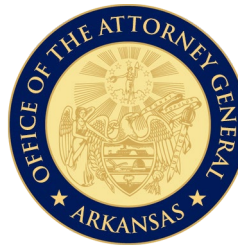




ANDREW BAILEY  
ATTORNEY GENERAL



TIM GRIFFIN  
ATTORNEY GENERAL

April 15, 2025

Joshua Bolten  
300 New Jersey Avenue, NW, Suite 800  
Washington, DC 20001  
*Sent via mail and email to: jcummings@brt.org*

**RE: DEI initiatives among Business Roundtable Members**

Dear Mr. Bolten,

We write to urge the Business Roundtable's member CEOs to abandon the unlawful and misguided DEI initiatives that have for too long harmed businesses and consumers alike. As the Supreme Court recently ruled, "Eliminating racial discrimination means eliminating all of it." *Students for Fair Admissions, Inc. v. Pres. and Fellows of Harvard College*, 600 U.S. 181, 206 (2023). Many of the Roundtable's members' organizations have failed to heed this common-sense requirement and have replaced longstanding free-market policies with costly and divisive DEI policies. Those policies are not just misguided; they also risk exposing your organizations to substantial liability.

"The view that ... corporate officials and labor leaders have a 'social responsibility' that goes beyond serving the interest of their stockholders or their members ... shows a fundamental misconception of the character and nature of a free economy."<sup>1</sup> These words, written by Milton Friedman, in 1962 are no less true today. Yet, five years ago, the CEO members of the Business Roundtable proudly announced that they had "redefine[d] the purpose of a corporation"<sup>2</sup> to move away from focusing on shareholders and to instead focus on all "stakeholders," with shareholders listed last.<sup>3</sup>

Predictably, this "Redefinition" decision by the Business Roundtable to abandon what had long been the guiding principle of free market capitalism—maximizing profits for shareholders—in exchange for lofty (yet undefinable) "social" goals has produced

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<sup>1</sup> Milton Friedman, *Capitalism and Freedom* 133 (1962).

<sup>2</sup> <https://www.businessroundtable.org/business-roundtable-redefines-the-purpose-of-a-corporation-to-promote-an-economy-that-serves-all-americans>

<sup>3</sup> <https://s03.s3c.es/imag/doc/2019-08-19/Business-Roundtable.pdf>.

a windfall for progressive social causes. For example, one such redefined corporate goal was to “foster diversity and inclusion” in the corporate workforce.<sup>4</sup> These buzzwords indicated that the Redefinition was intended to create a veneer of legitimacy for the diversion of corporate resources into left-wing goals such as racial targets that are unlawful and offensive to most Americans. And that is why after the Redefinition, an increasing number of corporations embraced unlawful DEI practices, such as racial percentage targets, “supplier diversity” programs favoring some racial groups over others, racially-focused mandatory trainings, and programs giving preferences based on race.

Examples of the effect of this Redefinition are pervasive. For example, Coca-Cola has pledged that its employee race statistics “will align” by 2030 with census data across all job levels, even though that would mean reducing the percentages of its Asian managers by 33%, and black employees by nearly 50%.<sup>5</sup> Jamie Dimon touted that JPMorgan Chase had “put people in where that’s their only job, increasing Black executive directors and managing directors.”<sup>6</sup> Goldman Sachs has set goals based on race and sex for hiring and for the makeup of its workforce.<sup>7</sup> JPMorgan, Wells Fargo, Citi, Goldman Sachs, and Morgan Stanley have also entered into a discriminatory agreement with BlackRock under which the bank’s interest rates change depending in part on the racial characteristics of BlackRock’s workforce.<sup>8</sup> In 2020, American Express reportedly forced employees to attend an “Anti-Racism Initiative” where white employees were told to defer to black employees, and the company hosted a town hall where employees were told that “capitalism is racist.”<sup>9</sup> Similarly, the CEO of Citi stated in 2020 she keeps a “scorecard” with “metrics for the percentage of Black colleagues,” which is unsurprising since her predecessor signed onto the Redefinition.<sup>10</sup>

As corporate CEOs, pressured by far-left political activists, abandoned their fiduciary responsibilities in exchange for social cachet, state attorneys general stepped up to defend the legal rights of millions of their citizens. These efforts have included launching investigations of major corporations under state consumer protection laws. When a number of large banks—at the expense of shareholder value—signed on to the United Nation’s Net Zero Banking Alliance (NZBA), agreeing to reorient their investing and lending practices to achieve certain climate goals by 2050, 19 state attorneys general launched legal proceedings to determine if anti-trust or laws requiring fiduciary integrity had been violated. As of the writing of this letter, each

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<sup>4</sup> <https://s03.s3c.es/imag/doc/2019-08-19/Business-Roundtable.pdf>.

<sup>5</sup> <https://www.coca-colacompany.com/social/diversity-and-inclusion/black-representation>

<sup>6</sup> <https://www.dallasnews.com/business/banking/2022/11/18/jpmorgan-chase-ceo-jamie-dimon-talks-racial-equity-texas-economy>

<sup>7</sup> <https://www.goldmansachs.com/investor-relations/financials/current/annual-reports/2023-annual-report/multimedia/2023-annual-report.pdf#page=28>

<sup>8</sup> <https://www.sec.gov/Archives/edgar/data/1364742/000119312521107747/d113222dex101.htm>.

<sup>9</sup> <https://nypost.com/2021/08/11/american-express-tells-its-workers-capitalism-is-racist/>

<sup>10</sup> <https://www.youtube.com/watch?v=88W8PvtlxIM> (11:15–11:52)

of the banks targeted for investigation have publicly announced they are withdrawing from the NZBA.

In some instances, state attorneys general have brought legal actions under state human rights acts to push back against illegal corporate racial preference policies. When IBM created racial targets for its workforce and tied those targets to compensation, the Missouri Attorney General brought a lawsuit to enforce the state's antidiscrimination laws.<sup>11</sup> Likewise, in response to publicly acknowledged racial quotas by Starbucks,<sup>12</sup> the Florida Attorney General brought a discrimination complaint regarding those goals to the state Commission on Human Relations, and the Missouri Attorney General filed suit on similar grounds.<sup>13</sup>

As state attorneys general have previously noted, racial quotas are unlawful, and corporations must “treat *all* employees ... equally, without regard to race.”<sup>14</sup> A “failure to act in good faith may be shown ... where the fiduciary acts with the intent to violate applicable positive law.” *Stone ex rel. AmSouth Bancorporation v. Ritter*, 911 A.2d 362, 369 (Del. 2006). The Redefinition's emphasis on “diversity” and “inclusion” promotes discriminatory practices that violate civil rights laws and therefore breaches your members' fiduciary duties.

Since the Redefinition was signed, most of corporate America has acted as if their only “stakeholders” are left-wing pressure groups, and Americans have noticed. These actions have reduced the support large corporations previously enjoyed with Republicans and Independents who together comprise the majority of Americans.<sup>15</sup> This is not in the long-term interest of your shareholders, and has long-term implications for the trajectory of public policy governing your businesses. Corporate focus on “diversity and inclusion” also has led corporations to give in to left-wing pressure groups and make damaging business decisions, as recently illustrated by the massive losses incurred by Target and Bud Light's brands after they modified their advertising to satisfy left-wing groups.<sup>16</sup>

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<sup>11</sup> <https://ago.mo.gov/attorney-general-bailey-files-suit-against-ibm-for-violating-the-missouri-human-rights-act/>

<sup>12</sup> <https://web.archive.org/web/20240921065211/https://careers.starbucks.com/culture/belonging/>

<sup>13</sup> <https://ago.mo.gov/attorney-general-bailey-files-suit-against-starbucks-for-race-and-sex-based-discrimination/>; <https://www.myfloridalegal.com/sites/default/files/2024-05/starbucks-letter-final-for-transmission.pdf>

<sup>14</sup> <https://www.tn.gov/content/dam/tn/attorneygeneral/documents/pr/2023/pr23-27-letter.pdf>

<sup>15</sup> <https://www.pewresearch.org/politics/2024/02/01/small-and-large-businesses-banks-and-technology-companies/>

<sup>16</sup> <https://nypost.com/2023/05/28/target-loses-10b-following-boycott-calls-over-lgbtq-friendly-clothing/> (Target lost \$10 billion of its market cap in 10 days); <https://nypost.com/2023/06/02/bud-light-parent-anheuser-buschs-stock-lost-27b-over-dylan-mulvaney/> (AB Inbev lost \$27 billion in market value)

Fortunately, the tide appears to be turning. A number of major corporations have recently announced that they will move away from DEI initiatives,<sup>17</sup> and many of them did so after online influencer Robby Starbuck stated that he would publicize the corporations' policies.<sup>18</sup>

- Boeing announced that it would dismantle its DEI team;<sup>19</sup>
- Brown-Forman (maker of Jack Daniel's) stated that in the time since it launched its diversity and inclusion strategy, the American "legal and external landscape has shifted dramatically," and thus the company announced it would ensure executive compensation and employee goals are tied only to business performance, remove its "quantitative workforce and supplier diversity ambitions," and review its training programs for consistency with an "evolved strategy";<sup>20</sup>
- Caterpillar announced that it would focus its training and employee resource groups on business;<sup>21</sup>
- Ford stated that it would not use hiring quotas, tie compensation to diversity goals, or have "quotas for minority dealerships or suppliers," and would focus its employee resources groups on goals such as networking;<sup>22</sup>
- Harley Davidson announced that it had not "operated a DEI function since April 2024," did not have hiring quotas, and would "no longer have supplier diversity spend goals";<sup>23</sup>
- John Deere announced that it would focus its business resource groups on business, reaffirmed that it would not have diversity quotas, and would audit training programs to remove "socially motivated messages";<sup>24</sup>

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<sup>17</sup> Walmart, for example, has made changes that "have been in the work for a few years," such as ditching terms "LatinX" and DEI, deciding "not to extend the Racial Equity Center," and ending "Participation in the Human Rights Campaign Corporate Equality Index."

<https://www.foxbusiness.com/lifestyle/walmart-rolls-back-dei-policies-becoming-latest-us-firm-join-growing-trend>; see also <https://apnews.com/article/walmart-dei-inclusion-diversity-34b06922e60e5116fe198696201ce4d9>.

<sup>18</sup> See, e.g., <https://www.nytimes.com/2024/11/01/business/dei-roby-starbuck.html>

<sup>19</sup> <https://www.bloomberg.com/news/articles/2024-10-31/boeing-dismantles-diversity-team-as-pressure-builds-on-new-ceo>

<sup>20</sup> <https://robbystarbuck.com/dei/> (click Jack Daniel's)

<sup>21</sup> <https://robbystarbuck.com/dei/> (click Caterpillar)

<sup>22</sup> <https://robbystarbuck.com/dei/> (click Ford)

<sup>23</sup> <https://robbystarbuck.com/dei/> (click Harley-Davidson)

<sup>24</sup> <https://robbystarbuck.com/dei/> (click John Deere)

- Lowe’s announced that it would eliminate business resource groups that were based on race;<sup>25</sup>
- Molson Coors affirmed that it had not used hiring quotas, and announced that, as part of an “evolution from our work focused on DEI,” it would make development opportunities available to all employees, move away from DEI-based training programs, focus its employee resource groups on business, eliminate supplier diversity goals, and ensure executive compensation was not based on “aspirational representation goals”;<sup>26</sup>
- Polaris announced that it removed all references to DEI from its webpages;<sup>27</sup>
- Stanley Black & Decker reaffirmed that it did not have hiring quotas and did not incentivize the “hiring of employees with specific profiles,” and also announced that it would “sunset[]” supplier diversity programs, focus company-sponsored training programs on leadership and professional development, and ensure that its business resource groups were focused on driving business outcomes;<sup>28</sup>
- Toyota announced that it would ensure its employee resource groups are focused on business;<sup>29</sup>
- Tractor Supply announced that it would “Eliminate DEI roles and retire our current DEI goals”;<sup>30</sup>

In addition, most of these companies committed to ending their participation in the Human Rights Campaign’s Corporate Equality Index, a metric which encourages and celebrates workplace discrimination.<sup>31</sup>

Many members of the Business Roundtable appear to recognize that the Redefinition was a mistake. A recent five-year-anniversary statement from the Business Roundtable attempted to recast the Redefinition’s mandates related to employees as merely supporting “excellent training.”<sup>32</sup> Many companies that had previously signed onto the Redefinition (Boeing, Caterpillar, Ford, John Deere, Stanley Black & Decker,

<sup>25</sup> <https://robbystarbucks.com/dei/> (click Lowe’s)

<sup>26</sup> <https://robbystarbucks.com/dei/> (click Coors)

<sup>27</sup> <https://x.com/robbystarbucks/status/1825922346189811942?s=12>

<sup>28</sup> <https://robbystarbucks.com/dei/> (click Black & Decker)

<sup>29</sup> <https://robbystarbucks.com/dei/> (click Toyota)

<sup>30</sup> <https://robbystarbucks.com/dei/> (click Tractor Supply)

<sup>31</sup> See <https://reports.hrc.org/corporate-equality-index-2023#criteria-1-workforce-protections> (rewarding companies for LGBTQ+ “diversity training programs” and “supplier diversity programs”). All of the above-listed companies expressly promised to stop participating in the Corporate Equality Index, except for Polaris (which had not participated in the past) and John Deere (which did not publicly state whether it would continue to participate).

<sup>32</sup> <https://www.businessroundtable.org/five-years-on-corporate-purpose-and-profit>

and Walmart) have now reaffirmed that the purpose of a corporation is to deliver value for shareholders and hire based on merit rather than protected characteristics.<sup>33</sup>

By now it should be clear that attempts to reorient corporate policy to appease progressive activists are not only unworkable; they are also often illegal. Simply put, the lawful purpose of a corporation is to faithfully honor its fiduciary and contractual obligations to shareholders. Deviating from this fundamental duty, all to seek the applause of so-called “stakeholders” pushing DEI goals, puts corporations at risk for legal action.

It is time for the Business Roundtable to abandon its Redefinition and rededicate itself to merit-based hiring, which supports the actual purpose of a corporation and complies with employment laws. The Business Roundtable’s member CEOs should abandon quotas, targets, racial preferences, and other discriminatory DEI practices.

Sincerely,



Andrew Bailey  
Missouri Attorney General



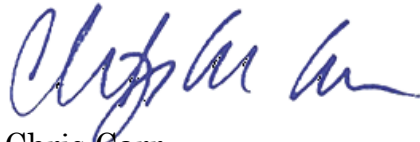
Tim Griffin  
Arkansas Attorney General



Steven Marshall  
Alabama Attorney General



James Uthmeier  
Florida Attorney General



Chris Carr  
Georgia Attorney General



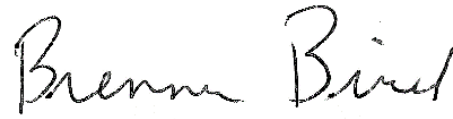
Raúl Labrador  
Idaho Attorney General

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<sup>33</sup> See <https://s03.s3c.es/imag/doc/2019-08-19/Business-Roundtable.pdf>



Todd Rokita  
Indiana Attorney General



Brenna Bird  
Iowa Attorney General



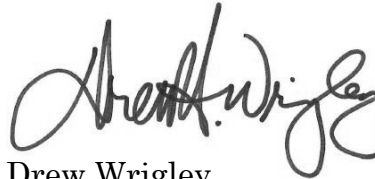
Kris Kobach  
Kansas Attorney General



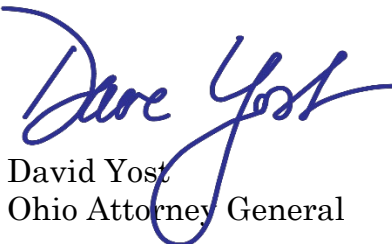
Lynn Fitch  
Mississippi Attorney General



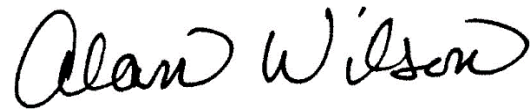
Austin Knudsen  
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Marty Jackley  
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