



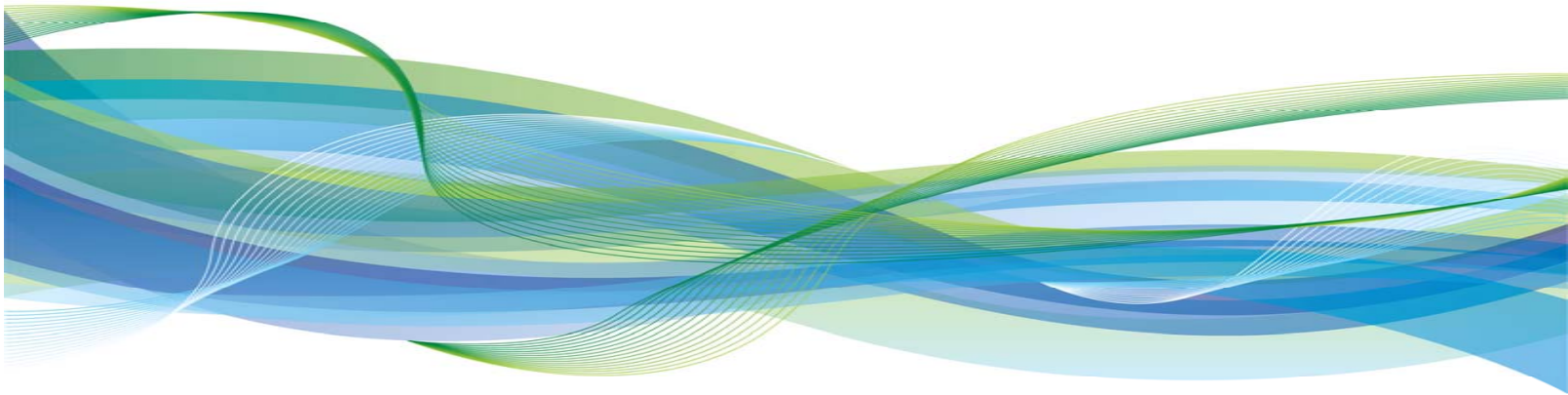
J&E Hall
International



McQuay
International



Coulstock & Place
ENGINEERING CO. LTD



**Group Health, Safety, Quality & Environmental
Management Systems
Annual Report 2010**

INDEX

<u>Introduction and Overview</u>	Page
Executive Summary	2
HSQE Structure	3
HSQE Committee	3
Communication	3
Legal Compliance	3
Corporate Social Responsibility	3
Company Accreditations	4
<u>Health & Safety</u>	
Summary	4
Targets & Objectives	4
Accident Statistics	4-5
Training Review	5
Customer Site Activities	5
<u>Quality</u>	
Summary	6
Targets & Objectives	6
External Audits	7
Internal Audits	7
NCR Data Base	7
Supplier Audits	7
<u>Environmental</u>	
Summary	7-8
Targets & Objectives	8
Energy Consumption	8-9
Waste & Recycling Profile	9-10

FIGURES & CHARTS

- FIG 1. HSQE organisational chart
- FIG 2. Accident statistics
- FIG 3. Accident statistics by business group
- FIG 4. Business review Structure
- FIG 5. Annual Total kWh - Half Hourly Electricity
- FIG 6. Annual Total kWh - Non Half Hourly Electricity
- FIG 7. Annual Total kWh - Gas
- FIG 8. J & E Hall Waste Profile

Introduction

This is the first annual health, safety, quality and environmental report produced by J & E Hall Limited for general information. The report aims to provide a summary of health, safety, quality and environment (HSQE) performance information of J & E Hall Limited for 2010.

The commitment to produce an annual HSQE report is part of J & E Hall's Management Systems Policies and is also reflective of best practice.

The scope of the report refers to:-

- J & E Hall Limited
- McQuay Service
- Coulstock & Place Engineering

Health, safety, quality and environmental management in J & E Hall is part of the overall Risk Management Strategy, which aims to identify and manage all risks to the Company and its products and services.

Each year work takes place to improve health, safety, quality and environmental management systems which are focused at three key levels in the organisation. At the most senior level of management there is work to provide corporate policies and standards for all parts of the organisation. At a departmental level the corporate policies and standards are integrated into departmental management systems and procedures to cover all work activities. The third level is at the workplace, where action is focused on safe working and reducing the environmental impact of J & E Hall's aspects and impacts.

Executive Summary

2010 has seen J & E Hall, McQuay Service and Coulstock & Place Engineering continue to develop their management procedures. This has resulted in reducing Company's environmental impact. Great improvements have been achieved in reducing waste to landfill and effectively separating waste streams.

Our Health & Safety Management System is currently being developed in accordance with the international HSG 65 model and 2011 will see the completion of this process.

Improved partnerships with our suppliers have identified opportunities for improvement and this has resulted in improved quality assurance and efficiencies. However, J & E Hall recognise that more work has to be completed to remain competitive and compliant.

With the introduction of the F-gas regulations, J & E Hall has committed considerable resource to ensure that Service Engineers and Technicians have been trained to the City & Guilds 2079 qualification and the Company will continue to identify training needs to ensure our legal, commercial and customer requirements are achieved.

In 2010 J & E Hall has developed systems with employee commitment, competence and communication as a central theme. In particular the communication of health, safety, quality and environmental management systems has significantly improved in 2010 with the development of the HSQE Bulletin, company website and the valued input from the HSQE committee.

J & E Hall recognise that safe working is essentially a collaborative effort, involving all levels of our company. It hinges critically on effective communication and consultation. The company management systems have been effective in identifying business risks and process improvements.

HSQE Structure

The HSQE function is based within the Human Resources division of J & E Hall.

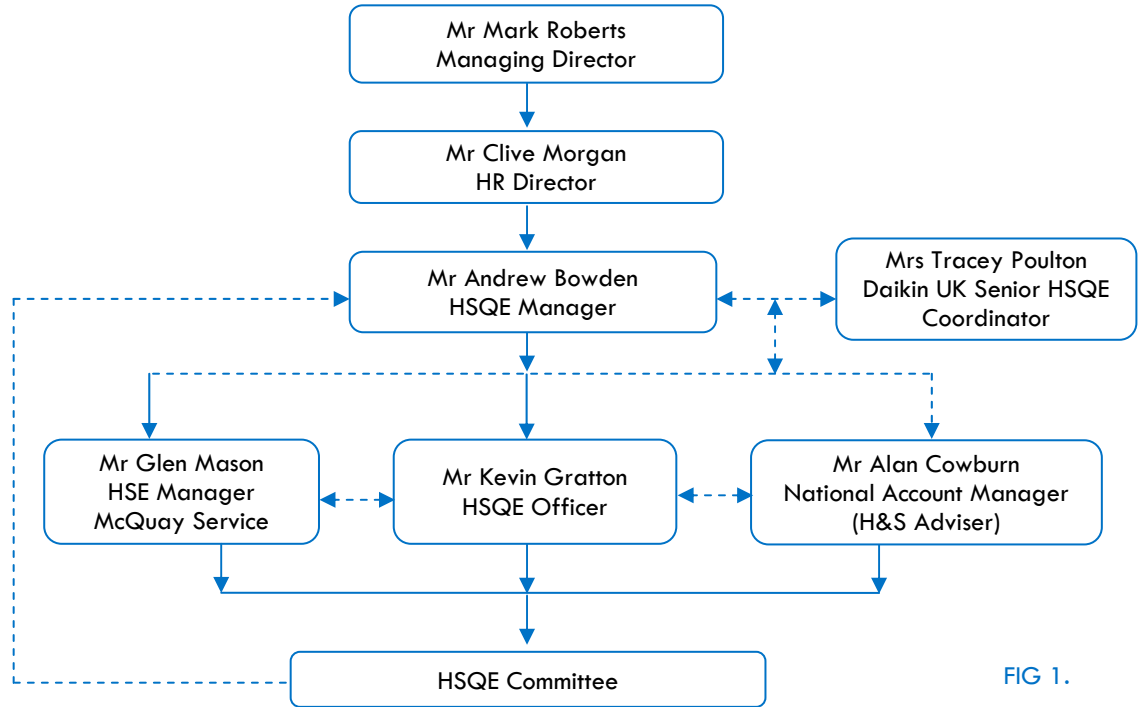


FIG 1.

HSQE Committee

The HSQE committee attend two meetings a year where the members participate in reviewing HSQE performance and consult, review and formulate policies and management system processes. The committee membership has increased and this in turn has led to the Health and Safety HSQE Committee gaining in strength in increased attendance. Due to the HSQE function and committee actively meeting managers through undertaking audits as well as ad-hoc training, the HSQE function now has a greater demand for requests to help and support managers and employees especially around the implementation of risk assessments.

Communication



2010 has seen an increase in communication of health, safety, quality and environment systems. Quarterly HSQE bulletins have been generated in conjunction with our marketing department. Where specific information requires communication, health and safety or environmental bulletins are circulated. A register is maintained of all correspondence and the HSQE website has been constantly updated throughout the year.

Regular meetings have been conducted between J & E Hall, McQuay Service and Daikin UK to communicate best practice and to combine knowledge and resources for process improvements.

Legal Compliance

No enforcement action has been served as a result of a direct breach of known relevant Legislation by an enforcing body such as the Health And Safety Executive, Environment Agency, Local Authority to J & E Hall Limited (or subsidiary company) in 2010.

J & E Hall manufacturing division has a low volume waste discharge consent which is issued by Thames Water and monitored by the Environmental agency. Upon review of the discharge records, it can be confirmed that the Company has conformed to the Pollution Prevention and Control Act 1999.

J & E Hall has maintained its Hazardous Waste Carriers Licence for 2010 Ref BLT/656139 and has continued to register as a waste producer, we have registered with the Environment Agency where a premise code has been issued for each location.

Corporate Social Responsibility

J & E Hall has made a firm commitment to continue to develop its corporate social responsibilities (CSR) into the way it conducts business. J & E Hall has maintained the fifteen core principles as defined in the company CSR policy.

Accreditations

The J & E Hall group has retained the accreditations to:-

- BS EN ISO 9001:2008
- BS EN ISO 14001:2004
- Safe Contractor
- CHAS
- Con Com
- F-Pal (Offshore Division)

One of the requirements of the company's accreditations is that J & E Hall set annual HSQE objectives and review company performance against these objectives. Regular reports to the directors and senior management provide regular updates on company performance. The results highlighted in this report will assist J & E Hall to set the company objectives for 2011 to ensure that the company continues on a programme of continuous development.



Health & Safety Review

Summary

The health, safety and welfare of employees, visitors and Sub-contractors within J & E Hall Limited has been, and will continue to be, a key priority of the organisation. The HSQE function considers that maintaining a healthy workforce within a safe working environment is a key priority. We believe that improved health and safety for employees has a direct impact on our ability to provide high quality services.

Targets & Objectives 2010

- Zero accident rate
 - Increase H&S training
 - Review of Safe Working Instructions
 - Deliver management H&S training
- Engineers to obtain Skill Cards
- Completion of Site Risk Assessments
- Increase H&S awareness
- Continual development of the HSQE website
- Generate quarterly HSQE bulletins

Accident Statistics

The company reports specified diseases to the Health and Safety Executive, in accordance with the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995 (RIDDOR). Four reportable accidents were recorded in 2010. J & E Hall has seen a 42% reduction from previous year in non-reportable accidents (accidents with less than 3 consecutive days of absents)

ACCIDENT STATISTICS J&E HALL / McQuay Service / C&P												
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	
FATALITIES	0	0	0	0	0	0	0	0	0	0	0	
LOST TIME OVER 3 DAYS		6	8	6	4	4	6	3	6	4	4	
AVERAGE No of EMPLOYEES		380	370	270	246	266	261	267	282	282	275	
ACCIDENT INCIDENT RATIO :		15.78	21.62	22.2	16.26	15.03	22.98	11.23	21.27	14.18	14.55	
ENFORCEMENT NOTICES:	0	0	0	0	0	0	0	0	0	0	0	
PROSECUTIONS :	0	0	0	0	0	0	0	0	0	0	0	
NEAR MISS:	0	0	0	0	0	0	0	0	1	1	3	
NON REPORTABLE:	14	12	13	8	10	9	9	10	7	27	14	
DANGEROUS OCCURRENCE	0	0	0	0	0	0	0	1	0	1	0	

FIG 2.

Accident Incident Ratio =

$$\frac{\text{No. Lost Time Injuries} \times 1000}{\text{Total No. at Risk}}$$

Accident Statistics
continued...

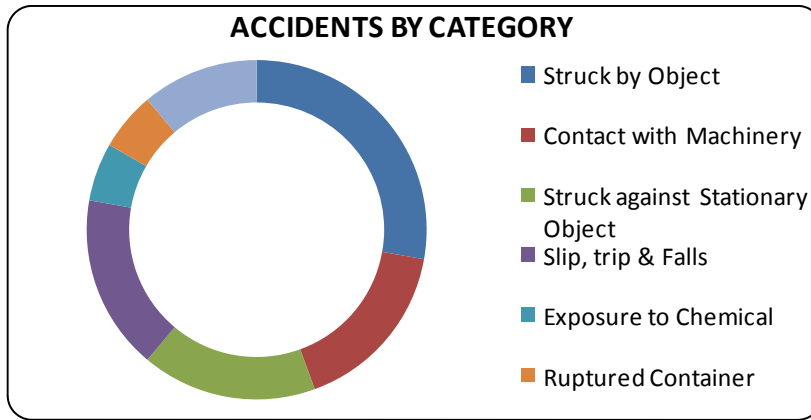


FIG 3.

Training Review

In 2010 J & E Hall reintroduced the appraisal process for the service division. These appraisals will form part of the continual development process for the Company to ensure that legal, customer, company and personal requirements are achieved. Due to the success of the reintroduction, the appraisal process will be extended throughout other business divisions of J & E Hall.

During the year the company undertook a significant amount of training including:-

Internal

- Working at Heights / Harness
- Electrical Safety
- Induction
- Apprentice H&S Training
- Manual Handling
- Ammonia Awareness
- Risk assessment
- HSQE Representative
- Managers H&S Responsibilities
- Environmental Awareness

External

- Asbestos
- IPAF
- PASMA
- First Aid
- Fire Warden Training
- Fork Lift truck Driving
- C&G 2079 (F-Gas)
- NVQ Plant Operations
- Abrasive Wheel
- Lifting Signalling & Slings
- Computer (ECDL)
- CSCS Safety Passport
- Engineer Skill Cards
- Internal Auditor Training

Customer Site
Activities

In 2010 J & E Hall HSQE function completed seven Site Ammonia Risk assessments. These assessments have assisted customers in complying with statutory legislation and the provision of safe systems of work.

In addition two Dangerous Substances Hazardous to Health (DSEAR) assessments have been completed which has increased the scope of service to the Company's customer base.

Assessments have been completed in the following service sectors:-

- Food & distribution
- Chemical
- Dairies
- Breweries

J & E Hall has also provided its customers with specific Ammonia awareness training.

Quality Review

Summary

It is the policy of J & E Hall Limited to consistently ensure that the customer's expectations and needs are met in conjunction with suppliers and potential partners by providing services, manufacturing and marketing quality products, which have demonstrated to be fit for purpose by complying with the requirements of the BS EN ISO 9001:2008 Management System Standard.

In 2010, J & E Hall are please to confirm that the company scope of registration has increased to include Questor House and McQuay Technology Centre. In addition J & E Hall have restructured the registration process and placed all the business groups under one registration certificate. In doing this it integrates the quality management systems and evaluation process.

Targets & Objectives

Targets and Objectives are established and communicated to continually improve all business groups and their integral management systems. These are continually analysed and reviewed for effectiveness. The results are communicated to Directors and senior management on a regular basis.

The Targets and Objective reflect the business activities, direction and performance criteria for that period. By setting these targets and objectives the company can:-

- Support the business on implementing its sustainability
- Ensure we are meeting our customer, business and legal responsibilities.
- Continual Improvement of the processes, products and services.
- Develop Carbon Footprint Reduction measures and reduce our Environmental Impact.
- Increase employee awareness and engagement

Performance against these targets are frequently evaluated through the management review process as indicated in the process flow Fig 4.

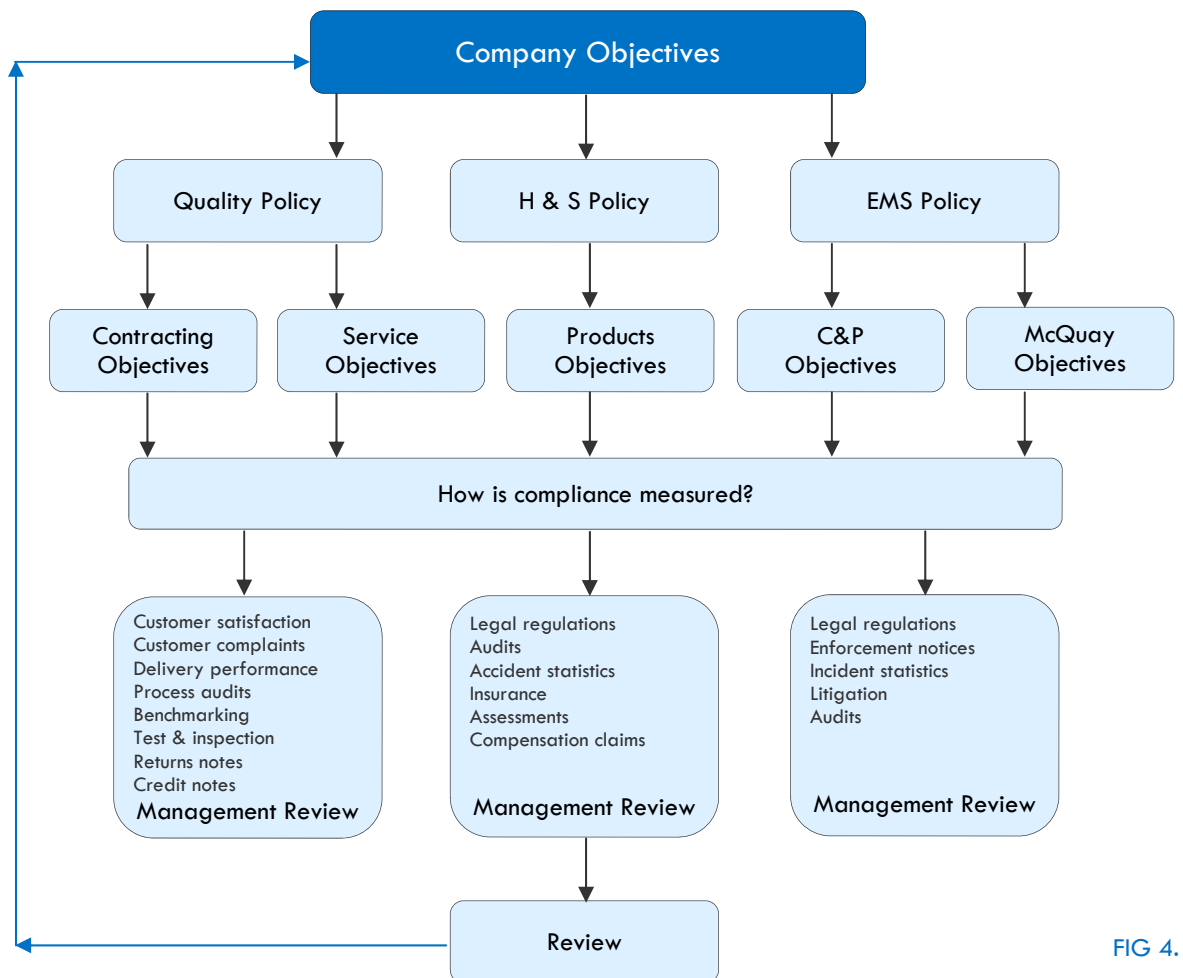


FIG 4.

External Audits

British Standards Institute (BSI) conduct regular audits on the management system processes and procedures. In 2010 BSI conducted eleven quality management system audits in accordance with their audit schedule. Any identified opportunities for improvement were effectively actioned.

Internal Audits

The HSQE function can confirm that 85% of all internal audits were completed in accordance with company audit schedule. All corrective actions have been recorded on the company NCR database where 86% have been completed effectively. It is company policy that all business locations receive a comprehensive HSQE audit annually. In addition our Derby, Doncaster and Dartford business locations receive two audits per year due to their size and complexity.

NCR Database

In 2010 the Non Conformance Report (NCR) database was developed and implemented to effectively record all non-conformance issues within the business. These records are reviewed and analysed to ensure a prompt resolution and identify opportunities for improvement to enhance the business and prevent reoccurrence. The NCR Sections are as follows:-

Quality Environment Health & Safety	Warranties	Credit Notes	Accidents
<ul style="list-style-type: none"> • Internal audits NCR's • Customer complaints • External audit NCR's • Recording spills • Supplier NCR's 	Issues with products from original equipment manufacturers	Recording generated credit notes for evaluation	Accident, incident & near miss reporting

The reporting has enabled the prompt identification of issues within the company which has improved communication and resolved issues by introducing corrective action.

Supplier Audits

J & E Hall's policy is to develop long term relationships with key suppliers, by developing process that reflect our business and customer requirements to promote product and service quality throughout the supply chain management system.

Through a more proactive approach, the purchasing and HSQE function have the supplier audit visits by 34% from 2009.

Environmental Review

Summary

The Company regularly reviews its written policy statement and performance with regard to environmental matters to ensure compliance with good practice and statutory regulations in all its operations and to meet corporate objectives. The Company operates its businesses with a proper concern for their impact on the environment.

J & E Hall, through its directors and senior managers, ensures that its managers and staff are aware of the actions required to consider environmental factors and meet regulations in each of the company business locations and the risks of failing to do so. Managers are required to take environmental considerations into account in running the business, for example in its energy efficiency, its use of appropriate materials and the design and manufacture of its products generally and in the investment in new equipment, new processes and services.

There are detailed procedures which lay down responsibility for ensuring that the company policy is carried out. Employees are also expected in their daily job to be aware of environmental considerations and draw to the attention of management any matters of possible concern.

Summary continued...

Environmental management continues to be developed in line with the international standard ISO 14001:2004. This enables the company to evaluate the environmental risks associated with its work in a structured way, including:

- Identification of relevant environmental legislation and 'good practice'
- Development of strategies to implement the requirements identified
- Review of work activities to ensure the environment is suitably protected, legislation is complied with and activities meet with the requirements of J & E Hall company Environmental Policy
- Maintenance of all environmental licences, consents and permits
- Liaison with the Environment Agency (EA)

Targets & Objectives

Environmental Objectives CY2010

1. Promotion of environmentally conscious refrigerants
2. Reduce waste going to land fill by 10% of 2009 value
3. Collect and analyse data on emissions to air
4. Promotion of environmental awareness to our employees
5. Develop and implement a green procurement evaluation system for our top 10% suppliers
6. Promote the use of environmentally conscious products and systems

J & E Hall has recognised our responsibility to promote environmentally conscious refrigerants to our customers. It has continued to advise customers on:-

- Alternative refrigerants with less global warming and ozone depletion potential.
- The ECO design of refrigeration systems to reduce energy consumption.
- In 2010 the HSQE function initiated its waste reduction programme. By adopting the Reduce, Reuse and Recycle concept J & E Hall identified and separated alternative waste streams. This has resulted in reducing waste going to landfill by 18%.
- 2010 has seen a 14% increase in delivery of Environmental awareness to our employees.

J & E Hall recognise that the company's Environmental impact is not restricted to products and services but the Environmental impact of suppliers who have a considerable input into our processes. Therefore a supplier green procurement review was introduced by J & E Hall in 2010 following a directive from Daikin. This system evaluates the top 10% of suppliers on their environmental systems and environmental impact. Following the review J & E Hall promote any improvements to their systems to reduce their impact on the environment.



The design, research and development of refrigeration compressors has been the foundation of J & E Hall history. In 2010 J & E Hall and McQuay International were awarded the Air Conditioning Innovation of the year award at the Cooling Industry Awards with the innovative asymmetric screw compressor.

Energy

J & E Hall recognise that energy consumed as a result of our company operations forms a significant part of our environmental impact. J & E Hall monitor our energy consumption regularly and use ECM who are an energy management company to analyse and monitor our energy usage and advise on procurement.



NB: the figures detailed only represent the J & E Hall business locations under the ECM contract therefore do not equate to the total consumed quantity.

Figure 5 shows the Half hourly Electricity Consumption 438,846 KWh – Equates to 235.66 Tonnes of CO2

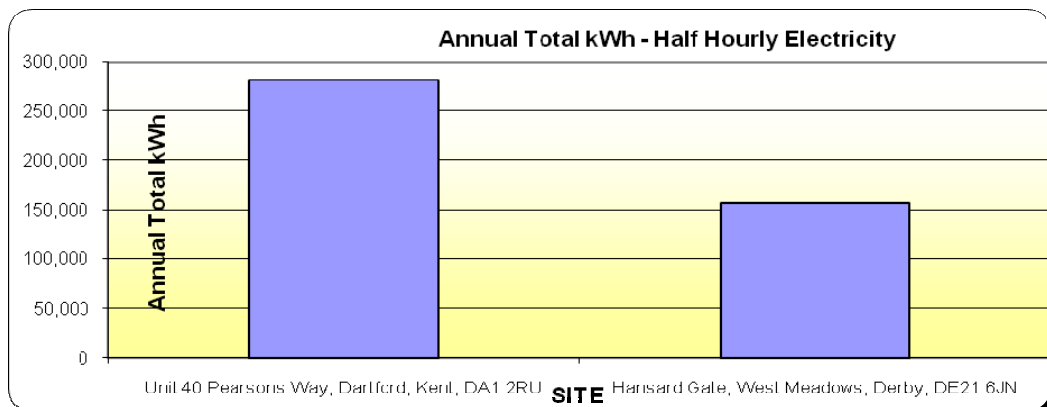


FIG 5.

Energy continued...

Figure 6 shows the Non-Half hourly Electricity Consumption 276,687 KWh – Equates to 148.58 Tonnes of CO2

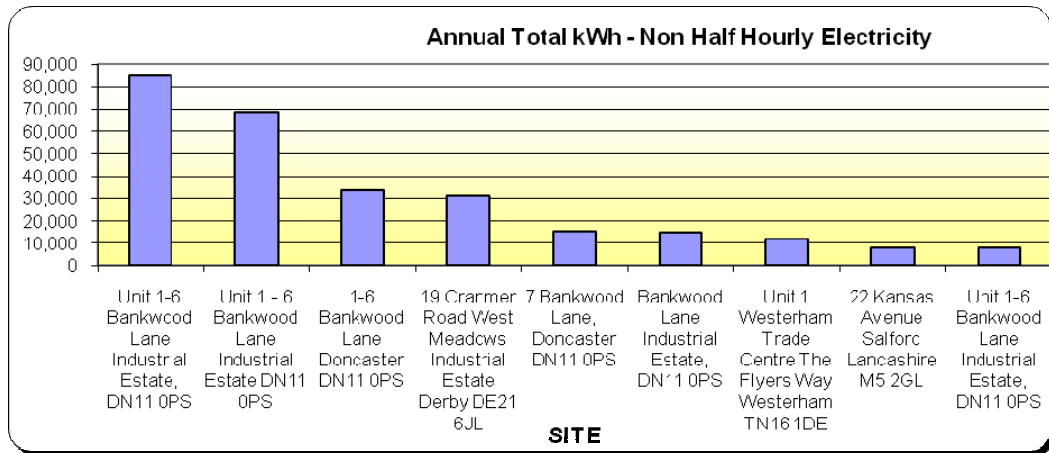


FIG 6.

Figure 7 shows the consumption of natural gas. This equates to 117.247 Tonnes of CO2

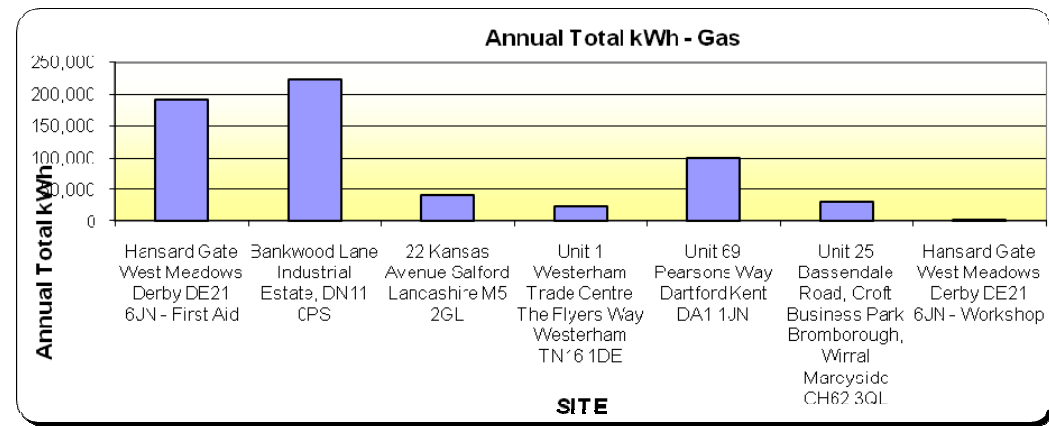


FIG 7.

Waste & Recycling Profile

What are the issues?

Waste is an important topic for J & E Hall for a number of reasons. Landfill sites are filling up with consumer waste and UK Landfill sites are predicted to be full to capacity in the next six years. Customers increasingly favour companies who recycle. Annual increases in landfill tax are driving the behaviours of both reducing the amount of waste generated and more efficient disposal of waste through maximising the quantity of waste which is recycled.

Figure 8. J & E Hall Waste Profile

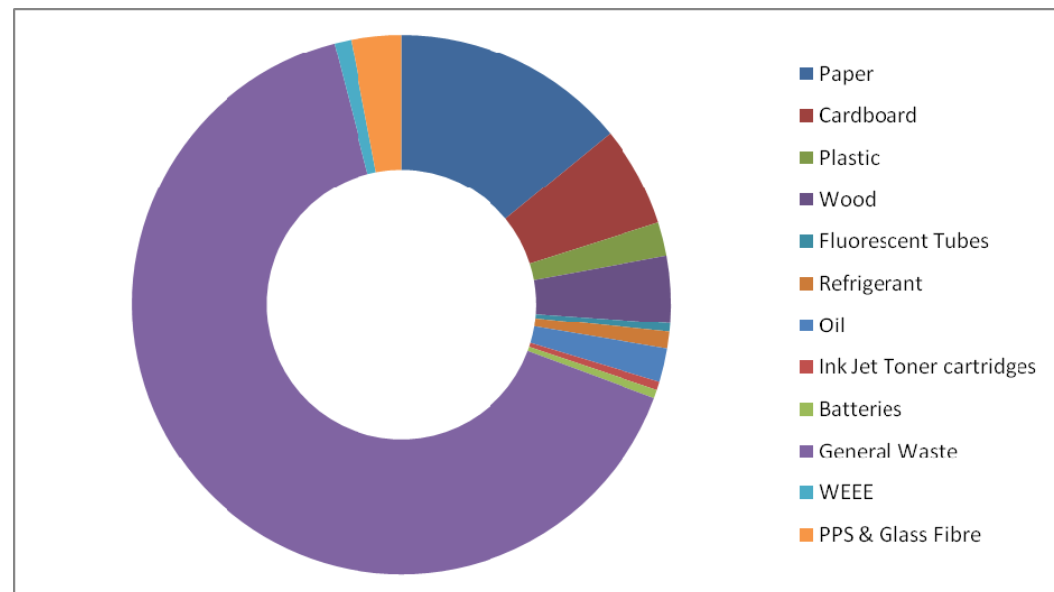


FIG 8.

Waste & Recycling Profile
continued...

In 2010 100% of company general waste was disposed into landfill. It is the Company's aim in 2011 to reduce this figure by 10% by effectively separating our general waste into recycling streams.

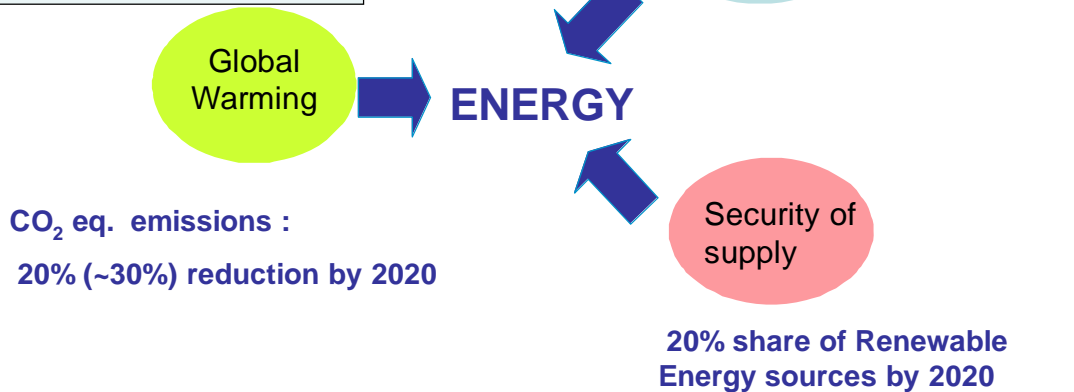
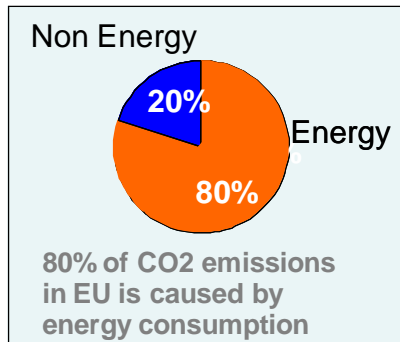
In 2010 approximately 75% of our cardboard was either recycled or reused.

Currently commercially sensitive paper is shredded and recycled and this has resulted in saving the equivalent of 23 trees. It is our aim to reduce our paper usage and paper going to general waste.

Future Strategies

In line with J & E Hall's Fusion 15 plan, which sets the long term goals of the Company, the environmental impacts have been considered. The future environmental policies of J & E Hall up to 2015 will assist in identifying and achieving this goal.

Daikin's EU 20-20-20 Policy





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