LLYC IDEAS

MARCH, 2025

NAVIGATING DEI IN THE NOW

LLYC IDEAS

After Black History Month in February and Women's History Month in March it is an apt time to contemplate the Diversity, Equity and Inclusion (DEI) challenges facing present-day organizations of all types.

Everyone has seen the headlines. In the U.S. the Trump administration has banned government DEI initiatives and cut or threatened to cut all federal contracts, grants, etc. to companies and universities with DEI programs.

As a result, many organizations across the U.S. and abroad are shrinking or outright ending their DEI policies. A number of other global brands are going the other way, vocally doubling down on their DEI commitments.

For companies that do business in the U.S., it is clearly a time for hard decisions and practical actions around DEI policies and related messaging. This need is especially pressing for organizations reliant on federal or state governments for revenue.

All of this is taking place while there is an increasing body of data showing diversity and inclusion is not just the right thing to do – it is also good business.

In such an environment, organizations must avoid broad panicked moves that could damage them for years to come. Yes, companies must mitigate the very real risks of today. But they must also think beyond the next four years, and consider how they have built their identity, culture, and relationships with customers and employees. These assets represent long-term value that can be hard to re-build once lost.

Companies must effectively reconcile the immediate need to avoid government conflict with the broader need to stay true to themselves. We are all watching some of the biggest companies in the world ask themselves these very hard questions in real time.

There are possible paths, ways for companies to reduce near-term hazards without sacrificing core values. In weighing the tactical options, it is important to note that these challenges started well before the current Trump administration.

“Any policy aimed at improving opportunity, increasing representation or amplifying share of voice for any specific group is now a potential financial and legal liability.”

A BUILDING PRESSURE

For the U.S. business community, impactful anti-DEI pressure predates the change in the White House. In 2024, conservative activists successfully pressured brands such as John Deere and Jack Daniels to roll back their DEI efforts by threatening consumer boycotts. In many ways that trend has simply been codified as federal policy in the first months of the Trump administration.

The legal community is working overtime to help their clients update internal policies to avoid penalties from Trump’s Equal Employment Opportunity Commission (EEOC). Frustratingly less specific—but quite real—are threats from Elon Musk’s Department of Government Efficiency (DOGE) as they aggressively seek to cut federal funds to any organization with any hint of DEI programming.

Whether the message comes from President Trump, Musk or other surrogates and activists, there are some consistent themes. Companies are told they should be meritocracies, focused only on excellence and productivity.

No resources can be directed towards “greater good” initiatives, regardless of the topic. Any policy aimed at improving opportunity, increasing representation or amplifying share of voice for any specific group is now a potential financial and legal liability.

If companies, schools, researchers, etc. all follow this path, the logic goes, the greater good will just naturally take care of itself.

LOWERING RISK BY MODIFYING THE MESSAGE

Against that backdrop then, how can companies stay off the radar of federal officials, the DOGE team or anti-DEI activists?

First: companies should be actively reviewing their internal and external messaging – everything from websites to employee handbooks. DOGE and external conversative watchdog groups are actively looking for companies endorsing specific ideas or even using certain phrases.

SOME FUNDAMENTALS:

- Ground any diversity and inclusion language in company performance, growth, and value delivery. Emphasize the role of diversity as a "**competitive advantage**".
- Highlight how a more diverse workforce sparks innovative thinking, improves speed and effectiveness of decisions and breaks corporate group-think.
- Tie words like **sustainability** to specific tangible benefits to an organization.
- Avoid implying any type of "quota" mindset or policy, as could be inferred in messages about organizational efforts such as "**reduced inequalities**", "**gender equality**," "**equal opportunity**," and "**representation**".
- Themes like **social responsibility** or **stewardship** should be grounded in the company's operational mission and delivery of value whenever possible.

These options can still provide room for vital inclusion efforts within an organization. The key is shifting the business case inward, focusing on how these efforts ensure an informed approach to the markets the company serves.

Even companies who may jump at the chance to leave DEI behind should think twice and consider a less dramatic change.

Yes, there is data indicating these values are good for business. Another key point is the reality that business today is more global than ever before. While the U.S. is headed in one direction on DEI, international opinions vary substantially from region to region. Decisions made to placate one government agency could spark unintended problems with three others in another hemisphere.

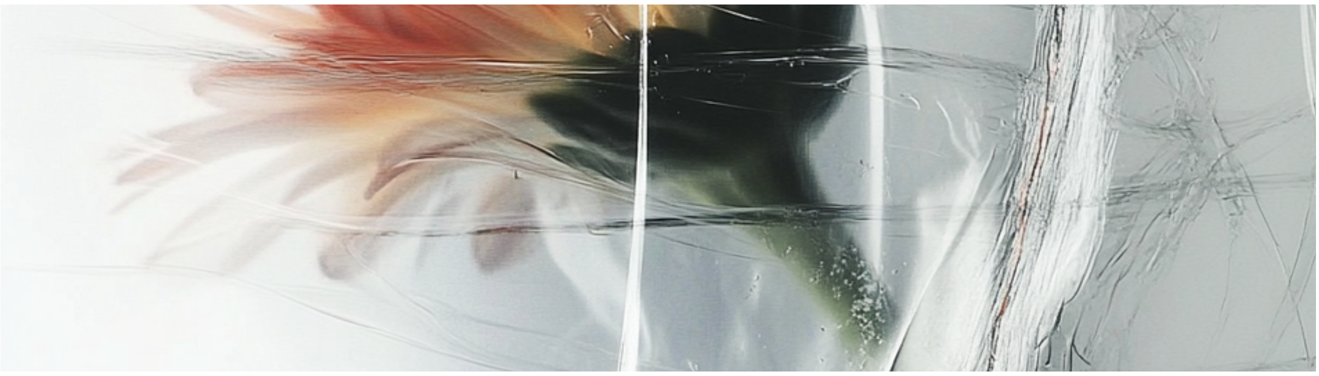
The U.S. office of Deloitte – one of the world's biggest accounting firms – reportedly told staff to "sunset" diversity efforts. Yet the Deloitte UK leadership then issued a statement re-affirming its commitment to DEI. This position may be influenced by the UK's Equality Act 2010, which broadly prohibits discrimination based on disability, sexual orientation or gender identity.

"Decisions made to placate one government agency could spark unintended problems with three others in another hemisphere."

AUTHENTICITY (STILL) MATTERS

It isn't necessarily a surprise to see brands such as John Deere, Wal-Mart or even Ford move away from DEI. Similarly, it was on-brand for Apple, Ben & Jerry's and Patagonia to re-state their commitment to their DEI policies.

The riskier decisions are those made by companies who may be viewed as running away from core brand attributes built over decades. McDonald's is one case to watch.



In January, the home of the Big Mac "retired" much of its DEI program saying it had achieved its goals. Given the company's history of inclusive marketing and talent attraction, the decision could come as a jolt to consumers and employees. Indeed, just a few short years ago McDonald's was tying executive bonuses directly to specific DEI goals.

Leaders at McDonald's might want to review work done late last year by data analysts at LLYC. Their groundbreaking model showed it was possible to quantify and predict risks to brands facing critical decisions on issues like DEI. Among other things, the model showed the vital importance of making gradual shifts in tone vs. dramatic and abrupt departures from a brand's foundational identity.

Companies committed to not just small wording changes, but wholesale departures from DEI should consider mapping a more evolutionary message strategy. In the current environment this strategy may need to be compressed into months (or a few years), but any stepped process will be better received than a sudden 180-degree turn.

"Companies committed to not just small wording changes, but wholesale departures from DEI should consider mapping a more evolutionary message strategy."

THE PATH FORWARD

While risks from U.S. government actions will persist, recent analysis by that same LLYC data team does offer companies some direction regarding public perceptions on the topic. They recently analyzed sentiment regarding more than 200 DEI-related terms over the past six months across X, Reddit, major news sites and relevant forums.

Predictably, the results showed significant public backlash around DEI language associated with **workforce requirements or other corporate actions.** Words like "quotas", "DEI mandates" and "affirmative action" sparked negative sentiment.

Encouragingly however, the data showed a broader public willingness to discuss the relevant **core values** themselves. Growing discourse around: "Equity & Justice" "Workforce & Economy", "Inclusive Leadership" and "Inclusion" suggest there is a willingness to engage and discuss.

There is no simple or easy solution for companies navigating DEI in 2025. Leaders must understand, however, that the question is more complex than just keeping or jettisoning programs.

The risks are real and many, but there are also more paths than simply trumpeting "YES! or NO!" to DEI. The decisions made by brands today will have impacts that reach beyond U.S. borders and well beyond the next four years.

AUTHORS

DON HUNT.

Corporate Affairs General Director, USA

don.hunt@llyc.global

LLYC

GLOBAL LEADERSHIP

Francisco Sánchez-Rivas
Chair of the Advisory Board
fjsanchezrivas@llyc.global

Alejandro Romero
Partner and Global CEO
aromero@llyc.global

Luisa García
Partner and CEO, Corporate Affairs
lgarcia@llyc.global

Adolfo Corujo
Partner & CEO, Marketing
acorujo@llyc.global

Tiago Vidal
Partner and Global Chief Operating Officer
tvidal@llyc.global

Miguel Lucas
Senior Global Innovation Director
mlucas@llyc.global

Arturo Pinedo
Partner and Global Chief Client Officer
apinedo@llyc.global

Marta Guisasola
Partner and Global Chief Financial Officer
mguisasola@llyc.global

Albert Medrán
Global Director of Marketing, Communication and ESG
amedran@llyc.global

María Esteve
Partner and Global General Director of Strategy
mesteve@llyc.global

María Obispo
Global Lead, Culture & People
mobispo@llyc.global

MARKETING

Rafa Antón
Partner and Global Creative Director
rafa.anton@llyc.global

Federico Isuani
Partner and Americas Marketing Solutions General Director
federico.isuani@llyc.global

Jesús Moradillo
Partner, Marketing Solutions General Director, Global Director of Growth and Transformation
jesus.moradillo@llyc.global

Javier Rosado
Partner and Americas Marketing Solutions General Director
jrosado@llyc.global

Gemma Gutiérrez
General Director of Marketing Solutions Europe
gemma.gutierrez@llyc.global

CORPORATE AFFAIRS

Iván Pino
Partner and General Director of Corporate Affairs, Latin America
ipino@llyc.global

Jorge López Zafra
Partner and General Director of Corporate Affairs, Europe
jlopez@llyc.global

Gina Rosell
Partner and Senior Director, Healthcare Europe
grosell@llyc.global

Luis Guerricagoitia
Partner and Europe Corporate Operations and Financial Communication Lead
lguerricagoitia@llyc.global

EUROPE

Luis Miguel Peña
Partner and Europe CEO
lmpena@llyc.global

Iñaki Ortega
General Director, Madrid
iortega@llyc.global

María Cura
Partner and General Director, Barcelona
mcura@llyc.global

Marlene Gaspar
General Director, Lisbon
mgaspar@llyc.global

Ángel Álvarez Alberdi
Head of Brussels Office
angel.alberdi@llyc.global

Amparo García
CEO at Zeus by LLYC
ZEUS by LLYC
a.garcia@zeus.vision

Nacho Reig
COO at Zeus by LLYC
ZEUS by LLYC
n.reig@zeus.vision

Lázaro Royo
CCO at Zeus by LLYC
ZEUS by LLYC
l.royo@zeus.vision

LATIN AMERICA

Juan Carlos Gozzer
Partner and Latin America CEO
jcgozzer@llyc.global

LATAM NORTH

David González Natal
Partner and General Director, Latam North
dgonzalezn@llyc.global

Andrés Ortiz
Partner and General Director, Colombia
andresortiz@dattis.com

Michelle Tuy
General Director, Panama
michelle.tuy@llyc.global

Ibán Campo
General Director, Dominican Republic
icampo@llyc.global

Anne Davie
North Latam Marketing Solutions General Director
anne.davie@llyc.global

LATAM SOUTH

Flavia Caldeira
General Director, Brazil
flavia.caldeira@llyc.global

María Eugenia Vargas
General Director, Argentina
mevargas@llyc.global

Daniel Tittinger
General Director, Peru
daniel.titinger@llyc.global

Gonzalo Carranza
Partner and General Director, Ecuador
gcarranza@llyc.global

Juan Cristóbal Portales
General Director, Chile
juan.portales@llyc.global

UNITED STATES

Jeff Lambert
Partner and U.S. Executive Chair
LAMBERT by LLYC
jeff.lambert@llyc.global

Mike Houston
Partner and U.S. CEO
LAMBERT by LLYC
mike.houston@llyc.global

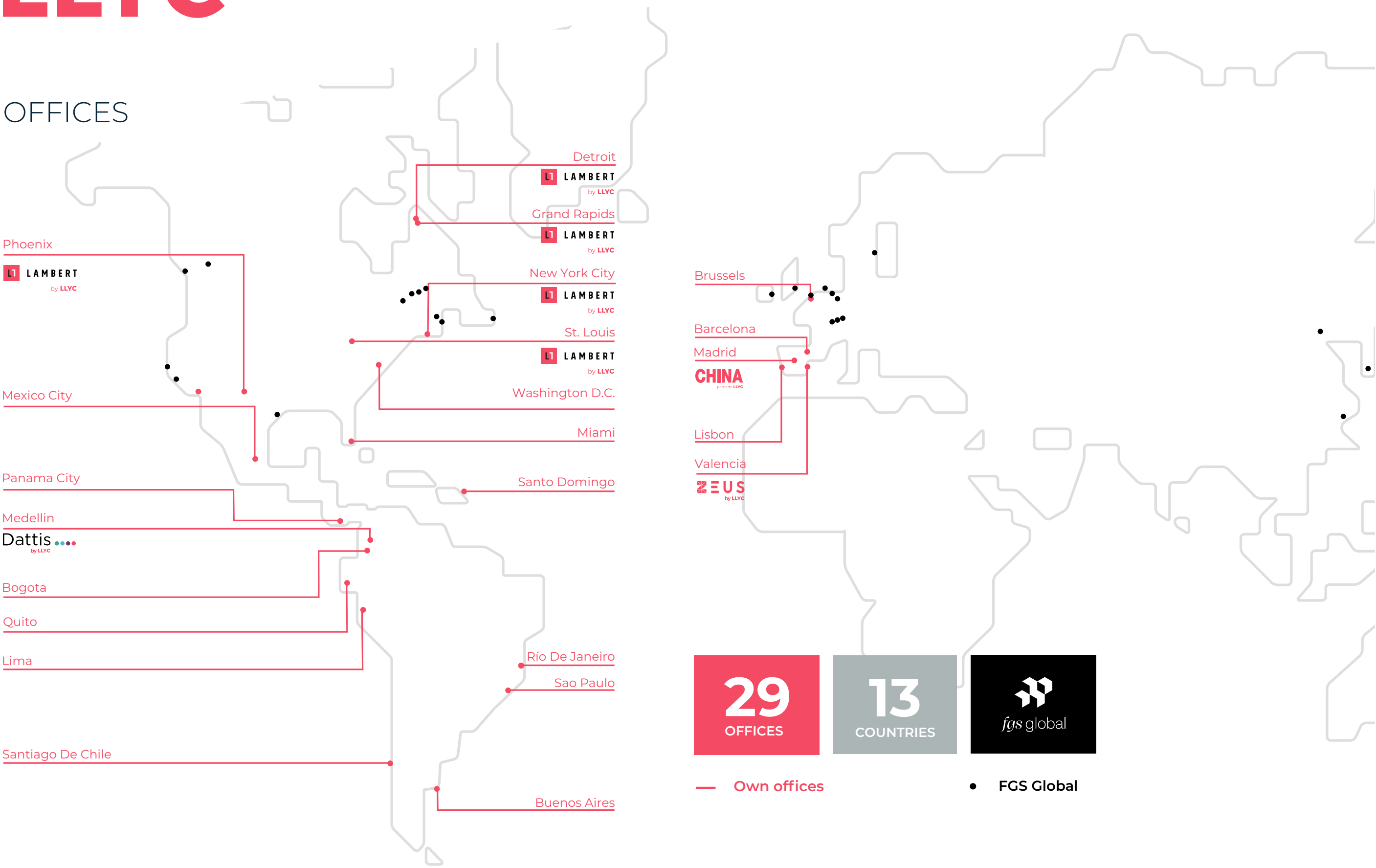
Matt Jackson
Managing Partner
matt.jackson@llyc.global

Don Hunt
Managing Partner and Corporate Affairs U.S. Lead
don.hunt@llyc.global

Michelle Olson
U.S. Chief Client officer
michelle.olson@llyc.global

LLYC

OFFICES



LLYC

Madrid
Lagasca, 88 - planta 3
28001 Madrid, Spain
Tel. +34 91 563 77 22

Barcelona
Muntaner, 240-242, 1º-1ª
08021 Barcelona, Spain
Tel. +34 93 217 22 17

Lisboa
Avenida da Liberdade nº225, 5º Esq.
1250-142 Lisbon, Portugal
Tel. + 351 21 923 97 00

Miami
600 Brickell Avenue, Suite 2125
Miami, FL 33131
United States
Tel. +1 786 590 1000

New York
3 Columbus Circle, 9th Floor
New York, NY 10019
United States
Tel. +1 646 805 2000

Washington D.C.
1025 F st NW 9th Floor
Washington D.C. 20004
United States
Tel. +1 202 295 0178

Mexico City
Av. Paseo de la Reforma 412
Piso 14. Colonia Juárez
Alcaldía Cuauhtémoc
CP 06600, Mexico City
Tel. +52 55 5257 1084

Av. Santa Fe 505, Piso 15,
Lomas de Santa Fe,
Mexico City 01219, Mexico
Tel. +52 55 4000 8100

Panama
Sortis Business Tower
Piso 9, Calle 57
Obarrio - Panama
Tel. +507 206 5200

Santo Domingo
Corporativo 2010, de la Avenida Gustavo Mejía Ricart, en Piantini, Santo Domingo.
Tel. +1 809 6161975

Bogotá
Av. Calle 82 # 9-65 Piso 4
Bogotá D.C. – Colombia
Tel. +57 1 7438000

Carrera 9 # 79A -19, piso 3,
Bogotá, Colombia
Tel: (+57) 60 1 651 52 00

Medellín
Calle 10B # 36 - 32, oficina 401
Medellín, Colombia
Tel: (+57) 60 1 651 52 00

Lima
Av. Andrés Reyes 420, piso 7
San Isidro, Perú
Tel. +51 1 2229491

Quito
Avda. 12 de Octubre N24-528 y Cordero - Edificio World Trade Center – Torre B - piso 11
Ecuador
Tel. +593 2 2565820

Sao Paulo
Rua Oscar Freire, 379, Cj 111
Cerqueira César SP - 01426-001
Brazil
Tel. +55 11 3060 3390

Rio de Janeiro
Rua Almirante Barroso, 81
34º andar, CEP 20031-916
Rio de Janeiro, Brazil
Tel. +55 21 3797 6400

Buenos Aires
Av. Corrientes 222, piso 8
C1043AAP, Argentina
Tel. +54 11 5556 0700
El Salvador 5635, Buenos Aires
CP. 1414 BQE, Argentina

Santiago de Chile
Avda. Pdte. Kennedy 4.700,
Piso 5, Vitacura
Santiago
Tel. +56 22 207 32 00
Tel. +562 2 245 0924

CHINA parte de LLYC
Velázquez, 94
28006, Madrid, Spain
Tel. +34 913 506 508

LAMBERT by LLYC
47 Commerce Ave SW,
Grand Rapids, MI 49503,
United States
Tel. +1 616 233 0500

1420 Broadway, First Floor,
Detroit, Michigan 48226,
United States
Tel. +1 313 309 9500

16052 Swingley Ridge Rd,
Chesterfield, Missouri 63017,
United States

7201 N Dreamy Draw Dr,
Phoenix, Arizona 85020,
United States
Tel. +1 480 764 1880

450 7th Ave #2002, New York, NY
10123, United States
Tel. +1 212 971 9718

ZEUS by LLYC
Base 1 La Marina de, C. de la Travesía, s/n, Poblados Marítimos, 46024 Valencia, Spain
Telf: +34 960 62 73 97

LET'S FLY

LLYC is your partner in creativity, influence and innovation. We aim to transform each day into an opportunity to nurture your brand. We believe boldness is the key to achieving it.

MARKETING + CORPORATE AFFAIRS

+1,300
LLYC Team professionals

43,2 M€
Operating income
1H 2023

LLYC is among the
40 LARGEST ORGANIZATIONS
within the industry worldwide according to PRWeek and PRovoke rankings

BEST CONSULTING AGENCY
in Europa 2022,
PRWeek Global Awards.

CONSULTING AGENCY OF THE YEAR
in Latin America 2023,
PRovoke.

MARCH, 2025

LLORENTE Y CUENCA