

Resolved:

Shareholders request that Sarepta Therapeutics, Inc. (“Sarepta”) publish annually a report assessing the Company's diversity and inclusion efforts, at reasonable expense and excluding proprietary information. At a minimum the report should include:

- the process that the Board follows for assessing the effectiveness of its diversity and inclusion programs,
- the Board’s assessment of program effectiveness, as reflected in any goals, metrics, and trends related to its promotion, recruitment and retention of protected classes of employees.

Supporting statement:

Investors seek quantitative, comparable data to understand the effectiveness of the company’s diversity, equity, and inclusion programs.

Whereas:

Numerous studies have pointed to the corporate benefits of a diverse workforce. These include:

- Companies with the strongest racial and ethnic diversity are 35% more likely to have financial returns above their industry medians.
- Companies in the top quartile for gender diversity are 21% more likely to outperform on profitability and 27% more likely to have superior value creation.<sup>1</sup>
- A 2019 study of the S&P 500 by the *Wall Street Journal* found that the 20 most diverse companies had an average annual five year stock return that was 5.8% higher than the 20 least-diverse companies.<sup>2</sup>

Despite such benefits, significant barriers exist for diverse employees advancing within their careers. Women enter the workforce in almost equal numbers as men (48%). However, they only comprise 22% of the executive suite; as a percentage of representation, this indicates a drop of 26%. Similarly, people of color comprise 33% of entry level positions, but only 13% of the c-suite.<sup>3</sup>

On its website, Sarepta states, “We value diversity. We're committed to creating an environment where people can contribute their diverse backgrounds, experiences and ideas to the work they do. We're proud to be an Equal Opportunity and Affirmative Action employer.”<sup>4</sup>

However, Sarepta has not released meaningful information that allow investors to determine the effectiveness of its human capital management as it relates to workplace diversity. Stakeholders may become concerned that Sarepta’s statements are corporate puffery, language described by the United States Federal Trade Commission as marketing exaggerations intended to “puff up” products and not able to be relied upon by consumers and investors.

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<sup>1</sup>McKinsey & Company, “Delivering through Diversity”, January 2018 ([https://www.mckinsey.com/~media/mckinsey/business%20functions/organization/our%20insights/delivering%20through%20diversity/delivering-through-diversity\\_full-report.ashx](https://www.mckinsey.com/~media/mckinsey/business%20functions/organization/our%20insights/delivering%20through%20diversity/delivering-through-diversity_full-report.ashx))

<sup>2</sup> Holger, Dieter, “The business case for more diversity” Wall Street Journal, October 26, 2019 (<https://www.wsj.com/articles/the-business-case-for-more-diversity-11572091200>)

<sup>3</sup> McKinsey & Company, “Women in the Workplace 2018”, (<https://womenintheworkplace.com/>)

<sup>4</sup> <https://www.sarepta.com/join-our-team>, accessed December 18, 2019

Investor desire for information on this issue is significant. In June, 2019, \$1.74 trillion in represented assets released an Investor Statement which spoke to the importance of increased corporate transparency on workplace equity data. As it stated:

*It is essential that investors have access to the most up-to-date and accurate information related to diverse workplace policies, practices, and outcomes.<sup>5</sup>*

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<sup>5</sup> <https://www.asyousow.org/our-work/gender-workplace-equity-disclosure-statement>