## Trump's DEI policies can't affect UK Legal Firms? Think Again

As the Trump administration 2.0 continues to cause turmoil, Catherine Hobby, Kingsley Owusu and Robert Sizer explore the detrimental impact on UK equality, diversity and inclusion practices (EDI) of events in the US and highlight the importance of positive action.

Since his election the US President has pursued a narrative attacking Diversity, Equality and Inclusion policies (DEI), often known as EDI in the UK. "Equity" has become a prerogative term with the president signing an executive order on his first day in office terminating "equity-related" grants or contracts. This "prompted" global companies such as Meta, Amazon, McDonald's and Ford to terminate their DEI practices. The US administration is committed to ending discrimination by DEI policies, claiming those operating in "blatant race-based and sex-based discrimination", including quotas, violate public trust.

In the last few weeks Trump has turned his attention to the "Big Law", issuing executive orders on three law firms, Covington & Burling, Perkins Coie and Paul, Weiss, Rifkind, Wharton & Garrison LLP (known as Paul Weiss), restricting access to federal contracts and removing security passes for government buildings. This was <u>not random</u> selection. The orders are widely seen as retaliation against the firms for acting for clients who are political opponents or involved in action against the president. The divergent response shows <u>"a major divide"</u> in the legal industry with two firms challenging the executive orders in court, but Paul Weiss striking a <u>deal</u> to end DEI practices to secure the withdrawal of the order. Further influence has been <u>reported</u> with some law firms amending or renaming their DEI pages and removing pronouns from emails.

A further 20 "global law firms" have also been targeted over DEI related employment practices, including London names A&O Shearman, Freshfields and Hogan Lovells. On 17 March the US Equal Employment Opportunity Commission wrote an 11-page letter to each of the firms requesting "significant information" about their DEI practices, including personal data on employees and clients. There was a chorus of condemnation with associates from these firms among the almost 500 signatories to an open letter. The threat to the rule of law by these developments has been widely commented on. As highlighted in Phase 6 of the Post Office Inquiry, lawyers are independent officers of the court, and even regarded as "ministers of justice, who need to resist attempts to align them to their client interests.

Trump's moves against "Big Law", and global law firms raises important issues for City lawyers and concerns of a wider <u>impact</u>. Freshfields considers the shift in US policy demonstrates a need for "<u>nimbleness</u>" as the Trump administration seeks to effect fundamental change. It is unclear how far the shift in US policy prohibiting the use of DEI policies could impact positive action initiatives in the UK.

There is a clear contrast between the US presidency and the Labour Government elected with a manifesto commitment to introduce new employment protections, including an <a href="Employment Rights Bill">Employment Rights Bill</a> currently in Parliament. The legal culture in the UK is different to the US with the Equality Act 2010 allowing positive action within a narrow legal framework, provided it is a proportionate way of enabling or encouraging people from a disadvantaged or under-represented group to overcome or minimise the disadvantages of that group. This allows practices such as targeted advertising, networking opportunities and exclusive training. The Act also imposes a public sector equality duty to eliminate discrimination and advance equal opportunities.

Despite this US developments have exposed the "fragility" of commitments to EDI. Reported comments by the Health Secretary, Wes Streeting, in February on "misguided" NHS diversity practices, such as "anti- whiteness", are concerning. In March the Financial Conduct Authority and Prudential Regulation Authority abandoned joint plans to impose stricter DEI rules in the financial services sector to "avoid duplication and unnecessary costs".

At UEL our Positive Action Research Working Group considers positive action to be valuable in driving equality, diversity and inclusion in employment, and is working with the university's Office for Institutional Equity to actively champion EDI, positive action and inclusive practices. Recent US restrictions on DEI are alarming, and close attention must be given to the shifting discourse. The importance of this debate and associated action cannot be underestimated.

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