



Summary

- Despite global political backlash, the UK pensions industry has continued to advance diversity, equity and inclusion (DEI), with progress in governance, workplace culture and representation.
- However, industry leaders warn of widening gaps, particularly for women, disabled workers and LGBTQ+ employees, stressing the need to embed DEI into fiduciary duty, data, governance and the full pensions value chain.
- The next phase of DEI may be quieter but more embedded, driven by data, regulatory expectations and a shift toward culture, inclusion and belonging rather than headline pledges.

Moving beyond the backlash

➤ **Callum Conway reflects on the DEI journey across 2025, which has seen commitment to the cause evolve rather than retreat amid a changed global climate, in *Pensions Age's* final special focus feature of the year**

“This administration has taken action to abolish all discriminatory diversity, equity and inclusion (DEI) nonsense... The tyranny of so-called DEI policies has ended.”

Those words, delivered earlier in the year by US President, Donald Trump, set a combative tone that reverberated far beyond Washington.

His comments, followed by several US states rolling back corporate DEI requirements and some companies scaling back their own initiatives, marked a stark shift in the political climate surrounding diversity efforts.

For UK pension schemes, providers and advisers, the question was whether

DEI would continue to be treated as a strategic priority, or whether the chill from across the Atlantic would lead to hesitation, rebranding, or quiet deprioritisation of DEI initiatives.

As *Pensions Age* concludes its year-long DEI focus, the landscape at the end of 2025 appears more nuanced – and hopeful – than the global headlines might suggest.

Continued momentum

Our January feature argued that DEI was ‘here to stay’, while recognising the scale of work required for DEI to become embedded across the sector. That assessment still stands.

Indeed, several organisations have sharpened their focus this year and stepped up their commitments.

The Pension Protection Fund’s new DEI strategy (2025-28) emphasises that “we don’t all start from a level playing field” and highlights overlapping barriers to opportunity.

The Pensions Regulator, meanwhile, outlined plans to embed diversity and inclusion across its people, regulatory, and operational practices, supported by measurable key performance indicators.

Across the wider long-term savings sector, Association of British Insurers (ABI) manager for DEI and customer outcomes, Liisa Antola, has observed sustained progress.

“In the past 18 months, there has been steady progress in DEI across the pensions sector.

“Women’s representation in senior roles continues to grow, as does the

proportion of directors from ethnic minority backgrounds.

“More of our members now offer enhanced parental leave, IVF and surrogacy support, and returnship schemes to support family-friendly working environments.”

She adds that ABI members “remain committed to becoming the most diverse, equitable and inclusive workplaces across the UK”, pointing to its inaugural Women in Pensions event and continued Allyship Awareness training as examples of tangible action.

Meanwhile, The Diversity Project chair, Helena Morrissey, suggests that the global backlash to DEI has actually prompted reflection and, in some cases, renewed commitment to the cause, rather than retreat.

For instance, she points to a webinar earlier this year, which showed European and UK firms continuing to ramp up efforts, viewing this moment as an opportunity to strengthen competitive advantage as clients increasingly expect meaningful progress.

One area gaining momentum is cognitive diversity, particularly its link to investment performance.

Research commissioned by The Diversity Project and led by professor, Alex Edmans, suggests that cognitive diversity can give investment teams a competitive edge.

This has helped sustain interest in programmes supporting under-represented groups, from its Pathway Programme to initiatives aimed at socio-economic and ethnic diversity.

Uneven progress

Despite positive signs of DEI advancement this year, many in the industry warn that gaps remain in certain areas.

Pensions Equity Group co-chair of communications and awareness and People's Partnership brand lead, Molly Handley, describes progress over the past 12–18 months as “steady but uneven”, noting improvements in governance frameworks and stewardship but warning that gender equity remains a major concern.

Indeed, recent data shows that women's median private pension at retirement stands at £173,000 compared to £286,000 for men – a 32 per cent gap.

Meanwhile, research from the Society of Pension Professionals (SPP) and Stonewall highlights that LGBTQ+ people continue to face unequal pension outcomes, with the UK falling from first to 22nd place in ILGA Europe's equality rankings over the past decade.

Echoing this stagnation, the SPP's Inclusive Futures series warns of a growing disability pensions gap, with Disability Rights UK chief executive, Kamran Mallick, noting that disabled workers remain twice as likely to be unemployed and earn significantly less per hour.

These disparities indicate that progress in some areas may be masking widening inequalities elsewhere.

Reframing the conversation

One noticeable trend this year has been the move away from the term ‘DEI’ itself.

Increasingly, organisations are using language centred on ‘culture’, ‘inclusion’, ‘belonging’ or ‘talent equity’.

For many commentators, including SPP chair, Sophia Singleton, this reframing is no bad thing.

“Given the work is continuing, its importance is recognised, and it helps improve outcomes, what you call it is probably secondary,” she notes.

Morrissey likewise sees reframing as

a “constructive shift” aligned with a focus on team effectiveness.

According to Antola, DEI language in the workplace is “constantly evolving”.

“We're seeing some firms shift toward terms like ‘belonging’ and ‘fairness’... This helps them embed DEI into strategic priorities rather than treating it as a standalone initiative.”

Handley stresses that such reframing “is not dilution – it's evolution”, so long as it continues to reflect a genuine commitment to inclusive governance and member outcomes.

“Terms like ‘inclusive culture’ and ‘talent equity’ resonate more with boards and avoid polarisation,” she adds.

The road ahead

Despite some continued progress on DEI, Singleton points to fatigue, cost pressures, and potential loss of senior sponsorship as ongoing concerns.

“What we have to do is mitigate these risks by demonstrating the economic and social benefits of a more diverse and inclusive pensions industry,” she says.

Echoing this, Handley warns that leadership disengagement poses the greatest threat to the agenda.

“When leadership treats DEI as discretionary, progress stalls,” she claims.

“Embedding DEI into fiduciary duty and governance standards is the antidote – making it non-negotiable.”

She also underscores the importance of embedding DEI throughout the pensions value chain – from trustee recruitment to member communications, product design and ESG-aligned investment approaches.

For many organisations, 2025 has been about laying the foundations for DEI strategies, broadening awareness, and setting goals.

As we approach 2026, the question is no longer “why DEI?” but “what will we do differently to accelerate progress?”

Industry leaders largely agree that the next phase will be more data-driven and linked to governance and performance.

Morrissey says firms will be more ambitious, shifting away from quota-style thinking towards building high-performing, cognitively diverse teams.

“Those are common goals, whether people are DEI sceptics or advocates,” she adds.

Meanwhile, Singleton anticipates more rigorous measurement, hoping that firms move from ‘vanity indicators’ to metrics like promotion velocity, pay equity and demographic turnover.

Antola also expects a more evidence-based approach.

“The next phase of DEI is likely to be data-driven. Our own figures already show where we've made progress and where gaps are... In 2026, it will remain crucial to continue collecting and analysing this data, but we must also commit to taking action where needed.”

Echoing this, Handley believes the coming phase will be defined by data-driven accountability, backed by mandatory disclosures and increased pressure to scrutinise pension gap data.

She stresses that the sector must look beyond headline numbers and adopt “a broader, intersectional lens that captures systemic financial disparities”.

Meanwhile, Handley says that whether the recently relaunched Pensions Commission addresses the gender pensions gap “remains a critical question”.

The commission aims to explore the complex barriers stopping people from saving enough for retirement.

Ultimately, 2025 has shown that DEI is evolving rather than declining.

If the pensions industry is to sustain momentum into 2026, DEI will need to be measured, evidence-based and integrated across the value chain – not simply promoted through headline pledges and pointless box-ticking.

The challenge now is ensuring that reframing does not become retreat but instead lays the foundations for long-term structural change.

 **Written by Callum Conway**