

2nd QUARTER 2020

SOCAR Polymer Newsletter / Issue 30 / 2020

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A group of SOCAR Polymer employees in white lab coats and masks standing in a laboratory setting.

754
Employees

2,519,269
Man-hours LTI Free

The logo for SOCAR POLYMER, featuring a stylized flame icon and the text "SOCAR POLYMER".

First semester results amidst quarantine restrictions

GIVE HEART



Even in social isolation

WE REMAIN ONE FAMILY



Dear colleagues,

Half of year 2020 is behind. Production at our plants was not stopped even in the face of the threatening virus. We have proven capable of applying our HSE culture not only to technical hazards, but also to medical infection risks.

Over almost 2 years since the PP plant was put into operation, we have produced a total of about 157,921 tons of PP by having gradually increased production from almost nothing (such as off-spec trial batches) at the start to 68,495 tons of good quality PP grades in the first year, to 89,426 tons in the second. Thus, the annual increase in the PP production rate has been 30.6%. Production at the HDPE plant, too, is gathering momentum. The ultimate goal is to reach the design capacity of both plants, with a cumulative annual production of 300,000 tons of polymers.

However, it is not only about volumes, but also about products' conformity to international quality standards, which is another significant area that we keep in focus. Recognized high quality of our polymers helps us quickly progress on the world markets. This quarter, we have added Romania and Austria to the list of our foreign markets.

Another factor that promotes our sales is diversification of our products portfolio which now includes such new

grades as PP Homopolymer Spunbond grade HB2662FS, intended for manufacturing of nonwoven textile materials, and PP Random Copolymer Injection Molding grades RB4545MO and RB6545MO, used for production of High Transparent Rigid Packaging using Thin Walled Injection Molding process.

We have new project ideas for further diversification of non-oil production in Azerbaijan. Subject to government entities' approval, one of the projects can supply Azerbaijan's demand for locally produced nonwoven fabrics used in the making of medical masks and protection wear, among many other applications.

SOCAR Polymer has also entered a new stage of its activity and the next phase of its financial strategy by issuing structurally subordinated bonds on the domestic market to re-finance part of the received loan.

All of the above progress was made amidst the general tension and challenges of the quarantine period and credit for the achievements goes to all our staff, both those working from home keeping everyone safer and those working at the plant with masks constantly on. Well done!

Farid Jafarov
General Manager

SOCAR Polymer re-financed part of the existing loan by issuing bonds

SOCAR Polymer has entered a new stage of its activity by re-financing part of the existing loan and issuing structurally subordinated bonds on the domestic market.



As known, the SOCAR Polymer project (“Project”) is part of SOCAR’s strategy of modernization of the petrochemical industry of Azerbaijan. It is the first project in our country’s petrochemical sector implemented through public-private partnership, with the total investment of US \$864 million. At the same time it is the first project in Azerbaijan’s non-oil sector to be financed under the internationally accepted “Project finance” principles. About 60% (US \$489 mln) of the total investment costs covered through a non-recourse loan received from Gazprombank.

Considering the current stage of the Project as the plants have been put into operation and the construction risks have been eliminated, refinancing part of the current loan through a lower-interest loan has been started to proceed as the next phase of SOCAR Polymer’s financing strategy.

Given the government’s domestic financial market development policy and the current stage of the Project, our company has decided to issue structurally subordinated bonds on the domestic market and to re-finance the existing debt.

Following negotiations with the local banks, the main agreed terms of issuing bonds are as follows:

- **The total value is US \$200,000,000.00 (two hundred million USD);**
- **The tenor is 5 (five) years from the date of the first bond placement;**
- **The annual interest rate is 5% (five percent).**

PSG-Kapital Investment Company, GPB-Financial Services and PASHA Kapital Investment Company have been selected as underwriters to implement the emission process. PSG-Kapital Investment Company and PASHA Kapital Investment Company were involved in the structuring of the deal with the local banks and GPB-Financial Services was responsible for involving foreign banks and structuring considering existing loan. Placement of bonds started on the first business day following the 19th of June 2020 when the Central Bank of the Azerbaijan Republic registered the bonds’ issuance and has been completed successfully.

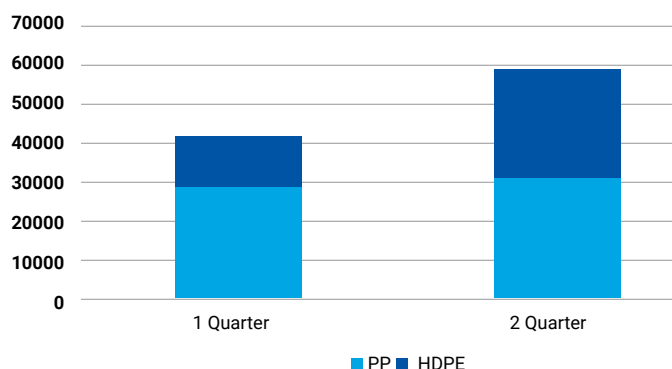
Q2 production and sales figures

In the 2nd quarter of 2020, the SOCAR Polymer company continued making its contribution into the Azerbaijan economy and promoting inflow of foreign currency to the country.

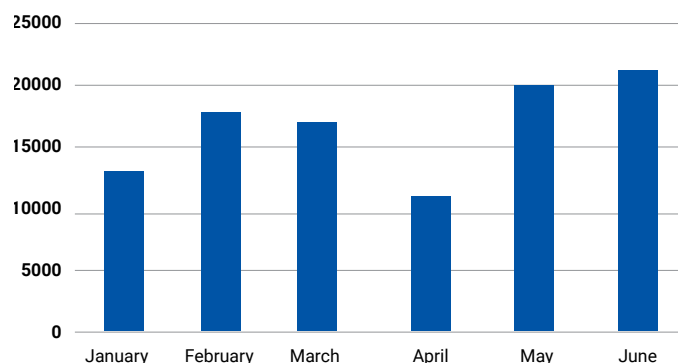
Over the three months, 30230 tons of PP and 21643 tons of HDPE were produced. Compared to Q1, production of HDPE has grown by 18.7% (3409 t).

With 30565 of PP and 28201 tons of HDPE sold, total sales constituted 58766 tons, of which 51654 tons (87.9%) was exported. Compared to Q1, total sales have grown by 31% despite the current economic decline throughout the world. Curiously, the highest sales rate registered since the start of production has been this June, with 21265 tons of polymers (56% PP, 44% HDPE) sold over the month.

Sales in 2020



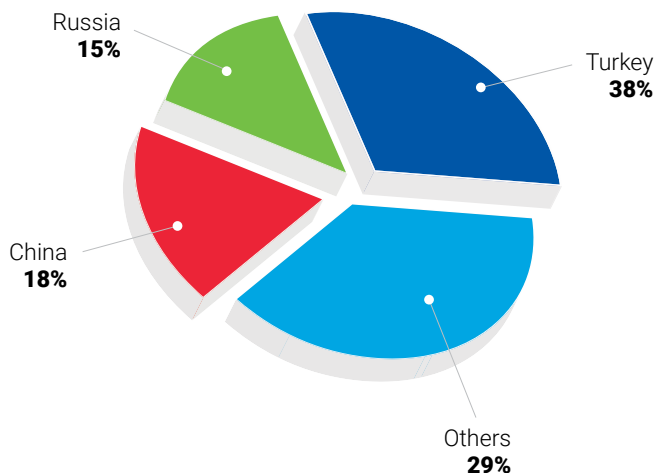
Sales by months (2020)



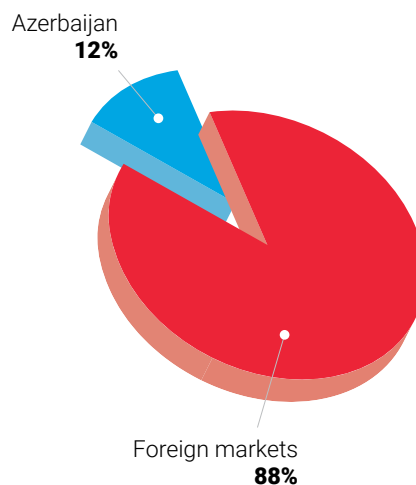
Apart from the local market, we have made sales to Turkey, Ukraine, Lithuania, Russia, Belarus, Georgia, Uzbekistan, Kazakhstan, Turkmenistan, China, and newly to Romania and Austria. Rating highest by the volume of purchased polymers are Turkey, Russia and China. Turkey has been the destination of about 42% of our export total in Q2.

Our local clients' share in our Q2 sales has tripled (314%) to have reached 7112 tons as compared to 2262 tons marketed domestically in Q1 of 2020. Having grown by 2.7% as compared to Q1, domestic sales in Q2 make up 12.1% of the total sales volume. Supplying of local businesses with polymer feedstock has been our priority, especially so in the current conditions of limited cross-border trade.

Distribution of exports



Domestic to foreign sales ratio



PRODUCTION

Development News



- **Production of RB4545MO and RB6545MO random PP copolymer grades** has been launched, with homologation at target markets of Russia and Turkey. The grades are designated for thin wall injection molding (TWIM). First feedback from clients has been received confirming the high quality of these new products.
- **The first experimental-industrial batches of the new PP homopolymer grade HB2662FS** have been produced for application in production of nonwoven materials used to manufacture protective masks, respirators, disposable medical wear, hygienic pads, furniture upholstery fabrics, construction fabrics, and geotextiles. Currently, first tonnes of the HB2662FS grade are being presented to clients for testing.
- **Production of the HL1050BF HDPE grade** has been raised to industrial scale. The product has been well accepted by manufacturers of 5-30-micron thin films. We are proud to note that on the domestic polymer market the HL1050BF grade successfully competes with its imported analogues.
- **Production tests and certification tests of the HM0359 grade of black HDPE compound** have started to check conformity to the PE-100 class requirements. The grade is designated for production of pressure pipes. Work is carried out jointly with the Scientific-Technical Centre of the Polyplastic company (Russia).
- Following technical consultations, **a contractor and software product for installing the Laboratory Information System (LIMS) have been selected.** Installation of LIMS and integration with SAP are planned for the 3rd-4th quarter of 2020.
- **The process of selecting a single contractor for performing maintenance** of SOCAR Polymer's Quality Laboratory equipment is nearing completion.

Quotes about **SOCAR Polymer**



5 June 2020

"Feedstock issues have been at the heart of discussions about production of medical masks. The worldwide demand for medical masks has increased and the countries producing them have stopped their export in an attempt to supply the domestic demand. Locally produced feedstock will help secure the continuity of mask production.

The demand for medical masks in this geographic region is high. So, by exporting part of the produced masks it is

VUGAR BAYRAMOV

PARLIAMENT MEMBER, ECONOMICS EXPERT

Locally produced feedstock will help secure the continuity of mask production

possible to increase the inflow of foreign currency to the country, which is key for increasing the mask producing factories' financial sustainability.

There is a worldwide feedstock deficiency. As production grows, a lack of feedstock occurs, but with locally produced feedstock, the medical mask producing factories will not need to import it. This will help eliminate dependence on feedstock imports. Spending of foreign currency on imported feedstock increased production costs on the one hand and created dependency on the other."

ELCHIN AFANDI

EDUCATION EXPERT

Local human resources handle the most complex processes

18 June 2020

"Investment of oil revenues into human resource development is vital for the development of the non-oil



sector... At such leading enterprises of the non-oil sector as "SOCAR Polymer", "SOCAR Methanol", and "SOCAR Carbamide", local human resources handle the most complex processes."



23 June 2020

"As known, oil prices dropped sharply and our revenues from oil export shrank. In such conditions, the non-oil sector experienced the enormous burden of supporting economic sustainability... The demand for protection means (PPE) has sharply increased, leading in turn to a rise in demand for feedstock used in their production. As a result, feedstock deficiency on the one hand, and price rocketing on

AMAL HASANLI

ECONOMICS EXPERT

"SOCAR Polymer" is one of the pillars of post-oil economy

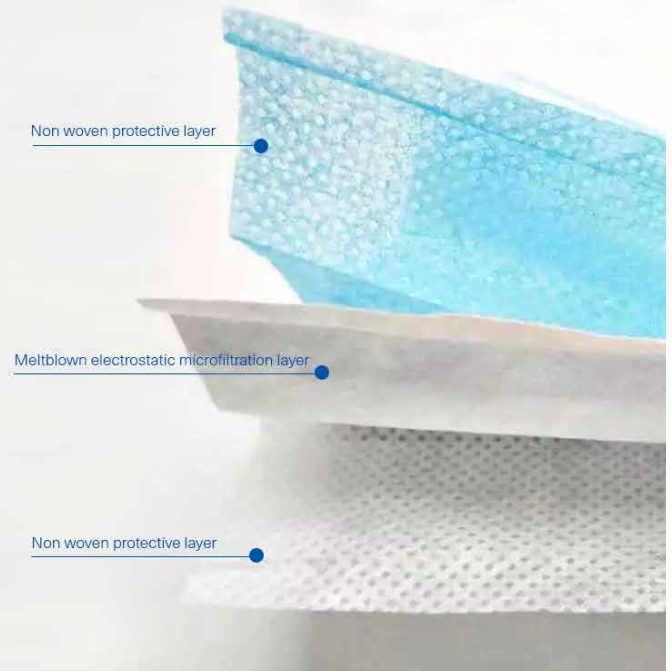
the other are witnessed. To supply the local demand, some countries have banned export of such protection means. In such conditions, urgent arrangement of feedstock production to enable PPE manufacturing in Azerbaijan was a matter of national security. A local production facility fit for the task... turned very helpful. Considering the globally growing demand for the same feedstock, our country may soon be gaining high export revenues in foreign currency, which in its turn will further increase the sustainability of our national economy."

Main process to produce medical face masks

Three layer filter

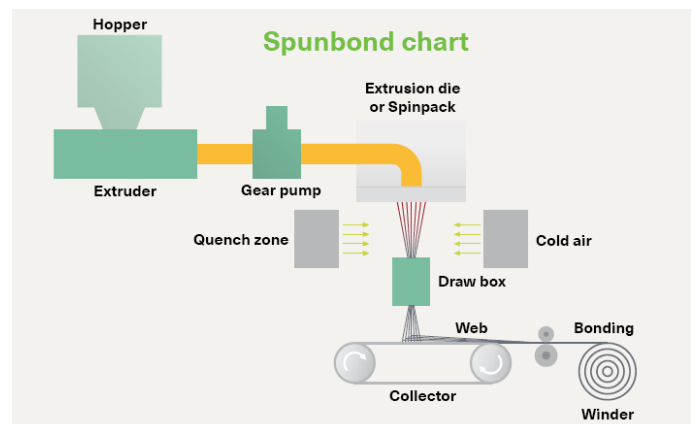
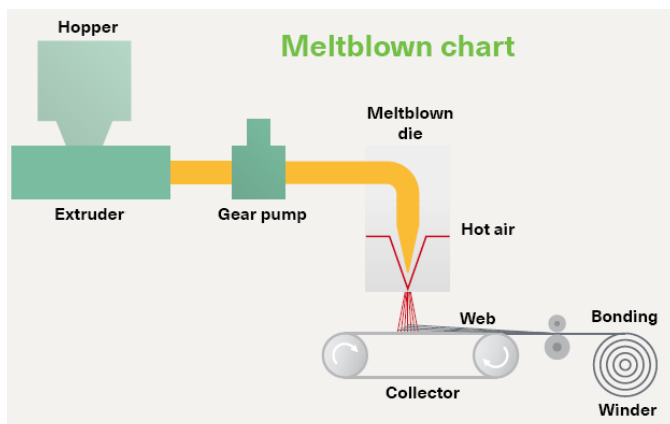
According to WHO, a proper medical/surgical face mask should ideally consist of three layers, each with very specific functions:

1. an inner hydrophilic layer made of an absorbent material (e.g. cotton or PP nonwoven), which can trap the wearer's own respiratory droplets by absorbing water, sweat and spit;
2. a middle filter layer made of a non-woven material (e.g. polypropylene), that is designed to filter bacteria; and
3. an outer hydrophobic layer made of a non-absorbent material (e.g. polyester or PP nonwoven), which repels water, blood, body fluids and stops outside particles from getting in.

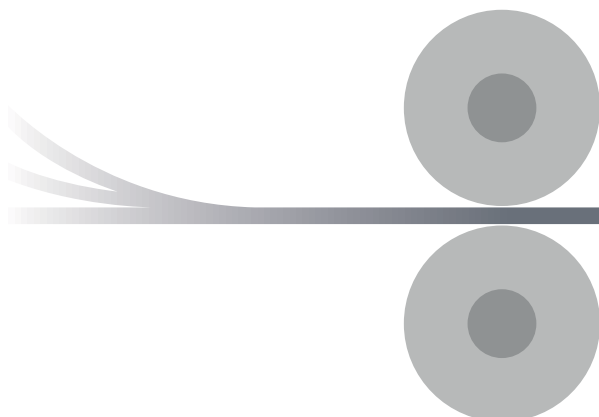


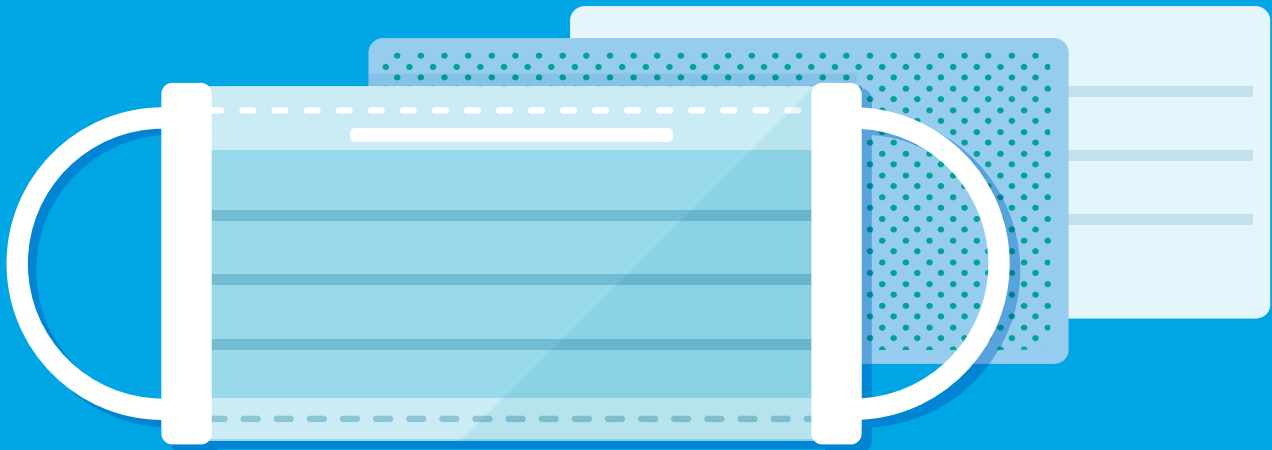
The middle layer in a medical mask is made with a nonwoven meltblown process featuring electrostatic charging.

The two outer layers are made with the nonwoven spunbond process.



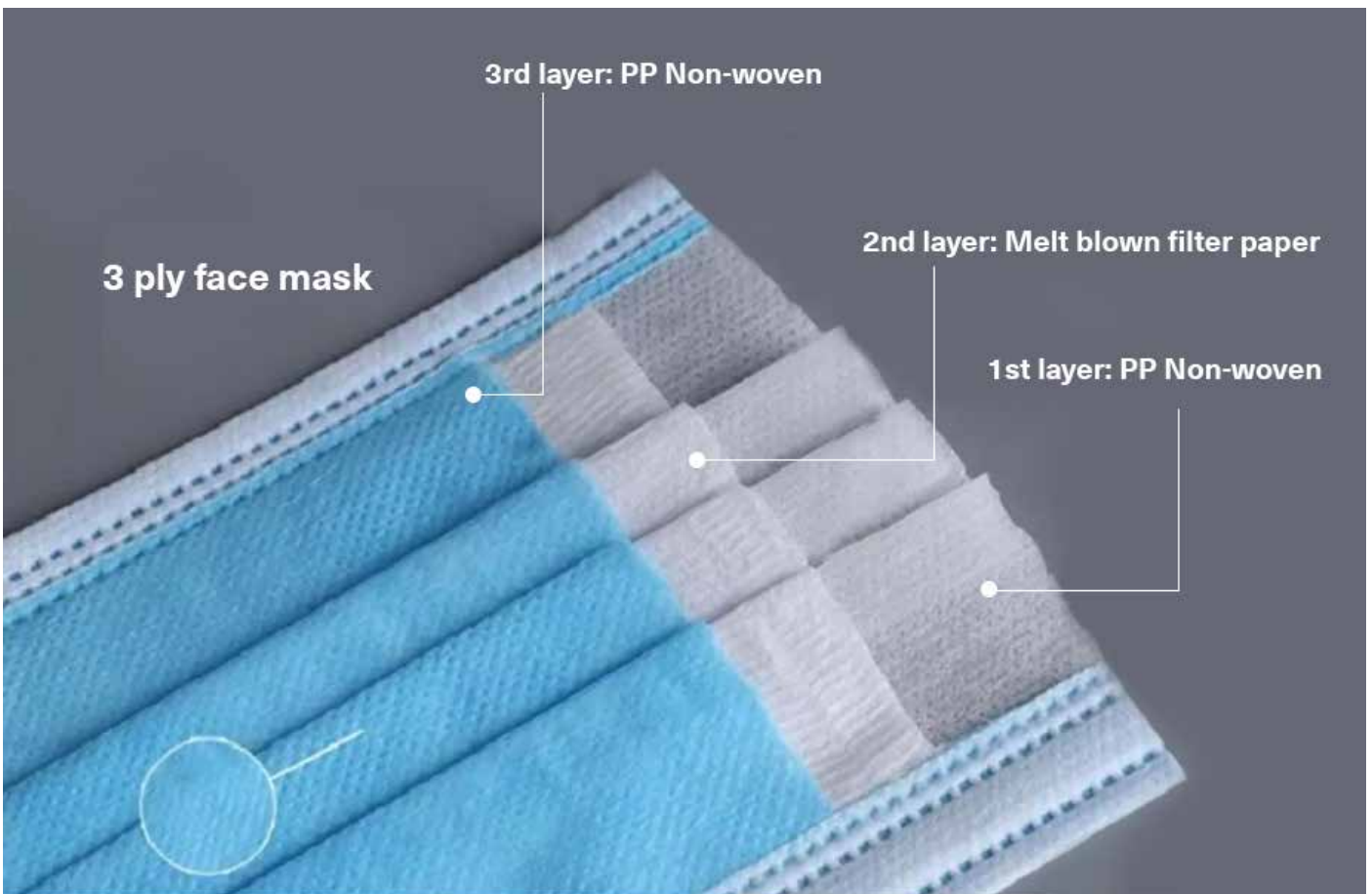
The three nonwovens layers are then calendered and together form the filter media. A calender is a machine in which cloth is pressed by rollers to glaze/smooth it.





A medical mask produced as per standard NF EN14683 is designed to prevent the wearer from spreading droplets in the vicinity and protects the wearer from droplets produced by a person directly in front of them. However, it does not protect from inhaling the very small particles suspended in the air that potentially carry a virus.

SOCAR Polymer produces the polymer grade used in the production of medical masks



The feedstock used to produce nonwoven materials for mask production is polypropylene polymers with a high melt flow index (MFI).

Note: Nonwovens are made through a range of processes. Nonwoven fabric is a fabric-like material made from staple fibre (short) and long fibres (continuous long), bonded together by chemical, mechanical, heat or solvent treatment. The term is used in the textile manufacturing industry to denote fabrics, such as felt, which are neither woven nor knitted.

In May, SOCAR Polymer planned and launched production of the HB2662FS grade of polypropylene which can be applied as feedstock in production of face masks which have become a broadly used item of personal protection means amidst the ongoing coronavirus epidemic. The first batch of this PP homopolymer grade has successfully passed quality laboratory tests.

The HB2662FS grade of polypropylene is applicable as one of the feedstock components in production of

nonwoven materials subsequently used to manufacture protection masks, respirators, disposable medical clothing, sanitary pads for children, furniture fabrics, construction textiles, and even some geotextile types.

It is noteworthy that positive feedback has been received from s of the HB2662FS polymer grade.

The initial production volume of the HB2662FS grade has been 600 tons and may be increased in future.

HB 2662 FS

Technical Data Sheet

Polypropylene, Homopolymer



Product Description

HB 2662 FS is a polypropylene homopolymer used for extrusion applications.

HB 2662 FS has a very narrow molecular weight distribution and is formulated with an anti-gasfading stabilisation package.

Typical application is spunbond nonwovens.

Product Characteristics

Application	Filament Yarn. Geotextile & Agriculture. Hygiene Nonwoven
Processing Method	Continuous Filament/Spinning. Spunbond
Market	Textile
Features	Gas-fading Resistant. High Flow. Narrow MWD. Non-phthalate

Typical Properties

	Nominal		
	Value	Units	Test Method
Physical			
Melt Flow Rate (230°C/2.16kg)	26	g/10	ISO 1133
Density (Method D)	0.900	g/cm ³	ISO 1183
Mechanical			
Flexural modulus (2 mm/min)	1250	MPa	ISO 178
Tensile modulus (1 mm/min)	1300	MPa	ISO 527
Tensile Strength at Yield (50 mm/min)	33	MPa	ISO 527
Elongation at Yield (50 mm/min)	11	%	ISO 527
Impact			
Charpy Impact Strenght (Notched, 23°C)	3.0	kJ/m ²	ISO 179
Izod Impact Strenght (Notched, 23°C)	2.5	kJ/m ²	ISO 180
Thermal			
Vicat Softening Temperature (10N)	152	°C	ISO 306
Heat Deflection Temperature (0.45 MPa)	75	°C	ISO 75B

Notes

These are typical property values not to be construed as specification limits

REACH

Polypropylene are exempted from registration under REACH. However, the corresponding monomers (used as raw materials for polymer production) and relevant additives have been registered. Please see related Declaration of Compliance for Plastic Food Contact Materials (DoC for PFCM).

Packaging

Polypropylene pellets is typically packed in polyethylene bags with net weight of 25kg each. 50 bags are stacked on a flat wooden pallet (dimensions: 1100mm x 1300mm x 150mm) with net weight of 1250kg per pallet that is stretch-hood film wrapped. Upon agreement with a customer PP pellet can be packed into big bag sized for 1000kg on wooden pallet (dimensions: 1140mm x 1140mm x 150mm) without stretch-hood film wrapping.

Storage

Polypropylene product packed in 25kg bags or 1000kg big bags stacked on wooden pallet shall be stored in enclosed dry place preventing from direct sunlight at least 1 meter far from heaters, at temperature min. -15°C / max. 35°C, relative humidity max. 80%. Prior to processing PP product bags shall be kept in production area for at least 12 hours.

PP shelf life is 12 months from the date of manufacture.

SOCAR Polymer stories broadcasted on television channels



Spunbond grade production publicised on CBC channel

On 6 April 2020, President Ilham Aliyev attended the opening ceremony of the face mask factory and protective coverall plant in Sumgayit city. The factory's production capacity was expected to grow from 140,000 to 300,000 disposable face masks per day after additional equipment had been installed by the end of May.

Meanwhile, SOCAR Polymer specialists were preparing to implement the plans to support face mask production with PP grades used as feedstock for production of non-woven fabric for masks. Experimental production of such PP grade – HB2662FS – was launched at our plant in mid-May. In the light of the closely monitored anti-coronavirus struggle in the republic, the local Mass Media couldn't fail to give their attention to this new grade in SOCAR Polymer's product portfolio.

The CBC channel's news team visited our plant and broadcasted two episodes on the topic on June 4. "The catalyst used in the production of this spunbond grade does not contain phthalates is therefore not toxic or carcinogenic, so, the nonwovens produced from this PP grade will not cause problems upon contact with face skin," our Lead Process Engineer Orkhan Hasanov underlined in an interview to the channel.

The full episodes can be watched at SOCAR Polymer's youtube channel via the links: <https://youtu.be/O8W-f2vVotQ> and <https://youtu.be/ltt06GavEnw>



Night shift performance at our plants draws 'Ictimai' channel's attention



The "Novbedekiler" (Night-shifters) TV show on the 'Ictimai' TV channel focuses on the public and private entities and enterprises that work round the clock which implies they are either engaged in vitally important or complicated areas of activity.

In the episode broadcasted on June 17, the presenter introduced to the channel viewers the details and challenges of the work performed by the SOCAR Polymer plants' teams that work by 4 shifts a day, 24/7. By filming the work processes at the production site, in the Control Room, Bagging section, Warehouse, and Laboratory, the filming crew let its spectators take a good look of curiosity at the SOCAR Polymer production facilities, its staff and daily operations. The episode provided information on the company's historical background involving construction and commissioning of two polymer plants in Sumgayit, The PP plant's DCS Operator, Nijat Ahadov gave information on the functions of the Control Room personnel. The Quality Control Team Lead, Sevil Khalilova briefly described the functions and testing performance of the on-site production laboratory.

"So far, the company has produced about 200,000 tons

of polymers which have been successfully exported to more than 10 countries. 90% of the products is exported, 10% is marketed domestically to local production businesses. Our products fully meet the licensors' specification requirements and international quality standards. Our largest foreign markets are Turkey, the Russian Federation, and other CIS countries. We are also setting foot on the European markets despite the high competition encountered, and we are planning to gradually gain ground on that vast market. We are also considering a number of potential investment projects, including that on production of nonwoven synthetic fabric used in medical mask production", the Deputy General Director of the company, Fuad Ahmadov said in an interview.

Interviews were also given by PP Production Head Matin Huseynli, PP Bagging Team Leader Rauf Hajiyev, Bagging & Dispatch Operators Emil Garayev and Araz Abdullayev, Forklift Operator Tural Ibrahimli, and Warehouse Lead Rovshan Suleymanov.

The full episode can be watched at SOCAR Polymer's youtube channel via the link: <https://www.youtube.com/watch?v=p4Bb1ldm6IM&feature=youtu.be>



German businesses interested in cooperation with **SOCAR Polymer**



On 16 June, at the request of the German-Azerbaijani Chamber of Commerce, the Operations Director Rauf Davudov, Procurement Team Leader Javid Aliyev, and Public Relations Specialist Ilaha Hajiyeva joined a webinar with German business representatives. Our colleagues jointly presented slides with brief information about SOCAR Polymer, its structure, production and business activity including cooperation with foreign companies supplying equipment, spare parts, or chemicals, or providing specialised trainings.

It is noteworthy that following the EU-Azerbaijan Business Forum held on 13 June 2019 and attended by the AR Minister of Taxes Mikayil Jabbarov, Deputy Chairman of State Customs Committee Ismayil Huseynov, Deputy Minister of Justice Togrul Musayev, and the representatives of the German-Azerbaijani Chamber of Commerce located in Baku, the latter organized a webinar to present the details of EU's Business Climate Report

on Azerbaijan and to arrange virtual acquaintance of German commercial organizations and businesses with Azerbaijani companies. SOCAR Polymer was invited to join the webinar and answer the questions of interest to the German colleagues and potential business partners.

The webinar started at 13:00 Baku time with greeting of the webinar participants who spent the following hour getting information about Azerbaijan including reports on the political and economic situation, currently implemented business projects, business opportunities and challenges in the oil-and-gas sector, the needs and best practices in the energy sector of our country as seen by the German analysts who went on reporting summarized data on export of machinery and technology to the Caspian region. The presentation about SOCAR Polymer was received with interest, questions were answered, and contact was established for future communication on the subject of possible cooperation.

Firefighting Foam System

successfully tested



On June 25, planned physical testing of the Foam System was successfully conducted in the HDPE plant's Hexene Unloading and Storage area.

Preparations for the test had been conducted throughout June by the HSE team with the assistance of the Operations, Maintenance and Instrumentation departments. At the initial stage, the foam system units were thoroughly inspected to identify any gaps or malfunctions. Identified issues were addressed and solved by respective teams. Training materials for the operation of the Foam System were prepared and submitted to the respective operation personnel.





The testing was performed as follows:

- Final walkdown was conducted with the Instrumentation and HDPE Operations representatives. The Fire Fighting valve rooms in the Hexene storage and Hexene unloading areas were aligned with the foam supply ratio in the foam system (97% water to 3% foam). Additionally, new foam drums (2 pcs.) for testing were delivered to the Firefighting valve rooms (# 1, 2);
- A "Permit to Work" for testing the Foam system was requested and obtained from respective authorities;
- A "Toolbox Talk" was conducted with participation of the involved personnel representing the HSE, Operations, Electrical, Mechanical, and Instrumentation teams, including the HDPE Shift Supervisor and HDPE Operators. A clear description of the scope of work, as well as step-by-step instructions on the activation of the Foam system were given. The HDPE Shift Supervisor was assigned to supervise the implementation of the activity;
- To follow the formal reporting protocol, the HDPE Operator contacted the Control Room, and the case was further reported to the Duty Manager / Incident Commander; then approval for commencement was received from the Senior Management.
- The test started at 11:00. An Operator manually activated the system as per the instructions priorly received. The Foam System was activated in the Hexene Unloading area. The test lasted 10 minutes. After supplying of foam was stopped, water was supplied to wash the remainder of foam out of the system. The Foam System was refilled and handed over to OPS personnel.



Upon completion of the testing, the test participants gathered for a debriefing and gratitude for support was expressed to all those involved. Special credit was given to Johan Strydom and Khagan Majidov (OPS team members) and Tofiq Ismayilov (HSE team member) for having prepared the operation plan and eliminated the found malfunctions at the initial stage.

To ensure most effective application of the experience gained during the test, it was decided to use the test-based records to soon arrange a full-scale training for the personnel in charge of the Foam System.



BAKU-BUZULUK:

thousand young trees traveled 2200 km

The SOCAR Polymer company has provided organizational and expert support to the initiative of sharing the beauty of Azerbaijan forests with Buzuluk by transporting and planting young Eldar pines (*Pinus Eldarica*) in the Memory Alley created in celebration of the 75th anniversary of the Victory gained in the Great Patriotic War of 1941-1945.



In support of the “Memory Garden” international campaign carried out widely across the Russian Federation, the gift of 1000 young trees to the Buzuluk town was made by the “New Stream Oil Company” (NSOC) and SOCAR Energoresurs company which shared with the Buzuluk town authorities the administrative and other expenses towards the purchase, transportation and planting of the trees. The idea to bring the pines from the Eldar steppe of Azerbaijan emerged in conversations with the management of the “Buzuluk’s pine forest” national park and was supported by the Governing Authorities of the Orenburg oblast and the Executive Authorities of the Buzuluk town.

The implementation of this social initiative was complicated by the anti-epidemic measures and closing of borders in March. However, having covered the distance of 2200 km from the lining out nursery in Tartar region of Azerbaijan, the young trees safely reached their new home. “I am thankful to my colleagues in Moscow, Baku, Sumgayit, Orenburg, and Buzuluk, whose assistance made this project’s implementation possible,” the General Director of the “Noviy Potok” Oil Company, Stepan Asaulov said.

It should be noted that the young trees had been grown artificially, without any harm to live nature. In the lining out nursery, the trees had grown at least 175 cm tall and developed a solid root system, thus, raising the chances of smoother adaptation to their new home. In fact, the Eldar pine is known for tolerance to unfavourable soil and weather conditions, and plant pests.

The SOCAR Polymer company’s Logistics Team Leader Gulu Nabiyev largely facilitated all the stages of the process of shipping the trees from Azerbaijan: from filling all the necessary documents to obtaining required certificates, negotiating with the Ministry of Ecology, passing the phytosanitary control check, and solving the problem that arose at the border customs service due to the trees’ increased weight from soaked-in rainwater above the documented weight.

The delivered trees were planted in Buzuluk on May 26 by the volunteers of the New Stream Oil Company jointly with the representatives of the town utility service.

Employee enhancing expertise in **LNG facilities**

SOCAR Polymer employees take every opportunity for professional development. Thus, for instance, to enhance his knowledge about modern petrochemical facility equipment and technology, our Maintenance Planner Rufat Hajiyeu has attended relevant conferences abroad, namely in Romania (March 2020) and Poland (September 2019). Both events were organized under the auspices of the European Parliament by the “Bringing Europeans Together Association” (BETA) which founded in 2008 by nine young Europeans in Mainz (Germany) now counts more than 400 members across Europe.



The 5-day conference at Warsaw University (Poland) was dedicated to the “Liquefied Natural Gas” (LNG) and “Environmental Action Plan” topics. Rufat found the sessions on the LNG topic very interesting and useful for enhancing his knowledge in liquefied gas storage facilities, gas transportation, cost/time-effective maintenance of equipment, long-term planning, and safety. The 7-hour long daily conference sessions were held in different formats, including reports, debates, faction meetings, dialogues, and workshops. Discussed topics varied from turn-key projects, to monitoring & diagnostics, to engineering analysis. 3D visualization of liquefied gas facility equipment such as gas transportation compressors on a large screen during the workshops provided better understanding of the equipment structure, functioning principles, common risks, maintenance issues, and effective planning. “The workshop session on “Lowest Life Cycle Costs: Maintenance, Costs and Spare Parts” was one of the most interesting as the Maintenance and Planning team works in close contact with the Budget & Cost Control department”, Rufat says. One of the emphasized topics was regular inspection of welds (every semester by a third party), as well as calibration and certification of lifting equipment and accessories, and PSV/PRV (pressure safety valves/pressure regulation valves) on transmission pipelines.



Direct communication and sharing of experience in forecasting and handling industrial production issues with multiple conference participants from all over Europe made the event particularly productive and beneficial. All participants received certificates of participation.

Rufat has shared the gained knowledge and experiences with his colleagues. Among the most popular topics that aroused interest have been safe storage and distribution of liquified gases through pressure pipelines (such as isobutane and hexene present on our production site), safe draining and hermetic sealing of LG storage tanks, thorough risk assessment, as well as such environmental issues as safe burning of industrial gases, and ways to prevent gas leakage for environmental safety and cost saving.

SOCAR Polymer supported the employee's participation in the event by facilitating the visa obtainment process.



SOCAR Polymer sponsored the 1st International Student Research and Science Conference



BAKI ALİ NEFT MƏKTƏBİ
BAKU HIGHER OIL SCHOOL

Ümummilli lider Heydər Əliyevin anadan olmasının 97-ci ildönümünə həsr olunmuş

TƏLƏBƏ VƏ GƏNC TƏDQIQATÇILARIN **I BEYNƏLXALQ ONLAYN ELMİ KONFRANSLARI**

8-11 iyun 2020-ci il, Bakı, Azərbaycan



SOCAR Polymer has sponsored the 1st International Student Research and Science Conference on "Sustainable Development in Chemistry and Chemical Engineering" held by the Baku Higher Oil School (BHOS) on June 6-10 within a series of three conferences dedicated to the 97th anniversary of the national leader Heydar Aliyev. The conference themes discussed were "Environmental Problems and Biotechnology", "Oil-gas and Petrochemical Processes" and "Advanced Materials and Polymers". A board of juries selected 9 students who successfully delivered the top three presentations on each of the topics, and the awardees received 1st, 2nd and 3rd place prizes from the SOCAR Polymer company.

The other two conferences in the series were on "Fossil Fuels and Sustainable Energy" and "Process Automation and Information Security" and were sponsored by companies operating in the fields associated with the topics.

A total of over 100 theses were presented by conference participants enrolled as students at the Azerbaijan Diplomacy Academy, Azerbaijan State Economics University, Azerbaijan State Oil and Industry University, Azerbaijan-France University, Baku Engineering University, Khazar University, Sumgayit State University, Azerbaijan Technologies University, National Aviation Academy, AMEA Management Systems and Information Technologies Institute, Russia's State Oil and Gas University named after I.M.Gubkin, and Management School of China's Guangdong Technology University. Some motivational gifts and certificates were also awarded to selected students who had actively participated in and contributed to the outcomes of the conferences.

Given the quarantine regime effected in our country in order to minimize the spread of the coronavirus infection, the conferences were held online.

SOCAR Polymer directorship received a medal award



On the occasion of its 100th anniversary, the Azerbaijan Red Crescent Society has awarded SOCAR Polymer LLC directors with a medal for active participation in the charity events organized by the Society.



On 18 June 2020, the president of the Azerbaijan Red Crescent Society, national parliament member Novruz Aslanov met with Fuad Ahmadov, the Deputy General Director of the SOCAR Polymer company. At the meeting, Novruz Aslanov underlined the fact that shortly after its establishment the young SOCAR Polymer company became actively and continuously engaged in the charity events organized by the Red Crescent Society, and that the company has earned a positive image and reputation in the minds of low-income families of the Sumgayit city. Touching upon the 100-years-long activity and development history of the RC Society, N.Aslanov emphasized the Society's continuous efforts to contribute to the populations' well-being at a time of the spreading coronavirus threat and consequences.

F.Ahmadov underlined the high significance of RCS's activities aimed at supporting the well-being of the disabled, elderly and low-income citizens. He added that SOCAR Polymer had always highly estimated the awareness-raising and charity events conducted by the Sumgayit branch of RCS and had readily sponsored the events organized over the past three years on the eves of Novruz, Ramadan, Id al-Adha, and New Year holiday celebrations to make a contribution to the improvement of Sumgayit population's well-being. In conclusion, F.Ahmadov expressed SOCAR Polymer's willingness to closely cooperate with the Sumgayit branch of RCS by supporting its awareness-raising and social events and to bring joy to the Sumgayit families in need.

At the end of the meeting, the RCS representative presented F.Ahmadov with the Society's "100th anniversary" medal in recognition of SOCAR Polymer's valuable contribution to RCS's activities.



My development path

This newsletter section aims at providing our future interns with ample information about the knowledge and skills they will gain in offered disciplines. In this edition, we shall continue our acquaintance with the professional development path of a Junior Field Process Engineer **Ismayil Ahmadov** who is reporting about the experience he has gained since December:



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When I just started working here, I began learning the fine details of the PP plant's polymerization unit, because it was the hardest and biggest area of study...
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Since the last time we spoke I have learned a lot both through the efforts of our team and my own. Actually, it is now looking back at the 9 months of my employment at SOCAR Polymer that I realize how much I have learned and what progress I have made.

FPEs are mainly responsible for assisting the Operations (OPS) team. FPEs also assist the Technology department, Engineering and Maintenance department, Planning department, HSE department, etc. Normally, as a daily routine, FPEs spend at least 3-4 hours on field with operators and engineers to control the proper working of all equipment for safe and stable performance of the plant. The rest of the working day they work through SAP and QMS systems in the Control Room, checking and controlling correctness and reliability of information prepared by subordinates, participate in risk management activities, and timely report to the line manager about any changes in the work process. SAP is used by FPEs mostly for creating notifications regarding the latest issues in the plant's operation process so that everyone be informed immediately. QMS systems provide us with different types of documentation including SOPs (Standard Operational Procedure) and checklists. FPEs must be well familiar with the Operational manual (Regulations for the Plant's Manufacturing Processes) and related organizational/ executive documentation; be able to quickly analyze problems and make decisions; know well the production process details, production modes and capacity, and all equipment's purpose, design, and operation principles; increase employees' awareness of health damage risks in any given working conditions; and possess fundamental knowledge in economics, production arrangement and management.

So far, I have performed many of the mentioned tasks and duties, except some. For example, lack of experience leaves some difficulties in managing employees. It is a matter of time and I am sure to overcome these difficulties in time. I also need to improve my managing skills by cultivating self-awareness, becoming a better communicator and motivator. Sometimes checking documents for accuracy, I discover gaps in my knowledge, and I realize I am not totally ready for this role yet. This is not be a barrier for me; it rather motivates me to learn more and to become a better leader.

As a field process engineer (FPE), I must also know all the main functioning principles of the PP plant equipment and be able to propose process solutions when needed. In the first 2-3 months, I could not fully comprehend those functioning principles, but in time as my knowledge enhanced the learning process grew faster, and now I am able both to support operators and engineers with ideas regarding equipment related issues and to assist physically.

When I just started working here, I began learning the fine details of the PP plant's polymerization unit, because it was the hardest and biggest area of study and my colleagues advised I start with this one, saying, if I studied this part of the plant perfectly the other sections would be much easier to figure out, but It didn't mean they were less important. If, say, either the extrusion or any U&O (utilities and offsite) facility doesn't work properly the plant must shut down, because they directly affect the production process. So, having worked closely with shift operators since February, I got well acquainted with the Polymerization unit, though there are still some details that are hard to grasp about some processes inside the unit, but I think the next few months will fill this gap. Last month, I also began to explore the extrusion site more closely, with the U&O facilities next in turn.

While studying at the university, I thoroughly learned the main working principles of different types of equipment, but some things cannot be learned theoretically, you need to see visually and in practice. In my university years, I interned at different plants a few times, but spent no more than 2 months at each, and therefore did not have enough time to look deep into the production processes and therefore could not feel the adrenaline that I am experiencing now during the starting up, shutting down of the plant, or during quite complex and hazardous operations. Performance of such operations requires much responsibility, alertness and attentiveness to little details, which is a useful experience for every young specialist.

Of course, I am at the start of my journey, this is just the tip of the iceberg, and I have yet a long way to go. I am determined to complete this journey and become a professional.

One workday through the eyes of a co-worker

Majored in "Machinery and technologies in processing of polymers into products and components" at Leningrad Technology University. In 1988-1992, worked at the "High molecular compounds" Chair of the Azerbaijan State Oil Academy and for two years (1990-1992) was the Chairman of the State Examination Committee. Before joining SOCAR Polymer, worked as a Chief Process Engineer for the "Polymerstroyaterial" company, a Managing Director for "Azerautodor" State Multicorporate Enterprise, a Process Engineer for the "Azkompozit" company, and first as a Chief Engineer, later as a Managing Director for the "Ibrahim" Industrial Commercial Entity.

Today, as usual, I got to the plant at 7:20 as my working day starts at 7:30. First, I reviewed the night shift supervisor's report and looked through the night reports on laboratory tests to analyze the issues encountered during and after production of the given batches, to see what defects in product quality have been found, what deviations from standards have been noted and how all those issues could be solved. At about 9 a.m. I visited the Control Room and took part in the daily 9:30 meeting which plays a significant role in the planning of our daily activity and its subsequent implementation. Such toolbox meetings that usually last 15 to 40 minutes are held for the PP and HDPE plants separately and are attended by the HSE, technology, operations, instrumentation, electrical and mechanical team members. The toolbox participants discuss the issues encountered over the past 24 hours and to agree on their solutions. Depending on what issues have arisen in either the polymerization, extrusion or bagging sections, we give instructions to the respective teams. According to our corporate HSE culture, the discussion of solutions focuses on the elimination of HSE-related issues first. Thus, as an OPS team we coordinate all the mentioned operations to control both the product quality, the scope of production, and functionality of the plant.

After the toolbox meeting, I went out into the production area. Usually I go there to detect malfunctioning equipment, to supervise any current maintenance activities and if I find any technological issues to report them to the shift supervisor. Today, I didn't find any such problem.

Following the lunch at noon, I supervised the planned cleaning of the extruder barrel cooling water system which cools down demineralized water. We had been preparing for the cleaning operation for 2 days and had obtained a permission sheet with approvals of the respective authorised persons. Before we started the work, an HSE representative isolated the cooling system from the plant in accordance with the standard procedure guidelines. 2

NABI EYVAZOV
EXTRUDER
SPECIALIST



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*I stay until a successful result
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achieved.*
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members of the OPS team and instrumentation technicians closed the incoming and outgoing water lines. The electric team members disconnected the water pumps from the circuit. The mechanical team members disconnected the cooling system from the line and disassembled the plates to clean them as two field operators, a shift supervisor and I supervised the process. The cleaned plates were re-assembled into the cooling system. After the water lines were re-linked to the system, we checked them against any leakages. Then the electrical team members linked in the pumps. The entire operation process was observed by an HSE representative. Such operations are carried out with permission of the HSE department and under direct leadership of the Extrusion Unit Lead Rahman Zamanov.

Having successfully completed the tasks planned for the day, I leave the plant at 16:30. However, I may stay at the plant till later hours if urgent work calls for it. In such cases, I stay until a successful result of any given task has been achieved.

A RARE TEAM

that appreciates
received complaints

Functioning as part of the Technology Department, the Technical Support to Sales team maintains direct contact with the users of our products and makes decisions based on their complaints, requirements and proposals. A member of the Technical Support team, a **Technical Support Engineer Jala Hajiyeva** has given us information about the team's structure, overall functions and role in the company.



WHAT ROLE DOES THE TECHNICAL SUPPORT TEAM PLAY IN THE COMPANY?

Our client-related technical support functions are to maintain constant contact with clients buying our company's products, to assess the product-related complaints and requirements, to improve our products based on the clients' expectations, and to make proposals that promote our products on the market. To put it in one sentence, our main function is to register clients' complaints and investigate the problem roots.

DESCRIBE THE TEAM STRUCTURE, PLEASE.

Our team consists of 4 people: **Hikmet Ismayilov, Teymur Tarasov, Emil Agayev,** and I. The team lead is **Nijat Yusifov**. Considering teamwork most effective, we mostly discuss arising issues and implement given tasks together as a team. The produced effect has everybody's share in it and comprises the value added by different personal approaches to the issues.

WHICH DEPARTMENTS DO YOU INTERACT WITH MOST?

To investigate the clients' complaints or the causes of internal issues, we interact with the warehouse, bagging, laboratory and operation teams. The sales and



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One of our significant roles in the company is to figure out the grades preferred by local clients, to find out their specifications and to have this information taken into account in the annual production plan by sharing it with relevant departments. We also propose the potential grades that could be produced at our plants in future.

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marketing departments pass clients' complaints over to us and we then respond by sharing the investigation results with them. We also work closely with the procurement team to assist in the selection of different suppliers.

WHAT WORK DOES YOUR TEAM PERFORM?

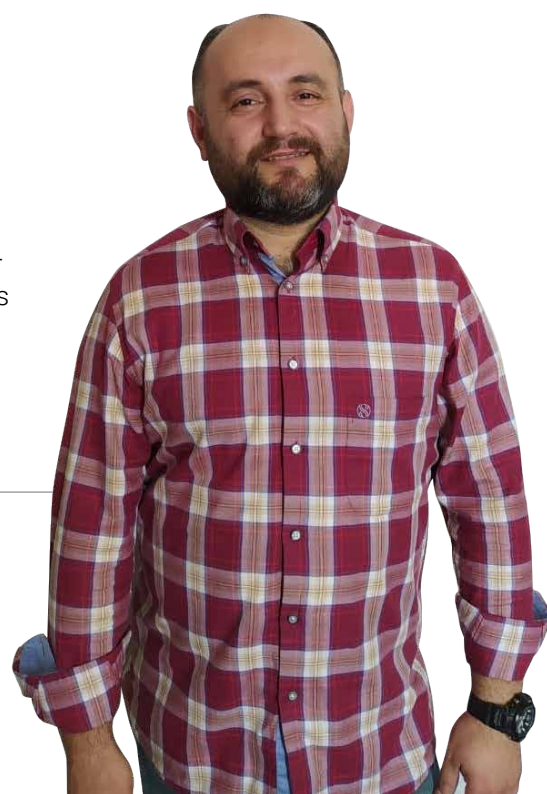
First, we register the complaints from local and foreign clients, and then we search for the causes of problems. Depending on what departments a given problem is associated with, we cooperate with different teams to discover its causes and develop a corrective and preventive action plan to prevent the problem in the future. Supervision over the implementation of the corrective and preventive action plan is certainly our responsibility, too. Whenever there is a problem in the final product of the polymer plants, we follow the clients' complaint assessment procedure by conducting proper investigations, preparing a solution plan, and summarising all

of these in a report submitted to the Sales department for the report to facilitate sale of the product in question.

Our daily routine includes sharing with different departments the availability status of products' laboratory test certificates, and regularly conducting visual quality inspection of our products in big (1 tonne) bags. Another one of our responsibilities is to monitor the quality of products procured from different suppliers and used in different sections of our plants. Thus, to approve the new product or new supplier, cross-functional teams are created involving members of the bagging, laboratory and other

departments depending on the application area of the procured product. A Technical Support Engineer's role in this process is to document all the physical and chemical properties of the inbound

NIJAT YUSIFOV
The team lead



materials, their specifications, relevant standards, endurance limits and other technical data to present the information to the procurement team for expediting vendor selection in bid competitions. Our team also participates in different production tests, e.g. in the performance tests of wooden pallets, polymer bags, stretch hoods and other products from vendors. We document the test results and present to the procurement team.

One of our significant roles in the company is to figure out the grades preferred by local clients, to find out their specifications and to have this information taken into account in the annual production plan by sharing it with relevant departments. We also propose the potential grades that could be produced at our plants in future.

WHAT PART OF YOUR WORK IS MOST INTERESTING?

To me, working directly with clients makes our work so interesting. During a day we may visit the clients to become familiar with the production process and to see what goods they produce from our polymers and what methods they apply to process PP/HDPE pellets. Of course, clients’ proposals are reported to the management, while solutions to their complaints are discussed at joint meetings. These activities bring us valuable experience. Another attractive feature of our work is its devoidness of dull routines, challenging with unlike issues, and offering new things to learn each time. As clients’ problems are never one-faceted, we often face new problem conditions and conduct work in a new quite different direction. Unlike other departments, we don’t mind dealing with more complaints and work by the “more issues – more work” principle.

WHAT RISKS DOES YOUR WORK INVOLVE?

Losing clients is one of the potential risks in our work. Client’s refusal to use our products due to some issue is an extreme case. That is why we constantly improve our negotiation skills, carefully process every small complaint of both local and foreign clients and try to give proper feedback.



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EMIL AGAYEV

TEYMUR TARASOV



WHICH DAY HAS BEEN UNFORGETTABLE TO YOUR TEAM?

One of the unforgettable days for me has been that on which a visit was organized to Gaziantep to investigate a foreign client’s complaint. We had very little time, and as our destination held a very large share of the plastic industry sector, the number of visitable factories that were using our polymers was large. We visited 7 factories within 2 days, got familiarized with many different production facilities and polymer processing methods, learned all the clients’ opinions about our polymers and gained a lot of new experience. I think that trip has been unforgettable to all of us.

HIKMET ISMAYLOV

Advances in professional development



Vyacheslav Romanov
Junior Shift HSE Advisor

According to the result notification received from the National Examination Board in Safety and Health (NEBOSH) in May, Vyacheslav has scored 64 and passed the first written exam held in March on 'Management of International Health and Safety'. To get the NEBOSH International General Certificate he will have to pass 1 more written and 1 practical exam. A 'pass' in all three exams must be obtained within a five-year period to achieve the qualification.

NEBOSH is a leading global organization that helps to raise the competence of safety and environmental professionals as well as individuals at all levels in the workplace. Since its inception in 1979, it has awarded internationally recognized qualifications to over 400,000 people from around the world. Tens of thousands join their number every year studying through the NEBOSH network of 600 Learning Partners in over 132 countries.

Rustam Rashidov
Accountant Assistant

Rustam has scored 76% in the Management Accounting (F2) exam held on May 22. His next target on the path to obtaining all ACCA certificates is to pass the Financial reporting (F7) exam in September. To remind you, Rustam scored 88% in Financial Accounting (F3) exam in quarter one.



Wood scrap donation continues



In continuation of the charity initiative suggested by the SOCAR Polymer company's HSE department to support low-income families of local communities and employees, 6 m3 of wood waste was donated to a SOCAR Polymer employee.

The HSE department received another employee's request for permission to use the wood waste accumulated in the former KT warehouse. The requestor was invited to formally express the purpose for which the wood scraps would be used. It was reported that shortage of income had made it unaffordable to complete construction of the wooden floors in the requestor's house in the Ramana settlement of Baku.

The request was duly considered, and company management's approval was received. Given traffic limitations imposed within the Azerbaijan Republic during the special quarantine regime and expediency of prompt delivery, the company organized transportation of the wood scraps by a company vehicle.

Prior to handover each waste item was visually inspected for safety, e.g. protruding nails were removed, and contaminated timber was not released.

SOCAR Polymer is ready and always proud to contribute to the community's welfare in every possible way.



SOCAR Polymer brought spring holiday joy to **300** families



Remaining loyal to the tradition developed over the past 5 years, SOCAR Polymer has once again participated in the charity event organized by the Sumgayit branch of the Red Crescent Society (RCS) to bring joy to the disabled, the elderly, and low-income families on the occasion of the sacred Ramadan holiday.



The charity event was organized and held with strict observation of all the personal protection rules amidst the measures undertaken throughout the Azerbaijan republic against spreading of the coronavirus. At the announced hour, the elderly and their families gathered in front of the Sumgayit RCS building. All the assembled citizens were required to wear masks and to maintain a 1-1.5-meter distance from one another for personal protection purposes.

In her opening speech, the Chairwoman of the Sumgayit city branch of RCS, Matanat Maharramova welcomed the

citizens and wished everyone a joyous Ramadan holiday. On behalf of all those present, she expressed gratitude to all the sponsors and supporters of the event and underlined SOCAR Polymer company's contribution and continuous support to those in need. Among the donors of the charity event were announced such local companies as Pasha Life Insurance, Lactalis Caspi LLC, and the Ordubad market. Mrs. Maharramova also mentioned the unceasing efforts and immense work done by the RCS volunteers during the quarantine period as they provided material and emotional support much appreciated by low-income families and lonely old people.



Over the four days of the charity event stretched out in time for health safety purposes, the Sumgayit RCS branch distributed holiday food baskets to a total of 455 families.

The SOCAR Polymer company had arranged about 300 food baskets to help families celebrate Ramadan with a traditional holiday meal. Representing our company at the event, the PR department employee Bakhtiyar Allahverdiyev helped distribute the gift bags and received warm thanks and kind wishes of the elderly and families in appreciation of SOCAR Polymer's support on every holiday occasion. The gift baskets for people who had not been physically able to attend the event were then delivered to the addressees by RCS volunteers.



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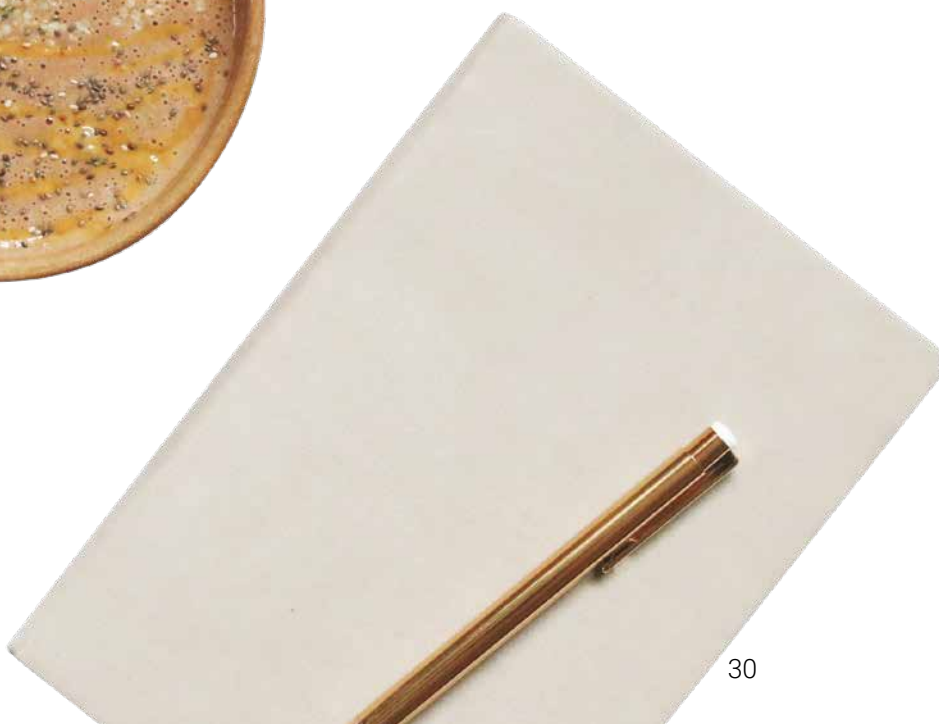
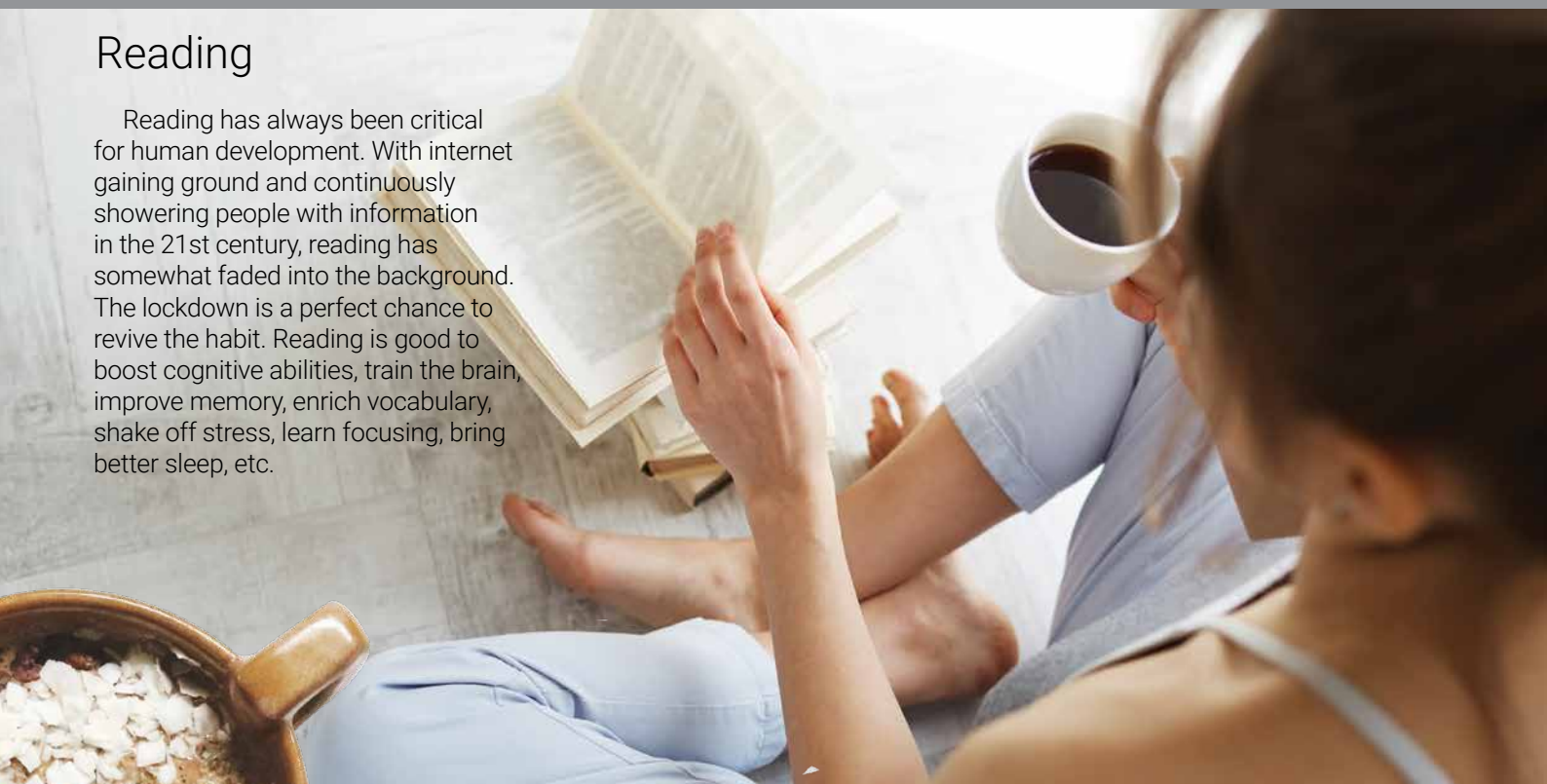


How to make the most of the **LOCKDOWN PERIOD**

To many, the quarantine period has granted enormous lengths of leisure time and a good chance to estimate the opportunities becoming available depending on our personal interests and abilities. We could make the most of the granted opportunities by making the right decisions and using time wisely. To positively enrich your lockdown experience you can try some of the following

Reading

Reading has always been critical for human development. With internet gaining ground and continuously showering people with information in the 21st century, reading has somewhat faded into the background. The lockdown is a perfect chance to revive the habit. Reading is good to boost cognitive abilities, train the brain, improve memory, enrich vocabulary, shake off stress, learn focusing, bring better sleep, etc.



Keeping a diary

It is one of the most useful habits to be gained during the lockdown. Many prominent people and statesmen like Marco Polo, Leonardo da Vinci, Ludwig van Beethoven, Charles Darwin, Marie Curie, and others have highly estimated this habit and have tried to stick to it. Among the benefits of the practice is increasing of self-discipline, greater emphasis on goals, development of writing skills, improvement of memory, deeper perception and detailing of events and conditions, better management of emotions, growing self-confidence, psychological and, in consequence, physical relaxation, etc. A diary will also keep the memories of good old days fresh and intact.



Drawing a personal development plan

Regardless of the lockdown, having a set of skills and abilities always in line with the requirements of the labour market is key for a successful career. The objective in writing a personal development plan (PDP) is to document the processes of self-analysis, spotting your strong/weak points, and re-assessing events, thoughts and emotions from a different angle. Writing a PDP involves 3 stages: self-assessment, setting of goals, and defining the milestones. Having a PDP will help you live every day in a more conscious, disciplined and effective way.



Learning something new

The lockdown re-emphasized the significance of online education. Many online education sources and businesses made initiatives to benefit people most during the period by, most commendably, making some paid services free-of-charge as offered by "Coursera", "Udemy", Khan Academy, "Udacity", Massachusetts Technology Institute, "CodeAcademy", "SkillShare", "Lynda", etc. as a good opportunity to enhance knowledge, learn something new and add another achievement or skill to your CV. Coding, drawing, playing a musical instrument, cooking, gardening, speaking a foreign language are just a few examples to demonstrate broadness of choices. Why not learn a new language to diversify your career choices, or improve your listening/speaking skills in the language you already know to push your communication limits?



Meditation

For thousands of years, meditation has been applied as one of the main attributes of oriental culture. Meditation was initially aimed at sensing sacred or mystic forces of nature. Nowadays, it is growing in popularity as a means of relaxing and relieving stress. In short, meditation is a way to focus attention and eliminate the flow of stressful thoughts. Benefits of meditation include learning to view stressful situations from a less destructive angle, improvement of the ability to cope with stress,

enhancement of self-awareness, tuning up to the present moment, getting rid of negative emotions, boosting of creativity, heightening patience and endurance, etc. Some researchers suggest meditation helps fight the adverse effects of cancer, asthma, and heart diseases such as fatigue, chronic pain, depression, elevated blood pressure, insomnia, and the like. If really so, do not deprive yourself of this useful habit that may take as little as 10 minutes of your time a day.



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Health improvement

The need to develop a stronger immune system to be able to fight off the COVID-19 virus is apparent nowadays. A healthy and balanced diet, regular physical activities, fresh air and good sleep are the basic factors for building up immune resilience. Revise your diet to balance it out, remove harmful components such as sweets or excess salt, and keep hydrated by drinking at least 2-2.5 litres of water a day.



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