

## TRUMP ADMINISTRATION ORDERS EUROPEAN COMPANIES TO COMPLY WITH DE&I BAN

Over the past week, US embassies in Europe distributed letters to a number of EU-based corporations that are US federal government contractors ordering them to comply with the Trump administration's policies banning DE&I programming.

Executive Order [14173](#), which we previously wrote about [here](#), requires all federal contractors and fund grantees to certify that they do not operate any programs that "unlawfully" promote DE&I, and that compliance with US federal anti-discrimination laws is "material to the government's payment decisions."

According to news reports, the letters warn that the Executive Order 14173 applies to "all suppliers and contractors of the US government, regardless of their nationality and the country in which they operate." Companies are being told they have five days to confirm their compliance by signing an attached questionnaire. That questionnaire includes a confirmation that the company "does not implement diversity, equity, and inclusion programs that violate applicable federal anti-discrimination laws." Those that do not sign are being asked to provide a detailed reasoning, which the administration said it would forward for internal legal review.

News reports indicate that home countries whose companies have received letters so far include France, Spain, Denmark, Belgium, and Italy. While it is unclear how many and which EU companies have received the letters, the administration's intended scope appears to be aimed at suppliers to US embassies and consulates, as well as other companies that contract with or receive grants from the US government. News reports also indicate that embassy utilities suppliers and newspapers selling subscriptions have also been impacted.

For the time being, all companies, including those based outside the United States, should carefully consider whether they demonstrably comply with the Trump administration's interpretation of US anti-discrimination law before entering into any US federal contracts or accepting US federal grants. If they wish to undertake such federal activity, they will also need to consider the practical changes they may need to implement in the context of the significant regulatory frameworks surrounding DEI disclosure and compliance in Europe and other regions (for example, in relation to [Board D&I targets](#) – see our guide [here](#) – and pay transparency – see our briefing [here](#)).

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Some of this regulation is in force, and some will be coming into force in the next two to three years. Companies may also need to consider broader stakeholder expectations. We will continue to closely monitor this space and advise our clients across jurisdictions in navigating ongoing developments.

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