



Proxy Alert

Sports Direct International PLC (SPD:LON)

Meeting Date: September 7, 2016

Resolution 19: Requisitionists' resolution

Sports Direct Shareholders Resolution

The Proposal

THAT the board commissions an independent review of Sports Direct International plc's human capital management strategy and report back to shareholders within six months.

As over 100 shareholders in Sports Direct, we believe the company's current approach to human capital management will compromise its long-term growth and shareholder value in the UK as well as in continental Europe.

We therefore request the board commissions an independent review of human capital management at the company to ensure that appropriate measures are being taken in the interests of long-term growth for the company and long-term shareholder value.

This review should consider the incorporation of the following standards into the company's business model:

1. **A Living wage:** We believe all workers at Sports Direct need a wage they can live on. Paying decent wages has been shown to reduce staff turnover and absenteeism. Currently the Living Wage Foundation defines the living wage as £8.25 an hour in the UK and £9.40 an hour in London.

2. **Safe and secure work, including guaranteed hours:** We believe the provision of a safe work environment will protect Sports Direct from operational, financial and reputational risk, and beyond these risk considerations, will secure increased shareholder value in the long-term. Workers should be able to expect stable hours or permanent contracts.
3. **Training, development and career opportunities:** We believe that training and development enables workers to be more productive and creative, and that boosting its training provision would thus allow Sports Direct to add real value to its investment in human capital.
4. **Collective voice and trade union representation:** We believe that negotiation and consultation with workers is the most effective way for Sports Direct to engage with its workforce as part of an effective human capital management strategy.

The review should be carried out by an individual or organisation that is independent of the company and has no financial, commercial or personal relationship with any board member. This individual or organisation appointed to undertake the review should be acceptable to Sports Direct workers and their representatives. The results of the review should be reported to the Board of Directors and shareholders within six months of the AGM.

Shareholder Statement

As shareowners we continue to believe Sports Direct would benefit from an independent review of its operations, which would give confidence to shareholders that poor practice is taken seriously, and that positive relations with its employees are prioritised.

Therefore we request that the board commissions an independent review of Sports Directs PLC's human capital management strategy and report back to shareholders within six months.

We urge you to vote FOR this resolution.

Why it matters to investors

Deteriorating financial performance: We believe that Sports Direct's poor human capital management strategy is a key factor in the [crisis of confidence](#) affecting the company. Our company's share price fell from approximately £7.75 (approx. \$10.08 USD) at its last Annual General Meeting (AGM) held on September 9th 2015 to £2.94 (approx. \$3.82 USD) on August 10th 2016. Sports Direct has been the focus of numerous [media reports](#) and [investigations](#) detailing its appalling labour practices.

Long-term value creation requires the effective management of human capital: Unions and investors have [come together](#) to back the present resolution, recognizing that "no company prospers if it exploits its workforce." The resolution is an important step in the union movement's work on workers' capital, both in the UK and worldwide.

Resolution filers

Co-filers include TUC and UNISON staff pension funds, the Borough of Islington staff pension fund, and the Prospect general fund.

Resolution promoted by the [Trade Union Share Owners \(TUSO\) group](#)

For more information

[TUSO Sports Direct Shareholders Letter](#)
[Unite Sports Direct Campaign Website](#)

Company response

See [Notice of 2016 AGM](#) pages 11-12.

Key media reports

[The Guardian: Sports Direct shares plunge as sales growth stalls](#)

[BBC: Sports Direct site 'called ambulances dozens of times](#)

[The Guardian \[Editorial\]: The Guardian view on Sports Direct: a warning from the future](#)

[The Guardian: Sports Direct: Labour to demand government investigation](#)

[The Guardian: Sports Direct denies 'Dickensian practices' in face of investor revolt](#)

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