

Labor & Employment Law Daily Wrap Up, INDUSTRY NEWS, TRENDS—Target, Costco, and the DEI bullseye, (Jan 27, 2025)

By Brandi O. Brown, J.D.

While Target set the internet afire over the weekend by announcing pullback of its DEI program, Costco shareholders resoundingly rejected an attempt to end its program.

Over the weekend, the internet was ablaze with news that Target, which previously [titled](#) a news item regarding its DEI “journey” as “We Are Never Done,” has seemingly walked back that promise, calling an end to its diversity goals. On its public-facing website on Friday, the company [addressed](#) its “Belong at the Bullseye Strategy” in a fact sheet, stating that in 2025 it would be “concluding” its “three-year diversity, equity and inclusion goals” as well as its Racial Equity Action and Change initiatives. Greater details about the changes were reportedly provided in a memo sent to employees, including that the employer would no longer participate in surveys such as those used by the Human Rights Campaign.

On the other hand, on Thursday, Costco announced that 98 percent of its shareholders had [voted](#) against a proposal aimed at ending the company’s DEI program, demanding an evaluation and report on the purported risks of the company maintaining its current DEI “roles, policies and goals.” In the proxy statement, however, the Board of Directors unanimously recommended against the proposal question, stating, among other things, that the Board’s “commitment to an enterprise rooted in respect and inclusion is appropriate and necessary” and that it believes, among other things, that “a diverse group of employees helps bring originality and creativity to” the company’s “merchandise offerings.”

Trump’s directive. This news came at the end of a week in which the newly inaugurated President Trump issued multiple executive orders and directives regarding DEI, [including](#) one taking aim at the private director specifically. That directive requires agency heads, with the assistance of the Attorney General, to “take all appropriate action with respect to the operations of their agencies to advance in the private sector the policy of individual initiative, excellence, and hard work identified in section 2 of this order.”

It also requires those agency heads, the Attorney General, and the OMB Director to prepare and submit a report to the Assistant to the President for Domestic Policy “containing recommendations for enforcing Federal civil-rights laws and taking other appropriate measures to encourage the private sector to end illegal discrimination and preferences, including DEI.”

Companies: Target; Costco

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