



Jahangir Siddiqui & Company Limited

**UNGC
Communication on Progress**

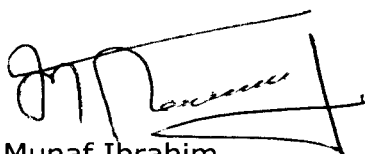
2008

Statement of Continued Support

As a member of the United Nations Global Compact since 2006, Jahangir Siddiqui & Company Ltd. is fully committed to upholding the ten principles of the Global Compact pertaining to human rights, labor rights, environment and anti-corruption.

We strive for the incorporation of these principles in our business strategy, policies and operations as we believe that these universal values foster sustainable growth that has assumed even greater significance in today's changed global financial environment.

We acknowledge UNGC's efforts towards promoting good corporate citizenship and sustainability in businesses around the world and we will continue to provide our support to this end.

A handwritten signature in black ink, appearing to read 'Munaf Ibrahim', is written over a rectangular stamp area.

Munaf Ibrahim
Chief Executive Officer
Jahangir Siddiqui & Co. Ltd.

Note: The information relating to Jahangir Siddiqui & Company Ltd's associates and subsidiaries has been incorporated based on information provided by their respective management.



Name of Organization: Jahangir Siddiqui & Company Limited

Address: 6th Floor, Faysal House, Shahra-e-Faisal, Karachi-75530, Pakistan

UAN: +92 21 111 574 111

Fax: +92 21 280 0163

Website: www.js.com

Availability of Annual Report:

<http://www.js.com/uploads/JSCLReport2008.pdf>

Business Overview

Jahangir Siddiqui & Co. Ltd. (JSCL) was incorporated in 1991 as a public unquoted company and is currently listed in the Karachi Stock Exchange. JSCL is primarily an investment company in financial services but also makes long term investments in rapidly growing companies in Pakistan. In financial services, its investments cover all sectors including commercial banking, Islamic banking, asset management, securities brokerage, consumer credit rating agencies and microfinance.

JSCL's long term strategic investments in Pakistan's economy cover a wide range of sectors including industry, technology, media, transport and communications.

Subsidiary Companies and Associates

Banking

- JS Bank Ltd. (commercial bank)
- Bank Islami Pakistan Ltd. (Islamic bank)
- Network Microfinance Bank (microfinance)

Insurance

- EFU General Insurance Ltd.
- EFU Life Assurance Ltd.
- Allianz-EFU Health Assurance Ltd.

Other Financial Services

- JS Global Capital Ltd. (securities, brokerage & corporate finance)
- JS Investments Ltd. (asset management)
- Financial Infrastructure Investments

Principal Investments

- Azgard Nine Ltd. & Pak-American Fertilizer Ltd. (& PAFL)
- Pakistan International Container Terminal (PICT)
- Eye Television Network



Name & Title of Highest Executive: Mr. Munaf Ibrahim, Chief Executive Officer

Name & Title of Contact Person: Ms. Safia Shafiq, Environmental and Social Sustainability Manager

Human Rights

Principle 1

Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2

Make sure they are not complicit in human rights abuses.

Commitment

JSCL is committed to abiding by internationally proclaimed human rights. We demonstrate this commitment through honest and ethical behaviour in all our business activities.

Policy and Processes

JSCL's policies and procedures for business decision making and operations, human resource management, and CSR initiatives ensure that abuse of human resource does not take place and that human rights are not violated. We do not allow any distinction amongst our employees on the basis of race, gender, religion, ethnicity etc.

Progress

As a policy the company contributes up to 2% of its profits to the Mahvash & Jahangir Siddiqui Foundation (MJSF), which is a charitable, non-profit organization run by several Board members and staff. The primary focus areas are healthcare, education and sustainable development through social enterprise. During 2008 JSCL's financial businesses collectively contributed PKR 347 million to MJSF. The institutions supported include:

Healthcare

- The Cardiovascular Foundation
- Sindh Institute of Urology and Transplantation
- Karachi National Hospital
- Patients' Behbud Society for the Aga Khan University Hospital
- The Medical Aid Foundation
- Burhani Blood Bank and Thalesaemia Centre

Education

- Karachi Education Initiative
- Fakhr-e-Imdad Foundation
- JS Academy for the Deaf
- Lahore University of Management Sciences

Social Enterprise and Sustainable Development

- Acumen Fund
- Karachi Vocational Training Centre

Some highlights of the initiatives taken by JSCL's subsidiaries and associates during 2007 and 2008 are as follows:

- Azgard 9 Ltd. is registered under the social accountability standard SA 8000.
- Azgard 9 employs a significant number of female employees from the local communities.
- Azgard 9 and Pak-American Fertilizer Ltd. (PAFL) have established and provide full funding to several educational institutions for the community in Iskanderabad. Over 2800 students are enrolled in these schools, which are managed by over 100 professional teaching and support staff.
- The Iskanderabad Welfare Trust (IWT) is a registered non-governmental organization (NGO) established by PAFL and aims to provide charity to deserving community members. In 2008 Rs. 0.5 million was given as stipend/aid.
- Pakistan International Container Terminal provided financial support of over Rs. 2.9 million to various institutions during 2007 and 2008. Supported institutions include Edhi Foundation, SOS Children Villages of Pakistan, The Indus Hospital Karachi, Shaukat Khanum Memorial Cancer Hospital and Research Centre and several NGOs and welfare trusts.
- EFU General Insurance donated Rs. 30,000 to JS Academy for the Deaf.
- The Eye Television Network provided free of cost air time to charity organizations and airs programmes to raise awareness on social issues.

Labor Standards

Principle 3

Businesses should uphold the freedom of association and effective recognition of the right to collective bargaining;

Principle 4

The elimination of all forms of forced and compulsory labor;

Principle 5

The effective abolition of child labor; and

Principle 6

The elimination of discrimination in respect of employment and occupation.

Commitment

The company acknowledges and respects the right of workers for freedom of association and collective bargaining. We do not support any forced or compulsory labor and support the abolition of child labor.

Policy and Processes

Comprehensive human resource policies and procedures are in place and are duly documented in the Employees' Handbook and Procedures manual. JSCL ensures that the remuneration and benefits paid to its employees are among the best in the industry and a system for grievance resolution is in place. The Company abides by all national labour laws and regulations and does not engage in any forced/compulsory labour or child labour.

JSCL is an equal opportunity employer and all hiring strictly based on merit without any discrimination on the basis of gender, religion, ethnicity or social status.

Progress

- Provisions, where applicable, are built into Contract agreements wherein it is stipulated that all national labour laws and regulations have to be complied with.
- Azgard 9 is certified by the Occupational Safety and Health Administration (OSHAS), USA.

Environment

Principle 7

Businesses should support a precautionary approach to environmental challenges;

Principle 8

Undertake initiatives to promote greater environmental responsibility; and

Principle 9

Encourage the development and diffusion of environmentally friendly technologies.

Commitment

We are committed to managing our business operations and utilizing our resources in a sustainable and environmentally responsible manner.

Policy and Processes

Although a specific policy on environment is not yet in place at JSCL, we promote resource conservation efforts at the office premises of our financial services institutions as well as in the operations of our subsidiary companies and associates. Some of our subsidiary companies, particularly those in the industrial sector, have separately formulated their environment, health and safety policies and are implementing them.

Moreover, JSCL has established a smoke free environment in all of its facilities. Smoking is not permitted within office premises for the health and well being of the Company's employees.

Progress

- Azgard 9 complies with the Global Organic Textile Standard (GOTS) and holds the Organic Exchange (OE) certification.
- Pak-American Fertilizer Ltd. (PAFL) is ISO 14001 certified. All emissions and effluent parameters comply with the National Environmental Quality Standards.
- Over 1,000 fruit trees have been planted at the PAFL site in Iskanderabad. A further 2,000 trees have been planted in the PAFL community area.
- PAFL's Environmental Management System dictates a 'no plastic bag' policy in the PAFL's housing colony and family resort area.

- BankIslami’s vehicle fleet is run exclusively on CNG, which is a minimally polluting fuel.
- JS Bank has initiated the process of formulating its environmental policy and developing an environment programme.

Anti-Corruption

Principle 10

Businesses should work against corruption in all its forms, including extortion and bribery.

Commitment

JSCL's core business principle of Integrity states: "Our business is founded on trust and we manage our business ethically, lawfully and fairly." We are committed to ensuring good corporate governance in our business undertakings.

Policy and Processes

JSCL's accounting policies fully comply with the requirements of the Companies Ordinance 1984 under which the Company is registered. We follow the International Accounting Standards and International Financial Reporting Standard as prescribed by the Companies Ordinance and the directives of the Securities and Exchange Commission of Pakistan.

A 'Statement of Ethics and Business Practices' has been prepared and has been signed by all the Directors and employees of the Company. A vision and mission statement, an overall corporate strategy and significant policies have also been developed.

Representation of independent non-executive Directors is encouraged on the Company's Board.

An Audit Committee (comprising of members from the Board of Directors) is in place whose responsibilities include:

- Ascertaining that the internal control system including financial and operational controls, accounting system and reporting structure are adequate and effective.
- Determining compliance with relevant statutory requirements.
- Monitoring compliance with the best practices of corporate governance and identification of significant violations thereof.

Also, an effective internal audit function has been set up, which is performed by a suitably qualified and experienced professional.

Progress

- Regular oversight is maintained by the Board’s Audit Committee.
- A complete disclosure policy is adopted to ensure transparency.
- The Company has consistently complied with all the corporate and financial reporting requirements of the Code of Corporate Governance.
- Timely payment of all taxes is made and tax returns are submitted.