s rolled back certain DEI initiatives, saying it had fulfilled its goals for leadership, supplier diversity

McDonald’s cited a changed legal environment. McDonald’s internal announcement [cited](#) the 2023 SCOTUS Affirmative Action ruling. Its changes, particularly elimination of supplier diversity goals, were framed as ways to advance its mission of “inclusion” within a new legal environment

- McDonald’s had previously [faced](#) pressure from America First Legal, a Conservative activist group, in April 2024 over its hiring practices

Robby Starbuck claimed credit for the changes. While McDonalds may have already been considering changes given previous pressure, Starbuck highlighted the updates as another notable ‘win’ for his anti-corporate DEI campaign

WHAT MATTERS

Updates to corporate DEI policies continue to receive notable stakeholder attention, with potentially high corporate risk

Costco's defense of its DEI policies could prove influential

- Much recent media coverage had focused on DEI ‘retreats’ in the face of activist pressure. Costco’s widely reported response in defense of its policies could be a touchstone for other companies looking to maintain DEI commitments

However, activist 'wins' and the new administration suggest the pressure on corporate DEI will continue

- McDonald's stated rationale for changes to hiring, promotion, and supplier diversity goals suggests they felt certain DEI practices were at higher legal risk under the Trump administration
- Activists like Robby Starbuck continue to be emboldened by rollbacks, publicly celebrating 'wins' and promising to continue their viral anti-DEI campaigns

Any corporate statements on DEI will continue to attract significant attention

- This may prove particularly challenging to navigate as proxy season approaches, where corporations could face public fiduciary/legal questions on their DEI policies from shareholders

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