



Faik Group Corporate Social Responsibility (CSR) Policy

1. Purpose & Vision

This policy outlines Faik Group's commitment to sustainable growth, ethical business practices, employee welfare, and community development. It reflects our mission to deliver high-quality engineering and manufacturing solutions while contributing positively to society and the environment. At Faik Group, we believe that professional engineering is the backbone of a developing nation, ensuring our legacy of excellence since 1970 continues to drive industrial, social, and environmental progress.

Legal Compliance & Strategic Alignment

Faik Group operates in full compliance with

- **Egyptian Investment Law No. 72 of 2017** and **Environmental Law No. 4 of 1994**.
- Our CSR initiatives are strategically aligned with the Sustainable Development Strategy (SDS): **Egypt Vision 2030**, specifically focusing on industrial localization and human capital development.
- **Global Goals:** Beyond national compliance, our strategy aligns with the **United Nations Sustainable Development Goals (SDGs)**, specifically focusing on **Goal 8 (Decent Work and Economic Growth)** and **Goal 9 (Industry, Innovation, and Infrastructure)** to ensure our growth benefits the global community.

2. Scope

This policy applies to:

- All Faik Group employees, management, and board members.
- All subsidiaries, suppliers, and contractors engaged with Faik Group.
- All operations in Egypt and international markets.

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3. Core Pillars & Principles

- **Sustainability:** Minimize environmental impact through responsible manufacturing and trading practices.
- **Integrity:** Uphold transparency, fairness, and anti-corruption standards.
- **Employee Welfare & Psychology:** Ensure safe, inclusive, and growth-oriented workplaces that prioritize the "Human Factor".
- **Community Engagement:** Support local development projects and educational initiatives.
- **Accountability:** Monitor, report, and continuously improve CSR performance.
- **Materiality & Prioritization** To ensure maximum positive impact, Faik Group prioritizes CSR issues based on their importance to our stakeholders and their influence on our business success. Our primary "Material Issues" include Industrial Safety, Employee Wellbeing (Business Psychology), and Carbon Reduction. We focus our resources on these high-impact areas to drive the most significant value for the Egyptian economy and our local communities.

4. Implementation Strategies

I. Environmental Stewardship

As a leader in metal, rubber, and CNC industries, we commit to:

- Adopting energy-efficient technologies and reducing emissions.
- Promoting recycling and responsible waste management (e.g., Lean Manufacturing for scrap reduction).
- Partnering with suppliers who follow eco-friendly practices.
- **Industrial Safety & Crisis Management:** We maintain rigorous emergency response plans to protect our workforce and the surrounding environment from industrial accidents. These protocols are audited annually to ensure the highest level of disaster recovery readiness and community protection.
- **Ecosystem Preservation:** Faik Group recognizes the importance of local biodiversity. We commit to ensuring that our factory expansions and ongoing operations are managed to minimize negative impacts on local flora and fauna.

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II. Stakeholder Engagement Matrix

This matrix identifies who is affected by Faik Group's operations and how we commit to engaging with them.

Stakeholder	Interest/Impact	Engagement Method
Employees & Families	Safety, wellbeing, and career growth.	Quarterly town halls, psychological safety surveys, and professional training.
Clients (e.g., NAT, MoT)	Quality, safety, and delivery of national infrastructure.	Technical reviews, site visits, and project compliance reports.
Suppliers & Vendors	Fair payment and long-term partnerships.	Supplier Code of Conduct, site audits, and ethical conduct agreements.
Local Community	Environmental impact and local employment.	Community social projects, industrial waste transparency, and local hiring.
Government & Regulators	Compliance with Egyptian laws and Vision 2030.	Annual CSR reporting and GAFI investment compliance filings.

III. The Human Factor: Business Psychology in Practice

At **Faik Group**, we recognize that engineering excellence is a product of a healthy mind and a supportive environment. We integrate **Business Psychology** into our corporate DNA to move beyond "Management" toward "Empowerment."

1. Psychological Safety & Open Dialogue

We foster a "Speak Up" culture where every engineer, technician, and administrative staff member feels safe to report errors or suggest improvements without fear of reprisal. This reduces operational risk and drives innovation in our CNC and metal manufacturing processes.

2. Evidence-Based Wellbeing

- **Cognitive Ergonomics:** We design our factory workflows and office spaces at Faik Group to reduce mental fatigue and physical strain, optimizing both productivity and worker health.

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- **Stress Management:** We provide resources for managing the high-pressure environment of large-scale infrastructure projects, ensuring our team stays resilient.

3. Purpose-Driven Leadership

We train our managers not just as "bosses," but as mentors. By aligning individual career goals with the mission of Faik Group, we ensure that every employee understands their vital role in building Egypt's future.

4. Diversity and Inclusion in STEM

As a company led by diverse board members, we actively promote the inclusion of women in engineering and manufacturing, breaking traditional industry stereotypes through merit-based growth.

We recognize that engineering excellence is a product of a healthy mind and a supportive environment.

- **Safety & Ergonomics:** Providing safe working conditions and regular safety training. We utilize cognitive ergonomics to design factory and office workflows that reduce mental and physical fatigue.
- **Psychological Safety:** Fostering a "Speak Up" culture where staff feel safe to report errors or suggest improvements without fear, reducing operational risk.
- **Professional Development:** Offering continuous growth programs. This includes technical training in CNC/laser technologies and leadership mentoring to align individual career goals with our corporate mission.
- **Inclusion & Diversity:** Ensuring equal opportunities and promoting diversity, specifically encouraging the inclusion of women in STEM and engineering roles.

IV. Water Stewardship Statement

Given our involvement in metal and rubber manufacturing, we recognize that water is a shared and finite resource.

- **Responsible Consumption:** We commit to monitoring our factory water usage to identify and eliminate inefficiencies in our cooling and manufacturing processes.
- **Wastewater Treatment:** Faik Group ensures that all industrial discharge from our facility is treated according to **Environmental Law No. 4 of 1994** to prevent contamination of local water systems.

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- **Resource Preservation:** We actively explore water-recycling technologies within our CNC and fabrication lines to minimize fresh water withdrawal.

V. Community & National Impact

Faik Group takes pride in its contribution to Egypt's infrastructure:

- **Educational Collaboration:** Partnering with universities and vocational schools to train future engineers.
- **Local Infrastructure:** Sponsoring social projects in Egypt.
- **Charitable Initiatives:** Supporting initiatives aligned with local needs and the *Egypt Vision 2030*.

VI. Ethical Business Practices

- Maintain strict compliance with Egyptian and international trade regulations.
- Ensure 100% transparency in client and partner relationships.
- Uphold rigorous anti-bribery and anti-corruption standards.
- **Data Integrity & Privacy:** We are committed to the ethical management of data for our clients, employees, and partners. We adhere to strict data protection standards to ensure the privacy and security of all digital information handled during our engineering and trading operations.

VII. Supply Chain Responsibility

"We extend our ethical standards to our entire value chain. Faik Group prioritizes partnerships with suppliers who demonstrate a commitment to fair labor practices and environmental responsibility. We conduct periodic evaluations of our primary metal and rubber suppliers to ensure compliance with our core values.

Supplier Non-Compliance & Corrective Action:

Supplier Compliance Process: Faik Group maintains a zero-tolerance policy for severe violations of our Supplier Code of Conduct, particularly regarding human rights and safety. In the event of a non-compliance discovery:

- **Corrective Action:** The supplier will be issued a formal notice to implement a Corrective Action Plan (CAP) within 30 days. * **Termination:** Failure to

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remediate significant violations or repeated non-compliance will result in the immediate termination of the business relationship to protect the integrity of our projects and values.

VIII. Product Safety & Quality Assurance

"Our responsibility to society includes the safety of the national infrastructure we help build. We guarantee that all components manufactured for projects meet or exceed international safety standards and rigorous quality control protocols to ensure public safety and long-term durability."

IX. Grievance Mechanism & Whistleblowing

To maintain a truly safe and ethical environment, Faik Group provides a confidential channel for employees and stakeholders to report concerns regarding unethical behavior, safety violations, or harassment. We guarantee protection against retaliation for any individual who raises a concern in good faith.

Community Access: Our confidential reporting channel is explicitly open to external stakeholders, including the Badr City community and our business partners. Any concerns regarding the environmental or social impact of our operations can be submitted for review by the CSR Committee without fear of reprisal

X. Human Rights & Labor Standards Statement

Faik Group is dedicated to protecting the fundamental rights of all individuals within our sphere of influence.

- **Zero Tolerance for Forced/Child Labor:** We strictly prohibit the use of child, forced, or bonded labor in any part of our operations or supply chain.
- **Fair Compensation:** Every employee is guaranteed a fair wage that meets or exceeds the national minimum, alongside all benefits mandated by **Egyptian Investment Law No. 72 of 2017**.
- **Freedom of Expression:** In line with our commitment to Business Psychology, we protect the right of every worker to voice concerns through our confidential grievance mechanism without fear of retaliation.
- **Safe Working Conditions:** We provide a workspace that respects physical and mental integrity, ensuring that no employee is subjected to harassment or unsafe industrial environments.

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5. Governance & Monitoring

I. Measurable Targets & KPIs

To move beyond qualitative statements, we commit to the following measurable goals by 2027:

- **Environment:** A 10% reduction in factory energy consumption through upgraded CNC efficiency.
- **Social:** Maintaining a minimum of 40 hours of professional and psychological training per employee annually.
- **Governance:** 100% of our key suppliers must sign our Ethical Conduct Agreement."
- **CSR Committee:** A dedicated committee led by board members will oversee all initiatives. This committee reports directly to the Board of Directors.
- **Strategic Integration:** CSR objectives are integrated into Faik Group's strategic planning.
- **Reporting:** We will publish an annual CSR report detailing our Environmental, Social, and Governance (ESG) performance.
- **External Assurance Commitment: Verification & Assurance:** While internal monitoring is conducted quarterly by the CSR Committee, Faik Group is committed to increasing transparency through external validation. We aim to engage independent third-party auditors by 2028 to provide limited assurance on our key environmental and social data, ensuring our reports meet the highest levels of accuracy and international trust.
- **Continuous Dialogue:** We engage stakeholders (employees, clients, community) regularly to refine our priorities. Progress is reviewed quarterly with corrective actions taken as needed.

II. Environmental Metrics & Waste Diversion

- **Waste Diversion & Circularity:** We commit to a 20% increase in the diversion of industrial metal and rubber scrap from landfills through enhanced recycling partnerships by 2027.
- **Carbon Reduction:** We will establish a baseline for our Scope 1 and Scope 2 carbon emissions by the end of 2026, with a target to reduce total output by 5% annually thereafter.

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6. Conclusion

At **Faik Group**, our Corporate Social Responsibility is not a standalone initiative; it is the lens through which we view our entire business operation. Since 1970, we have built a legacy based on the "**Touch of Professionalism**" and we recognize that our continued success is inseparable from the wellbeing of our people, the strength of our national infrastructure, and the health of our planet.

By integrating the principles of business psychology, environmental stewardship, and ethical governance into our core strategy, we ensure that Faik Group remains a trusted partner in Egypt's industrial evolution. We pledge to remain transparent, accountable, and driven by a purpose that transcends manufacturing—building a sustainable future for the next generation of engineers and for the nation we call home.

Faik Group
Engineering Excellence,
Empowering People,
Building Tomorrow.

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