






# CREATING VALUE FOR OUR SHAREHOLDERS

*At Inditex, we believe that value creation for our shareholders is produced thanks to an adequate balance between the reinvestment in the growth of our business, the sustainable value growth in our business environment and the distribution of an attractive and predictable dividend. In line with this principle, in the same year that the dividend grew 17.3%, we continued carrying out notable investments that have secured future growth and continued leading the principal sustainability rankings in our sector.*

**Photo:** Employees in training in the Inditex offices in New York.

SDG	TARGETS	INDITEX'S CONTRIBUTION
	<p><b>16.7</b></p>	<p>Transparency and communication guide Inditex's relationship with its shareholders. We provide them with access to all of the necessary information in order to ensure inclusive, participative and representative decision-making that responds to their needs. Furthermore, we encourage their participation in the decision-making process of the Group's highest governing body, the Annual General Meeting of Shareholders.</p>

 More information on pages 294 and 295 of this Annual Report.



In 2018, we introduced a new dividend policy, increasing the ordinary payout from 50% to 60%. Additionally, a total bonus dividend of €1 per share was proposed to be distributed in the 2018, 2019 and 2020 fiscal years.

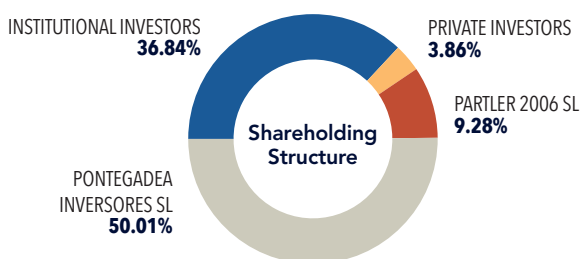
## 1. Our shareholders

The involvement of our shareholders in the decision-making processes of the highest governing body, the Annual General Meeting of Shareholders<sup>1</sup>, allows us to follow their clear directive for medium and long-term sustainable value creation.

Because of this, while continuing to strengthen our policies on transparency and our communication channels that allows us to better listen, we provide value to our shareholders from the balance between the constant reinvestment in the growth of the Group, the generation of a positive impact throughout our environment and the distribution of an attractive and predictable<sup>2</sup> dividend.

### 1.1. Shareholding Structure

The approximate summary of the shareholding structure<sup>1</sup> of Inditex is the following:



Shareholding	Shares
Institutional Investors	1,148,270,730
Private Investors	120,380,955
Partler 2006 SL	289,362,325
Pontegadea Inversores SL	1,558,637,990
<b>TOTAL</b>	<b>3,116,652,000</b>

### 1.2. Shareholder Remuneration

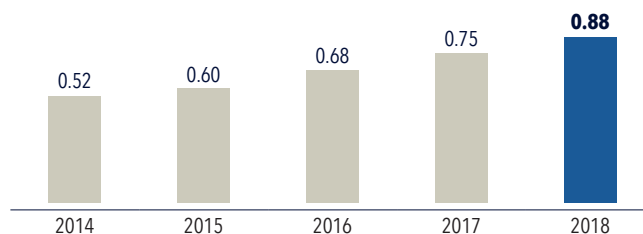
The remuneration policy for shareholders, approved by the Annual General Meeting of Shareholders aspires to offer an attractive, predictable and sustainable dividend over time. Simultaneously, this policy adheres to maintaining an adequate level of resources to assure continued investment for future company growth and value creation.

In line with this policy, in May and November of 2018, a dividend of 0.75 euros per share corresponding to FY 2017 was distributed to shareholders, amounting to a 10.3% increase from previous fiscal year.

Likewise, and taking into account the current financial position and the cash flows of the Company, the Board of Directors proposed to the Annual General Meeting of Shareholders a new dividend policy for the coming years that would increase the current standard payout from 50% to 60%. Furthermore, the Board proposed to distribute a total bonus dividend of one euro per share to be paid in relation to FY2018, FY2019 and FY2020.

Thus, corresponding to FY2018, an ordinary dividend of 0.66 euros per share was proposed with a 0.22 euros per share bonus dividend, totalling of 0.88 euros per share<sup>2</sup>, 17.3% higher than from the previous fiscal year.

Visual: Dividend growth over the past 5 years



<sup>1</sup> The Company's shares are represented through book entries. The maintenance of the registration of these annotations corresponds to the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores (Iberclear). Inditex had 93,573 shareholders according to the data of the Book of Shareholders Register at the end of the fiscal year. Of the same 88,975 were individual shareholders and the other investment institutions.

<sup>2</sup> Of this amount, 0.44 euros per share were paid on May 2, 2019 as interim dividend and 0.44 euros per share would be distributed on November 4, 2019, provided the Annual General Meeting of Shareholders approves the proposal of dividend formulated by the Board of Directors.

## 2. Shareholder relations

The relationship between Inditex and its shareholders (current and future) is governed by the Policy on Communication and Contact with Shareholders, Institutional Investors and Voting Advisors and the Board Governance Protocol.

Inditex guarantees that market participants (shareholders and potential shareholders in particular) have equal access to the information regarding corporate affairs. The Group's website plays an important role in putting into practice this policy of communicative transparency and equal access of information: examples include the Investor Agenda, annual reports and presentations on the evolution of the Company.

To further promote transparency, Inditex publishes a complete list on its website of entities and analysts who produce reports and studies on the company's evolution, and of those with whom it regularly maintains a relationship based on the same aforementioned conditions.

### 2.1. Individual shareholders' department

Any private investor can contact the Individual shareholders' department of Inditex to obtain detailed information about the Company's evolution and its future strategy. During the 2018 fiscal year, we fulfilled 800 diverse requests from private investors for information about our Company.

The office's duties become particularly relevant during the time of the Annual General Meeting of Shareholders, which customarily takes place in mid-July in Inditex headquarters in Arteixo (A Coruña). The Company sends precise information and documentation so that all shareholders are adequately updated on, and can participate actively in, the decision-making process of the highest governing body of the Group.

### Investor relations

All relevant information about the evolution of the business is communicated through Inditex's corporate website ([www.inditex.com](http://www.inditex.com)) and is distributed to a database of investors and analysts with more than 1,100 persons included.

Inditex complements this information with quarterly open access conference calls, and with presentations to analysts and investors throughout the fiscal year in the principal financial capitals of the world. Furthermore, 40 financial and stock market entities publish analysis and reports on Inditex's market position.

The Company's shareholder structure is comprised of 4,598 institutional investors who hold 36.84% of total share capital, together with 3.86% held by private investors, who both play a key role in shaping the share price and its liquidity.



## 3. Indices

Inditex is included in benchmark indices for both its financial performance and its best practices in sustainability.

### 3.1. Euro STOXX 50/ IBEX 35

Inditex has been part of the European benchmark index Euro STOXX 50 since 2011. Likewise, Inditex has been part of the Spanish index IBEX 35 since 2001.

### 3.2. FTSE4Good

The sustainability index FTSE4Good has included Inditex in its index since October 2002. In 2018 FTSE4Good gave Inditex a rating of 4.3 out of 5. The sustainability stock index includes global companies with a commitment to sustainability, taking into account environmental, social and corporate governance practices.

### 3.3. Dow Jones Sustainability Index

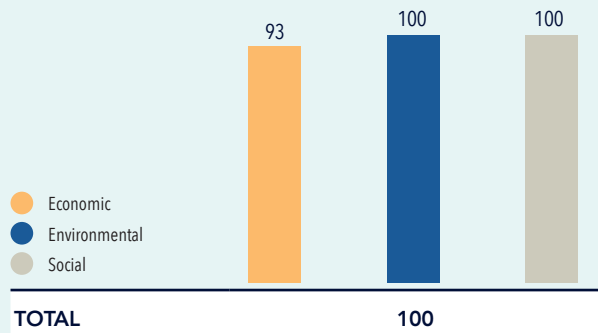
Inditex has been ranked the most sustainable company in its sector for the 3rd year in a row by the Dow Jones Sustainability Index (DJSI), with a total of 68 points out of 100, 45 points above the sector average.

Inditex has been a member of the DJSI since 2002, consistently being placed at the top end of the retailing category for sustainability. This ranking, compiled by S&P Dow Jones Indices using the methodology developed by sustainability investing specialist RobecoSAM, highlights Inditex's leadership in sustainable development and defines the company as a global benchmark in the field.

RobecoSAM's corporate assessment method was overhauled this year, reinforcing the focus on continuous monitoring of the sustainability principles that participating companies report to the market.

Specifically, the report defines Inditex in a leadership role because of its decisive commitment to respecting and championing human rights all along its value chain, its operational eco-efficiency and its environmental reporting

#### Percentil ranking 2018



#### Results of Inditex compared to industry averages, 2018

	Mark Inditex					Ranking percent (*)					Average industry mark				
	2014	2015	2016	2017	2018	2014	2015	2016	2017	2018	2014	2015	2016	2017	2018
Economic	79	78	76	70	<b>61</b>	98	98	100	99	<b>93</b>	42	42	42	40	<b>26</b>
Environmental	90	98	97	96	<b>91</b>	98	100	100	100	<b>100</b>	29	33	33	33	<b>23</b>
Social	76	72	76	79	<b>61</b>	97	97	98	100	<b>100</b>	33	32	29	32	<b>19</b>
<b>TOTAL</b>	<b>81</b>	<b>81</b>	<b>80</b>	<b>78</b>	<b>68</b>	<b>98</b>	<b>98</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>36</b>	<b>37</b>	<b>36</b>	<b>36</b>	<b>23</b>

(\*) Percentage of companies in the same industry with a lower ranking than that obtained by Inditex.