

# impact



Issue

# 31

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**Zamil**Industrial

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## Dear Colleagues,

Greetings and welcome to the latest issue of *Impact*.

At Zamil Industrial, we continue to maintain our focus on new and promising growth opportunities, both in the region and around the world. I am happy to report that this strategy has resulted in an increase in net profits over last year's second-quarter results.

This issue describes our activities here in Saudi Arabia as we continue to expand and diversify by supporting initiatives in the private and public sectors, including infrastructure, industrial and educational construction projects. It also details our company's growth in global and regional export markets, where demand for many of our products and services continues to rise, despite uncertain business conditions and uneasy outlooks in many markets around the world.

In an effort to increase profits and discover new opportunities for growth and expansion, we continue to seek out and participate in key industry events, both locally and internationally, and we take every opportunity to introduce potential clients and partners to the value and award-winning quality of Zamil Industrial's offerings throughout the global marketplace.

Many articles in this issue highlight the activities of our managers and employees as they work hard to ensure excellence in the office, safety on the shop floor, the continued health and wellbeing of our families, and the overall advancement of the communities in which we are based.

I hope you find this issue of *Impact* both informative and enjoyable. We are always interested in your feedback and welcome any suggestions you may have for future editions.

With respectful regards,

**Abdulla M. Al Zamil**  
Chief Executive Officer

# Zamil Industrial Profits Rise to SAR 148 Million in First Half of 2015

**Zamil Industrial Investment Company (Zamil Industrial) has announced its consolidated financial results for the period ended 30 June 2015, showing a marked increase in profits over last year.**

Net profits for the second quarter of 2015 were SAR 74.4 million (USD 19.8 million), compared with SAR 73.1 million (USD 19.5 million) during the same period in 2014, an increase of 1.8 percent, and compared with SAR 73.7 million (USD 19.6 million) posted in the first quarter, an increase of 0.9 percent.

Gross profits for the second quarter of 2015 were SAR 317.2 million (USD 84.6 million), compared with gross profits of SAR 316.1 million (USD 84.3 million) for the same period in 2014, an increase of 0.4 percent.

Operating profits during the second quarter were SAR 97.2 million (USD 25.9 million), compared with SAR 101.4 million (USD 27 million) for the same period in 2014, a decrease of 4.1 percent.

During the six months ended 30 June 2015, net profits were SAR 148.1 million (USD 39.5 million), compared with SAR 139.1 million (USD 37.1 million), an increase of 6.5 percent over the same period in 2014.

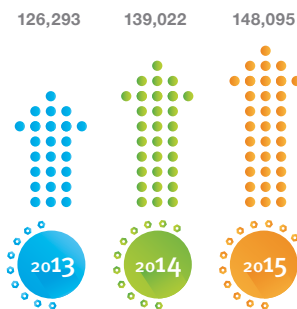
Gross profits for the six-month period were SAR 622.7 million (USD 166.1 million), compared with SAR 621.6 million (USD 165.8 million) for the same period in 2014, an increase of 0.2 percent.

Operating profits for the six-month period were SAR 194.7 million (USD 51.9 million), compared with SAR 196.3 million (USD 52.3 million) for the same period in 2014, a drop of 0.8 percent.

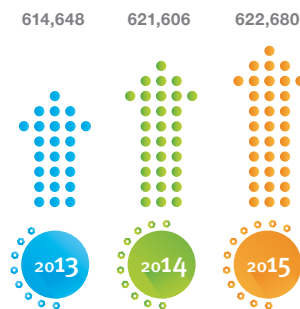
Earnings per share grew to SAR 2.47 (USD 0.66) from SAR 2.32 (USD 0.62) during the same period in 2014.

## Comparison Charts of First Half 2013 – 2015 Financials (Six months)

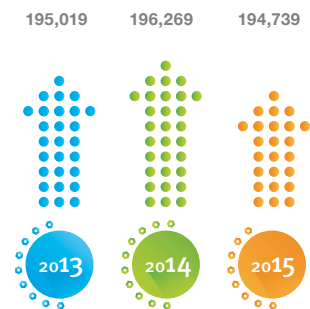
Net Income  
(SAR 000's)



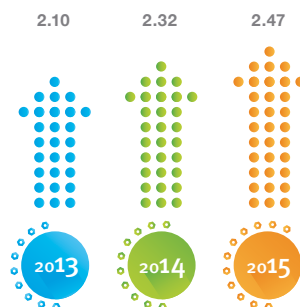
Gross Profit  
(SAR 000's)



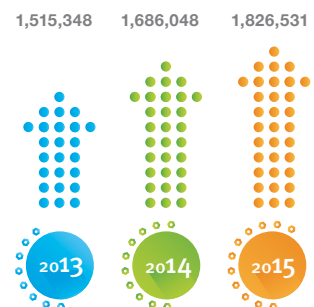
Operating Income  
(SAR 000's)



Earnings Per Share  
(SAR)



Stockholders' Equity  
(SAR 000's)



# Zamil Structural Steel Company Awarded SAR 118.8 Million Contract for the SEC PP 14 Power Plant in Riyadh

- Zamil Structural Steel Company Ltd. (ZSSC), a subsidiary of Zamil Industrial, has been awarded a contract valued at SAR 118.8 million (USD 31.7 million) by Saudi Electricity Company (SEC) to supply various structural steel products for the Riyadh Power Plant 14 (PP 14) project in the central region of Saudi Arabia.



According to the contract, ZSSC will fabricate and supply a large tonnage of various custom-made structural steel products for use in the power generation facility. The company will also supply main and auxiliary utility racks for the PP 14 Combined Cycle Power Plant project, which is owned by SEC and located near Riyadh.

PP 13 and PP 14 power plants are ranked among the largest power projects in the Kingdom, with capacities at each facility ranging from 1,600 and 1,950 megawatts.

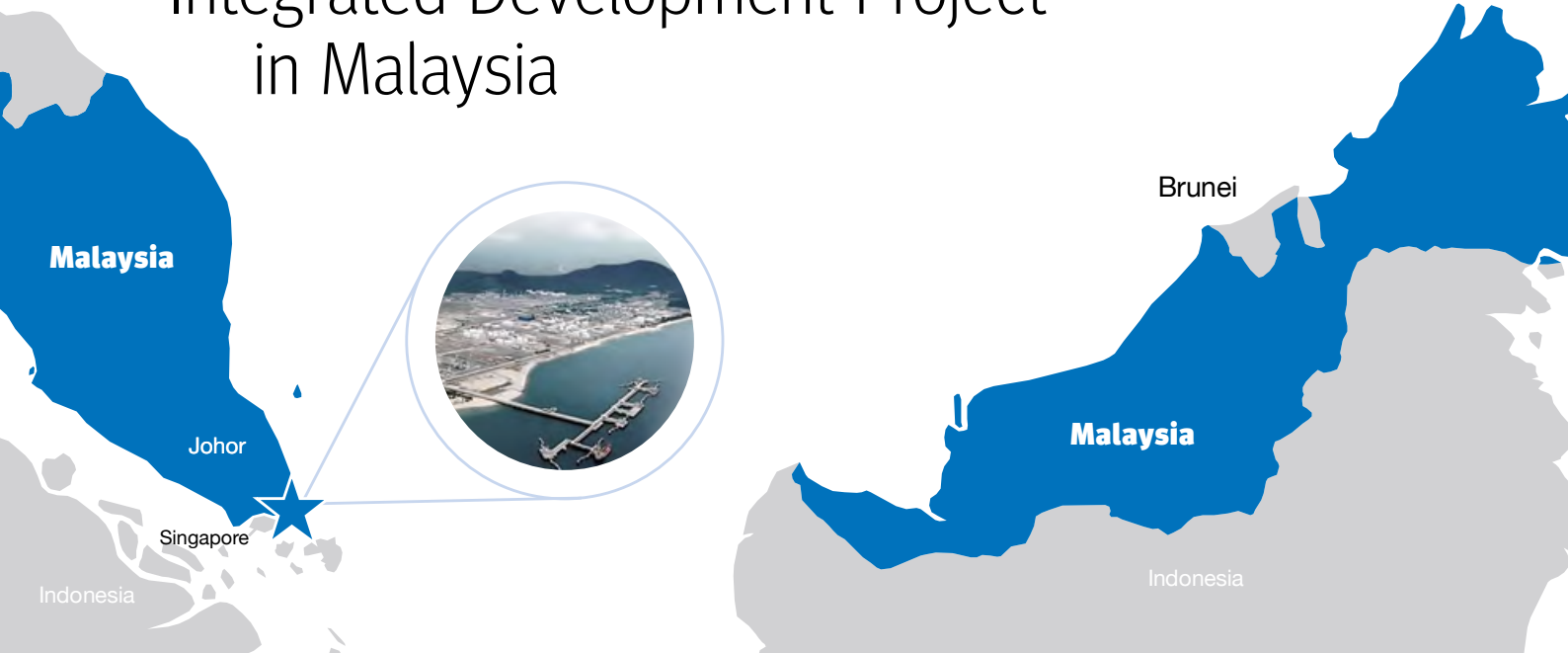
“This project is the result of ongoing collaboration between Zamil Steel and Saudi Electricity Company to support the company’s infrastructure projects to meet the growing demand for energy,” stated Nawaf Al Zamil, vice president of Zamil Steel’s Building Products Group. “We look forward to working with SEC within the Saudi Arabian power generation sector, and are pleased to have been selected from a group of extremely qualified companies for this most prestigious project award.”

With a worldwide reputation as the Middle East’s leading structural steel solutions provider, Zamil Structural Steel Co. provides expertise in the fabrication and installation of structural steel and plate works for a wide range of industrial and commercial applications. The company has gained the confidence of major international engineering, procurement and construction contractors, and has built a solid reputation with its customers as the preferred partner for structural steel solutions.



الشركة السعودية للكهرباء  
Saudi Electricity Company

# Zamil Steel Vietnam Wins SAR 53 Million Contract for Refinery and Petrochemical Integrated Development Project in Malaysia



- **Zamil Steel Buildings Vietnam Co. Ltd., a subsidiary of Zamil Industrial, has been awarded a SAR 53.2 million (USD 14.2 million) contract by Técnicas Reunidas Malaysia for Package 3 of the Refinery and Petrochemical Integrated Development Project in Malaysia.**

The scope of the contract includes the design, fabrication and supply of approximately 7,800 metric tons of pipe racks and structural steel platforms, as well as the fabrication and supply of nine pre-engineered steel shelters that weigh more than 600 metric tons for the Refinery and Petrochemical Integrated Development (RAPID) complex project, located in Pengerang in southeast Johor, Malaysia.

RAPID and its associated facilities are part of the PETRONAS Pengerang Integrated Complex (PIC) development in Johor, which is being constructed on an area of more than 24,200 square meters and will include the Pengerang Co-generation Plant, Re-gasification Terminal 2, Air Separation Unit, Raw Water Supply Project and

Liquid Bulk Terminal, as well as centralized and shared utilities and facilities. PIC forms part of the Johor State's Pengerang Integrated Petroleum Complex (PIPC), which is a key element of Malaysia's Economic Transformation Program, an initiative aimed at the establishment of new economic engines of growth for Malaysia. PIPIC is poised for refinery start-up by early 2019.

"Our company is uniquely qualified to meet the specific product requirements for the Refinery and Petrochemical Integrated Development Project at Pengerang," said Kumar Narasimhan, general director of Zamil Steel Vietnam. "This significant heavy industrial complex combines a number of operations, and will require extensive planning, flexibility and diversification on our part.

I am confident that we will satisfy the unique design, fabrication and delivery specifications of our client and provide the utmost in quality steel products essential to all the facilities at RAPID."

Zamil Steel Vietnam was established in 1997 as a joint venture between Zamil Industrial and the Mitsui Group of Japan. The joint venture has two factories, one located in the Noi Bai Industrial Zone in Hanoi, Vietnam, and one at AMATA in Dong Nai, Vietnam. The company specializes in providing steel building solutions for various uses in commercial and industrial construction. It has successfully supplied more than 6,000 buildings in Vietnam and the Asia Pacific region.

# Zamil Towers & Galvanizing Wins Contracts Worth SAR 43.4 Million With Al Sharif Group and AETCON Group

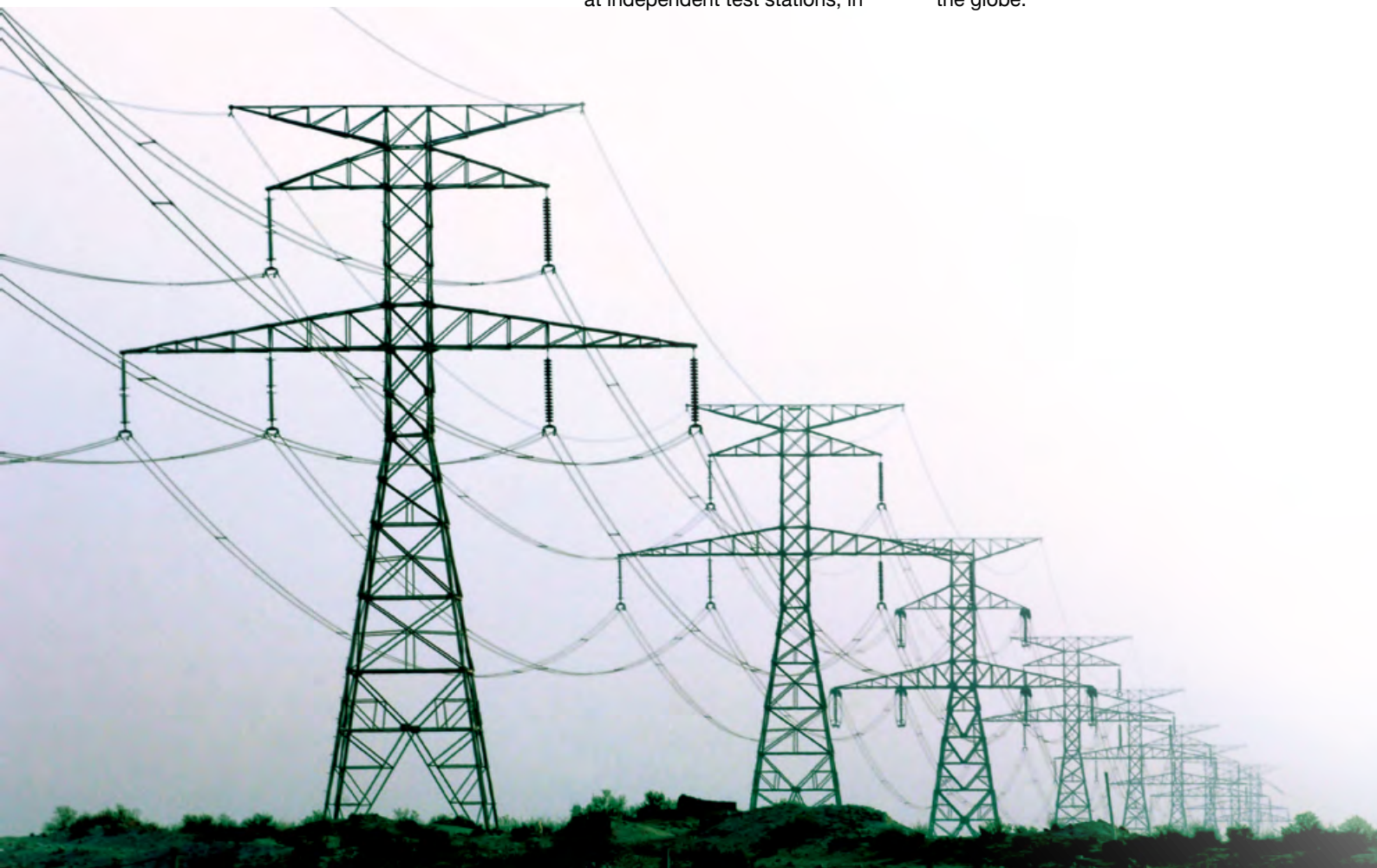
- **Zamil Towers & Galvanizing Company Ltd., a subsidiary of Zamil Industrial, has recently been awarded contracts worth about SAR 43.4 million (USD 11.6 million) by the Al Sharif Group for Contracting, Trading and Development Holding Co. (ASG) and AETCON Group to fabricate and supply lattice transmission line towers and gantries for various transmission lines and substations owned by the Saudi Electricity Company (SEC) in the western region of Saudi Arabia.**

According to the contracts, Zamil Towers & Galvanizing will fabricate and supply about 9,000 metric tons (MT) of lattice steel towers, gantries and equipment support structures for the numerous 110kV overhead transmission lines and SEC substations in the western part of the Kingdom.

Zamil Towers & Galvanizing has been providing design, manufacturing and hot-dip galvanizing of lattice steel structures for power transmission lines and telecom companies, gantries, and support structures for substations since 1985. The company also provides type testing of power transmission line towers at independent test stations, in

compliance with international standards, as well as telecom and IBS passive and active solutions.

During its 30 years of operation, Zamil Towers & Galvanizing has supplied more than 1 million MT of lattice steel structures, of which a considerable portion was exported to 35 different countries around the globe.



# Zamil Steel Construction Co. Awarded SAR 20.5 Million Turnkey Contract for New Water Tanks Factory in Jeddah

- **Zamil Steel Construction Company (ZSCC), a subsidiary of Zamil Industrial, was awarded a turnkey contract worth SAR 20.5 million by Al Zamil Industry, Trade and Transport Company for its new water tanks factory project in Jeddah, Saudi Arabia.**



The scope of the contract includes the design, fabrication, supply and erection of more than 340 metric tons of pre-engineered steel buildings, as well as the provision of all EPC works, including civil, electrical, mechanical, and structural and finishing works for the new water tanks production facility, which is owned by Al Zamil Industry, Trade and Transport Company and located in the western region of Saudi Arabia.

This project is made up of several component parts that require completion within a defined time frame and demand an exceptional degree of attention to detail in keeping with client requirements for stringent safety and security controls.

Mohammed Al Sahib, director of ZSCC, commented, “ZSCC has become widely recognized as a regional leader in the prompt and accurate completion of turnkey projects, and is known for its emphasis on success achieved by the development of an extensive supply network and a flexible and efficient staffing system. We look forward to meeting the challenges presented by this project, from start to successful completion, and to the complete satisfaction of our client.”

Zamil Steel Construction Company, which caters to clients that require a one-stop shop for industrial and commercial steel buildings, provides engineering, procurement and construction services for setting up new projects in different market sectors; design, fabrication and supply of steel buildings as well as related civil and concrete works; erection of steel buildings; and installation of firefighting and fire alarm systems, architectural materials, and mechanical, electrical and plumbing works on the basis of turnkey contracts through full-site management teams.



# Under the Auspices of the Governor of the Eastern Province, **Zamil Industrial** Signs “Eta’am Waqf” Agreement with Saudi Food Bank

Under the patronage and presence of HRH Prince Saud bin Naif bin Abdulaziz, Governor of the Eastern Province, Zamil Industrial Investment Company (Zamil Industrial) signed an investment agreement with the Saudi Food Bank (Eta’am), on September 6, 2015, to lease Eta’am’s new mortmain property (Waqf).



Abdullah Abdul Latif Al-Fawzan, the chairman of Eta’am, represented the charitable association in signing the agreement, while Zamil Industrial was represented by Abdulla M. Al Zamil, CEO of Zamil Industrial.

The signing took place during a formal ceremony, held at the Sheraton Dammam Hotel, to honor the partners and supporters of Eta’am by HRH Prince Saud bin Naif, in the presence of government officials, the founders and partners of Eta’am, and a number of reputable business people and those interested in social responsibility programs.

According to the agreement, Zamil Industrial will rent Eta’am’s Waqf for an amount of SAR 5.5 million per year for a period of 10 years. The property consists of two residential buildings that contain a total of 560 rooms. It is located in Dammam Second Industrial City on 9,045 square meters.

This investment agreement is the first of a series of agreements that will follow in

the coming months, including the construction of the Eta’am headquarters building. The aim of the project, and others, is the generation of revenues in support of Eta’am’s activities.

HRH listened to a detailed explanation about the Eta’am Waqf project, its operational method with the support of Zamil Industrial, and the mechanism that will make it support itself financially. In addition, he was briefed on the new Eta’am’s headquarters building project that will be constructed on Khobar-Dammam highway in the near future.

On this occasion, the prince commented, “The Saudi Food Bank is a good example of charity organizations that have followed the optimal model for business excellence in a vital community field. In the past, the surplus of food was not handled in proper ways, but since Eta’am was launched, things have been moving in the right direction and the excess food is now being distributed to the needy in a professional and healthy manner.”

“Eta’am activities have gradually been expanded to include other regions of the Kingdom. I always emphasize that if we want to continue our charitable mission, we must think about the sustainability of such acts, and this is the responsibility of everyone who works in the charity sector,” he added.

Zamil Industrial is a key founder and supporter of the Saudi Food Bank (Eta’am), which was founded in 2011 in the Eastern Province to provide food to families in need and was the first charity of this type to be established in the Kingdom.

In the three years since Eta’am was formed, it has distributed more than one million meals to needy families through its branches in the various regions of the Kingdom.



## Graduation of the First Batch of Schlumberger Company Trainees from **Zamil Higher Institute for Industrial Training**

- **Zamil Higher Institute for Industrial Training recently held a graduation ceremony for the first batch of Schlumberger Middle East Company trainees.**

Dr. Mohamed Abdulla Sharif, the director of the Institute, revealed that 58 Schlumberger company trainees have successfully completed and recently graduated from the Certificate in Oil Field Services Technology training program.

He added that the graduation ceremony was attended by His Excellency Sheikh Mohammed Bin Khalifa Al Khalifa, the Chief Executive Officer of the Oil and Gas Holding Company (Nogaholding); Dr. Chokri Benamor, Vice President and General Manager of Schlumberger Middle East; Abdul Mohsin Abdullah Al Ghamdi, the Vice President of Administration and

HR at Zamil Industrial and the Executive Director of the Institute, along with many esteemed guests and the graduates themselves.

Dr. Sharif opened the ceremony by welcoming the guests and graduates and showing appreciation for their participation. This was followed by a speech by Dr. Benamor, in which he outlined the nature of the work of Schlumberger and explained the expectations that senior executives have for the Institute's graduates. His Excellency Sheikh Mohammed Al Khalifa congratulated the graduates on their outstanding achievements and summarized the way forward after graduation.

The visitors were provided with an opportunity to tour the Institute's training workshops and facilities, and were impressed with the high standards of the training equipment, amenities and resources on offer.

The Certificate in Oil Field Services Technology training program is a 12-month training scheme that supplements specialized technical courses in areas such as oilfield cementing equipment and systems and oil pumping and transportation components and systems with additional courses on Technical English Language, Applied Mathematics, Occupational Health and Safety, and Work Ethics.

# Zamil Structural Steel Co. Wins Tekla Middle East BIM Award for Engineering Excellence in King Abdulaziz Center for World Culture Project

- Zamil Structural Steel Company (ZSSC) was recently chosen as the winner of the Tekla Middle East BIM Award for engineering excellence in the Steel category for its information modeling of the King Abdulaziz Center for World Culture project, located in the eastern region of Saudi Arabia.



The final BIM product, a complex 3D model designed (steel connections) and built by the ZSSC engineering team, was chosen as the winner over the extensive efforts of many skilled and experienced fabricators from across the region.

The main architectural concept of the King Abdulaziz Center for World Culture was visually conceived in the shape of pebbles seated in a sand dune, which has resulted in one of the most complex construction projects in the region. The center consists of a main plaza and a cluster of buildings that will include the auditorium, library, great hall, tower and keystone, and several

secondary structures, such as the gatehouse and parking facility. Upon completion in 2015, the center will contain a world-class library, archives, a lifelong learning center, a four-gallery museum and children’s museum, and several cafes and gift shops. It will host youth enrichment and innovation programs, permanent and visiting exhibits, live events, and multimedia venues focused on culture and education.

As the steel vendor for the project, ZSSC designed the innovative, heavy-duty joints required to support the structural steel elements. Participants used a series of previously provided geodetic coordinates in conjunction with the Tekla Structures engineering software to develop the 3D model of the center. In addition, ZSSC integrated into the model all the supports required for the facade, concrete, mechanical, electrical and other elements of the project.

The 3D model built by ZSSC became the guide for the entire project. Other suppliers aligned their efforts, adding information in accordance with the model, but the major responsibility of coordination among all suppliers, vendors, contractors and the owner, in order to accurately design and detail the model, ultimately fell to the ZSSC participants.

The ZSSC team faced another major challenge when other parties made multiple revisions

and changes to the project information contained in the model. To meet this challenge, ZSSC dedicated thousands of engineering hours to the careful management of each change and revision received from the many vendors involved in the project.

“ZSSC was successful in completing all engineering work involved in the project and even managed to fabricate all the largest and most complicated elements at its shop. The final model, including each of the buildings planned for the complex, was assembled and constructed efficiently and professionally, particularly considering the structures’ complexity and the challenges presented at various stages of execution,” said Ashraf Eisouh, general manager of Zamil Structural Steel Co.

The Middle East winners were chosen following evaluation by a special jury of BIM experts, determination of the extensive use of Tekla Structures software and the results of online public voting. The Tekla Middle East BIM Awards, held in conjunction with Tekla Users Day, provide annual recognition to the most skilled and creative utilization of Tekla Structures software in three significant categories: BIM, Concrete and Steel.

# Zamil CoolCare Wins Inaugural MaxChoice Power Award at Maximize Conference 2015

- **Zamil Air Conditioning and Refrigeration Services Company (Zamil CoolCare), a subsidiary of Zamil Industrial, has been chosen as a recipient of the MaxChoice Power Award at the ServiceMax annual Maximize Conference 2015, held May 13-15 in San Francisco, California, USA.**

The award program was developed in recognition of specific ServiceMax customers who have successfully implemented the company's solutions and have achieved extraordinary results in streamlining their service operations.

MaxChoice award recipients were chosen on the basis of their dedication to providing the highest-quality field service to

their customers, the outstanding contributions made to their own companies and the positive results generated, which include increases in revenue, first-time fix rates and technician productivity.

The Power Award recognizes Zamil CoolCare, along with Coca-Cola Enterprises, for excellence in revenue generation, productivity, and the development and implementation of a field service management strategy for their business unit, department or company, or throughout their extended enterprise.

"We are proud to accept this prestigious award on behalf of all Zamil CoolCare employees," commented Zaki Sabbagh, chief information officer of Zamil Industrial. "It serves as a firm indication of our level of dedication to customer service and our overall ability to integrate technological solutions into our existing business processes and realize excellent results for both our company and our valued clients."

Zamil CoolCare is the region's premier air-conditioning equipment service and maintenance provider, with more than 2,500 qualified technicians spread across 18 branches in Saudi Arabia and GCC. The company offers professional air-conditioning services as well as complete preventive maintenance programs and other related HVAC services aimed at providing regular, scheduled checkups to keep air-conditioning systems in optimum operating condition.

ServiceMax is a global leader in the development of field service management software. The company creates solutions for the 20 million people globally who install, maintain and repair machines across dozens of industries. It is the only provider of complete end-to-end mobile and cloud-based technology for the sector.



# Zamil Industrial Participates in “Invest Saudi” Exhibition in Washington

- Zamil Industrial participated in the “Invest Saudi” exhibition, held September 3-4, 2015, in Washington, D.C., as part of the U.S.-Saudi Investment Forum 2015, which aims to showcase the many products and services of Saudi corporations to U.S. companies.

The exhibition, which was held in conjunction with the visit of the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud, to the United States, in collaboration with a number of government agencies aimed to present the various opportunities and prospects for investment in Saudi Arabia. It also intended to promote investment opportunities in the Kingdom through cooperation and working closely with all government agencies and private sector institutions.

Zamil Industrial participated in this landmark event through



the Zamil group of companies' booth. The event is considered to be one of the main elements of the U.S.-Saudi Investment Forum, which represents a valuable opportunity to present the various investment opportunities with industrial and

commercial companies in Saudi Arabia to interested businesses and individuals. It also reflects the positive performance of the Saudi economy and the increased export activity of non-oil products.

The company was honored with the visit of a number of public figures and government officials to its booth, most notably His Excellency Dr. Ibrahim bin Abdulaziz Al-Assaf, Saudi Minister of Finance; His Excellency Eng. Khalid A. Al-Falih, Saudi Minister of Health and chairman of Saudi Aramco; HRH Prince Saud bin Khalid Al Faisal, Deputy Governor for Investment Affairs at the Saudi Arabian General Investment Authority (SAGIA); and Dr. Madeleine K. Albright, former U.S. Secretary of State and chairman of the National Democratic Institute for International Affairs.

Zamil Industrial's participation in this international exhibition is part of its commitment to attend various regional and international events that enable the company to present its latest products and services that meet the requirements of its customers around the world, which contribute to the support and development of the national economy.



## Zamil Industrial Sponsors Sanad Children's Cancer Support Association Campaign

- For the fourth consecutive year, Zamil Industrial sponsored the annual Sanad Al-Khair awareness campaign, which was conducted at several commercial malls in Riyadh by Sanad Children's Cancer Support Association during the holy month of Ramadan.

The awareness campaign aims to introduce to the public the association and the services and support programs it provides for pediatric patients with cancer, while generating some of the financial support that makes these programs possible. The campaign offers participants the opportunity to share with and support their fellow patients as well as to enjoy several recreational and educational activities.



To mark the occasion, Sanad Association awarded a certificate of appreciation to Zamil Industrial for the company's excellent contribution to and support of this valuable campaign.

## ... and Sponsors Ramadan Iftar for Social Nursery Center in Dammam

- For the fourth consecutive year, Zamil Industrial organized and sponsored a Ramadan Iftar program for residents of the Social Nursery Center in Dammam. This year's event was held on Sunday, July 5, 2015, and included all residents of the nursery.

The program, created in conjunction with the company's community social responsibility initiatives, was held at the Sheraton Dammam Hotel and Towers. To mark the occasion, the director of the Social Nursery Center in Dammam, Nawal Abdulrahman Al Abdulhadi, sent

a letter of appreciation to the management of Zamil Industrial on behalf of the center for providing its residents with this exceptional opportunity.



## Zamil Industrial Participates in Ramadan Sports Activities

- As part of its continued dedication to participation in major community events and social activities, the Zamil Industrial football team participated in the Al-Qadisiyah Ramadan Football Tournament 2015, which was held under the patronage of HRH Prince Saud bin Naif bin Abdulaziz, Governor of the Eastern Province, at the Al-Qadisiyah Sports Club in Khobar.

The event received great support from the people of the city of Khobar in addition to the athletes from the Eastern region who flocked to the festival during the holy month of Ramadan. Sixteen teams participated in the football tournament for corporate teams, which took place in the inner hall of the club under the supervision of a panel of certified judges from the General Presidency of Youth Welfare.

The Zamil Industrial team reached the semi-finals of the contest, and ended the tournament with honorable recognition, while the Zamil Group team achieved the second place (silver medal) after losing the final game in a penalty shoot-out (3-1).



The contest offered various social, sports and cultural activities for the attendees. Many famous athletes from the Eastern Province and heads of notable clubs were spotted at the event, as were officials from various government departments and institutions in Khobar.

## Zamil Industrial Holds Its Annual Ramadan Iftar

- In celebration of the holy month of Ramadan, Zamil Industrial held its annual Ramadan Iftar, which was attended by Abdulla M. Al Zamil, chief executive officer; Osama F. Bunyan, chief operating officer; and senior management and employees.

The employee Iftar took place at the Sheraton Dammam Hotel and Towers, allowing the company's employees and management teams to interact amid an informal and festive setting, which further strengthened the family atmosphere that the company has long enjoyed.

Abdulla Al Zamil passed on good wishes to the staff and thanked them for accepting the invitation,



wishing them many happy returns and blessings during the holy month.

The annual Iftar aims to maintain the company's high level of employee appreciation,

strengthening both social and professional ties and building the company's exceptional work environment, which is considered one of the main pillars of success achieved by the company.

## Zamil Air Conditioners Holds Ramadan Iftar for Employees and Distributors

- As part of its commitment to build strong social relationships and promote cohesion between employees, Zamil Air Conditioners hosted its annual Ramadan Iftar for employees and valued distributors at the Mövenpick Hotel in Khobar.



The Iftar attendees included members of Zamil's Board of Directors, several department managers, employees and independent distributors. They joined the company's team for a delightful banquet in a pleasant atmosphere to celebrate the month of goodness and giving. This event has proven both enjoyable and beneficial in the past, as it promotes interaction among all staff members,

enhances team spirit and has a positive impact on the work environment.

On this occasion, management took the opportunity to congratulate the employees and stressed the need for further social events that create an atmosphere of intimacy, social support and fraternal communication between all company officials, employees and customers.



# Zamil Steel Holds Its Annual Ramadan Iftar

- In the spirit of the holy month, Zamil Steel held its annual Ramadan Iftar with the participation of the company's employees and managers on Sunday, July 5, 2015, at the Holiday Inn Hotel, Al-Khobar.

During the event, the management of Zamil Steel wished the entire staff well, expressing appreciation for each member's attendance at the Iftar and thanks for their year-round hard work and dedication, while wishing continued career success to all attendees.

The company has adopted the custom of holding an annual Iftar celebration during the month of

Ramadan because the occasion presents a prime opportunity for all members to meet outside working hours and exchange views in a relaxed and enjoyable atmosphere.

The event also serves to enhance cohesion between departments and strengthen the relationships between the team members operating at all levels and in diverse areas of the company.



# Corporate Human Capital Launches the 2015 Zamil Industrial Talent Review Program

In line with the company's strategic human capital agenda, the Corporate Human Capital Department launched the 2015 Zamil Industrial Talent Review Program through a series of kickoff sessions that took place during July and August 2015.

The Talent Review program is a comprehensive effort that aims to:

- Identify high-performing and high-potential staff across Zamil Industrial business units and organizational levels.
- Help businesses identify attrition risks for key roles and determine ways to mitigate such risks.
- Help ensure the sustainability of key talents and core competencies among businesses through well-thought-out and well-implemented learning and development programs and succession plans.
- Make line managers acknowledge their respective roles in addressing the challenges in attracting, rewarding and managing the performance of talents the Zamil Industrial businesses require. In addition, managers should also focus on developing the right quality and number of talents.



The kickoff sessions, conducted by Corporate Human Capital Director Elmore M. Francisco, also introduced to participating managers the framework and curriculum of leadership development in Zamil Industrial. The curriculum addressed leadership behaviors on four levels and across the following five leadership themes: lead strategically, lead for business results, lead to create customer value, lead others, and lead and develop oneself.

To date, 14 kickoff sessions have been conducted for 77 managers and executives representing a broad cross section of operating companies, shared service departments and corporate functions in Zamil Industrial. The initial implementation of the talent review aims to cover 470 incumbents holding supervisory, managerial or higher roles.



# Zamil Industrial Recognizes Individual High Achievers



- Consistent with its core values and the company tradition of recognizing individuals who have delivered job performances that exceeded performance expectations, Zamil Industrial, through the Corporate Human Capital Department, presented awards and tokens of recognition to this year's Zamil Industrial Achievers Club Awardees.**

Individuals whose performance ratings are A (98% or higher) in the last round of performance appraisals qualify for the Achievers Club award.

The awards are in their sixth year, and for the first time in a pleasant break from tradition, a Hall of Fame Award was included to

recognize individuals who won the award for five consecutive years. Several award giving sessions were conducted across Zamil Industrial business locations starting with the Hall of Fame recognition program on August 25, 2015 at the ZAC Auditorium in Dammam.



## Zamil Steel Vietnam Welcomes New Saudi Arabian Ambassador to Vietnam

- On July 13, 2015, the new Saudi Arabian Ambassador to Vietnam paid a special visit to the Zamil Steel Vietnam (ZSV) factory in Noi Bai.



His Excellency, Dakhil Al Johani, was welcomed by Kumar Narasimhan, general director of ZSV, who expressed his gratitude for the long-term support that Zamil Steel has received from the Saudi Arabian Embassy in Vietnam over the past 22 years.

The ambassador expressed his pleasure at meeting the general director and the ZSV management team at the Noi Bai factory. He also mentioned that he is proud of Zamil Steel Vietnam, which has brought the image of a dynamic and professional Saudi Arabian business to the international community. H.E. also confirmed the embassy's continued support of the company and disclosed how he looked forward to further remarkable developments in Zamil Steel Vietnam's progress in the future.

Zamil Steel has operated in the Vietnamese market since 1993, and was the first leading Saudi Arabian investment group to

conduct business in Vietnam. The company immediately set its sights on becoming the most reliable and innovative manufacturer, service and solution provider in the steel building industry.

The mission of Zamil Steel Vietnam is to supply high-quality steel products and related services and solutions to a worldwide client base, while utilizing innovative technologies within an environment of highly-motivated employees focused on continuous improvement and the achievement of excellence in business standards, the company's work ethic and corporate citizenship.



## Zamil Industrial LPD Lists Achievements for the Second Quarter of 2015

- The Zamil Industrial Loss Prevention (ZI LPD) team depends on these key interactive elements in order to achieve both its short and long-term objectives: management commitment, planning, support, teamwork, implementation, review, continual improvement and strategic development. We have achieved much during the second quarter of 2015, and will make every effort to perform at the highest level possible when it comes to promoting safety and efficiency on a company-wide basis.

### ZI-CLPD Holds SHEMS Orientation for Managers

Zamil Industrial Corporate Loss Prevention Department (ZI-CLPD) organized and delivered a management-level orientation to the company's Safety, Health, and Environment Management System (SHEMS). The event took place on April 6-8, 2015, at the Zamil Air Conditioners auditorium in Dammam First Industrial City.

The three-day orientation represents just one example of CLPD's commitment to the establishment and promotion of a positive safety culture among

all levels of the organization. Designed to provide a solid foundation of knowledge of occupational health and safety and promote understanding of the key elements of the company-wide management system, this event furnished essential support to managerial-level personnel as they strive to provide a safe and healthy work environment for all Zamil Industrial employees.

Certificates of Completion were awarded to 19 managers from various Zamil Industrial business units at the end of the seminar. The attendees expressed their appreciation for the opportunity to

participate in this valuable course and declared their continued commitment to the implementation of SHEMS practices in the workplace; while promising to share the new information with their subordinates.

The objective of the Safety, Health and Environment Management System (SHEMS) is to provide a structured management approach to the control and minimization of operational safety risks. The implementation of SHEMS gives the organization's management a structured set of tools to use in meeting their responsibilities for workplace safety.



Effective safety, health and environment management must take into account the organization's specific and unique structures and processes as they relate to the safety of operations. Use of SHEMS can be generally interpreted as applying the Deming's principle to control safety, health and environment risks. Similar to other management functions, safety management requires planning, leading, organizing, communicating, coordinating and providing direction.

The SHEMS development begins with setting the organizational safety policy. It defines the generic principles upon which the SHEMS is built and operated. This first step outlines the strategy for achieving acceptable levels of safety within the organization. Safety planning and the implementation of safety management procedures are the next key steps in the processes designed to mitigate and contain risk in operations. Once these controls are ready, the plan-do-check-act (PDCA) approach can be utilized to ensure that the procedures achieve the intended objectives and, where they fail, to implement solutions.

Put simply, effective safety management systems that use risk assessment and employ the right solutions to minimize that risk

are essential to achieving specific safety goals in the workplace. In addition, SHEMS provides the organizational framework necessary to establish and foster the development of a positive corporate safety culture.

### **ZI business units complete first EAP unannounced fire drills in 2015**

Implementation of the Zamil Industrial Emergency Action Plan (ZI-EAP) Program took an interesting turn when eight Zamil Industrial business units recently conducted their first unannounced fire drills.

Zamil Air Conditioners and Zamil Steel factories cooperated in conducting the surprise drills, which are integral to reaching the plan's goals of protection of lives, property and business continuity in the event of an emergency situation. The unannounced fire drills enable management to measure the effectiveness of EAP implementation at each facility and to ensure that each business unit is aware of the mandated response procedures. The exercises also give key employee participants in the drill an opportunity to become familiar with their responsibilities and roles in case of an actual plant emergency.

The EAP unannounced fire drills serve not only to measure the capabilities of the business unit in handling emergency responses; they also indicate the level of commitment of each factory's management and employees to the EAP Program. Such fire drills will be implemented on a continual basis, and ZI Business Unit Safety Committee members will arrange future drills in line with various emergency scenarios as the year progresses.

### **First EAP fire drill for Zamil Steel India factory**

The Zamil Industrial Emergency Action Plan (EAP) Program was recently introduced and implemented at Zamil Steel Building India Pvt., Ltd. The facility conducted its first-ever EAP Fire Drill exercise on April 29, 2015, and it received high marks for planning and execution.

The factory management team, led by Sanjit Datta, Factory General Manager, emphasized its dedication and commitment to adherence to the correct procedures as set forth by company policy. All employees, especially key personnel, actively participated in the drill and were congratulated on their excellent performance.

