



Women power

12 on ~ 12

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It is time for women!

Women remain a minority not only in management and supervisory boards of the largest Polish companies, but also on capital and financial markets. They are also much less visible as commentators in the business press or as individual investors.

Searching for an answer as to why this is so, I often came across stereotypes: that women do not want to sit on corporate boards, that they are shy and afraid of public appearances or that there is a lack of competent women in general!

In order to show how wrong people stating such theses are, I started my own project – 12on12. It shows twelve female role models from the broad area of finance and business in Poland. These are ambitious, well-educated, competent and confident women of success. I asked each of them twelve questions related to their careers and interests. Each month of 2021, one interview was published on my LinkedIn profile.

I encourage you to read these interviews! This publication collects them. I also hope you will be inspired by the project – there is no shortage of wonderful women, it is worth showing them.

I wish that 2022 will be the year of diversity and of a greater role for women.

Milena Olszewska-Miszuris





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January



Dorota Puchlew-Grzelak

Founder of House of Cotton
and IQ Grower



Success in business means finding your blue ocean

Efficiency champion, founder of businesses with million zloty turnover and a fulfilled mother. Join me in my discussion with Dorota Puchlew-Grzelak on how to constantly develop, turn your worst day of your life into business success and importance of innovation in business. If you want to know if a career on capital markets or running your own business is for you or you are interested blue ocean concept in business, be sure to read!

Let's start with your successes as a student. We met at the Warsaw School of Economics (SGH) and we immediately won E&Y mathematics contest together. You are the only person I know who has completed three university degrees and written three masters theses. Tell us how to achieve it?

You just have to pass the exams and write three master theses:) SGH allowed students to choose their own subjects. So you could use the five years of study in your own way, there were no bachelor theses at that time.

I am ambitious, and I have not heard of a person who completed three master studies – I wanted to be the first. I like to plan, analyze and structure, so writing three theses was not a big challenge.

One path of study was not diverse enough for me, did not encompass sufficient knowledge and opportunities. I wanted to have the broadest possible theoretical basis. I was aware of the importance of practice. I willingly applied for internships to companies. Although in those days the internships were not paid, I used them to learn and absorb knowledge. Our internship at E&Y, which we won, was my only paid internship.

After university successes, professional ones followed. You have inspired many girls, including me, to obtain CFA (Chartered Financial Analyst) charter and start a career on capital markets. How did you do it? It was not an obvious career for a woman at the time.

Already in my third year of studies, I knew I wanted to work on capital markets. I have completed internships, in dealing room and in brokerage house. My involvement during the internship in a brokerage house and further development (including CFA certificate) were appreciated and I was offered a job as an equity analyst. I felt that it was an exciting career full of challenges and with no repetitive tasks. Even then, I realized that routine office work from 8 am to 4 pm was not for me. Although initially my salary was insignificant, I knew that thanks to my commitment and development it would quickly change. And so it did.

What elements of work as equity analyst you liked best?

Most probably lack of routine – I am a rebel and for me freedom is very important. I enjoyed learning new elements, meeting interesting people, including CEOs and CFOs of the largest listed companies, or managers of multi-million funds. I was impressed when newspapers quoted or the television broadcast my comments – those of a girl in her twenties.

The work itself was fascinating and intellectually demanding. It consisted not only of analyzing numbers (and I love excel), but also of synthesizing all information about the company, market, prospects, sensing people running those businesses, and assessing corporate development opportunities in this way.

It was important for me that I was developing. In order to constantly improve my qualifications and polish the analyst's skills, I changed my job twice. The first time to cover larger companies, and the second time to work at an international brokerage house with extensive background and experience.

A decade ago, as female equity analysts on the Polish capital market, we were a minority. Was it noticeable to you?

It was hard not to notice and at first I was a little afraid of how I will find my way in the male world. But I have never felt discriminated, diminished or patronized. Of course, there have been misogynists, but I suspect that such individuals can be found in any industry. In this type of work, your knowledge and intellect counts, and although I know that I was probably judged in other respects, I never felt it. I even think there were advantages to being one of the few women:)

The job of an equity analyst is quite demanding, both in terms of working hours and, in those days, travel. How has motherhood influenced your professional career?

Motherhood changes everything, but most of all your mindset. It's just that priorities are completely reorganizing. All the glitter of foreign trips and media comments ceased to be important.

To spend quality time with my child, I switched to part-time. It didn't diminish my productivity. A person is able to work effectively for a maximum of 6 hours and I did it – just like before, when I had to spend more hours in the office – only on my own terms.

I was also increasingly bothered by the corporate culture and rigid rules at work that were more and more difficult to reconcile with my libertarian nature. But the job was well paid, and I was planning to expand my family, so I kept working ...

Despite your success and recognition, your over 8-year-long career as an equity analyst came to an end. I still remember that day when you left the office – we worked together then. Share with us how to find strength after such experiences?

Exactly – I should not have complained! Honestly, it was the worst time of my life. After I was let go, I found out that I was pregnant, so I could hardly go to work elsewhere. I was entitled to social security support but only in the „starvation” rate and only until delivery, later: nothing.

I have never had to save money before or wonder how am I going to pay my mortgage ... these down-to-earth problems can be really devastating when you know there is not much you can do because you're pregnant!

At some point it struck me, however, that I was no longer happy working as equity analyst. I felt that like doing something meaningful, giving people real value. And then I remembered my earlier idea for an on-line store – shelved for "someday later". And that day has come! I started a company and became an entrepreneur.

And what an entrepreneur! Tell us how to choose a business model so that it turns out to be a success right away?

The basis of a successful business is finding the customer's severe problem and proposing a solution. A few years earlier I became interested in sewing and it quickly evolved into a passion of mine. I realized that the Polish market lacked high-quality cotton fabrics with beautiful printed patterns. Back then, only gloomy haberdashery with wool for suits and expensive silk were available, as well as on-line stores with beautiful, but expensive cotton imported from the USA.

I saw a niche and took my chances. The fashion for sewing returned then, interest in patchwork was growing, sewing accessories and clothes for children made of cotton were increasingly popular, because it is natural and pleasant to the touch.

Back then, finding cotton produced in Poland that did not deter you with a pattern was almost a miracle. Gradually, I found increasingly interesting patterns, I also imported fabrics from the Czech Republic, Germany, Great Britain and gradually filled my niche.

House of Cotton quickly became a success. Please, tell us how this success looked like from the inside?

When I founded House of Cotton, I had practically no competition in my price range and the demand for the product was huge. For the first year, I ran the company by myself, then I started to hire.

The everyday life of operating an on-line store requires running a fanpage on Facebook, contributing to the blogosphere, organizing contests for customers, etc. – these can be an alternative to marketing expenses. The store must stand out – I focused on professional photos, comprehensive descriptions, running a blog where I published sewing instructions how to use materials sold in my store. From the very beginning, I was focused on building a permanent customer base, with the use of newsletters – back then, they were not so common and it was easier to get people subscribed.

I tested new solutions, implemented fresh ideas – I always had more ideas than time to implement them – not all of them turned out to be successful.

Running a business can be very absorbing. Can you tell us how to achieve a work-life balance if you work from home?

I don't know if it is possible at all especially if you really like what you do. Then you have the feeling that when you work, it is almost as if you are spending time on your hobby, and it is almost as if a free-time.

But that's not true. After a while, you begin to struggle with exhaustion and even burnout. That is why it is important to be able to always carve out time for yourself, when you do something you like and it's not a job! It is very difficult and I cannot say that I can do it.

The most difficult period for me was when my children were young and the company was dynamically growing. Then I decided to hire my first employee. Thanks to this, I was able to devote more time to my family, but also to developing the company itself. Until that time, I was working in my own company, not on it. This is a key distinction. For many aspiring entrepreneurs, like me, this has been a revelation.

Have double-digit sales dynamics always been recorded by House of Cotton? What actions had to be taken on a regular basis?

Nothing lasts forever and at some point I was surprised to find that the bars had stopped growing. Competition has emerged, offering the same goods, but at significantly lower prices. The economic bill at such low prices simply did not make sense – handling fabrics is much more labor-intensive than in the case of books or toys. The most aggressive

competitor, which quickly took over a very large part of the market, after some time completely withdrew from the printed cotton segment. The market has already been 'damaged'.

There is a concept of blue and red oceans: red is the one in which there is fierce competition causing companies to bleed out, while blue ocean has little or no competition. The key is to find your own blue ocean. I knew that competing with price is not an effective strategy. I decided that I had to stand out again – so I decided to offer my own patterns and to be eco-friendly. I have established cooperation with a printing house that prints fabrics on demand and sends it to the customer directly. This is in line with the #zerowaste philosophy, which is close to my heart.

You didn't stop at one company. You are now developing another one related to children education and your own experiences. Tell us about it.

The idea of IQ Grower is older than the idea for House of Cotton. Years ago, I didn't know how to go about it. Technological possibilities were also much different back then. Now, with much deeper business knowledge, I have decided to come back to it. My area of competence and passion is also education and intellectual development – this is where I can give most value to the world.

When my daughter was little, I discovered the Doman method that supports child's development and intelligence and helps them reach their natural potential. Every baby is born with endless possibilities that just fade away when not in use.

The method consists of a couple-of-minute-long playtime with the child. However, in order for it to happen, the parent must spend long hours preparing for this time. At that time, it was too overwhelming for me, so I implemented the program with my daughter only partially. That's why I have recently created a platform, IQ Grower, where these materials are available electronically. Any parent who cares about their child's mental development can benefit from them.

Looking at your career, what three tips would you give to women who are considering starting their own business?

First of all, that running your own business is not for everyone and you should be aware of it. It's not that everyone who loves to bake cakes and bakes them perfectly should start their own pastry shop. Such a business is not only baking, but also sales, marketing, procurement, accounting, employees, customers, maintenance of the premises – a lot of activities that not only may not be your area of expertise, but you may not even want to learn them. Besides, they will distract you from what you love: baking.

Second, never stop learning. If you are an entrepreneur, you need to be on top of many elements: keep an eye on trends, what the competition is doing, what customers want (and what they need, because they are often two different things), including how industry or accounting regulations change. First of all, learn marketing and sales,

because if you are an entrepreneur, then you are a marketer – whether you want it or not. Read business books, take part in meaningful courses and trainings, find mentors – people who are already where you want to reach.

Also, remember to look at each event from a distance. The worst day of my life in which I was fired from my job was a great new start. The beginning that might never have happened if I hadn't been forced to do so.

Similarly, my troubles with competition resulted in a new business model that not only made me independent of it, but also provided much more freedom and cost control, so on balance it only worked well for me.

Thank you very much for this powerful dose of inspiration and female strength. I wish you every success!

Thank you for inviting me. It was very pleasant to go on this journey through the past and remember how I was then and how I felt, thank you for it!



February



**Ewa Radkowska-Świętoń,
CFA, FRM**

CEO of Association of Independent
Supervisory Board Members



Girls, don't be afraid, be brave!

The icon of the Polish capital market – institutional investor, President of the Management Board, independent Supervisory Boards member – a real ,role model' for women interested in capital markets and finance. Designated with two international certificates: CFA (Chartered Financial Analyst) and FRM (Financial Risk Manager). A woman who has been an inspiration for me since the early days of my professional career on the Polish capital market – Ewa Radkowska-Świętoń.

Ewa, thank you for accepting the invitation to the project, it means a lot to me!

You are one of the few women who serve as independent supervisory board members. Please explain what a supervisory board does and how to understand the word ,independent'?

The supervisory board is the company's supervisory body that monitors the activities of the management board. Supervisory board appoints members of the company's management board, gives opinions on the company's financial statements and proposals for profit distribution, assesses the internal control systems, also from the point of view of the most significant risks. Board members are elected by the company's shareholders at general meetings.

Independence of supervisory board members is an important concept – it means appointing to the board persons who are not related to the company itself and its key shareholders. They can thus objectively look at its activities and plans. Supervisory board decisions should take into account the welfare of various stakeholders, including all shareholders.

I encourage everyone who invests on his/her own behalf to check how many independent members of the supervisory board the company has and who they are.

Is the supervisory board a homogeneous body or does it represent different ways of looking at business, its future and value creation?

Supervisory board members are usually persons with different education, professional experience, varied levels of knowledge of the industry and the company and often different views on business, its main goals and values it should pursue. Such diversity is, in my opinion, very stimulating and gives the management board and managerial personnel a chance to look at specific business decisions from many perspectives. In my opinion, due to its bird's eye view and lesser focus on short-term results, supervisory board may offer space in which different visions for development and future of the company can be discussed. These differences may be fundamental, yet often it is also possible to reach a compromise.

Supervisory board also operates through committees, including Audit Committees on which you sit. What are the roles of such committee members and is their work important from the point of view of capital market participants?

The audit committee is a particularly distinguished committee of the supervisory board, one could say such a special task force for financial reporting and risk management. It is the audit committee that monitors and supervises the entire process of creating financial statements. Its role is to assure that the financial statements prepared by the management board offer a true and fair view of the company and contain all the information relevant to investors (current and potential).

The audit committee must consist of at least three people and these persons must have additional qualifications. At least one of them should possess knowledge and skills in the field of accounting or auditing, and at least one should be distinguished by knowledge of the industry in which the company operates. By law, most members – including the chairman of such a committee – should be independent.

The committee regularly cooperates not only with the company's financial department, but also with the statutory auditor. The second area of particular interest of the audit committee is the internal control system operating in the company. Hence, regular meetings with persons responsible in the company for risk management, compliance (i.e. acting in accordance with the law) or cybersecurity, and above all internal audit. An efficiently operating audit committee pays attention to risks that may have the greatest impact on the company's operations and urges the management to mitigate them.

From the point of view of an outsider, supervisory board may seem like a bit of a ,mysterious body'. It does not communicate as often with shareholders as the management board and does not vote as openly as shareholders at general meetings. However, it publishes reports – what is there worth paying attention to?

The Report of the Supervisory Board shows which issues are most important for the board in the company's operations and from the point of view of its results. It is worth

reviewing such reports to be aware not only of what the organization focuses on, but also how often the supervisory board meets – is it just the statutory minimum or is the board an active body, also between meetings.

It is worth paying attention to the reports on the works of committees, especially the audit committee. For me, the report on the assessment of the company's situation is also interesting, especially in the area of internal control systems. Still, many listed companies do not have an internal audit unit, i.e. an internal policeman who would verify its activities. This is a more demanding situation for the audit committee, which we can also read about in such a report.

What qualifications and skills are needed to start a career as an independent supervisory board member? Is it a job for everyone? It is commonly believed that supervisory board meetings are so-called discussions over coffee – how much truth is there?

I do not like coffee:) so rather over tea, and for the last year rather at the monitor. More seriously, to work on the supervisory board, in my opinion, you need both some hard and soft skills and commitment.

At least basic knowledge of accounting and finance, the Code of Commercial Companies and industry regulations is important. Knowledge of risk management is also very useful. Experience in business is also key, not necessarily in the sector in which the company operates. Therefore, in supervisory boards, I would envisage people who have seen a lot in their lives and are able to draw general conclusions from these experiences.

The key factor, however, is the independence in thinking, which for me means not relying only on the opinion of the management board or other board members, but drawing conclusions based on own analysis of data or documents. It also stands for courage in expressing these opinions while remaining open to changing one's mind. During the work on the board, soft skills are also useful, such as the ability to establish relationships, run discussions and cooperate with a group of diverse opinions.

Coming back to the coffee discussion, if you take the role of a supervisory board member seriously, board meetings are just part of the job. Engaged supervisory board members follow the activities of the company and events in the industry in which the company operates on an ongoing basis, carefully study the materials prepared for the meetings and maintain contacts with the company's representatives, the auditor or shareholders.

We both belong to a prestigious association – the Association of Independent Supervisory Board Members – what is our mission and vision and who can join us?

The Association of Independent Supervisory Board Members aims to spread awareness of the role of independent members of supervisory boards and to professionalize this profession. We believe that exchange of experiences, expanding our knowledge and

influencing the shape of regulations are the best means to achieve this goal.

We have a lot of success, although we are a young Association. Many of our comments were taken into account in the process of developing the Polish FSA (Polish Financial Supervision Authority) guidelines for companies regarding the appointment and operations of audit committees. We care about high quality, so only persons recommended by current members who are or have served as independent board members in companies listed on the WSE (Warsaw Stock Exchange) can join us.

Your professional career includes not only supervisory boards, but also being the President of the Management Board (CEO) of a listed company. How working on the management board differs from working on the supervisory board?

In almost everything;) The CEO is responsible for everything that happens in the company, monitors the most important indicators and results every day, is involved in solving problems and is on the look-out for new opportunities for the company's development. He/she lives through every success, but also every failure. A CEO devotes one hundred percent of his/her time and energy to the company's affairs. He/she must reconcile the interests of customers, employees and shareholders.

On the supervisory board, these burdens are lesser, because the decision-making power is incomparably smaller. There is more space here for advice, pointing to potential problems and opportunities, yet the emphasis is on risks. In the work of a management board member, opportunities come first.

Women remain a minority on boards of listed companies in Poland, both on management and on supervisory boards. What are the reasons behind it and how could it be changed?

This is probably a topic for a separate discussion. Unfortunately, the problem of women's participation on company boards does not apply only to listed companies. Where does this glass ceiling come from? Probably largely due to the fact that it is women who devote their time to caring for children and these few years "taken out" from professional life mean that men climb the next career ladder faster.

The issues of stereotypes instilled (both in boys and girls) from an early age are also important, that women are more emotional, have problems with making decisions, are „too soft“, which is to be an obstacle in being an effective manager. Fortunately, we know today how far from the truth these statements are, as shown by your research „Women on boards and company performance“.

How to change it? Of course, building awareness and showing that institutions with diverse boards perform better is one way. In my opinion, however, the best way is through systemic solutions, i.e. regulations improving the situation of women in the labour market, and in the case of the authorities of listed companies, more or less categorical determination of their minimum participation on boards. Shareholders,

paying an increasing attention to ESG (environmental, social, governance) issues, may also have some influence on the situation.

For many years you have been a portfolio manager at both a mutual and pension fund and an investment director. You have experience at all three levels of corporate governance. How does an institutional investor perceive the composition of the management and supervisory board – competence and diversity of its members?

In the case of management boards, the investor's first priority are competencies that ensure the company is led by a group of people with experience and success in most important areas. The person responsible for finance (CFO) plays a very important role for fund managers. He/she is often responsible for investor relations.

In the case of the supervisory board, an adequate share of truly independent members is important. It seems to me that diversity issues are still not very present in the minds of domestic investors.

You touched on ESG. Capital markets are changing, non-financial indicators are increasingly important. How do you think these trends will develop in the coming years?

In my opinion, we are only at the beginning of the wave of interest in ESG issues and we are just starting to understand that the so-called non-financial factors have a real impact on the financial situation of companies.

I am following the discussions on shareholders vs. stakeholders value, i.e. what should be the goal of enterprises – increasing value for shareholders or for the wider stakeholder group. The latter is increasingly more appealing to me.

The climate crisis and the pandemic show, in my opinion, that focusing only on short-term profits is not enough to ensure the company has a relatively stable future. Legal regulations forcing financial institutions to take into account ESG risks have a significant impact on the strength of these trends.

Could shareholder activism, i.e. an active approach of mutual and pension funds, help in enforcing greater commitment from companies to sustainable growth and the inclusiveness of their boards?

Of course, if only those elements found their place in investment policies and rules of exercising the rights of shareholders by fund management institutions. It seems that this approach is still an exception rather than a rule on our market. Fortunately, the EU regulations somehow force investors to pay more attention to the issues of sustainable development, which may force us to change our approach.

What advice would you give women who are considering embarking on a career on the capital market?

First of all, I would like to tell them – **do not be afraid, be brave!** This job is for you.

And from more specific advice – of course, as everywhere, knowledge is very important, but practice is even more crucial. So, apart from valuation methods, excel, time value of money, reading financial statements, it is worth getting to know as many companies and their business models as possible, both those that have been successful and those that have not. It is very helpful, especially in the beginning, to find a „mentor“ willing to share knowledge and experience.

What else? Don't limit yourself to our local backyard. Look for knowledge and examples of companies also outside of Poland. Be interested in what is popular and on top in developed markets, e.g. ESG, algorithms. And don't worry if you think the capital market is a male environment. From experience I can say that we can be successful everywhere, here too:)

Ewa, thank you very much for a huge dose of knowledge, experience and practical advice.





March

Agnieszka Oleksyn-Wajda

Legal counsel, founder and
head of Institute of Sustainable
Development and Environment at
the Łazarski University



A lawyer with a green heart

She has always been interested in the fashion industry. She started her career by advising clients in the retail industry on tax issues. After more than a decade, she turned towards environmental protection law and so as to connect all the pieces of her experience puzzle, a few years ago she became involved with sustainable development, primarily in the fashion and retail sectors. She is a legal counsel, a founder and head of, among others postgraduate studies in Environmental Protection Law and the Institute of Sustainable Development and Environment at the Łazarski University – Agnieszka Oleksyn-Wajda.

Agnieszka, thank you very much for accepting the invitation to 12on12. Finance, law and fashion are becoming greener and today this green colour will be the focus of our discussion.

You started your career at the prestigious KPMG – a big4 company. You advised, among others, companies from the retail sector. Tell us how your adventure with sustainable development started and how you define it?

I started working at KPMG as a student as part of my internships at the end of the third year of my law studies. I stayed for over a decade. Most of the time, I advised clients from the retail sector, who at that time invested intensively in the infrastructure of shopping malls and logistics parks. The global economic crisis in 2008 caused an economic slowdown and a hold-up of investments. The shopping mall market, which was developing up till that point in time, was one of the most severely affected by the crisis. It all made me reflect deeply. I began to see economic development, corporate social responsibility and environmental protection as part of the same puzzle.

At that time, the concept of sustainable development started catching attention, both on a wide international and EU forum. In response to the crisis, in 2009 the European Commission recognized that sustainable development constitutes a primary and long-term goal of the European Union. It happened many years after the concept was formed – originally it occurred at the turn of the 1960s and 1970s. At that time this new and revolutionary concept was a response to the growing human pressure on the environment. Over time, this concept evolved, gaining more attraction partially due to nearing climate crisis.

From international forums, the concept of sustainable development has also penetrated the domestic soil. The Environmental Protection Law in Poland (from 2001) defines sustainable development as a socio-economic development in which the process of integrating political, economic and social activities takes place, while maintaining the natural balance and durability of basic natural processes, in order to guarantee the possibility of satisfying the basic needs of individual communities or citizens – both the present generation and future generations. Such a definition does not satisfy everyone. According to some critics, sustainable development is a vision with no chance of being implemented, it is treated as a set of slogans that cannot stand up to reality. In my opinion, the concept of sustainable development deserves a positive assessment because it sets new, fairer directions for the functioning of the international community. The implementation of its ambitious goals is a target for generations, and this should by no means discredit it.

As you mentioned, the definition of sustainable growth speaks for future generations. What rights are related to the environment? Who is entitled to those rights? Does anyone protect them?

A great question, as it touches upon many aspects of this topic simultaneously. Pursuant to the Constitution, the Republic of Poland ensures environmental protection, guided by the principle of sustainable development, while public authorities are obliged to protect the environment and conduct a policy ensuring ecological safety for contemporary and future generations.

This topic is a vivid and important one as the relationship between humans and the environment is a constant interaction. As people, we affect the environment, but we also depend on it. This state of affairs makes one wonder to what extent environmental protection is related to human rights. In other words, does an individual have the right to demand protective measures from the state? The matter would be relatively simple if the regulations contained a principle that everyone has the right to a clean environment. Unfortunately, there is no such clear and obvious standard. Nevertheless, the doctrine of environmental protection law tries to prove that the right to a clean environment is a human right which is based on, inter alia, protection of human health and life.

It goes without saying that environmental degradation directly violates the fundamental human right to live. Thus, the right to live presupposes the right to a clean and healthy environment. Considering the seriousness of the situation in the field of progressive environmental degradation, on the one hand, and the weight of slogans regarding its protection, on the other, it seems that the right to live in a clean and healthy environment will soon be written as one of the fundamental human rights, both in international and national law. I sign with two hands under the words of Hanna Machińska, Deputy Ombudsman, that „we should fight for international treaties (and I would like to add – national law) to clearly state that the right to a clean environment is a human right”.

It is worth adding that in our country, from the legal point of view, interesting discussions are taking place regarding the inalienable right to live in a clean environment, which is soon to be resolved by the Supreme Court. According to the information from the press office of the Supreme Court, the resolution should be adopted on March 26.

It is very interesting. Are these rights related to the right to information about the state of the environment? Increasingly more is being said about its deteriorating condition. Where to get objective information?

The right to information on the state and protection of the environment has been enshrined in international, EU and national regulations and is one of the greatest achievements of „green” non-governmental organizations. It is thanks to their efforts that now „everyone has the right to information about the state and protection of the environment.” Without this fundamental right, the participation of society, including individuals, in environmental protection would be an illusion.

The right to information about the environment and its protection applies to everyone – a natural or legal person, as well as organizational units without legal personality. Access to information is granted regardless of citizenship, place of residence, age and legal capacity, regardless of whether the party requesting information has any legal or factual interest in the information or matter the information relates to.

We have already established that as individuals we have the right to a clean environment and information about it. From your perspective, a person who acts, inter alia, in the Sustainable Development Group at the Retail Institute, sits on the Board of the Lewiatan Confederation of Fashion and Innovative Textile Entrepreneurs, is a member of the CSR Committee at the French-Polish Chamber of Commerce – what activities are companies taking now and what should be taken so that we all have a common future?

Business is increasingly bolder involved in the implementation of principles of sustainable development. The largest market players already have departments and experts dealing with sustainability issues, both in value chains, in terms of regulation and in terms of communication. Entrepreneurs form industry groups, in order to transform

their businesses, exchange experiences, share good practices, but also cooperate with public administration.

The rapidly growing environmental awareness of consumers means that a new “green” era is being born in front of our eyes, and the respect for the environment and taking into account the principles of sustainable development are becoming part of the DNA of a responsible market participant, including in SMEs (Small and Medium Enterprises).

Companies increasingly often measure greenhouse gas emissions in their supply chain, prepare reports on these emissions and try to reduce such emissions using various methods. Set goals in sustainable development strategies facilitate incorporation of such strategies.

It is also important to recognise voluntary industry initiatives. For example, in the second half of 2020, the Retail Institute, a center for dialogue, research and analysis in the shopping mall industry, carried out the Challenger project. This project was aimed at revolutionizing the current model of functioning of shopping malls by creating and then implementing innovative concepts and methods of using commercial space. A group of 25 mentors (to which I had the pleasure to belong) and over 100 students, graduates and representatives of start-ups participated in the project. Eight working teams were established, and each of them developed over 100 ideas for improving the operations of shopping malls. Winning ideas are to be developed, prototyped and tested. As a result, in 2021, a project aimed at introducing the principles of sustainable development in shopping malls will be gradually implemented. For this purpose, guidelines in relation to buildings but also to managers and tenants will be developed. The solution results from a deep analysis of the existing system solutions in the field of sustainable development and respect for the environment. It emphasises the need to search for solutions both on consumer and business side.

I am glad that business is doing increasingly more in terms of sustainable development. Should these activities be supported by sustainable development strategies and/or environmental policies? if so, what elements companies should include in them for those policies to be effective?

Environmental strategies will certainly help companies define their sustainable development goals. Such documents should comprehensively define actions in the field of sustainable product policy (including eco-design measures to ensure that textile products are fit for circularity), waste management (including actions aimed at reducing waste, textile waste collection, circular economy guidelines or extended producer responsibility), water and wastewater management, reducing the use of plastic, introducing green innovations and policies for subcontractors on low-carbon intensity, monitoring progress or even identifying new business models.

Strategies should be developed in such a way as to reduce the negative impact on the environment in a given enterprise on the one hand, and to make them realistic on the other.

You also cooperate with the media on a daily basis, how do you evaluate the way companies communicate not only their strategies, but also actions related to sustainable development? What should we pay attention to as consumers or investors?

The pandemic has sharpened „green“ consumer expectations.

I will cite the results of two interesting studies.

As pointed out in the Accenture report „Consumer in New Reality“ dated May 2020, Polish consumers appreciated the brands' involvement in social activities (CSR) supporting those in need in the first months of the pandemic.

Another report by this company, „Conscious consumer“ from October 2020, shows that consumers read the composition of the products more carefully – 44% of consumers declare that they read the composition of the clothes. Customers trust the declarations of companies about ecological product characteristics. One third of them believe in declarations, i.e. they trust that products marked with the word „ECO“ are eco-friendly.

For companies, this means that departments responsible for communication and CSR should provide verified and true data on sustainable development in a given company. Messages should be reliable, understandable and transparent, and above all, in line with reality. The so-called greenwashing can result in a loss of consumer confidence in the brand and thus – loss of the customer in general.

Interestingly, in the last month there was a high-profile case of three entities introducing men's formalwear to the market. On the basis of the inspection, the President of the Office of Competition and Consumer Protection (UOKiK) accused them of misleading consumers. Each consumer has the right to reliable information about the quality of the product, but is often unable to verify whether the declarations are true. That is why UOKiK examines the composition of products, which allows consumers to have access to reliable information about raw materials used. For falsifying the composition of clothes on labels, there is a financial penalty of up to 10% of the turnover. However, it is really painful to publicize the case in the media and identify the entities that have committed the violations. This causes a loss of customer confidence.

As you can see, the credibility of companies' declarations in communication, advertising or even declarations about the composition of clothes is still difficult to verify. However, in connection with the European Green Deal strategy, a significant strengthening of consumer law is expected, primarily by providing reliable and comparable information on the impact of a given product on the environment and climate and by eliminating the use of unfair green PR (greenwashing).

We have already touched on issues related to the fashion industry. The fashion industry is one of the biggest contributors to environmental pollution in the world. Can this industry be green? Is its climate neutrality possible in your opinion?

I cannot answer this question except in the affirmative. The fashion industry has already started a green transition. If it were otherwise, I would have to consider the time spent on research, analysis and development of new solutions for this sector as wasted.

At the end of December 2020, information from the European Parliament Research Service was published on the environmental impact of textile production and textile waste. These data confirm previous research and reports on the impact of the fashion sector on the planet.

For example, McKinsey 2020 report Fashion on Climate shows that the fashion industry emits 2.1 billion tons of greenhouse gases (4% of total global emissions), which is equivalent to the amount of greenhouse gases emitted annually by the entire economies of France, Germany and Great Britain combined. As authors of the Global Fashion Agenda report and The Boston Consulting Group of 2017 Pulse of the Fashion Industry Report 2017 rightly emphasize, broadly understood fashion industry on a global scale significantly contributes to the negative impact on the planet.

The importance of the impact of the apparel sector on our planet is recognized by international organizations and NGOs. You are, among others member of the WG6 working group within the organization supporting Fashion Climate Charter under the aegis of the United Nations. Are the UN, OECD and EU starting to address issues related to this sector more strongly?

The signatories of the Fashion Industry Charter for Climate Action issued in September 2020, under the auspices of the United Nations Climate Change, guidelines for the fashion sector – Climate Action Playbook. These principles provide a guide for the fashion industry to help achieve climate neutrality. Although the guidelines, as the name suggests, are not binding, they set the direction for environmentally friendly business, both for entrepreneurs and administration bodies. The guide describes initiatives, tools, certificates and programs to help implement measures to reduce the carbon footprint. According to the Playbook, the most optimal transition for the fashion industry would be to move to a circular economy.

It looks that 2021 will be a breakthrough year for the fashion sector. The European Commission will present the EU strategy for the textile sector this year. In 2020, the Civil Society European Strategy for Sustainable Textiles, Garments, Leather and Footwear was published by a coalition of social and environmental non-governmental organizations. The strategy aims to contribute to the upcoming comprehensive EU Strategy for Textiles and to promote and support the circular economy in the textile, clothing, leather and footwear industries. This document is somewhat of a call to action for transition in the EU to a circular economy model instead of a linear economy generating a large amount of waste.

It seems that the circular economy will be one of the most important topics, among other for the fashion sector. What actions do you think companies in this sector should take to be ready for the challenges of the future? What issues should investors or banks pay attention to?

The transition from linear to circular economy model, which is advocated both by the European Commission and recommended in the Playbook, means a change in the entire management system. Development of a circular economy can be supported by innovative forms of consumption, examples of which are indicated, for example, in the Climate Action Playbook – sharing economy: borrowing, exchanging, reusing, or recycling. Examples of good practices in this regard are Adidas (return of used products and exchange for points to buy new goods), North Face (renewal of used products) or H&M COS (resale platform, i.e. reusing products).

The importance of the circular economy in the fashion industry was highlighted in May 2019, at the Copenhagen Fashion Summit 2019, in the Manifesto by EURATEX, the Federation of the European Sports Industry, the Global Fashion Agenda, the International Apparel Federation and the Sustainable Apparel Coalition. The aim of the Manifesto is to address the most significant gaps in the effort to collaborate in the fashion industry, in order to reduce the negative impact on the environment.

There seems to be a lot of work to be done in this regard and building awareness of these actions is becoming more urgent. Did these motives lead you to establish the Institute for Sustainable Development and Environment, which I am now honoured to co-create with you?

The Institute is a research and development unit at the Łazarski University, which aims to promote good practices in the field of sustainable development, conduct market system research in the field of green financing, as well as create a platform connecting business, science and central administration.

The Institute cooperates with business, market research experts and organizations associating entrepreneurs. We are currently participating in several research and development projects aimed at supporting the transformation of the fashion and retail sector into a sustainable one.

The Institute is a specialized unit connecting renown specialists in the areas of sustainable development and creating climate policies for interested corporates.

The Institute is the next step on your academic career path. You have created as many as four postgraduate studies, including in the field of environment, fashion and new technologies at the Łazarski University. These studies are rewarded for their quality and attract a wide range of people who want to broaden their knowledge. What does sharing knowledge give you?

I created my first postgraduate studies over seven years ago. At that time, I treated this project as an additional weekend activity. Working with excellent specialists, whom I appreciate very much, but at the same time I like a lot, began to bring me satisfaction. Especially, that the audience groups are getting bigger every year. This means that people want to educate and professionalize with us.

We improve the study program after each academic year. We observe the market, draw conclusions from our professional work, exchange experiences with other experts, listen to what employers expect within the organizations in which we are associated. We aim to adjust the program in such a way that interested persons can demonstrate their knowledge and competences in their business after graduation.

I often listen to lectures given by invited lecturers. Their expertise is extremely extensive and varied. I treat listening to such lectures as a real intellectual feast.

I also like to share my knowledge, especially if the listeners come back after some time, because the advice was useful in their professional work, or they wish to further broaden their knowledge.

Annually, more than 100 people become graduates of our studies, we cooperate with over 60 lecturers, as well as the entire administrative and technical team. I also co-conduct law and management studies in the fashion sector and law in the technology business with my „other halves”. They are experts highly valued on the market. When working with such high profile human capital, the organization of work must certainly be perfect. One should also be open to the needs of others and treat achieving the goal as a team task.

This is also how I treat the pursuit of the goals of sustainable development – as a joint work of administration, business and the world of science, carefully listening to the voice of consumers.

What would you recommend to women who are considering postgraduate studies? How to choose their area? What to look for when choosing a university? What studies can translate into a further career?

Our observations at the University show that postgraduate female students in higher education is the majority. They represent enormous potential in business. They know very well what direction they are looking for and what they expect from us.

They want to expand their knowledge or acquire it in another specialization. Students also come to us for networking – both in student groups and with lecturers–practitioners.

It happens that cooperation for years is born in postgraduate studies, sometimes our studies are a turning point in a career. We are committed to building a community around our project and helping. After all, you also need to help happiness in your professional work.

Agnieszka, thank you very much for these valuable statements.

April



Iweta Opolska, PhD, CFA

Director of Gas Trading Office at
PKN ORLEN S.A., 30% Club Poland
Co-Founder & Ambassador



Luck is what happens when preparation meets opportunity

Strength is a woman and today you will feel this strength from my wonderful speaker. A woman in a high managerial position, with an international education, a tireless negotiator and author of scientific publications. With Iweta Opolska, PhD, CFA I talk about breaking glass ceilings, female and non-female professions, team management and inspiring women with her own actions.

Iweta, thank you very much for the possibility to speak to you!

Milena, it is my pleasure. I am honored to be a part of your inspiring project!

You have an impressive education – both Warsaw School of Economics, Aarhus Universitet and scholarship at Freie Universitaet Berlin. Can such an international adventure help in development?

Thank you! In my student years, I spent two years abroad and it was an amazing time in personal, cultural, linguistic, scientific, professional and even spiritual terms. It is impossible to summarize in a few words the enormity of experience I have been drawing on even today.

During such an international adventure you learn to be open to other people because you are among representatives of cultures from different parts of the world. You also learn to appreciate your national identity because the concept of „home / homeland” takes on a nostalgic dimension. My student stay abroad was also a lesson of hard work. To earn my living – like many students from Central and Eastern Europe – I worked part time. However, thanks to this, I gained confidence that little was going to stop me and the sky was my limit.

The possibility of studying at other universities also gives a great perspective on how many definitions the term „student” there are and how student status differs across

various cultures. For example, in Denmark, I learned that a student is not a subordinate person to the lecturer, but a partner who shows respect by diligent preparation for classes but requires the lecturer to do the same. This is a good representation of what the supervisor-subordinate relationship should look like. Professional loyalty and respect is a two-way relationship.

After your internship in Berlin and Munich, you started working at PwC – in the Corporate Finance department. What did you like about working in an international consulting company? Is this where your interest in the energy market, especially gas, in Poland was born?

My initial steps in the corporate world were a coincidence. After studying in Denmark, I knew that I wanted to work in corporate finance, but it was the energy industry that chose me, not the other way around. I applied for a financial advisory internship at PwC where I met fantastic people practicing corporate finance for oil and gas companies. They introduced me to the broadly understood energy industry. While I became interested in the energy industry by accident, specialization in the natural gas sector was my deliberate choice. I find the natural gas industry fascinating. From the economist's point of view, the natural gas sector presents a whole range of issues: we have a homogeneous product, a natural monopoly, oligopolies, the problem of liberalization, but also a number of interdisciplinary puzzles: geopolitics, EU and national regulations, chemical, technical, and even climatic or psychological problems. This industry does not let anyone to be bored and I have been continuously – despite years of experience – on an upsloping learning curve.

After almost five years of work in the Big Four, the next door to your career has opened and you started working for PKN Orlen, the largest player on the fuel market in Central and Eastern Europe. What urged you forward to make this change? Did you have any stereotypes in the back of your head that the energy industry is rather not a women's industry or were you following your passion?

I did appreciate my work at PwC and I still believe that a consultancy job gives a unique access to knowledge and a great opportunity to get to know industries, companies and management boards. However, after a few years, I began to experience the „consultant syndrome“. This is my term for the need to create something tangible after a long period of creating reports, spreadsheets, and presentations. I felt the need to dive deep and specialize rather than just getting my feet wet in many fields. I remember watching with other consultants an office building being constructed and joking that those workers at least see the real effect of their work contrary to us. This is one, but not the only, reason for my decision to change and move to the other side to „business“, i.e. PKN ORLEN. I did not immediately notice that the energy industry is so masculine, as my first stop at PKN ORLEN was at the Strategic Project Management Office, where there were ... only women.

During the decade of your work at PKN Orlen, you were very quickly promoted, from project manager to director of the Gas Trade Office, which you co-established. Share with us tips on how to find your place in large corporations, how to create your own departments and combine passion with work?

I was lucky. Luck is what happens when opportunity meets preparation. This is not my quote (attributed to Seneca), but it illustrates the history of my promotion quite well. I think not only mine, but of most promotions. An opportunity is a series of favorable events in which we have only a small influence. Preparation, however, depends entirely on ourselves, on our acquired knowledge and our skills.

In my case, the opportunity was the situation in the natural gas market at that time (the beginning of liberalization, the construction of new gas interconnectors, the entry of new players), PKN's strategy to build the first large gas-fired CHP plants in Włocławek and Płock, and the fact that previously there was no specialized organizational unit at PKN, which would comprehensively deal with natural gas. The preparation was my consulting background and knowledge that I gained during my studies and at PwC. An important element of the preparation was also my determination and passion to pursue the gas project.

You have a very responsible job – you provide gas fuel to a key company for our country. You are accountable for negotiations worth many billions of zlotys. Can you tell us how to negotiate effectively? What elements are key in achieving the so-called win-win outcome?

The answer to this question deserves a full schedule training program. From my perspective, three elements are important: factual knowledge, clear-cut guidelines (what we can / cannot let go) and ... innovation. Factual knowledge is needed to effectively present your reasoning, defend your claims in talks with your partner and to properly react to the other party's arguments. The clear-cut guidelines require prioritization of goals, as negotiations are a form of working out a compromise and require concessions from both parties. Innovation in negotiations is the ability to find new solutions that will allow you to get out of a negotiation deadlock, and will also allow you to satisfy the interests of both parties, with no detriment to the value. The whole psychological background, as a whole, in the negotiations is also important as it is the sum of expectations of both parties, characters of leading negotiators and their experiences.

In your work as a manager it is important to prioritize, set and achieve goals. I think these words are not easy to apply in practice. Unveil us a bit of the backstage of your workshop?

You're right – prioritization is ... a priority in team management. The basic task of a manager is to lead, to give directions to co-workers, to emphasize what is important and what would be a waste of energy, what is to be delivered asap, and what can wait

without compromising the goal. Without prioritization, there is no management – there is chaos. A prioritizer is essentially the definition of a manager.

The ability to synthesize is a more sophisticated quality of a manager but also important in my opinion. Not every perfect analyst will be a good manager if, in addition to the ability to break down problems into prime factors, they will not be able to form a clear picture from a mosaic of small elements.

And finally, delegating responsibilities, preferably with a feeling that allows you to match a person's competencies to the nature of the tasks they are being delegated. Delegation should be learned not only for yourself (to have more time on other topics), but also for the development of your employees. Sometimes there is no better form of educating an employee and providing him/her with satisfaction than delegation to an interesting project.

As a Director, you are also responsible for recruiting to your team. If you can, tell us what kind of people and competences are you looking for and how you ensure diversity on your team?

I am not the only one responsible for recruiting to my office – recruitment is also a task that I delegate, and that should be delegated, so that managers can choose their own teams. But I do like participating in the recruitment processes because I enjoy meeting new people. Generally, my managers and I are always looking for energetic people – which does not have to mean the specialists from the industry but people with internal drive, and willingness to act, *spiritus movens*.

We keep our recruitment process for the Gas Trading Office systematized. The interviews are not only story-telling about one's CV, but we also check competences in the same way for all candidates. We ask candidates the same set of questions. This approach allows us to objectively compare the candidates, regardless of gender, age, nationality or religion.

In addition to a career in a corporation, you also prosper in the scientific world. You not only have an internationally recognized CFA (Chartered Financial Analyst) title, but also a PhD in economics from the University of Warsaw. What motivated you to continue your development? Who would you recommend the CFA certificate to and to whom an academic career?

I treat my scientific activities as a hobby. After returning from Germany in earlier in my career, I noticed in Poland, that the economic science and business worlds were operating as if they were in separate galaxies, rarely communicating with each other. For example: in Germany you can write a master's or doctoral dissertation in economics by a company's research order. The company identifies a business problem that requires in-depth analysis and instructs students to review the scientific literature and do quantitative research as part of their diploma theses. I have not heard of such

a possibility in Poland. It's a pity. Science, especially in economics, should primarily address business problems and issues. When I decided to pursue my doctoral degree, I wanted to conduct scientific research on a business problem that bothered me at that time. When I started writing my PhD thesis, the discussion about the Polish natural gas market focused on a gas market model and a liberalization process that would implement European gas directives. My doctoral thesis was an attempt to quantify various gas market liberalization tools based on their efficacy in introducing competition to European gas markets.

I am a strong advocate of better communication between business and academic worlds and of mixing the scientific and business functions. Without continuous communication with business, economic science has a tendency to serve an artificial and theoretical business world. Without continuous communication with science, business will often use heuristics slowing down the pace of its evolution.

You are an author of many publications on the natural gas markets, published in national and international scientific journals. I am extremely grateful to you that with your knowledge and work you supported the publication of the Diversity Committee of CFA Society Poland „Women on boards and company performance”. What did working on this report give you and what surprised you?

I was equally surprised as anyone would be who looks at the results of our research. Where are all these talented girls?! When I studied at the Warsaw School of Economics, girls made up about 51% of the students. Why are they not at C-level managerial positions 15-20 years later? After all, they were ambitious, capable and determined to enter the business world professionally, which is why they had applied to the best economic university in Poland. I do not believe that they were not qualified to be leaders, that they did not want to be leaders, or that somehow becoming a mother weakened their ambition (I myself have children).

The research on gender diversity within Polish boards has made me aware of the problem and has made me want to change something in this respect. It has also given me a circle of new friends and an access to amazing female energy.

You mentioned female strength and solidarity. When I met you, when I heard your story, I felt that strength and in my opinion this word describes you perfectly. Tell us where to source it from and how to care for it?

Hmm, a difficult and important question. At the beginning of my career, I had an image of a „good girl” that I tried hard to fight with. I felt that my gentle and girlish appearance combined with kindness allowed others to patronize me. The business world is for thick-skinned men, isn't it? With time, motherhood, and experience – my inner rebellion and that behavior towards me has simply disappeared. Now it's hard for me to judge

how much it was others' attitudes and how much it was my inner oversensitivity. But I do know now that while we cannot change others, we do have the ability to work on ourselves. By eliminating our inner self-limitation, self-imposition of perfectionism, constant self-criticism and comparison to others – we start to illuminate that which others can then perceive as strength.

Promotion of the Report, which we co-created with Anna Golec, PhD, CFA and Aleksandra Włodarczyk, CFA, required many public appearances. You did great in the press, radio and videoconferencing, both at home and abroad. There are still few women in public debates – what would you say to those who hesitate or hold back from speaking out like this?

It is clear to me that the results of our report explains the phenomenon of low representation of women in public debates. Since there are so few women on management boards, and because board members are the most frequently invited guests at industry conferences, there cannot be many women in debates.

Women are also more often perfectionists and this may be an additional obstacle in speaking out to a wider audience. It triggers a vicious circle – I do not make a public appearance because I get jitters, and I do get jitters because I have too little experience in public speaking. You have to break this gridlock by taking it easy on yourself: okay, now I will go out and speak, I know it may not be perfect, but the second time I will do better.

Your career has inspired many women. It is thus important for me to emphasize that you are a fulfilled mother of two children – a boy and a girl. Tell us what motherhood gives you and how these experiences affect your work.

Motherhood accelerated my maturation to the role of a manager because it sharpened three important qualities that I think any manager should have: the ability to prioritize, to delegate and to synthesize.

Before my first maternity leave, I had maintained a perfectly organized mailbox that served as a time and task management tool. After returning to work, I realized that I was never going to have such comfort and such perfectly managed mail again because I am not able to review the correspondences from almost a whole year of absence! A quick lesson of prioritization combined with a difficult farewell to my perfectionism was a must.

Motherhood taught me to delegate tasks and to break up with my little miss independent. When I went on my first maternity leave, I left a young, newly recruited team and I had less than a year to prepare myself and them for my long-term absence. I knew that I would have to delegate all of my responsibilities to others.

And finally, the ability to synthesize – it was a by-product of these two first traits. Thanks to a longer absence from work, I had the so-called helicopter view. This allowed me to connect the dots more easily as I had a better idea of the bigger picture.

Additionally, during my first maternity leave, I completed my PhD thesis. For this reason, I feel that I am an example that contradicts the common belief that motherhood weakens competency and is an obstacle in a women's career.

Iweta, thank you very much for a great dose of inspiration and female energy, as well as for honesty and personal experience!

May



Anna Golec, PhD, CFA

Academic & Freelance Business
Consultant, 30% Club Poland Co-
Founder & Ambassador

” Why should I be „either-or“? I want to be „both“!

A woman who builds bridges between the worlds of science and business, who does not give in to stereotypes in her thinking, but rather points them out, and who combines work in Poland and in Sweden. I would like to invite you to a fascinating conversation with Anna Golec, PhD, CFA, who will reveal some secrets about the world of academic research and in a simple way explain such important concepts as the critical mass theory and marzipan layer in relation to the participation of women on boards. The cherry on the top are the great analogies between chess and life!

Ania, you have played chess from a very young age. Tell us, what does a child learn while playing chess? Can the knowledge and thinking gained be applied in the adult life?

My adventure with chess began quite early, at preschool age, thanks to my grandfather, who probably thought that it would be an interesting way to spend time and an obvious opportunity to develop analytical and planning skills. However, my most important lesson from that time was... confronting with failure, and in fact quite regularly! A five year old's chances are slim compared to an adult, and there were no head starts given.

Chess is an individual game with no space for coincidence, all the moves are the result of the player's choices and all responsibility for failure falls on him/her. If you lose, it means that you made too many mistakes and your opponent was better. Realizing this is not pleasant at all. It evokes a lot of negative emotions, which you need to be able to re-work constructively, analyse what you can do better, so that next time you can get to a higher level.

And analogies with life? I see many, both positive and negative ones. Sometimes, something that looks like an opportunity, such as capturing an important figure, is

actually a trap. So you can't limit yourself to analysing the consequences of one move, but you have to look at consequences in the longer term. I think this is very important in life.

From the beginning I was also surprised by the hierarchy imposed in chess – the most important figure is not the agile and versatile queen, but the slow and not very helpful king, whom everyone else must protect. The figures are put into battle and each one is obliged to sacrifice itself if it leads to victory. The king stands aside and is only supposed to survive. Why can't the queen be the most important figure? Why can't the king be replaced? Just because! Because someone once defined the rules in this way. Sad, but sometimes very life-like...

The extremely beautiful thing is that even an inconspicuous pawn, if it survives the initial games on the chessboard and persistently moves forward, can become a figure that changes the outcome of the game.

You attended computer science class and took part in mathematics contests. Research shows that in many countries there are no statistically significant gender differences in math scores, i.e. girls are just as good at math as boys. So why are there fewer girls studying computer science?

This question prompted me to have a look at the results of secondary school exams at the extended level from the last 4 years in Poland and it turns out that contrary to the stereotypical thinking, female graduates do better in math, computer science, while male graduates do better in biology or chemistry. Only in physics women win one year and men the next, but the achievements are more or less equal. So it is not true that girls have no aptitude for science. Recently, more and more women are choosing technical studies, but they are still a minority. The question about the reasons for this situation is rather the domain of psychologists and sociologists, so I can only speak about my subjective feelings, which do not have to be representative.

The choice of studies or profession is a result of many factors: not only the aptitude and self-confidence, but also what makes someone happy and how someone imagines work in that profession looks like. I had the comfort of choosing any high school I wanted, but I was convinced that computer science was not only IT but also "it". I liked computers and programming, I was pretty good at it and I wanted to learn more about it. On my first day at the new school when I looked around the classroom, I was quite surprised to see that I was one of four girls and there were 32 boys around us. It was a men's world filled with male „sensitivity“, where I needed to prove that I can read the school plan correctly and I didn't get lost looking for my classroom... I should have expected it, but somehow I didn't think about it before. It also turned out that while it's fun to sit in front of a computer from time to time, write a simple program and earn some extra pocket money, spending hours in front of a computer screen with little social interaction was not an attractive option for me for many upcoming years of work.

So I thought: physics! Something absolutely fascinating, but the job prospects for physicists did not look too rosy at the time, so that also influenced my decision. In the end I chose finance. Finally, there is the question of self-confidence. Many of my talented female colleagues wondered whether they were good enough, whether they would be able to carry through the demanding technical studies. Needlessly,

One of the areas you thrive in is science. You are a lecturer – you teach classes in a broad area of economics – do you notice differences in how men and women approach studying economics? Can one generalise or are there statistics available?

I work with students in finance and management on a daily basis. It is difficult for me to clearly assign behavioural patterns to a particular gender. My observations are that in Sopot, where I teach, women dominate in terms of numbers. When comparing average scores by gender, I see a slight predominance of female students. The period of pandemics and the use of various distance learning tools has given me the opportunity to observe differences in work styles and activities that are not normally visible. My observations are that the women worked more systematically. Interestingly, in Sweden, where I also teach, the situation is exactly the opposite. Of course you need to remember that my observations concern only a few subjects and in a narrow group, so they cannot be generalised.

Please give us a sneak peek into how much time lecturers spend teaching, how much time they devote for preparation for classes, and how much time is left for academic work, including writing scientific papers?

And here the answer is: it depends. First of all, it depends on the position held and the duties assigned to it. The job of a lecturer is to teach, and this fills most of his/her duties. In the case of researchers, scientific work will be the main area of activity. However, the most numerous group are the „hybrids” – research&teaching academics who divide their time between teaching and conducting research. The second important element is the position held: the number of hours taught by a professor is lower than that of an assistant professor or assistant. Some persons teach many subjects, so they have a lot of work to do to prepare their classes; others teach only one subject, but in multiple groups (try telling the same anecdote three times in a row on the same day). So much for theory.

In practice, a lot depends on the subject. Some courses are not subject to major changes (e.g. mathematics) and materials once created will serve for many years, while others require constant monitoring of the current situation, because the regulations have just been amended, e.g. the Act on Public Offering or a new reporting standard is issued.

The level of individual involvement of the lecturer also plays a big role in all of this. You can develop a presentation based on selected textbook, go „do” your hours, refer to the

end-of-chapter control questions in the book and tell students to pick up something there. At the end of the semester, you can look for a multiple choice test from previous years in your drawer and that's it. But you can also spend time updating your knowledge, e.g. attend seminars and conferences, and then modify your lectures accordingly. You can spend long hours reviewing new textbooks, preparing teaching materials, self-study assignments and new exam questions and sit in on weekends for time consuming oral exams. And if you want to approach the teaching duties fairly, there is unfortunately little time left for other academic work. For this you need a "fresh head" and a longer period of focus, it is not something that can be done casually as the so-called „in-between". At least I cannot do it this way.

We worked on the report „Women on Boards and Company Performance" and I must say that it was a pleasure to work with you! Together with other persons involved in the report, we set ourselves a goal to write it in accessible language – both the part describing women's participation and the econometric research. From the very positive feedback after the report, I think we have achieved our goal. Tell us why scientific publications cannot be written in plain language? Does scientific knowledge reach business and society?

There is this stereotypical belief that if something looks or sounds complicated, it must definitely be smart. I think that most conclusions from social science research can be presented in a simple way. Let's use here a well-known quotation from Einstein: „If you can't explain something in a simple way – it means that you don't understand it enough".

It is easy to say, it is more difficult to publish – and points for publications in the current evaluation system determine the success of the researcher and the university he/she represents. This is what is required and what we are expected to deliver. No wonder that a natural reaction will be to try to fit into the criteria of scientific journals, surrounded by the nimbus of elitism, addressed to a narrow circle of other researchers dealing with a selected topic. This, of course, requires adherence to certain rigid rules, e.g. concerning the structure, language, or ways of data presentation. A scientific article has a classical structure: it is necessary to outline the context, properly place the problem in the theory, review the literature, present hypotheses and methods for their verification, show results and conclusions of the research, and finally indicate the limitations of the applied approach. This is important, because without these steps, it would be difficult to assess the reliability of the research, and any shortcuts give room to various pseudo-scientific theories. There is a lot of work involved in collecting and processing data, which is not visible and seems to go on forever, as you have already seen by yourself while co-writing the report.

The problem is that this scientific approach misses the expectations of business. For this audience, the theory is boring, and the description of methods is an incomprehensible gibberish with many strange formulas and Greek letters. What is interesting is the

summary and whether they will find information on how their business can benefit from this knowledge. I fully understand it, knowing the time constraints of executives. Unfortunately, this difference in goals and expectations puts these two worlds further apart instead of getting closer together. The situation looks a bit different in Sweden, where strictly scientific publications are valued, but a lot of emphasis is placed on cooperation with local community and business, on being „useful” and not practicing “haute-couture science” for its own sake.

Our research showed that for 140 companies that were part of the WIG20, mWIG40 and sWIG80 indices at the end of 2019, for a decade, 30% threshold of women on boards (understood as management plus supervisory board) was a barrier. Why is this 30% threshold so important?

We rely here on a number of studies from a wide area of social sciences. It should be noted that 30% is a conventional limit of the so-called „critical mass” at which the voice of the minority can be adequately articulated. Research is not entirely consistent on this point, and tends to indicate a certain range – between 25 and 40%. Research gained momentum in the 1970s and 1980s with the publications of R.M. Kanter and D. Dahlerup, but there are also publications from the 1940s. The general conclusions are that in groups where minority constituted less than 15% a number of problems were observed. A representative of a minority, even if he or she meets all the formal criteria for group membership, e.g. has the appropriate qualifications, may still be subject to exclusion from full membership in the group because he or she does not fit into a number of informal criteria. Moreover, such a person has to deal with the tendency to constantly emphasize his or her distinguishing features, and the consequences of this can be various. There may be pressure to deny stereotypical perceptions by other group members and to prove that one deserves to be where one is. The other pole is exaggerated adaptation to the behaviour and opinions of the majority in order to be „accepted into the herd.” If minority representation reaches a critical mass, it ceases to be a „piece of decoration” designed to give the appearance of diversity, or what in scientific jargon is called a „token,” and gains the opportunity to exert real influence.

We also wrote the report to encourage others to do further research on broad issues related to diversity. Please mark the areas that would be worth exploring?

As a storytelling expert, I think you’ll agree with me that numbers are important, but they can’t tell the whole story. Besides, no study, not even the most comprehensive one, manages to examine everything – it always analyses only a small part of a more complex reality. The answer to one question triggers another. The results of our analysis indicated that the group of companies with higher share of women on their boards recorded statistically significant higher net margin and lower risk, understood as standard deviation of daily price change. Now it would be interesting to answer the question whether the same relations can be observed for a wider group of companies

and in other periods. Is what we observed a rule or an exception? The challenge is also to try to explain the causes – here it is certainly necessary to use qualitative methods. Applying observation methods seems unrealistic (can you imagine a psychologist discreetly observing a supervisory board meeting?) but I think individual interviews could contribute a lot. Also survey research would be useful, in order to assess the scale of occurrence and perception of certain phenomena, if possible, in the widest possible group of respondents. In my opinion it is also worth looking at the so-called „marzipan layer“, i.e. the highly qualified personnel located in the hierarchy just below the C-level (top). If there is a cluster of one gender there, and the top is dominated by the other, this may be a way to identify the „glass ceiling“.

The promotion of the above mentioned report was an opportunity for many discussions with the audience regarding diversity and low participation of women on boards. Among the comments from the „opposition“ there were two prevailing: i) „women do not want to hold senior positions“ and ii) „we choose competence, not gender“. Let's dispel these stereotypes.

It would be lovely to dispel stereotypes once and for all, but let's be realistic, it's going to be a rather incremental and lengthy process.

So let's address the first myth: „women don't want to“. I don't really understand what is the basis for this statement. Has anyone ever conducted a representative survey among qualified ladies? I haven't heard of such research. Let's go a step further, assuming that the right candidate actually receives an offer for a high position and says „no“, then maybe it is worth looking into the reasons for her refusal. Maybe she doesn't want to because she doesn't like the role of an extra and a wide responsibility is not followed by adequate authority, understood as the ability to make independent decisions and take actions. Maybe she doesn't want to because she is offered a lower salary than a colleague in the same position. Maybe she doesn't want to because she feels that officially yes, she can enter the competition, but in fact her chances are slim and her candidature is not welcome at all.

And when it comes to competencies... In most sectors, there really is no shortage of highly qualified ladies on the market, ones who have got the education, experience, credentials, fresh perspective, and all the aptitude for both leadership and teamwork roles. It seems logical that companies should not only care but fight for such talents. Since they are not on boards, it may be worth rethinking the reason behind such situation. Maybe the work conditions offered are not attractive enough to attract such potential from the market or the recruitment process is narrowed down to those who most actively promote their candidacy.

Anyone who has seen the movie „Shrek“ will remember the scene where the main character is looking for a companion for his expedition, and the donkey jumps and yells „Pick me!“. From a comedic perspective, it was great, but in business it's not about having fun or good time in a nice company, it's about efficiency. If we take a rational look from

efficiency perspective, it was not an optimal choice: Shrek should have chosen someone with more useful skills increasing chances for success, standing quietly in the second row. I hope that the 30% Club initiative, which is about to be launched on our market very soon, will allow us to break at least some of the stereotypes and show how much knowledge and skills potential has remained untapped so far.

You have a PhD in economics and your dissertation was on corporate governance. Thank you very much for your substantive contribution to a comprehensive survey on corporate governance in Poland, which I conducted on behalf of the CFA Society Poland in September 2020. Tell us how to research such an intangible issue as corporate governance and what conclusions can be drawn from your research?

A long time ago:) when I started working on my PhD, I was full of optimism and believed that the „quality” of corporate governance can be measured quite easily and precisely. After all, there are best practices, companies are communicating with the market in this regard, so it is enough to combine these with financial results and see if any correlations can be identified. I assumed that companies which declared compliance with best practices should achieve better results. To my disappointment it turned out that correlations are very low and one cannot speak of a simple, linear dependence. In the case of many indicators we could observe a U-shape, which indicated the existence of a kind of „honesty premium” for companies openly declaring that they are not interested in any good or not-so-good practices whatsoever. The comparison of financial results of companies declaring the highest and lowest compliance with best practices more often indicated an advantage of the former.

As I delved further into the topic, over time I became aware of further difficulties in measuring corporate governance. For all intents and purposes, there isn't even a single, universally accepted definition of corporate governance and what falls under it and what doesn't. So, first: it's not really clear what to measure. Second: how to measure? At one time, commercial corporate governance ratings were quite popular, but it soon turned out that the same company, was doing great according to one rating and disastrously bad according to another. Other problems are: complementarity or substitutability of some mechanisms, differences in regulations and cultural dimensions between regions. The number of aspects that need to be taken into account is enormous, so for now this topic must wait until I get academically „mature” to confront it again.

In addition to your position at the University of Gdansk, you also hold a position at University West in Sweden. Available statistics show that in Poland the share of women at lower levels of academic career is significantly higher than at the highest ones – professorships. Is it possible to draw a parallel in relation to company authorities? How does it look like in Sweden?

If you look at the gender structure of newly hired employees, I get the impression that the proportions are fairly even. However, men more often leave the academic path. I think that a large role here can be attributed to stereotypes: work at a university means stability, a lot of flexibility and no classes with students during school holidays – ideal conditions for someone who wants to devote more time to family – usually it is a mother. However, for someone with the burden of providing for a family, the low salary is a serious constraint. My department is dominated by ladies at a ratio of 9:4 and the leadership position is held by a woman. In the department, if you look at the gender of department heads, the ratio is fairly even 4:6 in favour of the men, but it is only recent. The year before it was 2:8. As far as Sweden is concerned, we have a ratio of 3:7 in the department. Across the university, I will admit that I do not know the exact statistics, but my impression is that the Faculty of Economics and IT and Technical Sciences is dominated by gentlemen, while Health Sciences and Social Sciences is dominated by ladies.

Although it has been a while since I graduated, I remember how impressed I was by the staff of SGH (Warsaw School of Economics) who were practitioners. They shared practical aspects about their profession rather than book knowledge. You are also such a lecturer for your students – you combine academic work in two countries with business. Is this a common situation in Poland and Sweden?

Of course: it depends. I work among finance and management professionals, i.e. people who could easily find a good job on the financial market. In other fields of knowledge the situation may be different. In Poland, the typical academic career path is to stay at the university directly after graduation, although as my example shows, it does not have to be this way. For a large part of my colleagues, combining work at the university with the market practice is a necessity dictated by the academic salary level. It has its advantages, because apart from theoretical knowledge we can provide practical perspective and examples of application of knowledge, but it means working more than one full time equivalent.

In Sweden, the working conditions and earnings are at a different level and the tax system rather discourages to take on additional employment. This does not mean, however, that my Swedish colleagues have only theoretical knowledge – on the contrary – many of them went to university having in their CVs a successful career on financial markets. The principle is simple: not everything at once. That system is much more flexible and open – universities are more willing to engage practitioners, and business is more willing to accept people from the world of science. Knowledge circulates, and the worlds of science and business interact.

Do you think of yourself more as an academic or as a practitioner?

I think that such a division means falling again into the trap of stereotypes, classifications and divisions. We are surrounded by the talk about the need for closer cooperation between business and science, but the reality is that we have two parallel worlds, functioning independently of each other, using different languages, principles and values. When I talk to representatives of business, I am most often perceived as a scientist, because after all, I „sit on books.” Even our conversation has turned more towards the academic world rather than what I do in business. In the academic environment I am not a „real” scientist either, because instead of preparing another publication, I spend my time on some non-scientific reports, which „give no points and do not count for anything”.

Moreover, each of these worlds seems to expect a „declaration of exclusive rights.” The same is true in other spheres: you can have either a career or a successful family life, be either pretty or smart, or have talent for maths or arts and humanities. **My question is: why should I be „either-or”? I want to be „and” because both types of activities give me joy and satisfaction.** They allow me to use my skills, take up new challenges, develop myself and avoid routine which often leads to professional burnout. In my opinion they complement each other perfectly. And here a big thank you to my mentors: last year’s – Izabela Olszewska and this year’s: Noorhan Al-Zan, co-authors of the report: Aleksandra Włodarczyk, Iweta Opolska and you, Milena, and many other people who helped me discover this.

Women are also more often perfectionists and this may be an additional obstacle in speaking out to a wider audience. It triggers a vicious circle – I do not make a public appearance because I get jitters, and I do get jitters because I have too little experience in public speaking. You have to break this gridlock by taking it easy on yourself: okay, now I will go out and speak, I know it may not be perfect, but the second time I will do better.

Ania, thank you so much for your great answers, time and inspiration!

I also thank you so much for the interesting questions and the opportunity to speak.

June



Aleksandra Włodarczyk, CFA

CEE fixed income trader, 30% Club
Poland Co-Founder & Ambassador



I have a need to act!

Ola first of all, we did it!!! Collectively with all those involved, we launched the 30% Club Poland. Inform our readers what the 30% Club is and why we took the decision to introduce the campaign to the Polish market?

I am very pleased that we have managed to launch the 30% Club in Poland. I remember that we started brainstorming and throwing first ideas almost two years ago. It was a project that required a lot of commitment and a lot of work, but we strongly believed in it from the beginning, which led to the successful launch. The 30% Club is a global campaign engaging most influential people on the top of the corporate ladder to take action to increase gender diversity at board and senior management levels of the world's biggest companies. We believe that only organizations that foster a truly inclusive culture that include women can use their full potential to positively impact their employees, markets and communities.

30% Club is expanding its international footprint with presence in 18 Chapters around the world. The campaign works a bit differently in each region or country and adapts to the needs and realities of the local market. What are our goals in Poland?

Before we set our goals, we looked at our starting point and examined the problems that the Polish market is facing. It turned out that in 2020 the share of women on boards of 140 largest listed analysed companies amounted to only 15.5% and in almost every fourth company there was not a single woman on the management board or supervisory board. We have set the main goal of the campaign in Poland to achieve at least 30% of women on boards of the largest listed companies by 2030. Our goal is long-term; therefore, we have also set an additional medium-term target. We want to ensure that by 2025 there are no all-male supervisory or management boards in companies included in the WIG20, mWIG40 and sWIG80 indices, and that the average share of women on boards reaches at least 20%.

What attracted you to this initiative? What have you learned while working on its launch?

I have always had an activist streak in me. I was looking for an initiative that would combine the ideals I believe in with the business world in which I operate on a daily basis. I like the business aspect of the campaign based on the measurable impact of diversity on business performance. It seemed that such a message could target a broad audience. Working on launching the Club has taught me how to persuade those who do not yet see the benefits of building a diverse work environment to take action and how to spread enthusiasm to those who are still unconvinced. On my way I met with many unfavourable comments, but today I know that you shouldn't worry about it, but look for real ambassadors of the cause and do your own thing. I also had to overcome my fear of public speaking as the number of public appearances increased.

We also had the opportunity to work together on the report „Women on boards and company performance” and on its promotion. What surprised you about these activities?

Conducting the study brought back memories from my student days: building models, writing reports. I forgot how much work it takes to write a few good pages. It was a pleasant return to scientific work, which is completely different from what I do on a daily basis. I was also surprised how eagerly the subject of the report was picked up by the press and how it warmed up the discussion in our financial environment. It shows that we are still lacking such analyses and the topic of diversity has not yet been thoroughly researched. More and more foreign institutions create reports devoted to this subject, but we still lack data in Poland. The data collection took us the most time while writing the report.

I must admit that I envy you that you already found your voice many years ago. You are also involved in many prosocial activities. Where do you find the strength and time for such actions?

I think I got the activist approach in my blood. I can't sit still and I have a great need to act and change the reality around me. I was the school president in primary school, I organised a theatre festival in high school. During my professional career, I became involved in the Warsaw Banking Institute project called „Bakcyl”, where I conducted lessons in finance for students in junior high and high school. We complain that the knowledge of Poles in the field of saving and investing is very poor, which later results in problems such as Swiss franc loans or Amber Gold scam, but in fact it's not difficult to change it. The students were extremely interested in the lessons and absorbed everything I taught them, and I had a great satisfaction to be able to share my knowledge with them. When I see that such small steps can bring a real change, it gives me an incredible strength to act.

Recently, your extracurricular activities have been dominated by women and gender equality issues. Where does this interest come from?

Choosing a career in financial markets meant working in a male-dominated environment. After studying at the Warsaw School of Economics, where there was no such disproportion among students, working in investment banking was a big change. The more I specialised into the financial markets and the higher I got promoted, the fewer women were around me. In 2017, I obtained an investment advisor license and out of curiosity I looked at the statistics for today. Out of 787 people with the title of investment advisor, there are only 48 women. And it's not an issue specific for Polish market only. In 2019, Morningstar published a study which showed that there are still more funds run by men called Dave in the UK than there are female managers in total. I began to wonder why is this the case. After all, I know many women who are equally well educated, have high ambitions and do not lack any competences. In the meantime, Polish political scene was dominated by events, which sparked mass street protests for the defence of basic human rights in 2020. Organizations spreading education and awareness of gender equality began to emerge all around. I felt the need to act as well.

In addition to pro-social activities, you also devote your time to self-development. One of your hobbies is playing the piano, learning French and sports. Have these interests been with you for a long time? Do they help relieve stress from work?

I try to maintain a healthy work-life balance. Trading is a very intense and high-speed job which can be stressful at times, so when the market closes, I'm trying to leave it behind and not think about it anymore. Playing the piano turned out to be perfect, because it cleans your head and allows you to focus on one thing only – music. I also proved to myself that it is never too late to start developing new passions. Educational resources are widely available and it all depends on our willingness. I didn't have any basic music education, so I found an online course „Introduction to Classical Music” at the American Yale University and after one semester I had a good base to start learning to play the piano. Sport is also a great way to release stress after work, and even a necessity in sedentary work. I cannot imagine my life without exercise, I regularly play basketball, rollerblade, run, practice pilates or go to the gym.

You have already mentioned that you work in the financial market, you are a trader of government bonds and interest rate derivatives. Can you tell us more about your job?

My job is to manage bank's interest rate risk. This risk may materialise from transactions with investment funds which purchase government bonds for their portfolio. The bank may also take over the interest rate risk from corporate clients who want to secure the cost of financing an investment or want to raise capital for investment in more liquid foreign markets, and then swap it into the local currency. There are many

possibilities, and therefore I trade with entities from all over the world, from Japanese insurers, through the central bank of Thailand or American hedge funds, to international corporations operating also in Poland. The interest rate market is an over-the-counter market, so I'm a market-maker and I have to be ready to price any instrument needed by my client.

Working in banks' dealing rooms is available only to a few. Who, apart from traders, can you meet there? What are the functions of these people?

Together with the technology advancement, the composition of dealing rooms has been systematically shrinking. In the past century, traders gathered on the floor and concluded transactions between physically present people. Now we all sit glued to our monitors and hardly ever see the other side of the transaction. In addition to traders, there are also sales in the dealing room. They provide customer service and transfer prices to clients coming from traders. They are most often divided into institutional sales covering other banks, investment funds or insurers, and to corporate sales covering large companies who want to eliminate interest rate or currency risk, because this is not their core operating activity. In dealing rooms, you can also hear the noise coming from the speakers. These are brokers who constantly provide quotes for financial instruments and combine the interests of different entities on the interbank market.

Is work on financial markets strictly assigned to a given market or a country?

Traders are usually assigned to specific markets or currencies. Next month I am starting work at the ING bank, where I will be trading Polish and Czech government bonds. However, it is impossible to analyse the Polish market in isolation from global trends. Global financial markets are highly correlated, so you need to be familiar with what is Fed doing, follow the inflation level in the Euro zone or observe economic activity in the entire region. This is particularly evident in times of the pandemic, when the whole world is going through a crisis caused by the same factors, and by examining the number of new cases in other countries or the reactions of other governments, conclusions could have been also drawn for Poland.

Now you work in Poland, but you also completed an internship at Bank of America Merrill Lynch – one of the largest investment banks in the world. What experience did you gain? What are the differences between working in Warsaw and London?

The nature of the work was similar to what I do now, but everything was on a larger scale: the trading floor was bigger and louder, there were more products, larger transactions and more clients. Working for an American investment bank certainly gave me boost of confidence. While still in university and considering a career in the financial markets, I wasn't sure if I would be a suitable candidate, because I only saw men there. The recruitment process for Merrill Lynch was long and demanding, and I observed that

from a group of over a dozen people, I was the only woman at the last interview round. When I received a job offer, I realized that in our industry there is a lot of stereotypical thinking, which I also subconsciously replicated. You don't have to be an aggressive, audacious male taking risk in every field to be a good trader!

What in your opinion has changed in the last decade on the financial markets and what will change in the next 10 years?

As technology advances, markets are becoming more automated. When I was working at Merrill Lynch, equity trading was located in a huge hall which stretched across the entire floor and already back then, the biggest team there was algorithmic trading. The vast majority of stock transactions today are done by algorithms. Another important trend of the last decade is the increase in regulations that followed the 2007-2009 crisis. Lawmakers around the world have passed many legal acts aimed at increasing the security of trading, including over-the-counter markets. The regulations resulted in a thorough reconstruction of the financial system in order to increase its stability. When it comes to the future, I think that one of the most important trends in investing is the inclusion of non-financial criteria. In the past, the investment world was viewed in two dimensions: return and risk. Now investors are starting to include environmental, social and corporate governance (ESG) criteria in the decision-making process. External pressure coming from both regulators and clients forced a shift towards sustainable development and taking it into account when making investment decisions.

Ola, I am glad that you consider ESG to be one of the most important trends. This is a very good forecast for the 30% Club Poland. Thank you very much for the interesting conversation, your energy, commitment and support! This is just the beginning of our path.

July



Małgorzata Kloka, CFA

Head of Investor Relations
& Financial Strategy at Benefit
Systems, 30% Club Founder
& Ambassador, globetrotter



Travelling is a lesson in open mindedness and observation

Gosia, thank you very much for agreeing to take part in the 12on12 project and to tell your inspirational story!

We have summer holidays now, so let's start with your trip around the world – you had a great job and were a well-recognized and respected equity analyst in Poland. One day you decided to go on a trip around the world with your partner. It took a lot of courage. How did it all happen?

Actually, I do not know where this idea really came from. At some point, I realized that my life is mainly my job, which – although undoubtedly interesting and intellectually stimulating – suddenly became comfortable and repetitive. Traveling then seemed to me to be something distant, unattainable, a bit romantic, but also out of reach in my typical corpo-life. The need for change began to grow in me and it turned into a need to travel. And I fueled it, reading travel literature, going to various events and dreaming about what would happen if... This shy need turned into a belief that it was the only right way and a natural step. The only thing left was to count the money, hand in my resignation and get a one way ticket...

What was your journey like? How long were the preparations? Which countries did you visit first and which regions ended your journey?

Preparations related to the practical aspects of this undertaking lasted a few short months and were not overly complicated. They included, among others, picking up the equipment, getting necessary vaccinations and purchasing an airline ticket – one way, of course. However, getting mentally ready, reaching this decision and finding the strength to go beyond the scheme – it took a few years.

Our journey lasted 14 months and started in South America, in the capital of Ecuador. We spent the first few months on this continent – exploring the Andes, the Galapagos

archipelago and Patagonia; we were on Atacama and Salar de Uyuni. Then we flew to New Zealand – an incredibly diverse country – and Australia, which – with the vastness and wildness of the landscape – stole our hearts. We then spent several months in Southeast Asia. Kyrgyzstan and Nepal were the last points on our travel map. The mountain landscapes of both countries made a great impression on us and gave us many unforgettable memories.

One of the outstanding Polish reporters once wrote that the journey „never ends, because the tape of memory continues to spin inside us, even though physically we have not moved from our place for a long time”. This statement is very dear to me, because the memories are still alive, this trip still seems to be close to me, and the experiences that I gathered influence the way I look at many things today.

It is said that travel is the best education – what did this trip teach you and is it an experience for everyone?

While traveling, you can learn many things about the world, but also about yourself. In my case, this experience strengthened the appreciation and the need for contact with nature, taught me greater openness – to other cultures, customs, stories, improved my sense of observation and convinced that the journey is often more important and beautiful than the destination. From these more ordinary lessons – 14 months of carrying all my things in the backpack and a limited number of fashion choices, allowed me to discover that smart minimalism is one of the greatest lifestyle trends.

Traveling means learning many great things – that people are good and proud of who they are; that they smile a lot and help when the situation calls for it. That animals living in the wild are one of the most touching sights. That food is an important part of sightseeing, and an overnight stay under the sky with a million stars is often a better option than a five-star hotel.

But while traveling around the world, one can also experience sad and bitter reflections: the destructive impact of man on the environment or the problem of poverty and social inequality. Of course, these problems are widely known, but experiencing them at your fingertips makes them more tangible, more real.

Is traveling for everyone? In my view – yes. There is no one pattern, one strategy. Young people travel and seniors do too, very rich ones but also those not so well-off, those who are obsessive planners and who do not know where their bus is going. I think that everyone can develop their own style that works for them.

In addition to travel, you are also passionate about sport – you are an avid cyclist. Where does the passion for this sport come from?

I have always loved sports, at school I was involved in all possible activities, later on I played for my university basketball team. I also love skiing and hiking. I started cycling – first a mountain bike, now also a road bike – a few years after starting my professional career. It all began quite randomly, my friend got into cycling, she had a beautiful bike and looked so amazing on it ... well ... at the beginning it was probably a positive jealousy ...

Cycling has a lot to offer and I take from it what I need. Sometimes it is contact with nature, tranquility, time with yourself; sometimes an intense training, testing your limits, adrenaline; sometimes the touring and social aspect; sometimes pride in making technical advances; and sometimes, well, just childish, maybe a little silly joy of riding through puddles and scraping mud off your face when you get home.

After returning from your trip, you got a great job at Benefit Systems, a publicly listed company, where you took the position of head of investor relations. Could you tell our readers what are investor relations and what are its key tasks?

Investor relations is a unit in public companies that deals with communication with the capital market – shareholders, fund managers, analysts from brokerage houses, individual investors. Investor relations is an area very closely related to the company's finances, its strategy and business environment, and recently also with ESG issues.

In my daily work, I meet representatives of the capital market, analyze data – financial and non-financial – and prepare the company's communication, e.g. related to the publication of quarterly results or other important events.

Investor relations departments often take part in various other processes in the organization – e.g. M&A or activities in the ESG area. In my company, investor relations are combined with financial strategy, therefore I have the opportunity to participate in the processes related to the financing of the capital group.

How would you define good investor relations? Is there one way to do it or should it be tailored to individual companies?

I guess it is hard to find a single method for success – a lot depends on the company, industry or shareholding structure. However, in my opinion, there are elements without which it is difficult to talk about good investor relations. These are openness and transparency in contact with the capital market, ensuring equal access to information, effective communication and in-depth knowledge of the company and its industry – related to financial matters, but also to the value creation process, key investments, risks and opportunities, or the sales process.

For me, listening is also an important part of investor relations. This relates to listening to questions asked at meetings with the capital market representatives, comments and feedback, information about what is important to investors, what they appreciate and

what is difficult for them to accept, how they see the prospects for the economy and the stock market, and where they see risks. The capital market is a fantastic source of knowledge – it makes good sense to use it.

How is your job in Investor Relations different from your previous role as an Equity Analyst? How is ‘inside’ perspective different to the ‘outside’ one?

From the inside of the company – it is obvious – you can see a lot more. The analyst only sees the final result of many processes, while being in the center of the organization, lets you observe the complicated ecosystem that enables the company to create value. On the other hand, equity analysts have the advantage of a having broader perspective because they have a great understanding of the processes and factors – both global and local – that affect the economy.

An equity analyst is a position of great independence – analysts are fully responsible for their reports and recommendations, their market view; they are accountable for their forecasts and investment theses. It is an advantage and a disadvantage at the same time. I think that when working in a company, you do not get that much independence – although, in my opinion, it can be achieved in many areas.

Looking at companies from the outside, in the capital market we often evaluate their plans and strategies. Was the mission and vision of Benefit Systems and its focus on healthy lifestyle important to you when accepting this job?

Definitely! I consider it a great privilege to work in a company whose mission – to promote physical activity – is close to my personal values. Sport gives me a lot of happiness, energy and inspiration; I believe the same is true for our customers and users.

The period of the pandemic and lockdowns, which often led to less physical activity, has shown to many of us, how important exercise is – how much it affects not only our physical health, but also our mental well-being. I observe with great curiosity how in many countries, mainly the well developed ones, sports facilities start to be perceived as part of the health care system.

You work for the only listed company in CEE that is a certified B Corp. What does this stand for and why only a few companies get it?

B Corps or B Corporations are companies for which – in addition to meeting standard business goals – it is important to build a more inclusive and sustainable economy. The B Corp movement grows out of the belief that addressing key social problems and challenges requires business support, not just the activities of governmental and non-profit organizations. B Corps are companies that want to have a positive impact on their employees, local communities and the environment through their business activities.

In order to get B Corp certification, you must go through a complex audit process, during which various areas of the company's activities are assessed: Management and Corporate Governance, Employees, Customers, Community and the Environment. Our certification process was time-consuming and was associated with many challenges, but also allowed us to understand our position in key areas of corporate social responsibility. Currently, B Corp consists of over 4,000 companies from 77 countries: Benefit Systems joined this cohort in 2018 as the first public company with Polish origin.

As you mentioned, social issues are a component of the certification. You are also one of the founders and ambassadors of 30% Club Poland, for which I would like to thank you! Tell our readers what 30% Club Poland is.

30% Club Poland is the Polish version of the global 30% Club social campaign, whose mission is to promote gender diversity by striving for at least 30% participation of women in the boards of directors. The campaign was launched in 2010 in the UK by the financier Helena Morrissey, and today it operates in 18 locations around the world. In the UK, the target of 30% participation of women in the boards of companies from the FTSE100 index was achieved in 2018. Unfortunately Poland is far behind – at the end of 2020, this indicator for 140 largest public companies in Poland was only at 16%.

What attracted you to 30% Club Poland?

At least three things attracted me to this initiative. The first is the approach to the subject from a business perspective. 30% Club strongly indicates tangible benefits for companies resulting from greater inclusion and diversity – many studies conducted, among others, by McKinsey or Credit Suisse, indicate that companies whose boards are diversified achieve better business results. The second motivator is the participation in the campaign of a big group of CEOs and chairmen of global and local companies, as well as representatives of the world's largest investment funds. The third factor is the amazing energy of the group of women who work for this initiative in Poland. I am not an activist type, but the enthusiasm, creativity and commitment of the founders and ambassadors of 30% of Club Poland truly encourage to take action.

Chairman of the Supervisory Board of Benefit Systems and the company's founder also became a founding member of 30% Club Poland. What does this mean for you as a woman at a senior position in the company? How was the initiative received by the employees?

I am very glad that my employer is in the founding 'thirteen' of 30% Club Poland. It is inspiring and encouraging for me to continue my activities. After joining the campaign, there was a lot of positive feedback in the organization. At Benefit Systems, we attach great importance to diversity, because we are convinced that it is a way to better

understand and address the needs of our stakeholders. In the capital group, women constitute over 30% of middle and senior management, and the 30% threshold is reached at the management board level of Benefit Systems.

Gosia, thank you very much for an honest conversation, great ideas and for your support with 30% Club Poland!



August



Sylwia Jaśkiewicz, CFA

Executive Director, Research
Department at BOŚ Brokerage
House



Diversity builds value.

Sylwia, thank you very much for your participation in the 12on12 project!

You are one of few women on the Polish capital market who is the head of equity research department in a brokerage house. You have over two decades of experience in analysing companies and issuing recommendations. Tell us what the Polish capital market looked like before year 2000 and how it has changed to the present day?

At that time, it was not yet known in which direction financial institutions would develop, whether typical investment banks would emerge or whether the universal bank model would prevail. Capital market institutions were emerging. I remember that I used to walk to the KNF (Polish Financial Supervision Authority) on foot for financial statements and reports of companies covered and photocopied them. Now, actually for a year and a half, I have not moved from my desk at home and I have access to everything. On-line meetings are incredibly convenient. In the classic pre-pandemic arrangements, I certainly would not be able to write as many reports as I do now.

One of the elements that, in my opinion, has remained unchanged is the low representation of women. Both you and I are used to being the only woman at company meetings. What do you think is the reason for this? Do you see the progress?

Meetings with one of the industrial companies come to mind in particular, due to high attendance – what happens in that company is often an early indicator for the economy. Maybe out of about 100 persons, only me and a journalist were women, but often I was the only woman. Unfortunately, that has not changed. The job of an equity analyst is extremely time-consuming as well as emotionally and physically demanding. At the same time, it is an individual work. It is very difficult to delegate responsibilities

to another person for a certain period of time, which makes it difficult to align with maternity plans, yet it is not impossible. Yet, it needs trust on the side of the employer.

Working on the capital market means having everyday meetings with management boards of public companies, analysing presentations of strategies and quarterly results. What do you think makes a company transparent and its investor relations highly or poorly rated?

In my opinion, this is a consistent presentation of the same set of data, which does not change over a period of time. Trustworthiness of the corporate representatives and access to the company are also important. What matters is a reasonable strategy and its consistent implementation.

Are there industries that are easy to analyze and which are difficult to cover? Do you think the analyst should focus on the industry that he / she is passionate about? Or rather the opposite, lack of personal commitment and own experience is an advantage as it allows you to look more objectively at the sector and companies listed in it?

Oh yes, there is a sizeable difference between industries. Nowadays, I often focus on biotechnology projects. This is a very difficult sector, as financial analysis strictly speaking consumes maybe 5% of the working time. The remaining time has to be spent on learning about the therapeutic area and mechanisms of potential therapy. All this must be embedded in global trends. This on top overlaps with probabilities of success, legal regulations, and many other factors. Undoubtedly, this is the most complicated sector among the ones I have analysed, including the automotive, retail (also ecommerce), wholesale and construction materials industries. I believe that it is impossible to be a good analyst without being passionate about your work and the sector analyzed. Knowledge always helps. I am lucky to have such a job, because I can confidently say that it is my hobby.

The share price of listed companies is influenced by both fundamental and non-fundamental factors. After years of experience, how do you see the role of an equity analyst? Is it looking for companies whose stock price should increase significantly in the next few months due to the so-called undervaluation or rather concentrate on the so-called triggers and sentiment?

I think that all aspects should be taken into account and one should look for undervalued companies with triggers and good sentiment. So what if the analyst is right and the company will profit in the long term if it is possible that its share loses a lot in the meantime (timing matters). This means that the time to buy was not good, because

something was missing. Sometimes it seems to me that prices of companies are largely determined by the results of the next quarter. Sometimes I wish it were different.

In the dilemma of whether to bet on a horse or a jockey, Warren Buffet says that when a reputable management meets a business with a bad reputation, it is the reputation of the business that wins. What are your observations on this matter?

I fully agree. The question is whether a management with a good reputation would engage in a business with a bad reputation at all?

Although we hear more and more about stakeholders on the financial and capital markets, the overriding goal spoken about in Poland is building shareholder value. What is it? What actions of management boards create it and what do they destroy?

Stock price increase, dividend in the long term. For this, you need a stable management board, a well-organized development strategy with set directions, often based on new ideas. A shareholder should feel safe and believe that what the management board does, even if it generates costs in the short term, opens the company to new prospects in the long run. The perfect example is Neuca.

Lack of a long-term vision, chaos in management, including personal, financing of very risky and inconsistent ventures, creative accounting, shifting everything possible off balance sheet or outside of profit and loss account should cause concern.

We have already mentioned that women are a minority on the capital markets. It is the same with the management and supervisory boards of the largest listed companies. At the end of 2020, women constituted only 15.5% of boards of 140 largest companies listed on the WSE. What do you think is the reason and what could change the status quo?

Convincing those who have influence that diversity creates value. Supporting women by women, which is often missing. I think men promote each other a lot more. I don't want to be promoted just because I'm a woman, but I don't want to be skipped for that reason either. Life surprised me – I was fired from my job after my baby was born. I hope it won't happen to any woman these days. It is quite a traumatic experience. I was surprised when my next supervisor said „baby? and what's strange about that? “. I have not spent even one day on sick leave because of my child.

In addition to working in the equity research department, you are also interested in psychology. When looking at some of the personalities at the top of corporate hierarchies, do you have the impression that they attract so-called narcissists?

This is not even my impression, but scientific research. NPD (narcissistic personality disorder) is said to occur in some 1% of the population, while if we take the whole

narcissism spectrum, the number grows to 6% of the population, 8% of men and 5% of women. Narcissism is found several times more often among leaders.

A narcissistic personality is characterized by behaviors dominated by a grandiosity attitude, a need to be admired, a lack of empathy and inability to accept other people's perspectives. It is easy to imagine that a boss with such a personality will be more aggressive towards employees, which in the short term can increase productivity. However, in the long run, employees, as well as the company, may have a problem. Empire building plans combined with inability to listen to others have lost many companies.

Narcissism in all its kinds, and there are a whole lot of them and they are very different from one another, is a fascinating topic. While everyone can easily recognize a grandiose narcissist, spotting a covert or social one is a great art. A covert narcissist is a quiet, taciturn, calm person secretly using manipulative techniques, incredibly self-centered, ignoring the feelings and needs of others. A social narcissist, on the other hand, looks at himself/herself through the mirror of social admiration for his charity. However, this is not about real help, but about making a „show“ around it.

Narcissism has nothing to do with self-esteem, it is just the opposite.

You act also as a mentor. What is mentoring and what can a mentee and a mentor gain from it?

Mentoring for me is a conversation about possibilities, answering questions, being there for a mentee. A mentor usually has more experience, is older, and often has to face a generational change. He/she learns the approach of a younger person, which in many aspect is completely different and enriching for the mentor.

You are also interested in coaching. How is coaching different from mentoring? When to benefit from one and when to use the other?

Yes, I am a certified coach. A coach asks questions but does not advise, prompt or judge. It is assumed that the client knows what is best for him/her and he/she only needs to find a way to do it. A coach usually does not have knowledge specific to a given person, so if such is needed a mentor will be better. However, with all or almost all problems, you can relate to a coach. However, if a lot of negative emotions have been accumulated, then it is better to consult a psychotherapist. Moreover, a coach should know when to offer his/her client a mentor and when he needs psychotherapy.

Is it easier to mentor or coach someone from the same gender or rather the opposite?

In my opinion, it doesn't matter. If your intentions are good, the effect will appear, maybe not right away, but something will happen.

Sylwia, thank you so much for your time, sharing your thoughts and your support during our 17 years of acquaintance!

Thank you very much.

September



Joanna Ałasa, ACCA, CFA

Senior Analyst at NN Investment Partners, responsible for ESG projects



ESG-based investing to continue to gain momentum

Asia, thank you so much for agreeing to participate in the 12on12 project!

Looking at the impressive number of titles you hold, it's impossible not to start the conversation with you on personal development. What have the various certifications you hold given you and who would you recommend them to?

Each of them was useful in my professional work and I managed to obtain both the Investment Advisor and CFA certificates while still at university. With license number 281, I was among the first ten women to hold this title on the Polish capital market over the nearly 20 years of its existence. This shows how masculinized this environment is.

Most importantly, however, these certifications gave me the knowledge to start working independently as an analyst at a brokerage house and also opened the door for me to work at a mutual fund, where I still work today.

You deal with investments on a daily basis. Do Poles prefer to invest on the stock exchange by themselves or do more people use the offer of investment funds? Is Warsaw Stock Exchange dominated by institutional or individual investors?

According to available statistics, Poles are afraid to invest in risky assets and they perceive investment funds as a product for the wealthy. If they do invest, they often choose products perceived as relatively safe, e.g. bond funds, which, along with a drop in interest rates on savings accounts, have gained in popularity. The last several months have seen a significant increase in the number of brokerage accounts opened, which means that some Poles are trying to make money on the stock market on their own account, looking for alternatives to investing their savings. In 2020 individual investors accounted for a quarter of trading on the Main Market of the Warsaw Stock Exchange, which is the best result since 2009. On Newconnect (an alternative trading system with

fewer formal requirements) the share of individual investors in turnover was as high as 92%.

You work at a mutual fund as an equity analyst. What does working on buy-side mean? What is the role of the equity analyst versus the role of fund manager?

A buy-side job is a job with an asset (capital) management company, such as an investment or pension fund. These companies invest the capital raised from clients on the stock market in order to multiply it. An analyst's job is to evaluate a company's financial condition, assess its competitiveness and attractiveness and as a result recommend the purchase or sale of shares in the analyzed company. Typically, analysts are responsible for particular sectors and within those sectors they make selections of companies for portfolios. The fund manager is the person who decides on the final shape of the portfolio, i.e. what securities (company shares, treasury or corporate bonds) or other financial instruments will be included in the portfolio. It is probably worth mentioning that in some companies the division into analysts and managers may not be applied, and the analyst's work is performed by the manager.

If you can, describe for us how investment decisions are made by institutional investors? How are portfolio companies selected? Is there a lengthy process or rather quick decisions?

Every decision made by fund managers must be documented. One element of this recommendation is security valuation and analysis of financial and non-financial data (so-called ESG analysis) performed by analysts working for a given asset management company. These valuations have certain assumptions sewn into them regarding price, volume or cost developments in a given company. The purpose of these analyses is to identify stocks with the greatest potential for building value. Alternatively, to select those that should be removed from the portfolio.

If as a result of receiving new information, for example obtained through the analysis of published financial reports of a competitor, expectations concerning future results and financial flows change, the decision to buy or sell shares may be taken quickly. It is important to draw conclusions from observations of what is happening in the macroeconomic environment, not only in Poland but also globally. This allows us to identify investment opportunities before other market participants do.

Exactly, you have just mentioned incorporating ESG elements into capital market decision making. What does this acronym stand for and how can you incorporate these elements into your investment decisions?

Incorporating ESG (E- environment, S- social, G - governance) elements into decision making actually means increasing the amount of information we obtain and analyze about a company. In addition to analyzing financial data, we analyze non-financial

data, i.e. environmental, social, and corporate governance data, i.e. the way in which companies are managed and supervised. This information includes, for example, whether the company aims to reduce its CO2 emissions or water consumption, whether it cooperates with local communities, how it cares for its employees, and what its policy is on ethics and anti-corruption. We then use the data obtained from these areas to create an internal ESG rating, which, depending on the type of fund and how strongly it integrates ESG elements into its investment process, has a greater or lesser impact on investment decisions.

Would you say that any of the ESG letters is more important for institutional investors? Or it depends on the sector in which the company operates?

For many years, the ESG element that everyone paid attention to was corporate governance. Its relevance has certainly not diminished, as without adherence to its principles any action in any other area will be worth little. Today, investors are paying more and more attention to environmental and social issues. This comes with increasing pressure from regulators and NGOs to allocate funds in sectors and companies that are perceived to support the sustainable development of economies and the planet. Of course, which element, environmental, social and corporate governance, is more important for a given company is linked to the sector in which it operates. For example, corporate governance in a bank plays a larger role than environmental issues.

What do you think is the future for ESG-based investing in Poland?

I think, as in Western Europe, ESG-based investing will become increasingly important. Today in Europe overall, about 50% of assets include ESG analysis in their investment process. According to MSCI's „Investment Insights 2021” report 73% of investors who participated in the survey plan to increase their ESG-inclusive investments. This shows that ESG-based investing is no longer a side-trend in the world, but is becoming a mainstream trend. This is driven by increasing regulation and standardization of reporting rules, climate change, and the rise of climate risk and biodiversity measurement. Thus, there is no turning back from sustainable investments and capital market participants face numerous new challenges. Poland is moving in the same direction.

One of the criteria used in ESG is diversity e.g. board gender diversity. In my view, institutional investors have an important role to play in this issue – they vote at general meetings and decide on board composition. Supervisory boards elect management boards. What voting policies are in place at your company?

Absolutely. Diversity at the level of management and supervisory boards as well as the policies in force in this area are one of the issues to be evaluated e.g. when assigning ESG ratings by external companies. It is also an element we take into account at NN Investment Partners. At the beginning of this year, we reviewed our voting policy and element of diversity of the management board and the supervisory board was included

in one of the clauses. We now vote at general meetings against the reappointment of male individuals if the percentage of women on these bodies is less than 20% in developed markets and less than 10% in emerging markets.

For the company you work for, NN IP TFI, ESG issues are important. You have become involved in 30% Club Poland Investor Group. What is this project and why did it attract your attention?

With common goals in mind, our company joined the 30% Club initiative and became one of the three founders of the investor group in Poland. The results of research conducted in recent years clearly indicate that diverse boards are significantly more likely to deliver above-average returns to shareholders than investments in companies that are not diverse. Asset management firms have a responsibility to create value for their clients and this is one way to do that.

You mentioned that diversity of opinion is important in management and boards. Is it the same when institutional investors are making decisions?

Unfortunately, there is no research exploring this topic because investment teams globally are not diversified. Women continue to be a minority here, so it is hard to provide such clear evidence as the one from studies done on general companies and businesses. Nonetheless, I believe that as in any decision-making process, a diverse mindset is important, and heterogeneous teams are simply more effective.

How to create a diverse environment – women in capital markets are still a minority. How do you attract them to what I believe is a fascinating profession?

Our company supports diversity, but I am still the only woman on our team. The problem is that these women are almost non-existent in the capital market. I think it will be important in this case to attract young women to work in asset management companies. It is much easier to find a suitable and qualified woman to join the team if we are not looking for someone with years of experience. The talent pool that we can draw from is just different.

Another part of your work is project management. I have the opportunity to work with you on 30% Club Poland and am impressed by your workshop. What is the key to effective project management? What tools do you use the most?

The key in my work as a project manager is communication. Amount and variety of information and its form make poorly planned communication a reason for project failure. I understand communication here as a tool used for several purposes, such as effective transfer of information, getting feedback on the progress of work, emotions in the team or reinforcing desired behaviour, i.e. as a motivational function.

What is certainly important is to be able to adapt your style of managing teamwork in a world where work can largely be done from home. Actually, in my case, I feel that the move to an online world has streamlined the execution of some projects, especially those that bring multiple organizations together. The tools available, largely purchased at the beginning of the pandemic to support shared work and hybrid communication have proven to be very effective and efficient.

Asia, thank you so much for this inspiring dose of knowledge!

October



Katarzyna Drewnowska

Founder of Filo Publishing House,
PR & IR specialist



There is a story behind every book I publish

Kasia, thank you so much for taking part in 12on12 project.

You run your own publishing house and publish books. Like me, you love reading and are up to date when it comes to reading novelties. Tell us how you got the idea to publish books?

Here the answer will not be surprising – the idea came from passion, love for good literature and roots. I grew up in a house full of books. My parents, mathematicians by education, loved books and effectively passed this love on to me. So successfully, in fact, that I was the only one in my family who did not pursue a career in mathematics, but focused on literature. However, I didn't immediately set up my own publishing house and make a career out of it. For several years I worked in large corporations and dealt with investor relations and public relations. In 2006, parallel to my work in „corpo“, I founded Filo Publishing House, but I treated it more as a hobby, publishing one book a year. I loved working in public relations, the contact with people and constant changes. On the other hand, publishing was taking up more and more of my time and I finally had to make a choice: a stable and well-liked corporate job or working on my own – full of uncertainty, in an unstable market with low readership rates, but driven by passion and true love. Despite appearances, the choice was simple. Since 2014, I have only been involved in book publishing, although I still draw on my corporate experience in my day-to-day activities.

How does readership look like in Poland? Do Poles really not read books? Has the pandemic changed anything?

Unfortunately, readership surveys leave no illusions. Poles do not read books. But, very romantically, they are starting up lots of new publishing houses. Such a paradox. Has the pandemic changed anything? I can say from my own perspective. I specialise in publishing culinary and guide books. The pandemic has certainly made Poles more willing

to buy books online. In the initial period of constant lockdowns, the interest in good culinary books certainly increased. Buying such books by Filo as „Jerusalem“, „Palestine“ or „Cook yourself happy“, you could go on a culinary journey without getting up from the table. This is what I want to give to the readers of my books – not only great, tasty recipes, but also open the door to the world, to other cultures or interesting history. And through food you can do it brilliantly. „Palestine. A Cookbook“ was chosen as one of the most important books published during the pandemic, precisely for this reason.

You have such hits as Nigella or Perfect Housewife on your account. Which books sell best in Poland?

Books by domestic writers, especially crime fiction, are still the best sellers, but there has definitely been an increased interest in guide or culinary books in recent years. When I started in 2006 with my first book „Nigella bites“, hardly any publishing house was interested in culinary literature by foreign authors. It was the year when Pascal Brodnicki book „Pascal just cook“ triumphed. On the bookstore shelves, you could find either Pascal or my Nigella, as well as classics such as „Polish Cuisine“. Over the years, the situation has changed dramatically. Now, almost every publishing house offers culinary titles. Every month, a few cookbooks are published, and now, during the pre-Christmas period, there will be several a week. On the one hand, I am glad that in Poland you can buy so many culinary books published all over the world, but on the other hand, unfortunately, I have to say that many of them are of poor quality because of the translation, so the market is flooded with mediocre publications. The Polish reader, however, is becoming more and more sophisticated in the field of culinary literature and can also choose valuable titles.

You have already mentioned that your publishing house Filo has a very interesting niche – you specialize in culinary books and guides for women. Why such a choice?

Filo is a small boutique publishing house. We publish 4 or 5 books a year, but we prepare them very carefully. We spend a lot of time on translation, editing, working with the text. We choose the highest quality paper – all this so that the reader, when he or she picks up a Filo book, is sure that he or she has a work of the highest quality. I like to compare Filo books to a box of chocolates – beautiful on the outside, tasty on the inside. Also, and I think this is the most important thing, I choose my titles very carefully. There is a story behind each book. Nigella in 2006 was a kind of phenomenon, not culinary but cultural. The fact that you could be a „domestic goddess“ and turn cooking into an art while fully accepting your non-ideal body was something groundbreaking – let’s remember that we’re talking about something that took place 15 years ago. „Jerusalem“ by Yotam Ottolenghi tamed Poles with Middle Eastern cuisine, and did it through amazing stories connected with this city. Nigel Slater’s books, apart from recipes, provide very valuable literature – the author is erudite, and his autobiographical book is the basis

of a play performed in London's West End. Our advice books, on the other hand, also carry something more. For example, the first book dealing with the subject of 'self-care' was published by Filo. Not to mention Filo's biggest publishing success, 'The Perfect Housewife', which readers took very seriously, based on the assumption that if we clean our house we bring order into our lives.

The ordinary reader comes to a bookshop or buys a book in an online shop. He/she does not realise how long and complicated the process of publishing a book is. So let's start from the very beginning. Where do you get ideas for publishing books?

Indeed, many people think that a book is just made and put on the shelf. And this is a complicated process, requiring care and precision. I get ideas for my titles from several sources – directly from foreign publishers with whom I am in touch (I publish most of my books under licence), from literary agencies, of which we have several very good ones in Poland. The agents know what titles I am interested in and send me proposals. I also search for them myself and here I simply spend a lot of time browsing the internet. But in fact, among dozens of titles, often very good, published successfully all over the world, there is one that makes my heart beat faster. Why? Often I don't know myself, but I try to trust my intuition, which I have gained in 15 years of experience in book publishing.

So let's take the next step, you decide on a book, you now have to fight to be able to publish it. What is the process of getting a licence to publish a book?

Here the story will not be exciting. Just like in other industries. An offer and negotiations. Then the contract and the whole process of publishing the book.

You already have an idea for a book and the rights to publish it, what next?

Then the whole process of preparing the Polish edition. Finding a good translator (not only linguistically, but also well versed in the subject the book is about. Then the translation will be good and true), a great editor and proofreader. This is in the verbal layer. In the visual layer, buying the rights to the layout and photos in the book, working with an artist when we change something in the appearance of the book or a great graphic designer and preparing the book in the visual layer. In the meantime the process of negotiating with printers, the choice of paper and finishing. Last but not least, there is the matter of distribution and promotion. I am lucky that Filo is represented by Dressler, the biggest book distributor in Poland.

Do you distribute the books yourself or do you use distributors?

It all depends on the strategy of the publishing house. Big publishing houses usually have their own distribution, smaller publishers use the so-called exclusive distribution, which means that the whole print run goes to a chosen distributor and that company takes care

of all the issues related to the availability of books on shelves. This is the case with Filo. Some authors decide to publish their books themselves (also culinary books). Then the model is different – before ordering the printing of the book, orders are collected from readers and then the printing is ordered for the number of books already sold and sent directly to the recipients.

How long is the lead time, i.e. time from idea to publication of a book?

It all depends, of course, on the title and on the publisher – its size and scale of operation. Filo prepares books over a long time. I like to have the comfort of not being in a hurry to work on a given title. On average, I like to have about a year to work on a book, so that the translator has time to translate, the editor to work on the text, the graphic designer to do the typesetting, and then we don't have to rush to get the publication ready for print. But as I wrote earlier – Filo is a kind of manufactory, a small boutique. Additionally, I am lucky to be surrounded by people full of passion and commitment, who at every stage feel fully responsible for the result and treat the finished book as their child.

Filo Publishing House has already published almost 60 books. Has every book been a hit? What is done with books that do not appeal to readers?

Of course, I've published a few titles that, despite the hope I had in them, didn't catch on with readers. I think I published some of them simply too early for the Polish market. I'm referring, for example, to Phil Stutz and Barry Michels's „Methods”, which I published just as Polish readers were raving about Ronda Byrne's „Secret”. For a publisher, a print run that doesn't sell is the biggest business risk. Everything from promotional activities to discount offers is tried.

Before starting your career as an entrepreneur, you were a great PR (public relations) and IR (investor relations) professional. How long did you prepare for your role as an entrepreneur?

I was fortunate that for eight years I worked in a large listed company and at the same time I ran a publishing business, obviously on a smaller scale than now. Being in charge of investor relations and PR, I worked at the interface of many aspects of a company's operation, and I could learn good standards from finance, reporting and business. Of course, the scale of operations is incomparable. It is like putting an ant and an elephant next to each other. But if in nearly 10 years of working for a listed company I have learnt its operating standards, then in a sense I can translate them to my small backyard. For example, each of my books has a separate P&L. This makes it easy for me to observe which title is profitable and to react fairly quickly.

Would you recommend women to be entrepreneurs?

Oh yes! If they feel the desire and have the dream. In general, I think that people are divided into employers and employees. Some people feel more comfortable in the first role, others in the second. It's important to follow your personality type in your career path. I meet many women entrepreneurs. They are wonderful, well-organised women who have often had to prove themselves many times more than men on their way to success. Women are consistent, dynamic, swift in decision-making. And they can reconcile several worlds. I am very impressed by many female entrepreneurs and hope that they will be an inspiration to those who hesitate to take the first step in business.

Kasia, thank you very much for the interview and I wish you continued success!

November



Katarzyna Piasecki

CEO & Founder of ENNBOW
Energizing Elegance



**I have always
wanted to be an
entrepreneur!**

Kasia, it's a real pleasure to have you on my 12on12 project!

Let's start at the beginning:) e. with your surname. How is it that you do not use the feminine ending of your surname (as typically in Polish language) but the masculine one? What is the reason?

Haha. My surname is indeed controversial at times. People even correct me, suggesting that I don't know what my name is:). I spent half my life in Germany and have dual citizenship. When I got married I had to choose a surname without a feminine ending, otherwise I wouldn't be married to my husband in Germany. And as you know, that can cause a lot of paperwork problems in this country. To be honest, I love Germany for this order and clarity.

Exactly, Germany ... you left your home town to study economics in Bonn. What drew you to another country?

The trip to Germany was a complete coincidence. Having failed to get into my dream university, SGH (Warsaw School of Economics), I fulfilled my father's dream of pushing me to study abroad. You have to remember that at that time going abroad was not an obvious choice. Poland was not a member of the European Union and very few people decided to study abroad. Everything was expensive, inaccessible and mentally very difficult. We had friends who were in control of that process and jumping into the deep was the only alternative. The jump was really a big one because my knowledge of the language was at a very low level. But, as it happens, such extreme actions imprint a mark and teach a lot about courage.

You have been incredibly successful in Germany, working for institutions such as UniCredit, Lazard, Rothschild and Berenberg, mainly in the financial capital of Germany, Frankfurt am Main (FFM). How did you approach the recruitment process? Which of your strengths did you use to get to the top?

During my studies I intensively searched for my place in business. I have always been interested in running a business, entrepreneurship, trends. When I came across people from investment banking, I immediately knew that this was where I belonged. I was attracted to agility, persistence, courage and teamwork, the incredible ability to build relationships, anticipate moves, come up with strategies. And I think these qualities that I liked so much were my key to success both in recruitment and later in the industry.

Many people dream of working at FFM. What advantages do you see compared to London. Is it a diverse working environment?

The working environment is certainly not as diverse and multicultural as in London. The transactions are also generally a bit smaller and less recognisable and less covered on the front pages of newspapers. Sometimes you definitely get the impression that the big world is there in the UK. But you have to appreciate the German economy and all the „hidden champions“, amazing family businesses with long traditions. In terms of living conditions: London is always fascinating, I love going there, but Frankfurt is easier to live in – it is smaller and cosier, which I think is an advantage when working in a bank.

Having achieved great success abroad, you returned to your home country, to Warsaw. Was it an easy decision to leave such an important financial centre?

It was not an easy decision, but at one point I was fixated on opening my own business. At the time, Poland seemed like a land of opportunities. As The Economist wrote, the country was on the threshold of the second golden age of the Jagiellonians. There are many start-ups here, not everything has been achieved, Poles believe in the possibility of achieving spectacular success, some things are easier. Besides, my vision for life is to be a citizen of the world and live and be active professionally and privately in several countries. It is not easy and I am still building this position, but nevertheless it is rewarding and gives great satisfaction.

When you came back to Poland you fulfilled the dream of many women, that is, you started your own apparel brand. What pushed you to become an entrepreneur? Where did the idea for the apparel brand come from?

I have always wanted to be an entrepreneur. I was attracted to the prospect of creating, building something from scratch, dealing with challenges. This was also one of the main motivators for choosing the M&A department, i.e. answering the question „What makes the company tick“. The idea for my apparel brand came purely from identifying a problem on the market. Despite the huge amount of clothes in the shops, I believed that there was

nothing for women in business to wear. I noticed a growing group of female customers totally ignored by designers and fashion brands.

I wanted to create clothes that would be reliable, comfortable, in which women would feel confident throughout even the longest day. I thought about my daily routine and the different life roles and activities. Travelling. Going out for drinks. Men, colleagues always look comfortable, appropriately dressed, whatever the situation, in their suits. And that's the idea that guides me to this day. It has to be comfortable, fresh and at the same time emphasise our competence and say „I mean business“.

Please give us a glimpse behind the scenes of creating a retail brand. Is it a simple job or is it the opposite? How many elements of the supply chain do you have to think through and bring together to make a blouse or dress?

Making clothes, seemingly simple, is very complicated. Especially if you are committed to uncompromised quality. It all starts with sourcing the material. For us, apart from the fact that the material has to be comfortable to wear (i.e. not restricting the freedom of movement, breathing, not creasing), it has to be long-lasting and meet the highest standards in terms of sustainable production and environmental protection. The next step is the construction of the garment. We don't give up on quality here either. Interestingly: most models in well-known chain stores are never measured on a real woman model. So it's hardly surprising that most women with normal curves can't get into the clothes and feel uncomfortable. Finally, we still have to fit into the production process of our partners. Everything also has to be coordinated with marketing, photo shoots and sales, so that the product reaches the customers at the right time. Fortunately, things are a little easier here: our clothes are not seasonal. They often remain in our offer for many years. So delays are not so painful.

The key to growing retail brands, in my opinion, is to understand your customers' needs. You come into contact with wonderful women who are your customers every day. Tell us who are the ENNBOW women? How diverse are they?

Since the beginning of the brand, my priority have been and still are women in business. Women whose lifestyle requires activity, mobility, daily business appearance regardless of age. Clothing is an important aspect for them, but mostly they want to get it done quickly and efficiently. Our #ENNBOWoman is focused on purpose, on priorities, on combining different life roles efficiently. She travels a lot, often hangs out with men and is often judged by the way she looks. As ENNBOW's clothes are quite minimalistic, the collection leaves a lot of room for personal interpretation. Both to transform clothes for many occasions even in one day and to express your individual style and personality.

Being an entrepreneur means constant innovation. As an ENNBOW customer, I feel positively surprised – by new designs and colours of clothes, but also by the brand’s adaptation to the changing reality. How has ENNBOW changed during the pandemic and what does it offer women in the current hybrid reality?

We constantly strive to surprise our customers with the quality and the way they feel in our clothes even when they are having a difficult and intense day. A product has to impress no matter how long it has been in the wardrobe. When we release something new, we think in terms of how to innovate the cut, about body shaping elements, how to make the clothes even more comfort. How to transform a dreamed-of fashion classic, rarely available to businesswomen, into something they can wear to work. Our Cat Woman Suit is such an innovation, a glimpse into the future. A modern business suit. A hybrid of elegance and comfort. As it turned out – an outfit perfect for home-office. In the spirit of combining different life roles. We have also recently innovated on the service side for our clients. Thinking about the lack of time, the time-consuming process of shopping whether online or offline, you can complete your wardrobe with us in the mode of the so-called ENNBOW home fitting room. This personalised shopping service saves time and allows you to make more informed decisions.

I think that the strength of your business lies in you personally, your woman power and your support for women! We met in W2W which is a group of women leaders in their areas of specialty. You work with many organisations supporting women. I am very happy that you are also a 30% Club Poland Ambassador. What attracted you to this initiative?

I hadn’t planned for this from the start – I didn’t see the inequality and I thought that women’s career paths were dependent on their own attitudes. However, interacting with women, observing the work environment more closely and analysing my own experiences made me realise that it was different. We have our own prejudices, preconceptions and boundaries that we impose on ourselves. My second mission became to create awareness among women and to support the movement for equal opportunities and balance in the work environment and on the public stage. I strongly believe in the power of female leadership and the importance of female input, intuition and management style in actions and decisions. I believe that nowadays, when problems are piling up and have a global scale, women’s participation is essential. That is why 30% Club Poland is so important to me. What I really like about the campaign is that it’s based on hard data, hard commitments and it involves men in action.

Thank you for your kind words about 30% Club Poland. This social campaign fits into the so-called ESG trends i.e. environmental, social and corporate governance. How does ENNBOW fit into sustainable fashion?

Quality, sustainability, avoiding excess and being ethical have always been part of my brand vision. We produce not for seasons but for years. Did you know that we never sell-off our clothes? We educate consumers about our products and that the purchase of these clothes is an investment. We only work with suppliers share our values and act in frames of ESG spirit. ENNBOW is also part of this strategy. These include targeted purchasing, a reduced carbon footprint in delivery and reusable packaging. As has been mentioned many times, ENNBOW has a social element in addition to the clothes. We are involved in initiatives that support the development of women and their careers, as well as supporting girls at the beginning of their journey.

ENNBOW is a woman, but not only a Pole. Your clothes sell in many European capitals. You are also active not only in Poland but also in Germany as a lecturer in Cologne and in Zurich as a partner in KMK Venture. Are the needs and challenges of European women similar?

Our needs are definitely very similar. We are all connected by an intensive lifestyle, dreams big and small, search for some kind of balance between work and life, finding balance, rest and regeneration. Thanks to this international aspect, I can observe differences in style, level of consciousness and emancipation. And to combine and pass on the best of the Polish women, the German stability and perseverance, and the Swiss ability to cooperate and their natural flair for business.

Kasia, thank you so much for the great dose of inspiration and positive energy!



December

**Beata Szparaga-
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Deputy Head of Equity Research at
IPOPEMA Securities



Parenthood is an accelerated course in project management and divided attention skills

Beata, I am very happy that you agreed to participate in 12on12! Time flies so quickly. I remember interviewing you for an equity analyst position at a brokerage firm. It has been a decade and you are one of the most respected sell-side equity analysts.

You were determined to work at the capital market already in your student years. What attracted you to the market?

When I went to university, I knew that my future job had to be a decision-making position, requiring analytical skills and continuous learning. Therefore, in my second year of Management at the University of Gdansk, I chose specialisation in investments and wrote my bachelor's thesis on valuation of Lotos. I enjoyed this exercise and became interested in the stock market. Unfortunately, there were not many job opportunities related to the capital market in Tricity, so I started working in controlling at a real estate developer, but soon realized that I needed a more dynamic environment. I moved to the Warsaw School of Economics (SGH) for my Master's studies, started looking for a job and preparing for the Investment Advisor exam. I then found an ad for a junior position at ING Securities and that is how we met.

You are an equity analyst – please tell us what this job involves and how an average day looks like for an analyst working in a brokerage house?

The analyst's working day starts quite early, sometimes even before 7:00 a.m. At the beginning of the day we prepare the daily bulletin and news comments concerning

e.g. quarterly results. Later, we have a meeting with sales traders, where we discuss and quantify newsflow in our sectors. Further in the day, we attend meetings with companies, prepare recommendations and present investment ideas to clients.

You have mentioned a lot of interesting aspects – let’s start with the quarterly results comments. What key aspects of these results should an analyst take into account? When can we say that the financial results were good or bad?

It very much depends on the sector. It is important to what extent the results differ from our expectations, what the implications for the following quarters are and what the quality of the results is. We also adjust the results for any non-cash events, non-recurring items or creative accounting.

A great deal of knowledge and experience is needed to analyse financial statements, particularly if this is done under time pressure – as is the case during the results season (the period of time during which listed companies publish interim results). Is it common to find creative accounting in financial statements?

Very common. Unfortunately, accounting standards allow a high degree of flexibility, and even audited financial statements sometimes do not show the true picture of a company’s financial standing. An example of this is the GetBack case. I also know some examples of companies which had significant off-balance-sheet liabilities which they did not disclose because auditors did not require them to do so. Companies also often change their accounting policies and restate historical data. Sometimes the amount of cash is the only reliable number, although there are ways to „boost” this item as well.

In addition to financial statements, companies also publish a management report on operations, which is, in simple terms, a form of summary and commentary made by the board on results achieved. What good practices in these materials would you highlight and which should become a thing of the past?

It is good practice to provide additional data in order to allow a better understanding of the company’s business and outlook for the coming quarters, such as volumes, market share, backlog or plans for the following quarters. Sometimes however a management board’s report includes just a simple description of numbers in the financial statement and there is no added value in it.

You have already mentioned that part of an analyst’s job is to create reports and recommendations for listed companies. What do they contain? How long does it take to produce such a report?

Recommendations usually include analysis of the company’s business model and strategy, market analysis, as well as forecasts and valuation. The risk section is also very important. It can take more than a month to initiate on a new company, especially in case of an IPO (Initial Public Offering) report.

We already know that part of the report is the valuation of the company. What valuation methods are most commonly used on the Polish market and what are their characteristics? If an analyst issues a “buy” or “sell” recommendation, do prices react immediately?

The most commonly used valuation methods are the DCF model, which involves discounting cash flows projected for subsequent years and peer comparison, which shows value of a company in relation to the market valuation of other companies in the sector.

The fact that a valuation implies an upside or downside potential does not mean that shares of the company will fall or rise once the recommendation is issued. The analyst's scenario has to materialize or the market has to realise that the scenario is not yet discounted in the share price.

An equity analyst's job is not only to work with reports and valuation models, but also with people. You have to maintain relations with investors and with companies. Let us focus on the latter – how do management boards react to “buy” recommendations and “sell” recommendations?

I once heard unkind comments from a CEO of a company on which I had a ,sell' recommendation, and for a while I was not invited to their quarterly conferences. In most cases, however, the reaction of management boards is more balanced – they say, for example, that they will try to surprise me positively or convince me to change my mind. In the case of „buy” recommendations, they often express surprise that the growth potential is not higher. On the other hand, there were few cases when the management board admitted that my assumptions might be too optimistic.

You talk to and know many management boards of listed companies. What actions, manner of communication or character traits distinguish the people on boards who are considered trustworthy?

In my opinion, consistent and transparent communication strategy is the key, as well as publication of realistic targets and then delivering on them. I also appreciate when management can admit that it has not met investor expectations and at the same time announce what it plans to do in order to improve performance in the future.

Apart from your professional work, you are also involved in social campaign. You are one of the co-founders of 30% Club Poland, for which I thank you very much. Is the low share of women on corporate boards noticeable in the work of an equity analyst? Are there any consequences of this phenomenon?

I think the numbers speak for themselves – according to 'Women on boards and company performance' report, more diverse companies listed on the WSE had statistically significantly higher net margins and lower share price volatility in the years 2015–19.

Also, from my own observation, it seems to me that a more diversified management and supervisory board – not only in terms of gender, but also in terms of relations with the main shareholder or experience – translates into better decisions.

Looking from the perspective of years spent in our domestic capital market, how important a change in the market will the inclusion of ESG criteria in analytical reports and evaluation of companies be?

Until a few years ago, the market focused primarily on „G” – governance, applying a premium to stocks with better corporate governance and a discount to those with poor corporate governance. Now the market is gradually starting to also take into account ‚S’ and ‚E’ – buy-side is partly forced by regulations and, in the case of ‚E’, also due to rising CO2 prices. There are also more and more investment managers who exclude investing in companies with exposure to, for example, coal, crude oil or weapon manufacturing. I believe in the future, companies with low ESG ratings will have a real problem obtaining financing and will be valued low on the stock market.

You also recently became a mum, how has parenthood affected your work?

I was afraid of a gap in my professional development, and at the same time my husband and I wanted to share the care of the child as equally as possible – so I took 6 months of maternity leave, and my husband took another 6 months. Based on our experience, it is clear that it is a myth that the mother is more important for a small child than the father, and that is why she should stay at home with the child – preferably until kindergarten. After the maternity leave, I returned to full-time work. Sometimes I am tired after a sleepless night, but on the other hand, parenthood is also an accelerated course in multitasking, project management and divided attention skills. At the same time, it is only now that I realise how harmful gender stereotypes begin in early childhood – some people think that a boy should only play with balls and cars, while a girl should learn empathy, which is why dolls are only for girls.

Beata, thank you very much for this conversation and sharing your experiences!





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