

Retailers keep some DEI support despite rollbacks

Firms walk tightrope amid Trump pushback

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REUTERS

Several U.S. retailers that publicly scrapped diversity, equity and inclusion programs – including Target, Amazon and Tractor Supply – are maintaining certain efforts behind the scenes.

The three retailers, while they've ended DEI programs on paper, have told advocacy groups and individuals they will continue to offer financial support for some LGBTQ+ Pride and racial justice events, as well as provide internal support for resource groups for underrepresented employees.

These contradictions between public remarks to investors and those made to individuals or small groups illustrate the tightrope they've walked since President Donald Trump deemed some elements of DEI illegal and threatened possible investigations into firms that practice it.

Advocates say DEI programs aren't exclusionary policies, but are needed to redress longstanding bias, inequity and discrimination, while detractors counter people should be hired solely on merit without taking into consideration gender or race.

Companies are "trying to thread the needle – stay true to corporate values, satisfy various stakeholders, but reduce legal risk," said Jason C. Schwartz, an employment law partner at Gibson Dunn who advises corporate clients on their DEI policies.

Reuters conducted more than a dozen interviews with company employees, advocates for underrepresented groups who've met with corporate executives, and consultants advising companies on DEI issues for this story. The developments they described haven't been previously reported.

Tractor Supply, which sells home and garden supplies and clothing to farmers and ranchers, in June ended a DEI program that had aimed to help put people of color in management roles and boost funding to education programs for Black Americans. It also ceased gathering data on its workforce for the Human Rights Campaign's annual Corporate Equality Index, a benchmarking tool that rates American businesses on their treatment of LGBTQ+ workers and customers.

A Tractor Supply spokesperson told Reuters it "remained steadfast" in its "purposeful decision to remove perceived political and social agendas" from its business.

But Keayana Robinson, the contractor who led the diversity data collection at Tractor Supply, told Reuters the retailer offered to keep her on in an undefined role that would be "as closely aligned as possible" to the DEI work she had been doing.

Managers assured her that Tractor Supply's inclusivity initiatives – particularly its resource groups for underrepresented employees – would continue, Robinson said.

"I don't want to work for an organization that wants to hide me," she said.

Tractor Supply declined to comment on Robinson's account of its conversations with her.

Target in January ended its participation in the HRC survey and scrapped a DEI program that included a goal to increase the number of Black employees by 20% over three years. A Target spokesperson said the new approach "is all about driving business results by increasing relevance with U.S. consumers and making Target a destination for talent."



A shelf highlights products by Black-owned businesses during Black History Month at a Target in New York City on Feb. 18. Target in January scrapped a DEI program. ARRIANA MCCLYMORE/REUTERS

After Target rolled back its DEI program, Sharon Smith-Akinsanya, CEO of corporate consultancy Rae Mackenzie Group in Minneapolis, said she met with Target executives, including CEO Brian Cornell. Target has long been a sponsor of her career events in Minnesota for people of color, as well as an event she organized honoring Black women of Minneapolis.

She said the meetings reassured her that Target would keep a commitment to diversity. "I believe the Target DNA we have come to love remains intact," Smith-Akinsanya said, adding that she understands the political threats companies are facing.

For some, the retailers' private pledges or actions to continue to support diversity and minority groups don't go far enough.

Twin Cities Pride Executive Director Andi Otto said representatives of Minneapolis-based Target called him to make assurances that their inclusivity efforts would not change, despite the "changing and current climate" of anti-DEI sentiment. But his organization turned down a \$50,000 sponsorship from Target this year after nearly two decades of partnering with the chain because of their changes in DEI coupled with the company removing some Pride Month products in 2023.

Twin Cities Pride did not accept a sponsorship from Target this year because the company would not specify how it would continue to support LGBTQ+ shoppers and employees to the organization's satisfactions, Otto said, calling Target's move away from DEI "problematic." Turning down Target's money is a form of protest, a move that he says sends a message to Target that it can't have it both ways.

Similarly, when Black business leader Sheletta Brundidge learned Amazon had rolled back some DEI programs, she dropped the online retailer as a \$10,000 sponsor of her annual Black Entrepreneurs Day held at the Minnesota State Capitol. A company representative tried to downplay the changes during a subsequent phone call, according to Brundidge, but it did not change her mind.

"We've been working to build a diverse team for many years and are committed to continuing on that path," said Amazon spokesperson Kelly Nantel. "You'll see us continue to inspect and evolve our programs to help us do this really difficult work well."

Amazon did not comment on Brundidge's account.

Some companies are keeping DEI programs despite political and legal risk.

'Picking their battles'

Investors at Apple voted against proposals to curtail DEI during its shareholder meeting in February. A day later, Trump said in a post on Truth Social that "Apple should get rid of DEI rules."

Apple did not immediately respond to requests for comment, but the company's website says it is continuing to "create a culture of inclusion, belonging, and collaboration where everyone can do their best work."

Costco Wholesale shareholders in January voted down a proposal to curb its DEI initiatives. A week later, 19 Republican attorneys general demanded Costco notify the states within 30 days whether it will repeal its DEI policies or provide an explanation for maintaining them. Costco did not immediately return a message seeking comment.

But the list of companies removing DEI programs in recent months has expanded to include Paramount, Walmart, Lowe's, PepsiCo, McDonald's, John Deere and others.

Walmart, PepsiCo, Paramount and McDonald's confirmed changing their DEI programs, while other companies did not immediately comment.

Lawyers say that, as executives calculate which programs to eliminate and which to keep, they're considering both legal and political risks.

Although U.S. Attorney General Pam Bondi on February 5 threatened to criminally prosecute companies with "illegal DEI" programs that exclude individuals based on race or sex, she did not explicitly define "illegal," lawyers say.

In a memo, she said her mandate does not prohibit "educational, cultural, or historical observances ... that celebrate diversity," like Black History Month.

Black Women Talk Tech co-founder Regina Gwynn said it is seeing continued support from some companies that sponsor its events for Black women founders and tech workers. But some sponsors requested to have their names left off marketing materials out of fear of political and legal retribution, she said.

The programs most often retained, Gibson Dunn's Schwartz said, are the ones tied to relationships with customers and employees: sponsorships of events benefiting underrepresented groups, employee groups that create a sense of community at work, and cultural events like Black History Month.

"Companies are essentially picking their battles," he said, "or trying to avoid battles altogether."