

Diversity and equality of opportunities

In 2010, the Warsaw Stock Exchange introduced the following provision to the Code of Best Practice for WSE Listed Companies: "The WSE recommends to public companies and their shareholders that they ensure a balanced proportion of women and men in management and supervisory functions in companies, thus reinforcing the creativity and innovation of the companies' economic business." As a listed company, Grupa LOTOS shares the belief that employment diversity may increase a company's competitiveness and strengthen its development prospects. However, gender diversity is not always a key factor in HR decision making, particularly in the industry in which Grupa LOTOS operates. The Company manages the Gdańsk refinery. Due to the nature of its activities, a great part of the Company's employees are engineers and specialists in hydrocarbon production and processing. In Poland, as well as in other parts of the world, this segment is dominated by men. This is also confirmed by the prevalence of men among engineering students in Poland. The tendency is reflected in the Company's employment structure. Despite the policy of equal opportunities in the recruitment process, women are more numerous in back-office functions, whereas men – in production and technology.

Composition of the management and supervisory bodies of Grupa LOTOS by age and gender is as follows:

Item	Total as at Dec 31st 2011	%
up to 30 years old		
Supervisory Board	0	0.00
30 - 50 years old		
Supervisory Board	5	83.33
over 50 years old		
Supervisory Board	1	16.67

Item	Total as at Dec 31st 2011	% of all employees
up 30 years old		
Board	0	0.00
Senior management	0	0.00
Lower management	2	0.15
Back-office staff	76	5.72
Production staff	117	8.80
Total:	195	14.67
30 - 50 years old		
Board	1	0.08
Senior management	28	2.11
Lower management	83	6.25
Back-office staff	365	27.46
Production staff	285	21.44
Total:	762	57.34
over 50 years old		
Board	3	0.23

Senior management	13	0.98
Lower management	41	3.09
Back-office staff	166	12.49
Production staff	149	11.21
Total:	372	27.99

The ratio of men's base pay to women's base pay by position held at Grupa LOTOS is as follows:

**Base pay at Grupa LOTOS according to gender,
as at December 31st 2011**

Employee category	Women		Men		Ratio of men's base pay to women's base pay
	Number	Minimum base pay	Number	Minimum base pay	
Supervisory Board	1	3,454	5	3,454	100%
Board	0	-	4	20,728	-
Senior management	7	17,000	34	13,063	77%
Lower management	41	5,748	85	7,000	122%
Back-office staff	355	2,400	252	3,490	145%
Production staff	1	3,818	550	3,000	79%
Relation of minimum base pay	2,400		3,000		125%

Grupa LOTOS wants to offer attractive base pay rates to its employees. However, the Company needs to take into account the nature of a given labour market and certain internal considerations. In 2011, the ratio of men's base pay to women's base pay was 125%, in favour of men. The largest disparities exist in the case of the Finance and Accounting Centre – a self-financing back-office unit, which has to take into account the effect of staff expenses on its profitability. In 2011, several new junior accountants were employed at the Centre to stand in for employees on maternity or parental leave. Since the position requires fewer qualifications and lower education, it entails lower remuneration. The temporary substitute employment contracts are the reason behind lower remuneration of women working in the back-office area.

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