

MAY 2018

SOCAR Polymer Newsletter / Issue 5 / 2018

IN THIS ISSUE:



Hydrocarbon feedstock introduced to the PP plant p.16



SOCAR Polymer gave start to its Summer Internship Programme 2018 p.27



SOCAR Polymer in Baku Marathon-2018 p.36

99.6%

PP Total progress in May

94.8%

HDPE Total progress in May



16,054,569

Man-hours LTI Free

533

Employees

 **SOCAR**
POLYMER

PP plant going live



Dear colleagues,

We have all come together with partners to work towards the common goal of creating something that will outlast us all and long serve to the benefit of this country and its people.

On May 20, the propylene valve at the Azerikimya plant was opened to purge the pipeline with the hydrocarbon all the way to the SOCAR Polymer plant. Propylene entered the “battery limit” area purging the line to the flare.

Construction of a state-of-the-art petrochemical plant through a project that is in many ways the first of its kind is not a small goal to reach for and will be a major achievement of the industry. As we join our efforts to take sequential steps along this path, we successfully pass significant phases of work that give our goal material shape.

The achievement of the “hydrocarbon in” milestone has breathed life into our creation by filling its veins with

propylene and turning on the pumps that circulate the hydrocarbon like blood.

It is a big step, a big milestone achieved, and I would like to congratulate and give credit to each and every one of you for the inputs that have brought by the joy of this achievement.

A handwritten signature in blue ink, appearing to read 'Farid Jafarov', with a stylized flourish at the end.

Farid Jafarov



May 2018

Site Photos



PROGRESS ON SITE DURING MAY

HDPE plant

April 2018

Progress over
May 2018

May 2018



HDPE: Blending Silos. Pre-commissioning in progress



HDPE: Organoleptic Structure and Effluent Treatment. Secondary steel and grating works ongoing on final level. Instrument installation and cooling water lines' erection in progress





HDPE: Extrusion Structure.
Secondary steel, hand rails & grating works ongoing at the top of the silos. Piping erection and painting in progress



HDPE: Polymerization.
Reactor Circulation Pumps and the Bottom elbow part of Loop Reactors erected. Structural & piping erection works for Remote Operator Monitors ongoing



HDPE: Electrical Substation.
Cabling and termination completed





HDPE: Polymerization Pipe Rack.

Piping erection, welding, painting, insulation & color banding works on-going



HDPE: Pellet blower package space for logistic conveying.

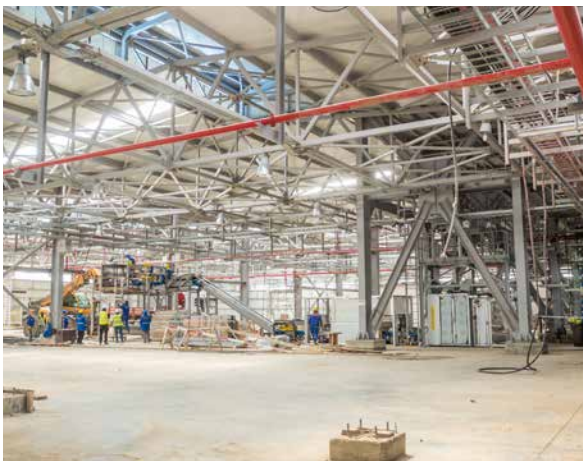
Piping started and ongoing for C-1401B. Motor alignment completed.



HDPE: Reactor Dump tank.
Electrical works in progress



HDPE: Catalyst
Activation.
Electrical and
piping works in
progress



HDPE: Bagging
& Packing.
Equipment
installation
ongoing





HDPE: Low Pressure Solvent Recovery.
Equipment Insulation completed on E-1414 and D-1425. Piping insulation and painting ongoing



HDPE: Ethylene Treatment.
Equipment Insulation completed on E-1423, D-1901 and E-1901 units

PP plant and U&O area

April 2018

Progress over
May 2018

May 2018



PP/U&O: Electrical substation.
Punch List closing in progress



PP/U&O: Common Control Room.
Punch List closing in progress



PP/U&O: Chemical & Additives Storage Building.
Punch List closing in progress



PP/U&O: Laboratory.
Punch List closing in progress



PP/U&O: Administration building.
Punch List closing in progress



PP/U&O: Workshop.
Punch List closing in progress



PP/U&O:
Bagging &
Packing Building.
Bagging
warehouse
commissioning
and handover of
the building in
progress. Epoxy
painting of the
floor in progress



PP/U&O: Fire water Retention Basins and Pump House.
Commissioning in progress



PP/U&O: Air/HP Nitrogen Condensate Compressor
Station's Storage & Pumping facilities.
Punch List closing in progress



PP/U&O: Cooling Tower.
Punch List closing in progress



PP/U&O: Flare Stack.
Punch List closing in progress



PP/U&O: Valve house.
Punch List closing in progress



PP/U&O: PP-Wet section / Polymerization.
Punch List closing in progress



PP/U&O: Gate/
Guard House.
Punch List closing in progress





PP/U&O: PP Dry Section / Extrusion building.
Punch List closing in progress



PP/U&O: PP Dry section / Powder Silos.
Punch List closing in progress



PP/U&O: Homogenization / Blender Silos.
Punch List closing in progress



PP/U&O: Raw Water Storage Tank.
Punch List closing in progress



PP/U&O:
Isobutane
Sphere.
Punch List
closing in
progress



PP/U&O: Interconnecting Pipe Racks.
ICPR 800, 801, 802, 803, 804, 807, 809, 810, 819 Punch List closing in
progress



Nitrogen package.
Construction works completed



Warehouse.
Joint sealing works in progress



Permanent PS System.
Casting of concrete foundations for camera poles.
Cable pulling commenced



Razor Wire on the Perimeter Fence.
Razor wire fabrication and installation in progress

Project progress status

PP Plant Progress

Disciplines

Cumulative Progress

Detailed Engineering



100%

Procurement Orders



100%

Subcontracting



100%

Material Supply – Manufacturing and Delivery



100%

Construction



99.7%

Overall



99.6%

HDPE Plant Progress

Disciplines

Cumulative Progress

Detailed Engineering



99.9%

Procurement Orders



99.9%

Subcontracting



100%

Material Supply – Manufacturing and Delivery



99.5%

Construction



89.6%

Overall



94.8%

Hydrocarbon feedstock introduced to the PP plant

On 20 May 2018, SOCAR Polymer started pumping propylene feedstock into the production line of the Polypropylene plant, the construction and commissioning progress of which had reached the 99.5 % level by the end of April. Feedstock propylene is supplied to the SOCAR Polymer plant by Azerikimya PU via a pipeline from a distance of 3 km where the Azerikimya Steam Cracker plant is located. The process of introducing propylene to the plant was conducted under joint supervision of the SOCAR Polymer, Fluor and Tecnimont teams. The pipeline valve was triumphantly opened in the presence of the teams' representatives on the third Sunday of May.

Earlier in May, agreement was achieved between SOCAR Polymer and Azerikimya with all due forecasting and planning performed to arrange and ensure timely supply of feedstock propylene to the PP plant. Testing and commissioning of all the related systems were implemented by KT-Kinetics Technology, with appropriate adjustments made to the pipeline delivery system on both the Azerikimya and PP plant ends. Once SOCAR Polymer launches PP production, Azerikimya, with its production rate of 450 tons/day, shall stop serving other clients for propylene and deliver its full output volumes to the SOCAR Polymer plant to facilitate the PP plant's reaching the full production capacity rate. For propylene storage purposes, there are about 20 storage tanks on the Azerikimya site with 4,000 tons of storage capacity total.

Propylene is a colorless gas with a faint petroleum like odor. It is shipped as a liquefied gas under its own vapor pressure. Propylene is the base monomer for PP. It is a gas at room temperature, but when linked together as polymers, its molecules form tough, flexible plastic materials with a large variety of applications. It is the linking of the molecules that is referred to as polymerization.

Prior to the polymerization process, feedstock materials are purified as they, standard propylene in particular, normally have contaminants. Purification of propylene is performed



by Azerikimya to produce feedstock of polymer-grade. Subsequent testing of propylene samples from Azerikimya was performed by the SOCAR Polymer company late in April to ensure the main characteristics met the required norms. The tests yielded acceptably positive results. SOCAR Polymer will continue checking the propylene quality on a regular basis throughout the plant's operation period, as often as a few times a day.

The propylene is currently recirculated in 4 units of the PP production plant to flush the lines, including the loop reactors. The propylene used for flushing is then flared, to which visually testifies the flame at the top of the flare stack.

Launch of feedstock supply to a new plant is a major milestone achievement that brings a project closer to its culmination. Many thanks and congratulations to all the involved teams for moving the SOCAR Polymer project forward successfully!



OPS Trainings



OPS (operations) trainings are offshore/onshore trainings conducted for SOCAR Polymer's operation/maintenance/laboratory staff to expand their theoretical knowledge and practical skills regarding the technical aspects of operating/maintaining various types of equipment/facilities installed at the PP plant. Trainings are arranged by Tecnimont, SOCAR Polymer or Fluor, and are delivered at vendors' facilities abroad or at appropriate institutions in Azerbaijan.

In the month of May, SOCAR Polymer employees attended the following trainings abroad:



| OFFSHORE TRAININGS | | | | | |
|-----------------------------------|---------------------------------|----------|-----------|------------------------|---|
| Training theme | Company/Location | Duration | Dates | Number of participants | Participants' positions |
| Process Automation Product | YOKOGAWA Tokio, Japan | 4 days | 14-17 May | 2 | 1 Lead Control & Automation Engineer, and 1 Junior Control & Automation Engineer |
| LPSR Blower | Roots System Ltd. London, UK | 2 days | 23-24 May | 6 | 2 mechanical supervisors, 2 shift supervisors, 1 mechanical technician and 1 process engineer |

On-the-job training sessions at the SOCAR Polymer plant site

The EPC contract with the Tecnimont company includes trainings which the Kinetics Technology (KT) company has been provided on daily basis since 28 August. An extensive Training Program has been carried out since August 2017 to date, covering all aspects of plant operations and envisaging both Classroom training (480 hours total) by various specialists and vendors, and On-job training (1050 hours total) to be led by experienced technicians until the end of the project to ensure complete grooming of SOCAR Polymer operators to efficiently handle the Plant. The trainings are listed under four major disciplines/categories: electrical, instrumentation, mechanical and operation. Thus, the SOCAR Polymer plant personnel gets a better understanding of the principles of equipment operation, and grows better informed of the basic maintenance and troubleshooting processes.

More detailed information on some of the training sessions conducted on site in May is provided below:



| Training title | Training Vendor | Duration | Dates | Number of participants | Participants' positions |
|---|-----------------|----------|-----------|------------------------|--|
| Forklift Driver training | SQA Group | 4 days | 7-10 May | 3 | 3 mechanical technicians |
| | | | 14-17 May | 3 | 3 mechanical technicians |
| | | | 21-24 May | 3 | 2 plant operators and a Jr. mechanical technician |
| | | | 28-31 May | 3 | 2 plant operators and a mechanical technician |
| Basic Supervisory Skills | HRC | 1 day | 3 May | 7 | 2 bagging shift supervisors, 1 shift supervisor, 3 mechanical supervisors, and 1 instrument supervisor |
| | | | 7 May | 10 | 2 senior lab analysts, 3 laboratory analysts, 1 shift supervisor, 1 electrical supervisor, 1 plant operator, 1 maintenance superintendent, and 1 HSE team lead |
| Transport Logistics. Organization of International Cargo Transportations | PROLOG | 2 days | 25-26 May | 1 | 1 Logistics & Transportation Specialist |

Caspian Oil & Gas Expo

Jubilee 25th edition



This May in Azerbaijan is particularly eventful, featuring an accolade of anniversaries to commemorate the historical phenomena that shaped the country.

One of them, the Caspian Oil&Gas Expo, an annual major-league international business occurrence, was held from May 29th to June 1st at Baku Expo Centre. Convened for the first time on 1994, the year facing the birth of the Contract of the Century and a pivotal moment in the evolution of the country, the 2018 event spotlighted the 95th anniversary of National Leader Heydar Aliyev.

The Expo-2018 blasted off with yet another historic occasion: early in the morning of May 29th President Ilham Aliyev swung a nozzle on the opening neck of TANAP mainstream gas pipeline at Sangachal Terminal. The ceremony was broadcast live to Baku Expo Centre, to be viewed by representatives of 38 countries gathered there.

The EXPO is supported by a score of ungrudging donors, led by SOCAR and generously contributed to by our own SOCAR Polymer.

The SOCAR Polymer high-tech pavilion with a large videowall and a touchscreen stand featured all the latest news of the company and the progress achieved in the polymer production plants' construction. Moreover, in its pavilion, the company embodied some general ideas on how domestically produced polymers could be used as feedstock to manufacture a wide range of consumer products. The shelves in the centre of the pavilion highlighted some of such ideas of interest to small and medium-size entrepreneurs and enterprises that could potentially form an industrial cluster around the SOCAR Polymer plants in SCIP.

During the 4 days of the exhibition the stand was attended by interested men of business, representatives of adjacent industries, national and international potential customers, specialists and just ordinary citizens curious about the latest developments in the petrochemical industry.

The stand was at all times manned by SOCAR Polymer representatives who attended to the visitors and answered their questions. For such a contribution of time and efforts, we are thankful to Islam Asadov, Kamran Fatiyev, and Aliaga Gasimzadeh from the Procurement department.

Technical soundness and flawless operation of the stand equipment was ensured by our company's IT team led by Adalat Muslumov.

The Caspian Oil&Gas Expo is primarily a marketing event with a strong networking component, consolidating the industry interests with those of trade and commerce. In the 25 years of existence, it has put on weight and grown a flight of regular customers, steered by grandees such as BP, Total, Statoil, and Petkim. Russia and Italy are the Expo's long-term champions, while rookies apply for participation every year and make from 15 to 20% of the participants' lot - a living testimony to viability of the national Oil Strategy, as well as Azerbaijan's growing industrial appeal and international recognition.

In late 1990th, the Oil & Gas Conference merged with the Expo, and brings together about 500 participants a year. The agenda this year included themes such as the role the Caspian region plays in European and Asia energy export diversification; international mainstream gas pipelines; the critical need for raising ecological culture standards.

EXPO

HIGHLIGHTS:

- 1994** The First Caspian Oil & Gas Expo was held from May 24 to 27 and played host to 158 companies from 12 countries. The opening ceremony was attended by President Heydar Aliyev, a ritual caught on by President Ilham Aliyev. Back then all exhibition outfits and furniture had to be imported; a global system of interconnected computer networks, an Internet as we know it today, has barely emerged; mobile communication was restricted to a few lucky owners (corporate mostly) of clumsy satellite handsets; long-distance business interactions were done via brooding fax machines. Blueprints for the first exhibitions were drawn manually, on paper in pencil, an unfathomable these days. Baku at that time was freshly post-Soviet and did not boast many an international event. The Expo with its hustle and bustle, peregrine equipment and technologies, its countless trophies made people speak of it for years on. The Baku elite held their breath to get an invitation to the event. Not any longer. Many off-springs in terms of a variety of international events.
- 2005** The Expo News, a daily publication highlighting remarkable shows and speeches, was first released and had been in print ever since.
- 2006** Caspian Oil & Gas received an “Approved Event” status from the UFI Global Association of the Exhibition Industry.
- 2010** The avant-guard Baku Expo Exhibition & Convention Centre was selected as a permanent host venue for the Caspian Oil & Gas Expo.
- 2011** 285 companies / 27 countries.
- 2012** 304 companies / 35 countries.
- 2013** slightly short of 400 participants
- 2014** over 400 companies / 28 countries
- 2015** 315 companies / 27 countries/ Czech Republic set national pavilion to feature 25 Czech oil and gas companies/ Italy set national pavilion for the first time.
- 2016** 240 companies / 30 countries/ and 15 % of participants new to Azerbaijan.
- 2017** 289 companies / 30 countries.
- 2018** The 25th Jubilee edition of the Caspian Oil&Gas Expo lined up 312 oil and gas companies from 38 countries, incl. Canada, China, Great Britain, Germany, Georgia, France, Iran, Italy, Kazakhstan, Malaysia, Russia, Spain, Turkey, Ukraine, Uzbekistan, and many others. Big names made 80% bulk of participants, the remaining 20 percent split among the newcomers. Belarus, Italy and Russia set their national pavilions, attended by Minister of Energy Parviz Shakhbazov and SOCAR President Rovnag Abdullayev.

* The Caspian Oil&Gas Expo - 2019 will take place on May 29 – 31 and focus on offshore oil and gas production, as well as petrochemical production capacities.

Our Potential Local Buyers

Potensial yerli alıcılarımız

Feedstock Consumption / Xammal istehlakı



| Polymer type Polimer növü | Amount, tons/month Həcmi, ton/ay | Imported from Əvvəlki təchizatçı |
|---|-------------------------------------|-------------------------------------|
| HDPE for Film Extrusion Plyonka ekstruziyası üçün YSPE | 200 | Iran İran |



| Polymer type Polimer növü | Amount, tons/month Həcmi, ton/ay | Imported from Əvvəlki təchizatçı |
|---|-------------------------------------|-------------------------------------|
| PP for Blow/Injection Moulding Üfurlmalı/təzyiqli qalbləmə üçün PP | 250 | Saudi Arabia Səudiyyə Ərəbistanı |




| Polymer type Polimer növü | Amount, tons/month Həcmi, ton/ay | Imported from Əvvəlki təchizatçı |
|--|-------------------------------------|---|
| HDPE for Pipe Extrusion Boru ekstruziyası üçün YSPE | 500 | Saudi Arabia, Iran Səudiyyə Ərəbistanı, İran |
| PP for Injection Moulding Təzyiqli qalbləmə üçün PP | 500 | Turkey, Korea Türkiyə, Koreya |



| Polymer type Polimer növü | Amount, tons/month Həcmi, ton/ay | Imported from Əvvəlki təchizatçı |
|--|-------------------------------------|-------------------------------------|
| PP Homopolymer Rafia Homopolimer PP-dən Rafia | 350 | Iran, Korea İran, Koreya |
| HDPE for Pipe Extrusion Boru ekstruziyası üçün YSPE | 350 | Iran, Korea İran, Koreya |



| Polymer type Polimer növü | Amount, tons/month Həcmi, ton/ay | Imported from Əvvəlki təchizatçı |
|--|-------------------------------------|---|
| PP Random Copolymer Statistik Kopolimer PP | 500 | Iran, Korea, Russia İran, Koreya, Rusiya |
| PP Homopolymer Rafia Homopolimer PP-dən Rafia | 50 | Iran İran |
| PP High Impact Copolymer Statistik Kopolimer PP | 55 | Iran, Korea İran, Koreya |
| HDPE for Pipe Extrusion Boru ekstruziyası üçün YSPE | 80 | Saudi Arabia, Iran Səudiyyə Ərəbistanı, İran |



| Polymer type Polimer növü | Amount, tons/month Həcmi, ton/ay | Imported from Əvvəlki təchizatçı |
|------------------------------|-------------------------------------|-------------------------------------|
| HDPE LS4201R | 40 | Germany Almaniya |
| HDPE LE8707 | 60 | Germany Almaniya |
| HDPE LE8706 | 15 | Germany Almaniya |
| HDPE LE0592 | 20 | Germany Almaniya |

Smart Management at SOCAR Polymer LLC

SOCAR Polymer MMC-də Ağıllı Texnologiya əsasında İdarəetmənin Tətbiqi



Quality Management Keyfiyyətə Nəzarət

Automatic identification of finished products' quality level conformity to international standards.

İstehsal olunmuş məhsulların keyfiyyət dərəcəsinin beynəlxalq standartlara uyğunluğunun avtomatik şəkildə təyin olunması.



Plant Maintenance Texniki Xidmət və Avadanlıqların Təmiri

Decision-making on equipment replacement based on its performance statistics.

Zavoddakı avadanlıqların performans statistikasına əsasən yenilənmə qərarlarının qəbul edilməsi.



Sales and Distribution Satış və Çıxdırılma

Automatic routing of received purchase order requests to the Production Planning and Materials Management departments.

Satışla bağlı daxil olan sifariş tələbinin İstehsalatın Planlanması və Materialların İdarə olunması şöbələrinə avtomatik ötürülməsi.



Cost Control Xərclərə Nəzarət

Calculation of the products' face value based on the latest theoretical and practical methods, and analysis for optimization purposes.

Məhsulun maya dəyərinin ən son nəzəri və praktiki metodlarla hesablanması, habelə optimallaşdırılması məqsədilə təhlillərin aparılması.



Production Planning İstehsalatın Planlanması

Automatic planning of raw material supply volumes required for the intended production volumes.

Tələb olunan məhsul miqdarı əsasında istehsalatda istifadə olunacaq xammalın avtomatik şəkildə planlaşdırılması.



Training Management Təlimlərin İdarə olunması

Enabling the analysis of the direct effect made on production efficiency through investments into human resource development.

İnsan resurslarına yatırılmış investisiyanın istehsalatın səmərəliliyinə birbaşa təsirini təhlil etmək imkanı.



Materials Management Materialların İdarə olunması

Automatic planning of spare parts replenishment for critical equipment through application of the min-max stock level method.

Minimum-maksimum anbar səviyyəsi metodunun tətbiqi ilə kritik avadanlıqların ehtiyat hissələrinin avtomatik planlaşdırılması.



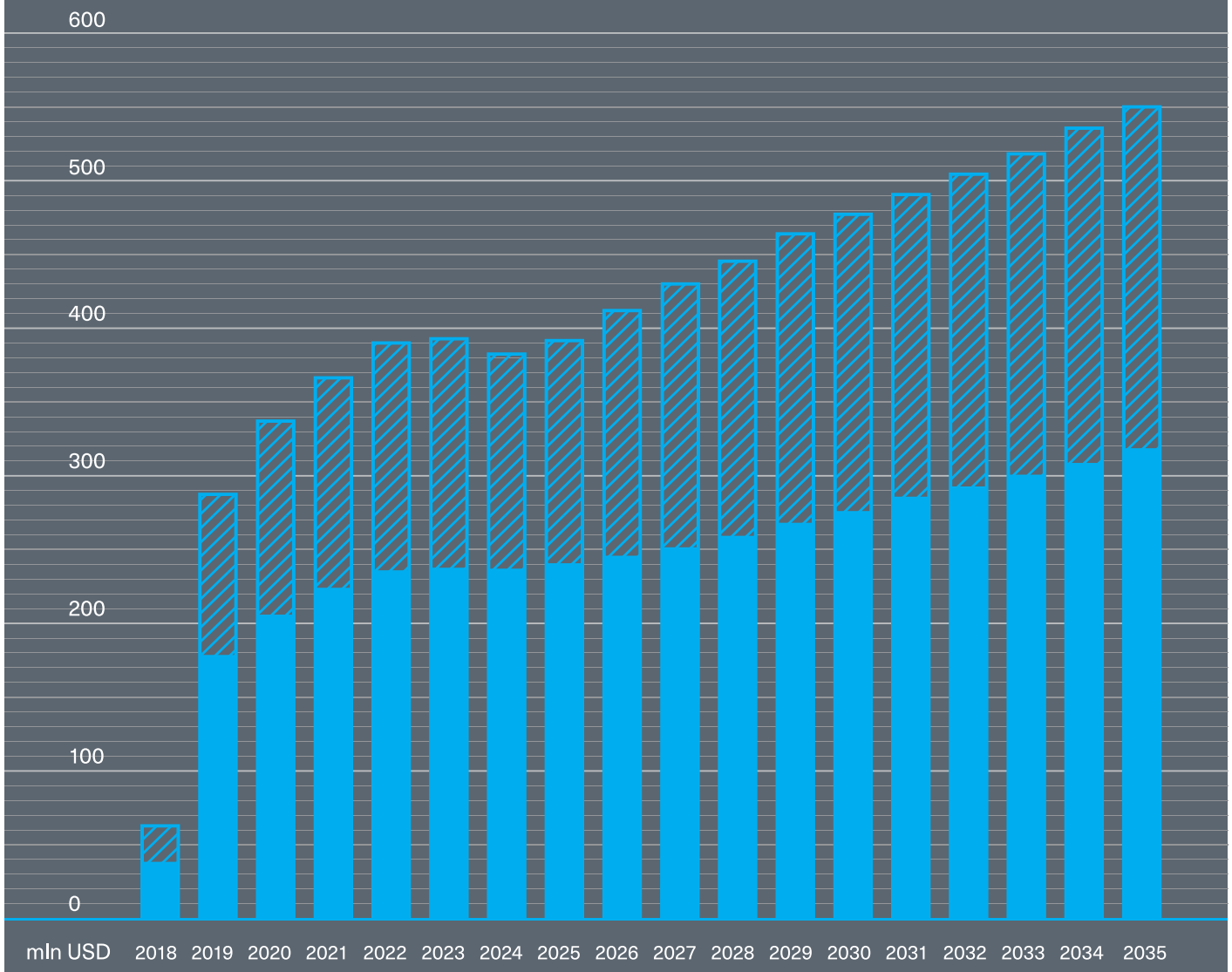
Financial Supply Chain Management Maliyyə Zəncirlərinin İdarə Olunması

Generation of ad-hoc reports on budget expenses by departments, and budgetary control analysis.

Şöbələr üzrə büdcə məsrəflərinə dair hesabatların istənilən vaxt hazırlanması və büdcə nəzarəti təhlillərinin aparılması.

SOCAR Polymer Revenue Stream Forecast

SOCAR Polymer-in gəlir proqnozları



SOCAR Polymer's Product Grades and Application Areas

SOCAR Polymer məhsullarının markaları və müvafiq tətbiq sahələri

Polypropylene / Polipropilen

- Homopolymer grades / Homopolimer markaları:
HP510M; HP525J; HP502H; HP500P; HP500N; HP500M
HP550J; HP552R; HP565S
- High impact copolymer grades / Davamlı kopolimerlər:
LE301K; EP300N; EP540P; EP548S; EP380T
- Random copolymer grades / Statistik kopolimerlər:
RP340R; RP340N; RP310M; RP215M; RP270G



SOCAR Polymer's Product Grades and Application Areas

SOCAR Polymer məhsullarının markaları və müvafiq tətbiq sahələri

High-density polyethylene / Yüksək-sıxlıqlı polietilen

- Natural grades / Təbii markalar:
b-J53-10; J53-08 N2000; B53-35H-011; ZBM58-30HS;
b-HM5411EA; HM4560UA; T60-800; T50-2000; ZIM53-08
- Black grades / Qara markalar:
INpipe100 SR; b-TUB171; TUB121N3000



SOCAR Polymer gave start to its Summer Internship Programme 2018

2018 SOCAR Polymer Internship Recruitment Programme Launched!



Internship Opportunities

We are pleased to announce the launch of the 2018 SOCAR Polymer Internship Recruitment Programme. To learn more about the programme and to apply, please visit our website at www.socarpolymer.az

Career Paths

Finance / Accounting / Logistics / Legal
 HR / L&D / Quality Management / Procurement
 Sales & Marketing / Maintenance Planning
 Production Planning / IT (ERP) / Public Relations
 Audit / Piping Engineering / Project Controls
 Mechanical Engineering / Process Engineering
 Electrical Engineering / Instrument Engineering

Application Deadline: 31 May 2018

If you have any questions regarding the programme, please, contact us at internship@socarpolymer.az

The Summer Internship Programme initiated by SOCAR Polymer in 2016 and repeated in 2017 has already benefited 34 youths, having equipped them with valuable startup work experience. Moreover, 20 of those interns were subsequently employed by the company, thus, having made a remarkably good start in their professional career.

With an intention to continue the series of successfully implemented Summer Internship Programmes, SOCAR Polymer has announced the launch of the application process for the summer of 2018.

An internship in SOCAR Polymer is more than just a great way to get a better idea of the company - it's a thrilling and rewarding opportunity to gain skills and experience, and to expose oneself to some of the incredible work the company performs. SOCAR Polymer, in its turn, will create broad opportunities for new and efficient specialists to support their future professional development.

The programme stretches over a 10 weeks' period during which interns will gain real work experience as part of a specialist team. Interns will spend ten weeks learning about the company and its activities, contributing to the ongoing projects, and gaining new knowledge and skills through research and first-hand experience.

Interns will start off with a full induction, following which they will join a team working on an actual project. Most of the learning will come through on-the-job experience, although we'll provide plenty of soft skills training as well.

There'll be learning sessions and site visits, along with lots of opportunities to meet, and get expert insights from, the professional staff.

The Programme is envisaged for students pursuing education pertaining to engineering, IT systems, procurement, project controls, audit, finance, accounting, HR, public relations, logistics and law. Internships are open to students who are in good academic standing, have a good command of written and spoken English, and are currently in their 3rd, 4th and 5th year of Bachelor level education, or at any point of Master level education.

Interns are invited to apply to the programme field(s) that best suits their career aspirations:

| | |
|----------------------|------------------------|
| Finance | Production Planning |
| Accounting | IT (ERP) |
| Logistics | Public Relations |
| Legal | Audit |
| HR | Piping Engineering |
| L&D | Project Controls |
| Quality Management | Mechanical Engineering |
| Procurement | Process Engineering |
| Sales & Marketing | Electrical Engineering |
| Maintenance Planning | Instrument Engineering |

To participate in this Internship Programme, candidates should fill out the application form at the 'Career > Internships Programme' page of the www.socarpolymer.az website.

SOCAR Polymer's Summer Internship Program 2018 presented in several higher education institutions



The issues of training young professionals, thus supporting their development and career growth, are kept constantly in the focus at SOCAR Polymer. Considering the positive outcome of the 2016 and 2017 Summer Internship Programmes, this year our company has once again invited students in good academic standing to take advantage of our Summer Internship programme which presents an attractive and valuable opportunity to make a breakthrough in personal career development.

To broadly advertise the internship programme among the students of targeted higher education institutions, our HR Department representatives visited the ADA University and the Baku Higher Oil School to give presentations on SOCAR Polymer's Summer Internship Program 2018.

During the presentations, the details of the summer internship program and explanation of the stage-wise candidate selection procedure were provided alongside with information on the company background, activities and prospective plans.

The summer internship program sparked interest in all educational institutions, and the mission of comprehensively informing students about the program was successfully accomplished.





The 73rd Victory Day

On friendly terms with figures, chroniclers postulate that in the past five thousand years the humankind spent nearly three thousand

at war. History is measured by dates of battles that make legends, shape new nations and imperia only to destroy them shortly. Of all the wars, the World War II, the Allies vs. Fascism, was the greatest bloodshed in the history of mankind, that extended to three continents, and affected another two. That is why May 9th is celebrated across the world, as there is no family that would have been spared a loss.

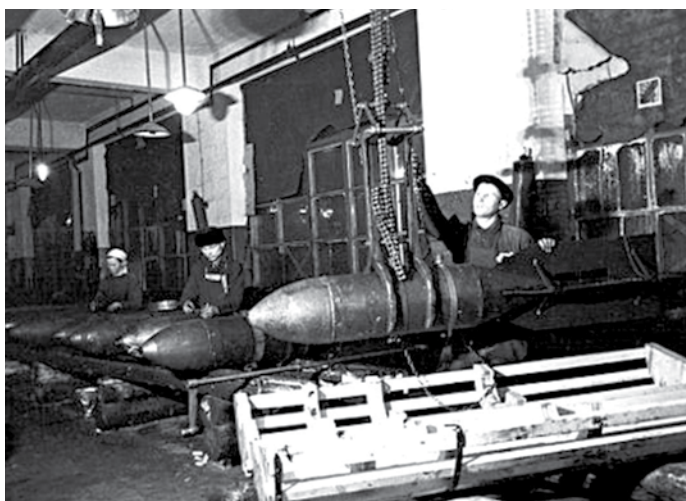
On 22 June 1941, dozens of Azerbaijani soldiers and officers at the Fortress of Brest were among the first brave ones to put up resistance to the storming foe in an undeclared war. Within days, over 40,000 Azerbaijani men and women stood the long queues to sign up to the army. Over 186,704 volunteers made the community defense battalions. More than 681,000 left for the frontline, and half of them never returned. Mind, the entire population of the Republic hardly made 3,4 million people. That was Azerbaijan's most dear contribution to the Victory.

It had made many others, too. Baku oil refineries worked round the clock by 12-hour shifts. They produced 80% of gasoline and 90% of oil in the entire Soviet Union. A record

level of 23,5 mln ton has remained unsurpassed since. Four out of five aircraft, tanks and motor vehicles in the battlegrounds were loaded with the petrol produced by Baku. Agricultural regions sent thousands of tons of cotton to textile manufacturers, and tons of dried fruit, haematogen, gelatin, tomatoes, and meat to the army. Azerbaijan hosted evacuated factories and families, produced medical supplies and developed a network of hospitals that saved a million and a half lives in the five years of war.



Within months, as if by magic, Baku raised new war plants to manufacture 130 types of weapons and ammunition, including the legendary “Katyusha” multirail rocket launchers, and Yakovlev Yak-3 fighter aircrafts.



On 23 July 1942, Adolf Hitler authorized a directive to launch an operation Edelweiß into the Caucasus region to capture the oil fields of Baku, enemy forces counting 1,000 aircraft, 167,000 land troopers, 4,540 guns and 1,130 tanks.



Baku responded having rallied 87 fighter battalions, 1,124 community volunteer squads and 15,000-strong air defense.



Digging Baku defense line trenches, 1942.

When traditional oil transportation arteries were cut off by the enemy, the unsung heroes, Azerbaijani oilmen and seamen, arranged supply routes via the Caspian Sea. Every night, a bundle of 35 railway oil cisterns were hauled afloat from Baku to Krasnovodsk by the violent waters of temperamental Caspian Sea. This was a “lifeline” for the entire front, never seen before.



Celebrating the V-Day for the 73rd year, we hold sacred the memory of those perished in the war, and we thank those who live to remember those days.



President Aliyev greets 460 Azerbaijani war veterans on May 9, 2018.

100

28 MAY RESPUBLIKA GÜNÜ

1918 -2018

Azerbaijan Democratic Republic celebrates a Centinnersary

Azerbaijan Democratic Republic was declared on **May 28, 1918** by the Azerbaijani National Council perched in Tiflis then, and representing a new generation of secularly educated Muslim elite of a self-ruled constituency in South Caucasuss.

“

The flag once raised will never fall!

Mammad-Amin
Rasulzadeh



Historic context

Since 1747, multiethnic, multilingual, multi-confessional semi-independent Azerbaijan khanates co-habited the lands, about the size of Portugal, between the Caspian Sea shoreline to the east, the Greater Caucasus mountain range to the north and the expansive flatlands in the center, under the cross impacts of Iranian realm and alternate Russian and Ottoman imperial patronage.

The start of World War I caught the Azerbaijani intelligentsia in the midst of a quest for self-determination and new-identity-shaping process, which was accelerated by the fundamental political change, including the Revolutions of 1917-1923 in many of the nations involved in WWI.

By the end of the deadliest conflict, four grand empires - German, Russian, Austro-Hungarian and Ottoman - collapsed. Borders were redrawn, successor states abated, economic depression settled, and a lingering sense of humiliation eventually contributed to the eruption of World War II.



Building Statehood: Parliamentary Democracy, Secularism, Education, Suffrage

The modernization movement launched by the national elite gradually laid the foundations for the birth of a new nation of secular Azerbaijanis. Azerbaijan became the first among the Muslim-majority as well as Turkic-majority countries to introduce parliamentary democracy as a government system. Parliamentary vote was based on universal, free and proportionate representation.

The first Azerbaijani multiparty parliament convened on December 7, 1918, and included 96 deputies, of which independent MPs formed the biggest faction, followed by Musavat Party and Muslim Social Democrats; Russian, Polish, Jewish and German minorities also gained seats. The Parliament decreed to separate the church from the state, render an official legal status to the national language, and stipulate the civil rights of ethnic minorities. Moreover, outrunning Mustafa Kemal Ataturk's reforms in Turkey, Azerbaijan was among the first countries in the world, and the very first Muslim-majority nation, to grant women equal civil and political rights with men.



From 1920 to 1991 and onward

Between 1918 and 1920, the Azerbaijani Parliament and six successive coalition governments made effective state-building efforts to breed a free, universal and mandatory education system, national defense capability, and an independent financial and economic system. National statehood symbols and insignia were designed and composed, such as a flag, an anthem, and a coat of arms. ADR was de facto recognized by the international community, maintained diplomatic relations with a number of countries, and hosted 16 foreign diplomatic missions. These efforts laid the foundation for the re-instatement of sovereignty in 1991.

Radical geo-political shifts in 1920 halted Azerbaijan's independence, however the ADR government remained neutral

on the issue of the Russian Civil War and never sided with the Red or White Army.

The drive for statehood revived anew with the demise of the Soviet Union. On August 30, 1991 the Supreme Council of Azerbaijan passed a declaration "On reinstatement of national sovereignty of Azerbaijan Republic", and four years later, on November 12, 1995, the Constitution of the Republic of Azerbaijan was adopted in a national referendum, a codified document proclaiming de jure Azerbaijan's sovereignty and territorial integrity, as well as basic principles of political organization - a constitutional democracy, a secular state based on the rule of law and compliance to fundamental values and rights.

Azerbaijan Democratic Republic 100 years later



28 MAY RESPUBLIKA GÜNÜ

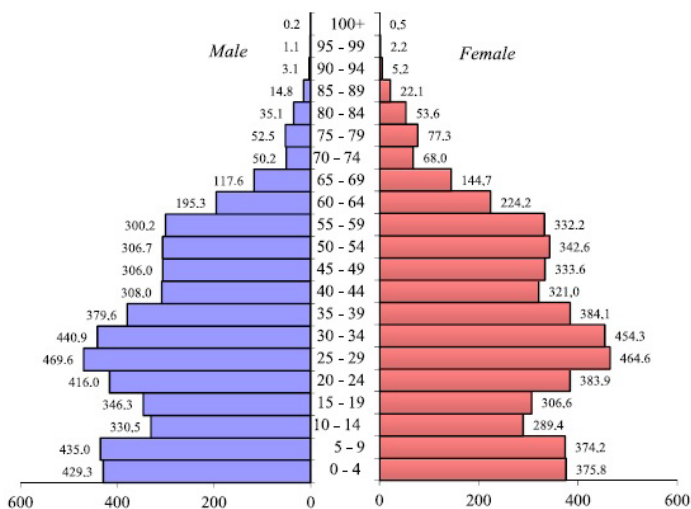
In a lapse of one hundred years, the population of Azerbaijan grew fourfold, at one of the highest rates in Northern Hemisphere.

Politically, Azerbaijan is a unitary state, led by the President and a 125-strong parliament (Milli Mejlis). The country is well integrated within an international community, maintains

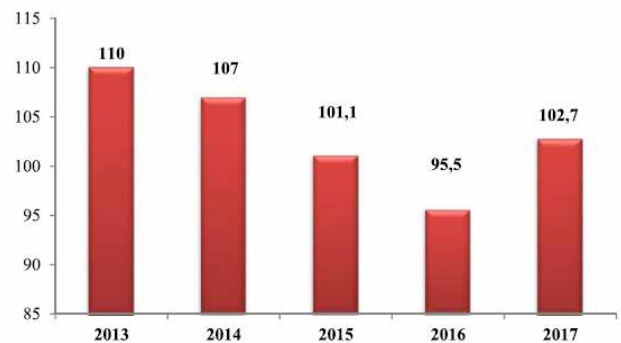
diplomatic relations with 158 countries worldwide, holds an observer status in the World Trade Organization and membership in 38 international organizations, including the Council of Europe, OSCE, CIS, OIC, GUAM, Non-Aligned Movement, the Organization for the Prohibition of Chemical Weapons, et al. A member state of the United Nations since 1992, Azerbaijan was elected as a non-permanent member of the UN Security Council in 2011, having received the support of 155 countries. "This is a huge achievement for a young state", President Aliyev lauded the national diplomatic effort.

Economically, having gone through the havoc of the early 1990s, Azerbaijan has experienced a steady growth averaged at a record-breaking 13,5% in the 2010s. To achieve internationally competitive economic maturity, the government prioritized non-oil sector development and transition to knowledge-intensive industrial and financial systems, as well as making the best out of Azerbaijan's geostrategic location along the international trade routes. That opens a new chapter of emerging opportunities for investors at home and abroad.

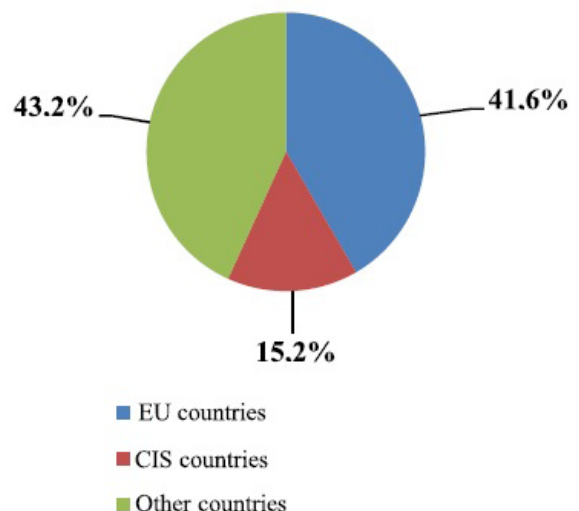
Composition of the population of the Republic of Azerbaijan by sex and age groups at the beginning of 2018 (thsd. persons)



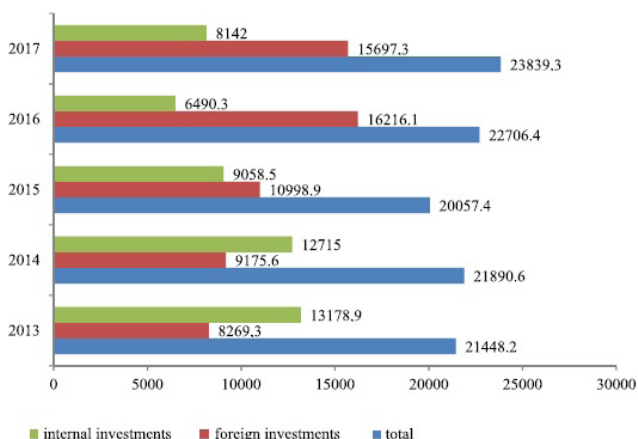
Dynamics of the non-oil sector in GDP, in per cent to the previous year



Share of European Union, Commonwealth of Independent States and other countries in external trade turnover in 2017



Investments, million manats



SOCAR Polymer's Knowledge Bowl team wins 2nd prize



On the 7th of May, SOCAR Polymer's knowledge-bowl team consisting of 5 people participated in the "Khamisa" intellectual game dedicated to the 95th anniversary of the birth of the national leader Heydar Aliyev and the 100th anniversary of the establishment of the Azerbaijan Democratic Republic. Our company was represented by Sevinj Mammadova, Khalida Alimirzayeva, Islam Asadov, Nizam Zahidli and Elvin Ismayilov.

The knowledge-based competition held among the teams of several enterprises, companies and organizations was once again organized by SOCAR's Azerikimya Production Unit.

The participant enterprises and organizations were represented by 22 teams:

- "Azerikimya" PU;
- "SOCAR Polymer" LLC;
- SOCAR's Carbamide Plant;
- "X" military unit;
- State Technical College of the Sumgayit State University;
- Sumgayit City Branch of the Azerbaijan Republic's Red





Crescent Society;

- Baku Higher Oil School;
- Oil and Gas Production department of SOCAR's "Azneft" PU;
- Sumgayit City Branch of the YAP party;
- Sumgayit Training and Education Center of SOCAR's Training, Education and Certification Department;
- Sumgayit Regional Office of the MES;
- MES Academy;
- Sumgayit Regional Culture and Tourism Department;
- Sumgayit City Education Department;
- Sumgayit City Centralized Libraries System;
- Sumgayit City Youth House, etc.

The knowledge contest marked with particular activeness of all the teams was held under the strict observation of the jury members including the "Khamsa" contest experts. The questions of the four hour contest, which was traditionally subdivided into three sections and a final stage, touched upon the following topics: the heroes of Garabagh, the Great Patriotic War, the facts related to H.Aliyev, the Azerbaijan Popular Front, M.A.Rasulzadeh, Central Asian literature, Italian automobile brands, Nigerian players in Turkish football clubs, former names of Baku districts, movies featuring Fuad Poladov, the regions of Nagorno-Karabakh, Shakespeare and Italy, the Greek alphabet, cocktails, Manchester, Oceania islands, foreign football players of the Milan club, world cities, Baku toponyms, and many others.

The "Azerkimya" PU's team won the 1st prize, while the teams of SOCAR Polymer LLC and of the SOCAR Karbamid



Plant ranked 2nd and 3rd. The Trade Union Committee of "Azerikimya" PU presented honorary diplomas and awards to the winners.

Chairman of the Supervisory Board of "Azerikimya" PU, Imran Arzumanzadeh congratulated the members of the champion teams of this knowledge contest and wished them greater victories to come.

We, too, hereby congratulate the members of our team on this victory and extend our gratitude for their having duly represented SOCAR Polymer LLC!

SOCAR Polymer's team



Sevinj Mammadova
Senior Document Controller/ PA to General Manager

Always a top student at school and university, Sevinj majored in American Studies for her bachelor's degree and in International Relations for her Master's. Her favourite subjects have been Mathematics and Foreign Languages. Sevinj loves reading and buys many books. Her dream is to open her own book store someday. Her favourite writer is Jafar Jabbarli.



Elvin Ismayilov
Jr. Control & Automation Engineer

Elvin is majoring in Process Automation at Baku Higher Oil School. A SOCAR Polymer summer intern of 2017, Elvin participated in the installation of the Yokogawa DCS/ESD System and assembling of the temporary storage tank control panel.

When a child, he loved to disassemble electronic toys and devices. Elvin enjoys mugam and folk songs, loves playing soccer and reading books with references to historic or encyclopedic facts. Among his favourite books is Dan Brown's "DaVinci Code".



Nizam Zahidli
Jr. Technical Process Engineer

With straight A's throughout his school years, Nizam took a liking to math from the very start. Way before a school age, he knew the multiplication table by heart. In early school years he dreamt of becoming a doctor, but later his preferences changed completely towards science. Nizam graduated from school with (GPA 3.75 out of 4) excellent marks; and scored high at the entrance exam to enter Baku Higher Oil School. He has won 3 gold and 5 silver medals in the intellectual games organized at BHOS. He has already graduated from university with Honours of First Degree. Nizam likes playing chess and soccer, reading detective stories, and watching classic Azerbaijani movies. He is dreaming of designing a plant someday.

Khalida Alimirzayeva
Receptionist

One of the best students in class at secondary school, Khalida received higher education in Norway, majoring in Foreign Languages and Sociology. She is fluent in Azerbaijani, Russian, English, Norwegian and Farsi, and possesses 9 years of work experience in event management. Khalida loves travelling, hiking, and playing chess; is fond of literature and animals; and went in for basketball for 5 years. Her collection of badges numbers over 3,000 items on the topics of sports and games.



Islam Asadov
Permit Engineer

Having received school education in Ganja, Islam scored high at the entrance exams in 2006 to get enrolled in the State Management Academy under the auspices of the President of the Azerbaijan Republic, where he majored in Political Management and International Affairs and graduated

with honours. Islam's favourite school subjects have been History and Geography. Islam likes reading world literature works. He plays soccer and stays abreast of all the news in the world of soccer. Islam is also interested in automobile brands and models. Islam's collection of foreign currency banknotes and coins has more than 20 countries represented.

SOCAR Polymer in Baku Marathon-2018



For three running years, SOCAR Polymer has remained loyal to the tradition of participating in annual Baku marathons which aim at increasing public involvement in sports, propagating healthy lifestyle, and encouraging people's participation in collective charity campaigns. The money collected at "Baku Marathon 2018" has been directed towards the Heydar Aliyev Foundation's orphan care project. The vice-president of the Foundation, Leyla Aliyeva, too, participated in the marathon along with Arzu Aliyeva and 18,000 more runners from different parts of Azerbaijan, as well as from Europe, Central Asia, Middle and Far East, CIS, Baltic Sea countries, and even Latin America, not to mention the representatives of a dozen foreign embassies in Baku.

Organized at the initiative of the Heydar Aliyev Foundation with the support of the Seaside Boulevard Office and the Baku Olympics Stadium, the marathon started at the

National Flag Square at 10:00, with a maximum of 4.5 hours set for runners to cover the 21 km distance to the finish line at the Baku Olympic Stadium. For the length of its route, this run can be referred to as a half-marathon.

There were buses provided specifically for picking up exhausted runners at five bus stops along the route to drive them to the finish line. Medical aid and water supply were also provided at different points of the running track.

SOCAR Polymer staff members were highly encouraged by the company management to participate in such an energizing sportive event. On May 13, more than 40 sportive members of the SOCAR Polymer team, both office and site employees, assembled at the National Flag Square for the marathon run. Compared to the previous year, the participation rate had tripled and many of our runners made it to the finish line, to receive a medal and a certificate from SOCAR Polymer for this achievement.

- | | | | |
|-----------------------|------------------------|------------------------|------------------------|
| 1. Rufat Hajiyev | 11. Nezhin Alakbarova | 21. Irana Alimova | 31. Sevil Khalilova |
| 2. Elgun Habibov | 12. Guy Lombarts | 22. Afet Gayibova | 32. Sevinj Hajiyeva |
| 3. Rahman Zamanov | 13. Abbas Nasirov | 23. Zulfyya Musazade | 33. Chris Krige |
| 4. Samir Javadov | 14. Rashad Almammadov | 24. Orkhan Samadov | 34. Nail Abbasov |
| 5. Tariyel Bagishov | 15. Yasin Ibrahimli | 25. Gunel Maharramova | 35. Elman Bakhish |
| 6. Elizabeth Lombarts | 16. Fidan Huseynova | 26. Adela Mammadli | 36. Ilaha Hajiyeva |
| 7. Elchin Gahramanov | 17. Rashad Agakishiyev | 27. Elmira Nadirova | 37. Mammadali Huseynov |
| 8. Elvin Ismayilov | 18. Murad Aliyev | 28. Gulnar Gahramanova | 38. Lala Ismayilova |
| 9. Mirvari Hasanova | 19. Orkhan Suleymanli | 29. Elvira Babayeva | |
| 10. Zaur Shukurov | 20. Nigar Adgozalova | 30. Asef Orujov | |

It is not winning but taking part that counts! So, we are proud of all our colleagues who dared to face their share of challenge by joining in the Baku Marathon-2018.

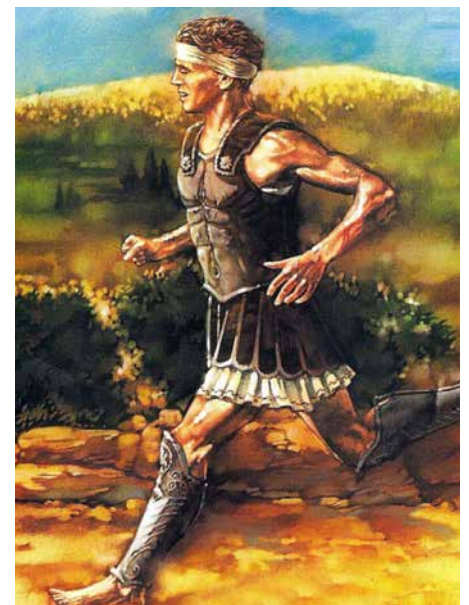


Did you know, that:

The traditional story ties the history of marathon races to an Athenian herald Pheidippides who is said to have run just over 40 km from Marathon to Athens within 3 hours to deliver news of a military victory against the Persians at the Battle of Marathon. However, research reveals that the story is likely a "romantic invention." The ancient historian Herodotus relates that in 490 BC when the Persian invaders landed in Greece, occupied Eretria and threatened Athens, the Greek generals ready to leave Athens for battle at Marathon sent off to the neighbouring town of Sparta a 40 years old soldier named Philippides 'who was an Athenian by birth and a trained runner by profession and practice'... (Herodotus, 440 BC, Histories: The Persian Wars, VI, 106.) That historic herald is more often referred to out as 'Pheidippides', which means 'sparing a horse' as the jocular name for a character in a play by Aristophanes. Philippides ran about 240 km to Sparta within 36 hours to deliver the generals' request for Spartans' help to make a stand against the Persians at Marathon. The Spartans were willing to

help but by their religious laws they couldn't take the field of battle until the Moon was full. So, Spartans couldn't have possibly reached Marathon in time to be of any use to the Athenians. Philippides had to run another 140 miles to deliver the bad news to Athens' generals. And ... history tells us ... when the battle of Marathon began, he was among Athens' fighters. Because the Greeks were outnumbered by about four to one, their commanders decided to initiate a very risky move. Instead of defending their ground, they launched an offensive attack and miraculously won the battle. Writing about 30 to 40 years after the events, Herodotus, in fact, based his narrative of the battle on eyewitness accounts, so, Philippides was likely an actual historical figure. However, Herodotus never mentioned a Marathon-Athens runner in any of his writings. Only Plutarch, writing hundreds of years later, tells us the supposed rest of the story about a runner called Euclēs "...who ran in full armor, hot from the battle, and, bursting in at the doors of the first men of the State, could only say "Hail! We are victorious!" and straightaway expired". A century from Plutarch, the Greek writer Lucian attributes the Marathon-Athens

run to a herald called "Philippides." At the end of the day, we cannot be sure that the collapsing runner was (in fact) Pheidippides (Herodotus' hero of the Athens-Sparta-Athens run). But ... if it was ... it certainly makes for a great story!





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