

FOR IMMEDIATE RELEASE

LAPFF Supports Human Capital Resolution at Sports Direct

Local government pensions body backs resolution seeking a review of human capital management strategy at British retailer, Sports Direct.

London 16.30 (BST) Leading shareholder group, the Local Authority Pension Fund Forum (LAPFF), has backed a shareholder resolution at Sports Direct's Annual General Meeting. The resolution calls for an independent review of Sports Direct International plc's human capital management strategy and requests a report on the findings of this review to be released to shareholders within six months of the AGM.

The UNITE union has filed the resolution after extended criticism of Sports Direct's labour practices. This criticism includes reports of severe health and safety violations and sexual abuse at the Company's Shirebrook facility in Derbyshire, as well as use of so-called 'zero hour contracts.' The labour practice concerns have been coupled with a massive drop in share price over the last year and Sports Direct's departure from the FTSE 100. Some commentators have alleged that the two issues are related.

According to LAPFF Chairman, Cllr Kieran Quinn, "LAPFF's view is that responsible business practices by companies lead to sustainable returns for investors over the long-term. We are worried that this view is not shared by Sports Direct."

In support of the resolution, LAPFF has produced a proxy advisory briefing which has been distributed to its Member Funds. This briefing expresses concern that although Executive Chairman and controlling shareholder, Mike Ashley, has committed to conducting a workplace review himself, this review would not be independent. LAPFF is further concerned that Sports Direct's promise to have its lawyers, RPC, issue a summary of Mr Ashley's report would just rubber stamp the Company's version of affairs.

A Trade Union Share Owners statement has said: "The [C]ompany's proposed review outlined in its explanatory note on its opposition to resolution 19 is to be carried out by an organisation that is not independent of Sports Direct and lacks relevant expertise in employment and industrial relations practice."

Cllr Quinn stated, "LAPFF's hope is that an independent human capital strategy review will rectify any workplace practices deemed inappropriate and will help Sports Direct to move forward from the reputational and financial damage it has suffered."

The Sports Direct AGM takes place at its controversial Shirebrook facility on 7 September.

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About the Local Authority Pension Fund Forum

The Local Authority Pension Fund Forum (LAPFF), founded in 1991, is a voluntary association of 71 public sector pension funds based in the UK with combined assets of approximately £175 billion. It exists to 'promote the long-term investment interests of local authority pension funds, and to maximise their influence as shareholders to promote corporate responsibility and high standards of corporate governance amongst the companies in which they invest.' www.lapfforum.org. PIRC is the Research and Engagement partner to the Forum.