

impact



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Dear Colleagues,

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

During the first few months of 2017, the businesses of Zamil Industrial continued to benefit from growth and earnings realized by using prudent planning and a flexible strategy designed to locate and maximize new opportunities in both our domestic and worldwide markets.

As this year advances, we expect to review conditions across all our markets on a timely and consistent basis, adjusting our plans to meet new customer demand and selecting the opportunities for expansion and growth that we believe are most likely to provide lasting benefits to the company, our employees and other stakeholders.

This issue of our newsletter offers insights into the people, products and services that form the backbone of Zamil Industrial. We continue to receive awards and honors for excellence from industry and community organizations. Innovation in product development, dedication to the finest services, and compassion and awareness in working to improve the neighborhoods where we live and work are all key components of our success story that will remain constant throughout 2017 and beyond.

Participation in regional and international trade shows, conferences and exhibitions is essential to developing and maintaining our global presence, as these activities introduce potential clients to the quality and innovation that we deliver on a daily basis.

I hope that as you enjoy this issue of Impact you will take some time to reflect upon our company's achievements during 2017. As we build upon them – guided by our vision and mission – our businesses and our reputation as a global industry leader will continue to expand.

Kind regards,

Abdulla M. Al Zamil
Chief Executive Officer

Zamil Industrial Posts SAR 41.8 Million Net Profits in First Quarter 2017

Zamil Industrial Investment Company (Zamil Industrial) has announced its consolidated interim financial results for the period ending 31 March 2017.

Revenues for the first quarter of 2017 amounted to SAR 997.9 million (USD 266.1 million), compared with SAR 1,223.2 million (USD 326.2 million) for the same period in 2016, a decrease of 18.4 percent.

Gross profits for the first quarter were SAR 256.6 million (USD 68.4 million), compared with gross profits

of SAR 281.3 million (USD 75 million) for the same period in 2016, a decrease of 8.8 percent.

Operating profits during the first quarter were SAR 64.3 million (USD 17.1 million), compared with SAR 78.7 million (USD 21 million) for the same period in 2016, a decrease of 18.2 percent.

Net profits for the first quarter of 2017, after deduction of Zakat and tax, were SAR 41.8 million (USD 11.1 million), compared with SAR 52.9 million (USD 14.1 million) during the same period

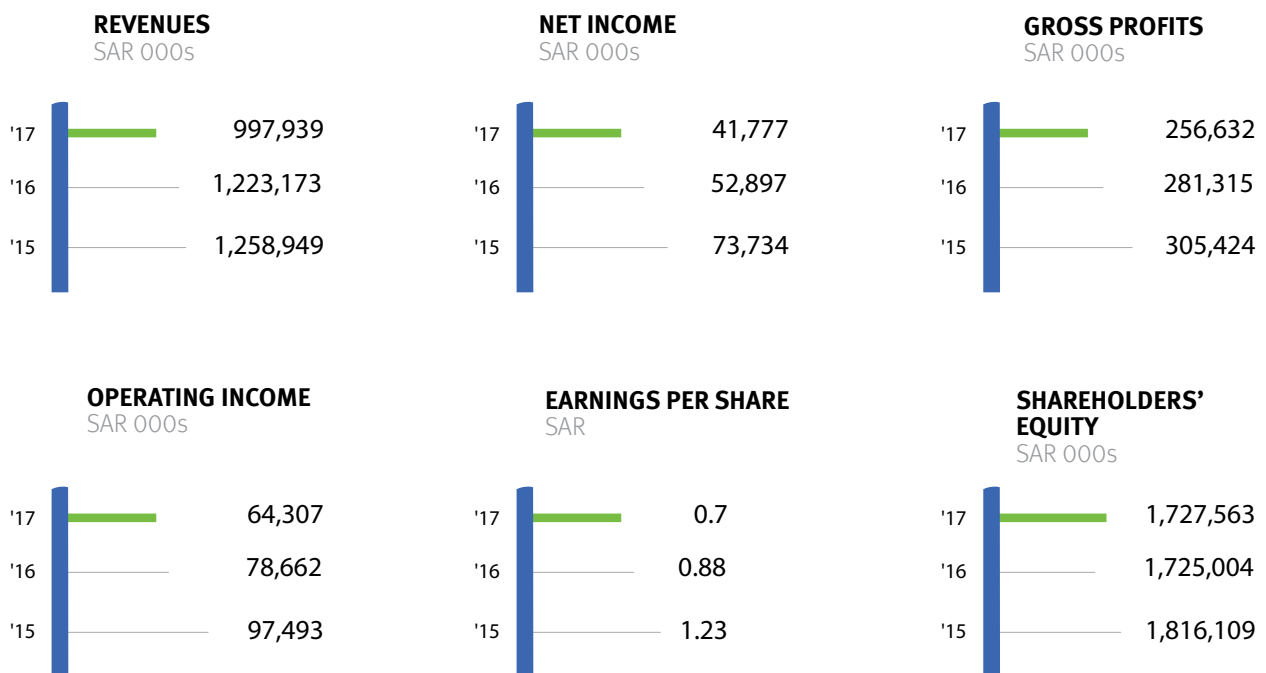
in 2016, a decrease of 21 percent, and compared with SAR 1 million (USD 0.27 million) posted in the previous quarter (Q4 2016), an increase of 4008 percent.

Total comprehensive income for the first quarter of 2017 amounted to SAR 47 million (USD 12.5 million), compared with SAR 47.8 million (USD 12.7 million) in the corresponding quarter of last year, a decrease of 1.6 percent, and compared to a loss of SAR 16 million (USD 4.3 million) in the previous quarter.

Earnings per share for the three-month period ended 31 March 2017 were SAR 0.7, compared with SAR 0.88 during the same period in 2016.

Equity attributable to shareholders (after the elimination of Minority Interest) as of 31 March 2017 amounted to SAR 1,727.6 million (USD 460.7 million), compared with SAR 1,725 million (USD 460 million) as of 31 March 2016, an increase of 0.15 percent.

Comparison Charts of Q1 2015 – 2017 Financials (Three months)



Zamil Industrial Announces Ordinary General Assembly Resolutions

Zamil Industrial Investment Co. has announced that the company held its ordinary general assembly meeting in the Zamil Air Conditioners Auditorium in First Industrial City in Dammam on 4 May 2017, corresponding to 08-08-1438H, at 6:30 pm. Upon securing a quorum of 53.77%, the following resolutions were reached at this meeting:

1. Approved the Board of Directors report for the fiscal year ending 31/12/2016.
2. Approved the external auditors report for the fiscal year ending 31/12/2016.
3. Approved the consolidated financial statements for the fiscal year ending 31/12/2016.
4. Approved discharging the Board of Directors from any liabilities for the fiscal year ending 31/12/2016.
5. Approved the Board of Directors recommendation to transfer the excess amount of SAR 120 million from Statutory Reserve to Retained Earnings, since the Statutory Reserve reached 30% of paid-up capital, and cease transferring 10% of Net Profits to Statutory Reserve.
6. Approved the Board of Directors recommendation for the distribution of second half 2016 dividends at SAR 1.00 per share, which represents 10 percent of paid-up capital, in addition to the previously distributed first half 2016 dividends at SAR 1.00 per share. This brings the total distribution for the year ending 31/12/2016 to SAR 2.00 per share, representing 20% of paid-up capital. Second half 2016 dividend eligibility will apply to shareholders holding shares as of Thursday, 4 May 2017, registered in the company share registry at the Depository Center (SDC) at the end of the second trading day following the due date on Monday, 8 May 2017. Dividend distribution will be effective 18 May 2017 by means of transfer through the National Commercial Bank.
7. Approved delegation to the Board of interim dividend distribution for the fiscal year 2017, and decided on the eligibility and distribution dates in compliance with the pertaining Capital Market Authority regulations.
8. Approved the distribution of SAR 1,600,000 as Board Remuneration for the year ending 31/12/2016, at SAR 200,000 per Board Director.
9. Approved the appointment of Ernst & Young as the external auditors, as per the recommendation of the Audit Committee, to review and audit the company's quarterly and annual accounts for the year 2017 and the first quarter of 2018 and agree to their service fee.
10. Approved the related party transactions between the company and Zamil Architectural Holding Company, in which Mr. Adib Al Zamil (representative of Zamil Group Holding Company) has an interest, and renewed them for another year. Total purchase value in 2016 was SAR 1,192,688, agreed upon with the prevailing commercial terms.
11. Approved the related party transactions between the company and Zamil Chem-Plast Industries, in which Mr. Adib Al Zamil (representative of Zamil Group Holding Company) has an interest, and renewed them for another year. Total purchase value in 2016 was SAR 8,908,647, agreed upon with the prevailing commercial terms.
12. Approved the related party transactions between the company and Zamil Trade & Services Holding Company, in which Mr. Adib Al Zamil (representative of Zamil Group Holding Company) has an interest, and renewed them for another year. Total purchase value in 2016 was SAR 34,152,259, agreed upon with the prevailing commercial terms.
13. Approved the related party transactions between the company and Zamil Real Estate Holding Company, in which Mr. Adib Al Zamil (representative of Zamil Group Holding Company) has an interest, and renewed them for another year. Total purchase value in 2016 was SAR 19,571,258, agreed upon with the prevailing commercial terms.

Zamil Steel Construction Co. Wins SAR 26 Million Contract for a New Factory Project in Rabigh

Zamil Steel Construction Company (ZSCC), a subsidiary of Zamil Industrial, was recently awarded a turnkey project contract valued at SAR 26.45 million by the Saudi AlbiTek Company for the construction of its new baby wipes factory in the western region of Saudi Arabia.

The scope of the contract includes the provision of all engineering, procurement and construction services on a turnkey basis, including civil works, electrical works, mechanical and structural works, external and utilities works, and finishing works

for the new Saudi AlbiTek baby wipes factory in the city of Rabigh, located on the western coast of Saudi Arabia.

The steel building that functions as the main structure of the factory has been designed and fabricated and will be delivered by Zamil Steel, the subsidiary of Zamil Industrial engaged in pre-engineered steel design and fabrication. The entire project covers an area of 39,000 square meters, and includes the factory, plus administration and utilities buildings.

The new factory construction project is a fast-track, multicomponent undertaking that requires a specific lead time for fitting and synchronization, in addition to the completion of other complex safety and security requirements, within a challenging time frame. As a result, this project will demand an extraordinary level of attention to detail, with a focus on establishing and maintaining efficiency throughout the factory.

“Our proven turnkey expertise was key to our selection for the Saudi AlbiTek manufacturing facility project, and we are proud to participate in the company’s expansion strategy for Saudi Arabia. Our well-established network of design and materials manufacturing providers teamed with specialists in project management services is uniquely equipped to support the timely completion of this state-of-the-art manufacturing complex,” said Mohammed Al Sahib, director of ZSCC.

... and Is Awarded an **SAR 8.5 Million** Contract for the Zamil Alpla Plant Extension in Dammam

Zamil Steel Construction Company (ZSCC) was awarded a turnkey project contract valued at SAR 8.5 million by the Zamil Alpla Plastics Middle East Company in Dammam, Saudi Arabia.

The project encompasses the construction, commissioning and handover of an extension to the existing Zamil Alpla Middle East plant, located at Dammam’s Second Industrial City. The new contract was awarded on a turnkey basis

and includes structural, architectural, electrical and mechanical work on three primary buildings. The main extension structure is a steel building that has been designed, fabricated, and will be delivered by Zamil Steel, the subsidiary of Zamil Industrial engaged in pre-engineered steel design and fabrication.

The Zamil Alpla plant extension project is a highly complex undertaking. It will

require intense coordination among several disciplines and parties and the synchronization of various systems, in addition to the completion of a variety of complex safety and security requirements within a challenging time frame.

“ZSCC specializes in handling turnkey projects that require the utmost attention to quality due to their complexity and intended use. We offer extensive experience in

coordinating our efforts to deliver the highest quality and customized solutions to our clients, which are often leading regional and multinational companies,” said Mohammed Al Sahib, director of ZSCC.



Zamil Air Conditioners Completes Solar Conversion Project for SEC

Zamil Air Conditioners Company has successfully completed the pilot solar energy conversion project for Saudi Electricity Company (SEC). The project focused on replacing the conventional energy sources of the SEC HVAC east workshop with a solar plant to create a "green" building. The handover ceremony for this unique structure was held on December 20, 2016.

The capacity of the new solar plant is 5,840 kWh of energy per year. The switch to solar enables the company to reduce the building's lighting

load from 3,000 watts to 840 watts, a reduction of 72 percent, and to reduce the fan coil load from 900 watts to just 520 watts, a reduction of 42 percent.

Senior officials from SEC visited the solar plant and expressed their appreciation to the company, commending the team's extraordinary efforts to build the small solar plant, which is capable of running the HVAC workshop on clean, eco-friendly energy.

"This achievement allows Zamil Air Conditioners to prove its capability as

a reliable business and technology partner, ready to provide materials and perform services that meet the diverse needs of leading national organizations like SEC," commented Mohammed Khawaldeh, director of the Unitary and Applied Product units at Zamil. "As companies seek not only to lower their own energy costs but to reduce the impact of their operations on the environment, we offer the materials and skilled professionals needed to make the transition as effective and efficient as possible," he added.

Performance Testing at New **ZCA** Research and Development Center Yields Excellent Results

Zamil Central Air Conditioners Co. (ZCA) is proud to announce that its air-cooled ASC400 Screw Chiller unit (under OE# 9389) and Modular Packaged AC unit (PCH040) have successfully completed a series of rigorous performance tests with highly remarkable results.

GACA Project

The testing of the ASC400 Screw Chiller, held on May 6, 2017 at the new ZCA Research and Development Center, was conducted in the presence of the General Authority of Civil Aviation (GACA) consultant and a customer representative. During the event, the customer requested to see the results when the unit was pushed to operate at 130°F ambient temperature. The chiller unit operated without lapses, displaying remarkable performance. The chiller passed the tests under severe actual conditions from 115°F up to 130°F ambient temperatures. Upon witnessing the strict compliance tests, the customer and the consultant expressed their confidence in Zamil products and facilities and the capacity of the product to perform at variable conditions beyond the original design specifications.

SEC Project

In related developments, the company's Modular Packaged AC unit (PCH040) was also tested at the new Center, in accordance with AHRI standard 340/360, also yielding excellent results. The performance tests were witnessed by representatives from Saudi Electricity Company, who eagerly



expressed their satisfaction with and approval of both the unit performance and the testing facility. This was particularly significant since the product tests and audit of the new Lab satisfied a conditional statement for the approval of Zamil products and the release of on-hold projects.

Laboratories

The Laboratories at the new ZCA Research and Development Center are equipped to perform a wide range of tests under many recognized national and international standards, including: AHRI 210/240; AHRI 410; AHRI 310/380; AHRI 430; AHRI 440; AHRI 340/360; ASHRAE 116; ASHRAE 37; ASHRAE 41.1; AHRI 365; ISO 5151; SASO 385; SASO 2682; UL 1995; and AHRI 550/590, among others. All sensors at the Lab were calibrated by Intertek, a Total Quality Assurance provider to industries worldwide, since January 2017. The Lab team is currently working to attain further accreditation from AHRI and ISO 17025, in order to expand its range of services,

and the marketing team is in the process of furnishing art works for the new facility.

During the period from February to June of 2017, ZCA conducted five successful tests in the Labs, and received five appreciation letters, respectively, from the clients and auditors. The new testing facility is readily accessible to engineers, who can use it to achieve their product development goals and to build more competitive and effective strategies based on customer requirements.

Thanks to all the ZCA team members involved in the process for their hard work and commitment in successfully completing the tests and audit. More importantly, for following our company's vision to become the leader in AC testing laboratories and the region's preferred AC testing services provider based upon reliable, timely service delivery.



Zamil Industrial Wins Occupational Safety and Health Champions Award from the Ministry of Labor and Social Development

Zamil Industrial has received the Occupational Safety and Health (OSH) Champions Award 2017 for the company's excellence in OSH practices and its exceptional record in OSH performance levels.

The award, which was recently launched by the Ministry of Labor and Social Development in Saudi Arabia, aims to establish and promote the principles of safety and health in private sector organizations as part of the ministry's efforts to achieve a stable workforce, attract new workers, enhance work performance, ensure worker safety and health, and maintain the workplace property and environment.



His Excellency, the Minister of Labor and Social Development, Dr. Ali bin Nasser Al-Ghafis, presented the awards to the representatives of the winning

companies at a ceremony held on May 16, 2017, at the Ministry of Labor and Social Development in Riyadh, Saudi Arabia. Zamil Industrial

was one of four national organizations to win the OSH Champions Award in 2017.

Zamil Industrial Selected as 2016 United Safety Council Gold Award Winner



Zamil Industrial has been selected by the United Safety Council (USC) as the recipient of the International Partner in Safety Award for the year 2016. Zamil Industrial was selected from a group of international organizations from 13 different countries that collaborate with the Council.

The award recognizes the company for continuously educating its safety professionals within the Corporate Loss Prevention

Department (CLPD) on Occupational Safety and Health Administration (OSHA) standards and for earning the Certified Occupational Safety Specialist (COSS) designation in safety.

Zamil Industrial was also selected to receive the USC's top honor — the Gold Award in the Corporate Award category. The award credited the commitment of the management and the engagement of the whole

organization in occupational safety and health.

In addition, the director of the CLPD at Zamil Industrial, Awadh Al-Ghamdi, received a top honor, the "COSS Excellence in Safety Award," in the Individual Award categories, as well as the Certificate of Recognition in the Safety Leadership category from the USC.

Zamil Structural Steel Co. Receives AISC Intermediate Bridge Certification

Zamil Structural Steel Co. (ZSSC), a subsidiary of Zamil Industrial, has added a new scope of business, Major Steel Bridge Fabrication, to its products portfolio. The company recently received

certification from the American Institute of Steel Construction (AISC) as a Certified Bridge Fabricator – Intermediate (Major) following a rigorous, three-day, on-site audit conducted by the AISC's inspectors in September of 2016.

which includes stringent fabrication techniques with close tolerance values, and establishes and implements welding procedures based on the new welding code (AWS D1.5).

Mandatory high-strength bolt pre-installation verification and rotational capacity tests also were demonstrated, in accordance with U.S. standards such as the Research Council on Structural Connections and the Federal Highway Administration.

This certification has been added to the many prestigious international certifications already held by ZSSC. AISC conducts scope expansion audits using criteria outlined by its certification program,



Zamil Steel Buildings Vietnam Receives Certificate of Accreditation from the Singapore Structural Steel Society

Zamil Steel Buildings Vietnam Co., Ltd. has received the official Certificate of Accreditation from the Singapore Structural Steel Society, ranked in Category S1 for its two factories, one located in the Noi Bai

Industrial Zone in Hanoi, and the other in the Amata Industrial Park in Dong Nai Province.

has ensured the quality of numerous structural steel construction works in Singapore, and its standards have been followed by many builders in Southeast Asia.

The Accreditation Scheme aims to grade structural steel fabricators based on track records, financial status, technical capability and the standards of their fabrication plants. Grading is done in four categories, ranking from S4 to S1. S1, the highest level, indicates that fabricators have the highest manufacturing capabilities with the strongest track records and financial status. Over the years, this accreditation scheme

Zamil Steel Vietnam received its first Singapore Structural Steel Society Certification of Accreditation in 2007, ranked in the S1 category. In striving for greater development and higher innovation over the years, the company has consistently ranked among S1 accredited fabricators, upon completion of the society's strict surveillance audit each year.





Zamil Steel Vietnam Wins Prestigious Golden Dragon Award 2016



to maintain sustainable development, promote environmental protection and fulfill corporate social responsibility.

Established in 1997, Zamil Steel Buildings Vietnam has been growing over the past 20 years, with two factories in the north and south of Vietnam and an annual production capacity of 120,000 metric tons of steel buildings and steel structures. The company has successfully supplied more than 6,000 projects in the Asia Pacific region, of which around 2,000 steel buildings were delivered and installed in Vietnam. Zamil Steel Buildings Vietnam is proud of its efforts in aiming for sustainable growth and development.

Zamil Steel Buildings Vietnam Co., Ltd. has been awarded the prestigious Golden Dragon Award for the 14th consecutive year. The company also marked 20 years of excellence in Vietnam and Southeast Asian operations.

The award is presented annually by the Vietnam Economic Times in collaboration with the Foreign Investment Agency (under the Ministry of Planning and Investment). The Golden Dragon Award program is one of the largest held in the country, aimed

at recognizing foreign-invested enterprises that have achieved outstanding business performance and made significant contributions to the development of Vietnam's economy. The award criteria focus on the efforts of businesses



Management Workshops Present Practical Approaches to Building **Employee Engagement**

In line with the Sharik program's theme of "Purpose and Direction," the Organizational Development and Transformation Department (ODT) at Zamil Industrial successfully conducted several workshops for managers and supervisors entitled "Becoming an Engaging Manager in Zamil Industrial".

More than 100 managers and supervisors attended the series of workshops, which was conducted on various dates in February and March of 2017.



The workshops aimed to discuss the purpose and direction of the company's employee engagement efforts for 2017 and beyond, to define the role that each manager or supervisor must play in building employee engagement in his work unit and within the company, and to help participants identify

practical courses of action that a manager can take to build and sustain employee engagement.

During the workshop, participants explored proven ways to influence the two critical factors that are triggered or impacted by employee engagement: the employee's discretionary effort, and intent to stay in the company.

The workshops were facilitated by the Director of Zamil Industrial ODT, Elmore M. Francisco, and held at the Zamil Air Conditioners auditorium in Dammam.



Zamil Industrial ODT Conducts “HR for Non-HR Managers and Professionals” Training Course

Following several previously successful runs of the “HR for Non-HR Managers and Professionals” course, the Organizational Development and Transformation Department (ODT) at Zamil Industrial once again offered the program on February 27 and 28, 2017, at the Carlton Al Moabed Hotel in Al-Khobar.

The course dealt with human resource (HR) issues that many managers and supervisors encounter at their jobs. It introduced HR concepts and covered the key areas of recruitment and selection, performance management, training and development, employee engagement, HR policies and

Saudi labor law, discipline and termination, and other related concepts including diversity and benefits.

Twenty-three participants, representing a cross section of Zamil Industrial sectors, business units and functional areas, completed the course during this session.

Business Simulation Program Educates Non-Finance ZI Managers on Key Business Topics

As part of the 2017 In-house Training Calendar, twenty-two managers from non-finance backgrounds participated in a two-day business simulation program for non-finance managers and professionals on March 26 and 27, 2017, at the Carlton Al Moaibed Hotel in Al-Khobar.

The business simulation program was facilitated by Dr. Helmut Hergeth, Senior Facilitator, and faculty at the Carlson School of Management.

The program aimed to improve the financial literacy and business acumen of Zamil Industrial managers across functions in different sectors, and help them gain a better understanding of financial metrics through simulation. By analyzing and taking actions and decisions based on financial information generated during the business simulation, participants examined implications of the simulation in the real world and in their specific roles. It also provided

valuable insight as to the importance of financial goals alignment at all levels.

Designed as a competition among several companies, the business simulation allowed the participants to practice identifying and planning the optimal strategy for their business, and provided real-world advice based on sound commercial experience and financial expertise.





TRAINING AND DEVELOPMENT

ZI Online Management and Leadership Programs Address **Career Development Needs of Staff**

Zamil Industrial once again demonstrated its commitment and continuing effort to provide learning opportunities to address the development needs of its staff by launching this year's portfolio of online leadership and management development modules.

There are 38 courses available in this online training program, all designed by reputable universities in the U.S., Europe and

other parts of the globe, including UCLA, Rutgers, Northwestern University, the University of London and more. The programs are administered by the Organizational Development and Transformation (ODT) Department in partnership with content provider Coursera.

A pre-program briefing was held for the first two groups of program enrollees on

February 21, 2017, at the Zamil Industrial auditorium. These initial groups were made up of supervisors who completed various forms of development needs assessment as part of the company's comprehensive talent review in 2015.

At full enrollment, the ODT expects 200 participants to take courses in this program in 2017.

Zamil Industrial Holds Annual Ramadan Iftar Celebration



Zamil Air Conditioners Holds Ramadan Iftar Dinner for Employees



Zamil Steel Holds Its Annual Ramadan Iftar



Zamil Industrial Conducts Symposium on the World Day for Safety and Health at Work

Zamil Industrial, in collaboration with the Commercial Division of Zamil Group Holding Co. and 3M Saudi Arabia, organized a symposium in observance of the World Day for Safety and Health at Work. The event was held on Thursday, April 27, 2017, at the premises of Zamil Higher Institute for Industrial Training in Dammam's First Industrial City.

Representatives from a number of major national companies attended the symposium, including Saudi Electricity Company and Methanol Chemicals Company (CHEMANOL); several officials from the Saudi Industrial Property Authority (MODON), the General Directorate of Civil Defense, the General Authority for Meteorology and Environmental Protection, Sipchem; and officials from Zamil Industrial sector businesses.

The participants delivered several presentations and research papers describing the occupational safety and health programs in place at their organizations, which aimed to increase awareness of the dimensions and consequences of work-related accidents and diseases. They highlighted programs and initiatives that protect factory workers and businesses from potential accidents and disasters and promote the health and safety of employees who work at the various organizations. The event also included discussions of the





participants' views on and experiences with issues related to the promotion of occupational safety and health at the national level and explored ways to find effective means of reducing occupational accidents and diseases and creating safe and healthy work environments at all levels.

At the end of the symposium, several Zamil Industrial sectors that achieved outstanding performance in occupational safety, health and environmental protection during 2016 were honored. Attendees also paid tribute to the participating companies, sponsors and supporters who contributed to the success of the event.



The World Day for Safety and Health at Work is an annual international campaign to promote safe, healthy and decent work. It is held on April 28 and has been observed by the International Labor Organization since 2003.

Zamil Industrial Launches the SHARIK Employee Engagement Program

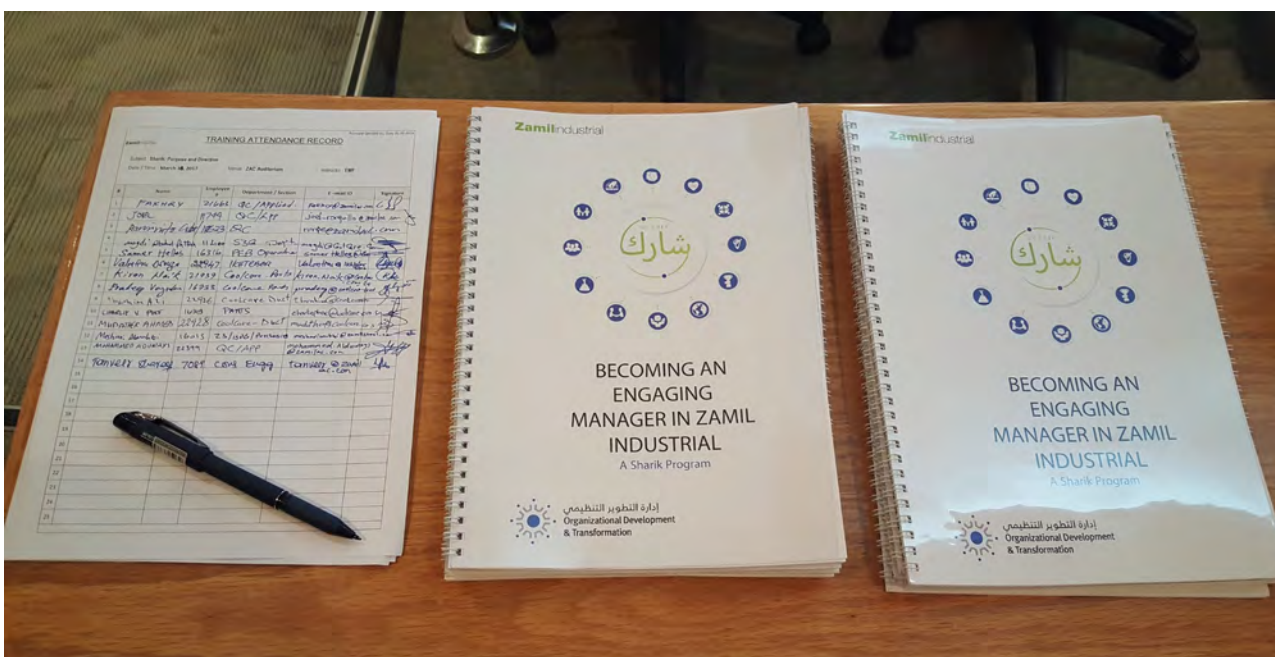
On February 1, 2017, Zamil Industrial launched the SHARIK program, an innovative, year-long employee engagement initiative. Sharik includes a series of activities and initiatives that revolve around the following monthly themes:

January	Purpose and Direction	July	Corporate Culture
February	Health and Wellness	August	Employee Recognition
March	Team Building	September	Excellence
April	Innovation	October	Diversity
May	Personal Breakthroughs	November	Family
June	Our World	December	Giving Back

Sharik uses a wide mix of initiatives to explore and emphasize each of the twelve themes in the program. Employees are encouraged to get involved in information drives, group activities, contests (individual or group), knowledge sharing, provision of services and volunteer work.

Sharik is premised on the idea that Zamil Industrial employees are more than just a group of individuals associated with one company. They are a community bound together by a shared purpose and vision.

Participation in various Sharik programs is expected to strengthen connections between employees, strengthen bonds that transcend departments and business units, and celebrate the unique experience of being part of the Zamil Industrial family.



Zamil Industrial Employees Take Part in ‘Sharik Health Lounges’

In keeping with the Sharik program’s ‘Health and Wellness’ theme for the month of February, the Organizational Development and Transformation Department (ODT) at Zamil Industrial, in cooperation with Zamil Industrial Facilities Management, the Saudi Diabetes and Endocrine Association (SDEA) and BUPA Arabia, held the first series of Health Lounges for Zamil Industrial employees at the premises of Zamil Industrial companies in the First and Second Industrial Cities in Dammam.



The health lounges were held on February 23 at Zamil Industrial premises in the First Industrial City, March 8 and 9 at ZAC 2, and on March 13 and 14 at Zamil Steel PEB. With a team of professional medical service providers from program partners SDEA and BUPA, the Sharik Health Lounges focused on the

prevention of diabetes while raising employee awareness of overall good health.

Medical services available in the Health Lounges included: blood sugar measurement; blood pressure measurement; dental check-up; eye check-up; and interpretation of

results and intervention recommendation from a general practitioner.

The initial ‘Health Lounge’ at Zamil Industrial also featured a series of lectures that reminded employees to keep track of vital health KPIs, or numbers that describe key

aspects of one’s overall state of health.

More than 800 employees have participated so far. Similar programs will be made available at other Zamil Industrial business locations during the remainder of the year.

Zamil Industrial Participates in “The Big 5 Saudi 2017” in Jeddah

The seventh annual International Building and Construction Show, “The Big 5 Saudi 2017,” was conducted at the Jeddah Center for Forums and Events from March 27 to 30, 2017. This event brings together manufacturers, vendors and construction industry participants of all types to share information about the latest products and available technological advances.



Zamil Industrial sector businesses, Zamil Steel, Zamil Air Conditioners, Building Component Solutions Co., and Gulf Insulation Group companies: Arabian Fiberglass Insulation Co. (AFICO) and Saudi Rockwool Factory Co., participated in the exhibition, which featured

live product demonstrations, presentations on trends and developments from construction industry leaders and opportunities to network with construction professionals from around the world.





Zamil Industrial Participates as Gold Sponsor of Saudi Qualex 2017

Zamil Industrial participated as a Gold Sponsor in the Saudi Quality, Testing and Industrial Production Efficiency Exhibition and Forum (Saudi Qualex 2017), held March 26 through 28, 2017, in Riyadh, Saudi Arabia. The event was held under the auspices of His Excellency Dr. Saad bin Osman Al Gasabi, governor of the Saudi Standards, Metrology and Quality Organization (SASO).

A significant group of experts and scholars, international and local specialists attended the forum, acting for the advancement of the industrial quality



requirements and modern testing and inspection methods. They were invited to animate technical lectures in the scientific sessions. The forum's workshops discussed the implementation process of modern techniques and standards of industrial production quality-adjusted applications and the implementation of the Lean Six Sigma methodology through production processes. Saudi Qualex is considered

one of the most important gatherings of companies, manufacturers, laboratories and suppliers as well as those interested in industrial production quality of all the segments of this strategic sector. It also represents a valuable opportunity for technology transfer, business opportunity identification,

business interactions and business-to-business meetings that can develop into successful business deals, contributing to the development of industrial quality's sustainable infrastructure.



Zamil Air Conditioners Participates in HVACR Expo Saudi 2017 in Jeddah

Zamil Air Conditioners Company participated as a Gold Sponsor in HVACR Expo Saudi 2017, the largest dedicated air-handling and refrigeration event in the region. The exhibition was officially inaugurated by Mazen bin Mohammed Battarjee, vice chairman of the Jeddah Chamber of Commerce & Industry, and held from January 15 through 17, 2017, at the Jeddah Center for Forums and Events.

More than 2,500 visitors attended this year's expo, enabling HVAC trade professionals to network and to discover new technologies, trends and solutions that can save money and energy and reduce emissions.

The 2017 event proved to be a huge success with fantastic attendance, and it served as a convenient hub for attending HVAC and refrigeration professionals to



source products, services and educational content. This high level of interest reflects the healthy and buoyant HVAC&R

market in the Kingdom of Saudi Arabia.



“Zamil Goes to Campus” 2017 in Cambodia

To continue the success of “Zamil Goes to Campus” 2016 in Indonesia, Zamil Steel Buildings Vietnam has expanded the campaign to include four of the best civil engineering universities in Cambodia.

Considered one of the company’s key activities aimed at increasing brand awareness, “Zamil Goes to Campus” seeks to provide civil engineering students with an in-depth introduction to the Zamil Steel pre-engineered steel building system and its various applications in modern construction technology. The program was organized with the cooperation of the Zamil Steel Buildings Vietnam marketing department, the local representative’s office and some of the most prestigious educational institutes in Cambodia.

The program format consisted of two-hour seminars with open discussions between the students and Zamil Steel Buildings Vietnam professionals, engineers and experts. While the main theme of the seminar focused on “pre-engineered steel building and its application,” topics that have attracted significant attention from students and lecturers were also included, such as the benefits of pre-



engineered steel buildings and their differences, design techniques and erection methods.

Nearly 700 participants attended the two-day event. “Zamil Goes to Campus” 2017 has been presented

at the National Polytechnic Institute of Cambodia (NPIC); Pannasastra University of Cambodia (PUC); Norton University, Cambodia; and Institute of Technology, Cambodia (ITC). The program has received positive feedback and has

been credited with exerting a solid, positive influence on the civil engineering/ architectural student communities in Cambodia.



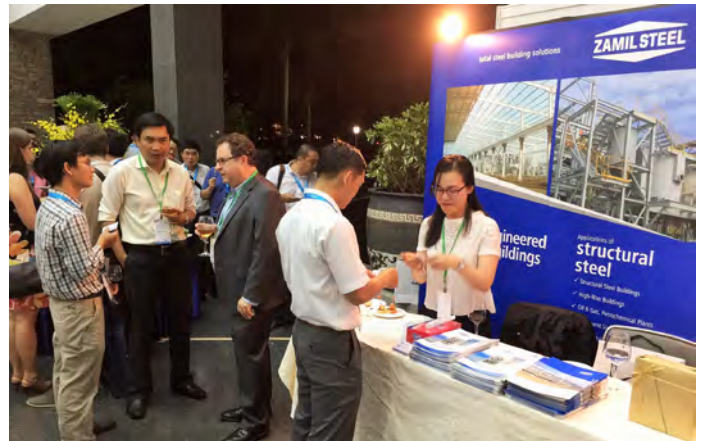
Zamil Steel Vietnam Participates in BCI Equinox 2017

Zamil Steel Buildings Vietnam has joined BCI Equinox 2017 as one of the exhibit sponsors.

BCI Equinox 2017 was organized by BCI Asia – a corporation focusing on construction events in Asia. The event served as a networking platform for architects, engineers, consultants and construction-related partners to gather under one roof to exchange knowledge and experiences

and to introduce new construction technologies, services and products.

With more than 350 visitors and professionals in attendance, the year 2017 marked the first time BCI Equinox was held in Ho Chi Minh City. Zamil Steel Buildings Vietnam sponsored a booth at the event, where attendees were introduced to the company's products and services.



... and Participates in Indochina Airport Summit 2017



Zamil Steel Buildings Vietnam participated in the airport-focused event, Indochina Airport Summit 2017, held March 30 at the Sheraton Hanoi Hotel.

More than 200 stakeholders in the airport development industry took part in the summit. The event gathered government officials, airport authorities, airport operators, airline representatives, construction consultants, architects and many other professionals in a one-

day seminar that offered networking opportunities and business matching sessions.

Zamil Steel Buildings Vietnam sent two delegates to the event as attending specialists.

With years of experience in airport construction, Zamil Steel Buildings Vietnam has delivered on a variety of aviation projects, including aircraft hangars, airport terminals and air show exhibition centers. A strong player in the airport

construction industry, Zamil Steel Buildings Vietnam confidently made use of the platform offered by the summit to foster expanding its business in the aviation sector.

Zamil Steel Vietnam airport projects highlighted at the event included the following: aircraft hangars – Tan Son Nhat, Tan Binh District, Vietnam; Terminal 2 (partial) – Noi Bai International Airport, Hanoi, Vietnam; aircraft hangars – Kuala Lumpur

International Airport, Malaysia; aircraft hangars – Singapore Changi Airport; Airfreight terminal – Singapore Changi Airport; Changi Exhibition Centre – Changi East, Singapore; aircraft hangars – Wattay International Airport, Laos; Siem Reap International Airport – Siem Reap, Cambodia; and Phnom Penh International Airport – Phnom Penh, Cambodia.

Zamil Industrial Loss Prevention Department Lists Achievements for the First Quarter of 2017

During the first quarter of 2017, Zamil Industrial Corporate Loss Prevention Department (CLPD) has consistently provided value-added services to business units across the company. The department conducted a variety of technical studies, site inspections and training sessions to assist business units in managing occupational health and safety.

These are the most significant achievements of the period:

Development & Technical Support Section

- Conducted Health, Safety and Environment (HSE) survey at the proposed Zamil Industrial employee accommodation in Dammam's Second Industrial City.
- Established new Job Hazard Analysis and Risk Assessments for Zamil Steel PEB.
- Reviewed Zamil Steel PEB Hazard Identification and Risk Control procedure as well as Environmental Aspect Identification and Evaluation procedure.
- Revisited Job Hazard Analysis, Risk Assessment, Environment Impact Study, and Fire Risk Assessment for Zamil Industrial sector businesses.
- Provided assistance with Zamil Towers & Galvanizing Co.'s (ZS T&G) Safety, Health and Environmental Management System (SHEMS) review and gap analysis in the First Industrial City.



- Developed Behavioral Based Safety General Instructions and checklists.
- Inspected and reviewed firefighting equipment and fire alarm systems for the Zamil Air Conditioners (ZAC) extension facility.
- Assessed Machine Safe Guarding Methods utilized at Zamil Industrial sector businesses.
- Conducted a joint HSE audit at the ZAC Jubail facilities and prepared the HSE audit report.
- Revised the HSE Workers Accommodation Policy and Procedures (Labor Camps).
- Provided assistance with the first emergency drills of 2017 at various Zamil Industrial businesses.

Training & Awareness Section

The CLPD Training & Awareness Section continuously provides training that caters to the needs of Zamil Industrial employees for the newest safety and health information. During the first quarter of 2017, the section conducted 236 training sessions – 94 sessions in English and 142 sessions in Arabic. A total of 2,624 participants attended



the sessions – 1,607 employees for English and 1,017 employees for Arabic.

Furthermore, the Training & Awareness Section launched a new training vehicle, the Outreach Training Program. This method of training uses online tools and enables participants to complete each two-hour course at their own pace, anytime and anywhere at each employee's own convenience. A total of 164 employees participated in this new training initiative.

The section spearheaded health and safety trainings for newly hired Fire Inspectors, Fire Fighters and Safety Engineers from Ranco Zamil, SPPI and Zamil Projects. The aim of this specialized training is to equip new employees with relevant information about health and safety prior to their official assignment,

helping to ensure that they will become effective and efficient partners with their respective business units in successfully managing the occupational health and safety system.

The section also initiated the printing and distribution of 735 new safety posters to Zamil Industrial business units, along with six electronic HSE messages.

For the first quarter of 2017, the reported rate of training hours per employee within Zamil Industrial was 1.75.

HSE Field Operations/ Environmental / Fire Section

- Installed safety instruction cards in all overhead cranes.



- Provided assistance with the implementation of OHSAS 18001 & ISO 14001 Internal Audit as a requirement for external audit at the ZS T&G second plant.
- Participated in third-party training for IMS internal Audit Course conducted by ABYSS Consultant at AFICO-2.
- Conducted environmental studies at Zamil Steel PEB and Zamil Structural Steel Co. about Volatile Organic Compounds levels.
- Participated in Inspection and Leak Testing of LPG Tanks and Pipelines conducted by Saudi MAS, an approved contractor of the Saudi Industrial Property Authority (MODON), as part of the MODON operations permit requirement.
- Provided support to Ranco Zamil in achieving the prestigious Sword of Honor Award (SOH) given by BACS, the main contractor for the Riyadh Metro Rail Project, and becoming the first site on BACS to reach the standard in HSE in Egress Shaft 2-1.

- Participated in the first Town-Hall Safety Meeting, which was attended by all Zamil Steel PEB production employees.

Performance Management Section (Rates & Index)

Through continuous implementation of CLPD programs and activities, significant reductions in occupational incidents were observed in Zamil Industrial sectors year-on-year. These improvements were based on the Zamil Industrial HSE Incident records kept during the first quarter of 2017, compared to the same period during the past three years:

- Zamil Industrial Health, Safety and Environment Incident rate of improvement is 39%.
- Lost Time Injury Cases were reduced by 48%.
- Frequency and Severity rates were reduced by 39% and 39%, respectively.
- Zamil Industrial normal days or incident free days improved by 21%.



- Zamil Industrial indirect costs of occupational injuries have been reduced by 44%, as there were significant reductions in Lost Time Injuries and/or severity of recorded injuries.

Zamil Industrial Sports Fest 2017



Zamil Industrial conducted its annual Sports Fest from March 31 through May 5, 2017, at the Rakkah Camp in Al-Khobar. Employees, managers and executives from many of the company's sector businesses came together to participate or cheer colleagues on to victory during an occasion filled with competitive events.





