

DE&I in “Warm Storage”: Compliance and Governance Considerations



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Why this matters now

Recent developments in the United States have increased legal and reputational scrutiny of diversity, equity and inclusion (DE&I) initiatives. For Irish organisations operating within multinational structures, this has prompted a reassessment of how DE&I is framed and governed. While many organisations have moderated language or visibility, underlying legal and compliance obligations remain unchanged. This article examines how a “warm storage” approach is emerging in Ireland and outlines the governance risks compliance leaders should be actively managing.

A recalibration shaped by risk

Over the past 18 months, many Irish organisations, particularly those with material exposure to the United States, have adjusted how diversity, equity and inclusion initiatives are presented and governed. In most cases, this has not involved dismantling policies or practices. Instead, organisations have reduced the prominence of DE&I terminology, reconsidered public commitments, and moved away from explicit targets.

This approach is often described informally as placing DE&I into “warm storage”. From a compliance perspective, it reflects a recalibration driven by cross-border risk rather than a shift in underlying obligations. Heightened litigation risk, regulatory uncertainty and political sensitivity in the US have influenced group-level decisions that are then applied across international operations, including Ireland.

Cross-border exposure and local obligations

Multinational organisations frequently manage risk through centralised governance frameworks. Where DE&I has become a focus of legal or reputational scrutiny in the US, global policy language and communications are often adjusted to reduce

perceived exposure. Irish entities may inherit these changes even where the local legal context differs. This creates a tension for compliance teams. Irish employment and equality law imposes clear obligations in relation to non-discrimination, reasonable accommodation, dignity at work and fair treatment. These obligations are not discretionary and are not affected by political or cultural developments elsewhere. Any material reduction in protections may expose organisations to legal challenge.

The compliance function therefore plays a critical role in ensuring that local legal requirements are not undermined by group-level decisions.

What “warm storage” looks like in practice

In operational terms, warm storage is rarely announced explicitly. It tends to emerge through a series of incremental changes. Organisations may reduce external references to DE&I and adopt broader language around culture, people governance or organisational values. At the same time, many underlying controls remain in place. Recruitment and promotion processes may continue to rely on structured interviews, transparent criteria and documented decision-making. Pay equity analysis may still form part of remuneration governance. Training on dignity at work and inclusive leadership may continue, framed as core management responsibilities.

From a compliance standpoint, this shift from visible commitments to process-based controls can improve defensibility, provided processes are consistently applied, clearly documented and subject to oversight.

The role of compliance and legal functions

Although DE&I is often associated with human resources, compliance and legal teams are



increasingly central to decisions about how initiatives are framed and governed. Concerns around litigation exposure, regulatory interpretation and documentation frequently sit within these functions.

Compliance teams focus on ensuring that policy language is precise, that controls are embedded within governance frameworks, and that organisations retain flexibility to adapt. At the same time, reduced visibility can create new risks if responsibility becomes unclear.

Where DE&I considerations are absorbed into broader frameworks, clarity of ownership is essential to avoid inconsistent handling of issues.

Legal constraints in the Irish context

Many elements associated with DE&I reflect statutory obligations under Irish law. Protections against discrimination, harassment and victimisation, as well as duties around reasonable accommodation, are embedded in legislation. Where organisations have incorporated DE&I commitments into contracts or established practices, unilateral changes may expose them to claims. It is therefore important to distinguish between adjusting language and altering substantive rights.

Even where visibility is reduced, protections must remain robust and clearly understood.

Secondary risks of reduced visibility

While warm storage may reduce certain external risks, it can introduce secondary risks. Reduced visibility can affect employee perceptions of fairness and willingness to engage with grievance or whistleblowing mechanisms.

There is also a governance risk where reduced emphasis leads to weaker monitoring and delayed

identification of issues. Visibility and accountability remain critical components of effective control frameworks.

Board oversight and governance focus

Boards should focus on substance rather than terminology. The key question is whether risk controls remain effective, lawful and aligned with organisational values.

Compliance leaders should ensure that risks are identified, responsibilities are clearly allocated, and decisions are documented and defensible.

Implications for fitness and probity in CF and PCF roles

Decisions affecting conduct standards and organisational culture may be relevant to individuals performing controlled function (CF) and pre-approval controlled function (PCF) roles.

Where controls are reduced in visibility, organisations should consider whether this affects oversight and governance effectiveness. Maintaining clarity around inclusion-related controls can support assessments of ongoing fitness and probity.

Conclusion

The placement of DE&I initiatives into “warm storage” reflects a pragmatic response to cross-border uncertainty. For Irish organisations, the challenge lies in managing external pressure without weakening internal controls.

Compliance functions play a central role in ensuring responses remain lawful, coherent and aligned with long-term risk management objectives.