# British firms rebrand diversity efforts amid rising political backlash



Senior figures in British business are sounding alarms over what they describe as a chilling effect on diversity, equity, and inclusion (DEI) initiatives. In light of a growing right-wing backlash in both the UK and the US, many companies are reportedly rebranding their DEI efforts to sidestep unwelcome political scrutiny, transforming previously well-defined strategies into more amorphous concepts like ‘wellbeing’, ‘belonging’, and ‘culture’.

The shift comes as society reflects on significant events such as the murder of George Floyd, which sparked global protests and demands for racial equality. However, five years on, businesses are facing increasing political pressure that has prompted some to withdraw or dilute their commitments to DEI. Paul Sesay, founder and CEO of the National Diversity Awards, noted the changing language within organisations, stating, “They’re basically embedding diversity and getting rid of the word.” He contends that phrases like ‘heads of people’ or ‘heads of culture’ are becoming more prevalent, suggesting a shift in focus from diversity to broader cultural transformation, a move he does not view negatively, as it will encompass the organisation more holistically.

The political landscape has become particularly turbulent in the UK. The Reform Party's vow to eliminate DEI initiatives from councils under its control mirrors actions taken by the Trump administration, which famously rolled back policies aimed at fairness and racial equity. While experts generally agree that a wholesale rollback of DEI in the UK is unlikely due to legal protections like the Equalities Act, there are signs that some US-headquartered firms are already scaling back their commitments and becoming reticent about publicly celebrating their inclusion efforts. According to Sesay, these companies have found it necessary to "disguise DEI work" to ensure they can still attract top talent and address inequalities without courting political backlash.

However, the commentary on this trend reveals widespread concern within the industry. Noreen Biddle Shah, who founded the Reboot group to tackle racial inequality within financial services, observed that the landscape has changed significantly, indicating that the term DEI has taken on a politically charged connotation. Shah noted a marked decline in partnerships for her group and stated that many ethnic minority professionals feel silenced. According to their most recent report on racial equality, a staggering 70% of ethnic minority professionals in the financial sector expressed that little progress has been made since the Black Lives Matter movement.

In tech and startup ecosystems, the sentiment seems equally bleak. Nina Mohanty, founder of Bloom Money, highlighted that venture capitalists who once pledged support for black entrepreneurs and women-led initiatives appear to be retracting those commitments. “Five years on, where are those things? The budgets are gone,” she lamented, reflecting a broader disillusionment among advocates striving for racial equity.

Even as some companies backtrack, there remains pressure from employees to maintain DEI policies. James Hockin, an employment law expert, noted an increasing expectation among UK workers for employers to take a public stance, especially in light of the negative implications associated with the Trump administration’s policies. “We’ve got more people in the UK now saying, ‘Well, what are we saying on this?’,” he said, suggesting a delicate balance that employers must navigate to avoid legal pitfalls while still addressing employee concerns.

Despite these challenges, some industry leaders continue to advocate for the importance of DEI initiatives. Shirine Khoury-Haq, CEO of Co-op Group, warned that rolling back DEI efforts could reverse decades of progress. Zahoor Ahmad, head of social mobility at Co-op, emphasised that "human history tells us" equality cannot be assumed in the absence of intentional DEI efforts.

Trade bodies, too, are reaffirming their commitment to inclusion in the face of this backlash. The Law Society has publicly stated that while the current climate in the US complicates diversity work, it will remain steadfast in its mission for a more inclusive legal profession. Similarly, UK Finance has reiterated that diversity serves not only as a moral imperative but also as a driver of economic success.

While the current trends are disheartening for many advocates, some remain hopeful that initiatives aimed at advancing diversity, equity, and inclusion will persist, albeit in rebranded forms. Dawar Hashmi, a director at Penna, underscored the notion that embracing DEI principles is not just morally right; it provides a strategic advantage, particularly within the public sector. The ongoing conversation around diversity acknowledges that meaningful change requires sustained effort, reflection, and a commitment to combatting bias in all its forms.

## Reference Map:

* Paragraph 1 – [[1]](https://www.theguardian.com/business/2025/may/26/firms-rebranding-diversity-initiatives-avoid-unwanted-political-attention), [[2]](https://www.ft.com/content/94d3fba0-cd65-4bcd-b4ab-1adad97173fe)
* Paragraph 2 – [[1]](https://www.theguardian.com/business/2025/may/26/firms-rebranding-diversity-initiatives-avoid-unwanted-political-attention), [[4]](https://www.reuters.com/legal/government/column-shareholder-cases-challenging-dei-programs-could-get-boost-trumps-2025-01-24/)
* Paragraph 3 – [[3]](https://apnews.com/article/309864f08e6ec63a45d18ca5f25d7540), [[6]](https://time.com/7210039/what-is-dei-trump-executive-order-companies-diversity-efforts/)
* Paragraph 4 – [[5]](https://www.axios.com/newsletters/axios-communicators-3b8a8d00-ceab-11ef-9034-dd52d29eb512), [[7]](https://www.axios.com/newsletters/axios-markets-fb529ac8-3e16-4bad-9af0-99c83da9e75c)
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## Bibliography

1. <https://www.theguardian.com/business/2025/may/26/firms-rebranding-diversity-initiatives-avoid-unwanted-political-attention> - Please view link - unable to able to access data
2. <https://www.ft.com/content/94d3fba0-cd65-4bcd-b4ab-1adad97173fe> - An article discussing the resilience of corporate America's diversity, equity, and inclusion (DEI) initiatives despite legal challenges and political pressures. It highlights that many companies continue their DEI efforts without significant changes, with major firms like Disney and Nike showing progress in diversifying their workforces. The piece also notes that while some companies have adjusted their programs due to legal pressures, overall commitment to DEI appears strong, with a focus on retaining and recruiting diverse talent.
3. <https://apnews.com/article/309864f08e6ec63a45d18ca5f25d7540> - An article detailing how companies are adjusting their DEI programs amid legal challenges, particularly following the Supreme Court's decision to end affirmative action in college admissions. It discusses cases like the one against the Fearless Fund, which supports businesses led by women of color, and how conservative activists are targeting corporate diversity initiatives. The piece also covers how companies like Pfizer, Morrison Foerster, and Perkins Coie have modified their programs to avoid legal disputes.
4. <https://www.reuters.com/legal/government/column-shareholder-cases-challenging-dei-programs-could-get-boost-trumps-2025-01-24/> - An article examining how President Donald Trump's executive order against affirmative action is likely to bolster shareholder litigations challenging companies' DEI programs. It discusses how the order instructs federal agencies to investigate private-sector targets for compliance, heightening litigation risks for businesses maintaining DEI initiatives. The piece also covers how firms supporting DEI, like Target and Costco, are facing lawsuits and shareholder proposals questioning the legal and practical implications of their DEI policies.
5. <https://www.axios.com/newsletters/axios-communicators-3b8a8d00-ceab-11ef-9034-dd52d29eb512> - A newsletter discussing significant shifts among major U.S. companies concerning their DEI policies. It highlights how many companies are reducing their DEI commitments due to political pressure and a challenging legal environment, including a key Supreme Court decision in 2023 that struck down affirmative action in colleges. The piece also covers how companies like Meta have strategically aligned themselves with Trump's agenda, appointing Trump-friendly figures to prominent positions and showcasing their views on media platforms favored by Trump's supporters.
6. <https://time.com/7210039/what-is-dei-trump-executive-order-companies-diversity-efforts/> - An article explaining what DEI is and the challenges it faces amid Trump's executive orders. It details how President Trump initiated actions to dismantle federal DEI programs, including signing an Executive Order placing all federal DEI staff on paid leave and outlining plans to lay them off. The piece also covers how companies are reacting to Trump's stance, with some large corporations like Walmart and Boeing retreating from DEI commitments, while others like Costco remain committed.
7. <https://www.axios.com/newsletters/axios-markets-fb529ac8-3e16-4bad-9af0-99c83da9e75c> - A newsletter discussing the decline in popularity of DEI initiatives in corporate America. It highlights how many companies are now retreating from these programs due to backlash from lawmakers, activists, and the fear of lawsuits. The piece also covers how businesses are modifying their DEI efforts to minimize risk, such as Goldman Sachs and Bank of America expanding inclusion to broader groups, and how some companies are still committed to DEI principles amidst growing criticism and societal divides on the issue.