



Report Date: August 5, 2024
Audit Date: August 1, 2024
Factory ID number: P-518/PA-006

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Subject: **Summary of Findings - Supplier GBS Audit**
Chao'an Jiexing Ceramics Co., Ltd. (P-518/PA-006)
Shejiao Road, Shenglian Management Zone, Fuyang Town, Chao'an District,
Chaozhou City, Guangdong Province, China

Audit Cycle: Number of NBCU Audits 7

The sixth audit was conducted by Billy Li from ESTS on July 29, 2022 under factory ID P-518/PA-006;
The fifth audit was conducted by Jonsen Wu from ESTS on July 3, 2020 under factory ID P-518/PA-006;
The fourth audit was conducted by Karen Yuan from AECOM on January 19, 2018 under factory ID P-518;
The third audit was conducted by Robert Zhang from AECOM on December 9, 2016 under factory ID P-518/PA-006;
The second audit was conducted by Summer Chen from AECOM on November 19, 2014 under factory ID PA-006; and
The initial audit was conducted by Summer Chen from AECOM on August 22, 2013 under factory ID PA-006.

This report summarizes the findings of the Environment, Health and Safety Audit conducted at the facility of **Chao'an Jiexing Ceramics Co., Ltd.** located at **Shejiao Road, Shenglian Management Zone, Fuyang Town, Chao'an District, Chaozhou City, Guangdong Province, China.**

The findings of the GBS Reviews were based upon a review of the documents furnished by **Chao'an Jiexing Ceramics Co., Ltd.** and the observations obtained by **ESTS** on behalf of NBCUniversal during the Site visit on **August 1, 2024**. For the purpose of this audit, the facility of **Chao'an Jiexing Ceramics Co., Ltd.** is referred to as the 'Site' in this report.

Guidance:

The GBS Assessment Report summarizes the Site audit findings and includes a corrective, and preventative action plan that both the Auditor and the Site Manager believe is reasonable to ensure conformity with the country specific and local laws.

NBCUniversal (NBCU) upholds a worldwide reputation for integrity and high standards of business conduct. NBCU Supplier Relationship Policy requires that we source only from Factories who comply

with local laws and any applicable NBCU standards in such areas as labour, environment, health and safety. In order to ensure compliance with applicable laws and company policies, please provide evidence of closure on all open red findings within 90 days from receipt of report.

If you have any questions about the memorandum, please contact Joey Que / ESTS <Joey.Que@estsglobal.com> and Wayne Stem / NBC Universal <Wayne.Stem@universalorlando.com>.

"ESTS" (on behalf of NBCUniversal)

FINAL REPORT

Supplier General Information	
Name of Factory	Chao'an Jiexing Ceramics Co., Ltd. 潮州市潮安区杰星陶瓷有限公司
Physical Location Address	Shejiao Road, Shenglian Management Zone, Fuyang Town, Chao'an District, Chaozhou City, Guangdong Province, China 中国广东省潮州市潮安区浮洋镇胜联管区社教路
Factory Contact Name(s)	Ms. Danfen Cai / Manager Assistant
Factory Contact Number/Email	Tel: +86-768-6819612 Mobile: +86-13480090592 Email: keystarxm@hotmail.com
Official Factory Website	None
Waivers from Government	None
Certifications received from Government or other Companies.	None
Principle Products Manufactured	Glass and Ceramic Cups
Annual Output of Products	Approximately 400,000 pieces
Major Customers	BI, CPI and etc.
Production Process	Decalcomania Processing, Decal Firing, Inspection and Packing
Factory Normal Working Days and Normal Work Hours	All departments run five days a week in one shift from Monday to Friday, five days a week. Daily working hours: 08:00-12:00, 14:00-18:00 (8 hours per day).
Departments that run more than one shift	None
Peak Production Months	None
Number of Production Buildings	Two 3-storey production/warehouse buildings
Canteen/Cafeteria Services	None
Dormitories	None
Security	Security guards work 24 hours a day in 2 shifts and 7 days per week at the Site compound and security facilities such as surveillance cameras are available to ensure security.
Overall findings	In view of findings raised, non-compliances were observed in the area of Environmental Conditions. Details of the findings are listed below. For all other areas, no violations or non-compliances were noted.
Findings	Total Findings 4 Black Flags - 0 Red Flags - 4 Yellow Flags - 0

<p>Permits - the following government documents and permits were provided for review.</p>	<ol style="list-style-type: none"> 1. One Work Safety Training Certificate issued by Chaozhou City Guangdu Work Safety Technology Training Co., Ltd. on April 30, 2024, within validity period; 2. Environmental Impact Assessment (EIA) Registration Form for new project filled by the Site and corresponding EIA Approval issued by Chaozhou City Environment Protection Bureau (EPB) on January 23, 2006; 3. Environmental Protection Check and Acceptance (EPCA) Approval for new project issued by Chaozhou City EPB on January 23, 2006; 4. EIA Statement Form for new project compiled by Chaozhou City Environment Protection Institute (hereinafter as "EPI") on January 23, 2006; 5. EIA Approval for new project issued by Chao'an County EPB on January 24, 2006; 6. EIA Statement Form for expansion project compiled by Chaozhou City EPI on October 14, 2014; 7. EIA Approval for expansion project issued by Chaozhou City Chao'an District EPB on November 17, 2014; 8. EPCA Approval for expansion project issued by Chaozhou City Chao'an District EPB on December 24, 2014; 9. Stationary Pollution Sources Discharge Registration Receipt obtained by the Site on April 30, 2020, valid until April 29, 2025; 10. Occupational Health Hazards Registration (OHR) and Return Receipt issued by Chao'an District Health Bureau on June 20, 2024; 11. Industrial Hygiene (IH) Monitoring Report regarding high temperature and noise issued by Guangdong Huicheng Testing Technology Co., Ltd. on April 2, 2024; 12. 3 on-the-job Occupational Health Check-up Reports issued by Chaozhou City Traditional Chinese Medical Hospital in the past 12 months (No newly recruited or resigned workers exposed to occupational health hazards in the past 12 months); 13. Special Equipment Registration and Inspection Report of 1 elevator, both within validity periods; 14. Work Permits of 1 electrician and 1 special equipment management staff, both within validity periods; 15. 4 First Aider Certificates issued by Chaozhou City Red Cross Society, all within validity periods; and 16. Two Fire Protection Check and Acceptance (FPCA) Approvals for three 3-storey production buildings and one 3-storey office building obtained by the Site and issued by Chao'an Country Public Security Fire Brigade on February 1, 1999 and March 10, 2009 respectively.
<p>Audit Score Percentage and Audit Re-extension Status</p>	<p>The audit score is 95%.</p> <p><i>NBCUniversal has implemented an audit performance scoring system for the purpose of granting extensions to the company's annual re-audit requirement. This score is used to calculate re-audit timing only and is <u>not</u> approval for production to commence.</i></p> <p><u>Audit Approval Extensions:</u></p>

	<ul style="list-style-type: none"> ○ <u>Extensions may be offered only if the factory has corrected and closed all findings.</u> NBCU discretion is allowed. Note all approval periods are from the audit date. ○ Below 85%= 12 month approval ○ 85%-92%= 18 month approval ○ 93% and above= 24 month approval <p><u>Production Authorization:</u></p> <ul style="list-style-type: none"> ○ If this is the initial audit of the factory production cannot commence <u>until all red flagged findings are addressed</u> and official notification is received from the NBCUniversal business unit. Please note that production is not allowed until your factory has been approved and an NBCU approval letter is received.
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Background

In September 1998, Chao'an Jiexing Ceramics Co., Ltd. (潮安县杰星陶瓷有限公司, hereinafter as the "Site") was established as a trading company at the current owned premises: Industrial Development Zone, Fuyang Town, Chao'an County, Chaozhou City, Guangdong Province, China (中国广东省潮州市潮安县浮洋镇工业开发区).

In 2002, the Site introduced two decal firing production lines and commenced production as the initial project.

In 2014, the Site added one new decal firing production line, installed air emission collection and treatment facilities and expanded its annual production capability from 800,000 pieces to 846,000 pieces as the expansion project.

In April 2016, the Site changed its Chinese name to "潮州市潮安区杰星陶瓷有限公司" and the address of the Site was updated to Shejiao Road, Shenglian Management Zone, Fuyang Town, Chao'an District, Chaozhou City, Guangdong Province, China (中国广东省潮州市潮安区浮洋镇胜联管区社教路) at the same time by the local government, but the actual location of the Site is not changed. The Site was previously audited by NBCU under the factory ID of P-063 in 2006.

Reportedly, the sand blasting and polishing processes had been cancelled since 2008, though the corresponding production equipment were kept at the Site.

The Site occupies four 3-storey buildings with a total construction area of 4,650 square meters. Detailed layout of the buildings is listed as below:

- One 3-storey office building.
- One 3-storey production building:
 - The 1/F is used as finished goods warehouses;
 - The 2/F is used as the inspection and packing workshops; and
 - The 3/F is used as semi-finished goods and packing material warehouses.
- One 3-storey production building:
 - The 1/F is used as material warehouse;
 - The 2/F is used as the decalomania processing and decal firing workshops, and the unused polishing and sand blasting workshops; and
 - The 3/F is used as semi-finished goods warehouse.
- One 3-storey sample exhibition building:
 - The 1/F and 2/F are used as sample exhibition rooms; and
 - The 3/F is idle.

Adjacent facilities and properties of the Site are identified as follows:

- East: One road and Chaozhou Yonghuang Ceramic Co., Ltd. (潮州市永煌陶瓷有限公司);
- South: One road, stores and residential buildings;
- West: Chaozhou Jiamei Art and Craft Co., Ltd. (潮州市嘉美工艺品有限公司); and
- North: Chaozhou Chaoan Yiqing Resin Craftwork Factory (潮州市潮安区亿卿树脂工艺厂).

The Site is located in an industrial area and surrounded by roads, stores, residential buildings and other factories. The closest environmental sensitive receptors are residential buildings located about 10 meters to the south boundary of the Site.

The raw materials used mainly are semi-finished ceramic cups, semi-finished glass cups and decal paper. The main chemical used at the Site is lubricant oil.

Air emission from the Site mainly includes odour from the decal firing process, which is collected and discharged through three high exhaust stacks after being treated by three sets of activated carbon absorbers.

No industrial wastewater is discharged by the Site. Domestic wastewater from washrooms is discharged into the municipal sewer system after being treated by septic tanks at the Site.

No obvious noise is generated at the Site.

GBS/EHS Management:

Mr. Haitao Wu, Factory Manager of the Site, takes charge of the general Environment, Health and Safety (EHS) affairs. And he is holding a safety certificate in safety management.

Employee Interview

Number of Selected Employees: There were total 28 employees working at the Site. During the audit, 10 employees (35.71%) were randomly selected for interview according to the roster and during the Site tour.

Age Groups/Gender: Of the 10 interviewed employees, 2 are 20-30 years old, 5 are 31-40 and 3 are 40-54 years old, including 4 males and 6 females.

Employment Period: Of the 10 interviewed employees, 1 has worked for 1-2 years, 7 have worked for 3-5 years and 2 have worked for 5-9 years.

Operational Activities: All the interviewed employees were from decalcomania processing, decal firing, inspection and packing workshops, which covered all processes and positions at the Site.

Finding Numbers: Nil

Best Practices:

None

Opening and Closing Meetings:

An opening meeting was conducted at about 8:40 and attended by the Site representatives, including Mr. Haitao Wu (Factory Manager) and Ms. Danfen Cai (Manager Assistant) together with Joey Que (ESTS Auditor). The auditor introduced the purpose, contents and procedure of the audit, NBCU Manufacturer Code of Conduct (COC), as well as the Factory Awareness Guide. The Site representative Ms. Danfen Cai signed the NBCU Manufacturer COC.

A closing meeting was conducted at about 16:50 and attended by the Site representatives, including Mr. Haitao Wu (Factory Manager) and Ms. Danfen Cai (Manager Assistant) together with Joey Que (ESTS Auditor). The auditor raised the issues identified and introduced the follow-up section. All findings were confirmed by the Site representatives. The Site representatives expressed that they were willing to follow the relevant requirements of NBCU and close the findings as soon as possible.

Results Summary

Section	Is there a finding?	If there is a finding, then list finding ID/Flag Type	Auditor Notes
Underage Labor	No	/	/
Forced Labor	No	/	/
Prison Labor	No	/	/
Working Hours	No	/	/
Wages & Compensation	No	/	/
Discrimination/Human Rights	No	/	/
Freedom of Association	No	/	/
Facilities/Building Conditions	No	/	/
Fire Prevention/Emergency Response	No	/	/
Occupational Health & Safety (Include all permits)	No	/	/
Environmental Conditions (Include Waste, Air, Water)	Yes	2.11 - Red flag 2.15 - Red flag 2.32.1 - Red flag 2.32.2 - Red flag	/
Dormitories	N/A	/	/
Canteen & Cafeteria Services	N/A	/	/
Medical	No	/	/
Security	No	/	/

1. Number of Fulltime Employees/Workers

Department	First Shift	Second Shift	Third Shift as applicable	Peak Season
Administration / Office	10	/	/	/
EHS	1	/	/	/
Decalcomania Processing	5	/	/	/
Decal Firing	1	/	/	/
Inspection and Packing	6	/	/	/
Warehouse	1	/	/	/
Other	4	/	/	/
Total Number of Employees/Workers	28	/	/	/

2. Production Process – include chemicals used in the production process

Production process	Check if applicable to Site	Chemicals used	Approximate volume of chemicals used/stored monthly as observed by Auditor
Machine Maintenance	Yes	Lubricant Oil	1 kg

Findings to be Addressed:

NBCUniversal has implemented an audit performance scoring system for the purpose of granting extensions to the company's annual re-audit requirement. **This score is used to calculate re-audit timing only and is not approval for production to commence.**

○ **Audit Approval Extensions:**

- If the factory scores below 85% on an audit, a 12-month re-audit cycle will apply, without exception.
- If the factory scores 85% or better **and corrects and closes all audit findings**, the factory could qualify for an extension of the re-audit. The annual audit requirement may be extended to 18 or 24 months depending on the audit score.

○ **Production Authorization:**

- If this is the initial audit of the factory production cannot commence **until all red flagged findings are addressed** and official notification is received from the NBCUniversal business unit. Please note that production is not allowed until your factory has been approved and an NBCU approval letter is received.

No. 编号	Finding Category 问题点类别	Repeat Finding 重复问题	Flag Type 红旗	Audit Findings 问题点	Recommendations 整改建议	Photos 照片
2.11	Waste Water 废水	Yes 是	Red 红旗	2.11 No industrial wastewater is discharged at the Site. Domestic wastewater from washrooms is discharged into the municipal sewer system after being treated by septic tanks at the Site. However, the Site did not conduct environmental monitoring for the discharged domestic wastewater in the past 12 months, and the compliance status was unknown. 工厂没有工业废水排放。洗手间产生的生活污水经厂区的化粪池处理后排入市政污水管道。然而，过去 12 个月内，工厂没有对排放的生活污水进行环境检测，达标情况未知。	2.11 The Site should contact a licensed monitoring institution to conduct environmental monitoring for the discharged domestic wastewater annually. If monitoring results exceed discharge limits, the Site should take corrective actions to meet the requirements. The discharged domestic wastewater should meet the Class II Standard for the Second Period of Guangdong Province Discharge Limits of Water Pollutants (DB44/26-2001). 工厂应联系有资质的检测单位对排放的生活污水每年进行环境检测。如果检测结果超过标准，工厂应按要求进行整改。 生活污水排放需达到广东省《水污染物排放限值》(DB44/26-2001)第二时段二级标准。	N/A
2.15	Air Emissions 废气	Yes 是	Red 红旗	2.15 Air emission from the Site mainly includes odour from the decal firing process, which is collected and discharged through three high	2.15 The Site should contact a licensed monitoring institution to conduct environmental monitoring for odour from the	N/A

No. 编号	Finding Category 问题点类别	Repeat Finding 重复问题	Flag Type 红旗	Audit Findings 问题点	Recommendations 整改建议	Photos 照片
				<p>exhaust stacks after being treated by three sets of activated carbon absorbers. However, the Site did not conduct environmental monitoring for the air emission in the past 12 months and the compliance status was unknown.</p> <p>工厂的废气污染物为烤花工序产生的臭气，经收集并经 3 套活性炭吸附装置处理后通过 3 个排气筒高空排放。然而，过去 12 个月中，工厂没有对该废气进行环境检测，达标情况未知。</p>	<p>decal firing process annually. If monitoring results exceed discharge limits, the Site should take corrective actions to meet the requirements.</p> <p>The discharged odour from the decal firing process should meet the corresponding Discharge Standard of 15 meters high stack of Emission Standard for Odour Pollutants (GB14554-93).</p> <p>工厂应联系有资质的检测单位对烤花工序产生的臭气每年进行环境检测。如果检测结果超过标准，工厂应按要求进行整改。</p> <p>烤花工序产生的臭气排放需达到《恶臭污染物排放标准》（GB14554-93）中排气筒高度为 15 米对应的恶臭排放标准。</p>	
2.32.1	Hazardous Waste Mgmt. 危险废物管理	No 否	Red 红旗	<p>2.32.1 Hazardous waste generated onsite is waste activated carbons. The Site did not set up one dedicated storage area for the hazardous waste.</p> <p>工厂的危险废物为废活性炭。工厂没有为危险废物设置特定的存放区域。</p>	<p>2.32.1 The Site should set up a dedicated storage area for the hazardous waste. A dedicated hazardous wastes storage area should protect hazardous wastes from wind, rain and sunrays and should be equipped with leakage prevention facility, hazardous waste labels, fire extinguishers, and warning signs.</p> <p>工厂应设置特定的危险废物存放区。设置的特定的危险废物存放区域需防风、防雨、防晒，并设置防泄漏装置、危险废物标签、灭火器和警示标识。</p>	N/A
2.32.2	Hazardous Waste Mgmt. 危险废物管理	Yes 是	Red 红旗	<p>2.32.2 Hazardous waste generated on-site mainly includes waste activated carbons from air emission treatment facilities. However, the Site did not provide hazardous wastes disposal contract or transfer records for review.</p> <p>工厂产生的危险废物主要为废气处理设施的废活性炭。但工厂未能提供危险废物处理合同和转移</p>	<p>2.32.2 The Site should contact a licensed hazardous waste disposal company to dispose waste activated carbons, and keep the hazardous waste disposal contract and transfer records for review.</p> <p>工厂应联系一家有资质的危险废物处理商来处理废活性炭，并应保留危险废物处理合同</p>	N/A

No. 编号	Finding Category 问题点类别	Repeat Finding 重复问题	Flag Type 红旗	Audit Findings 问题点	Recommendations 整改建议	Photos 照片
				记录供审阅。	和转移记录以供审阅。	

Notes (备注)

1. **Black Flag** - if there is a finding of possible child or prison labor, factory will be disqualified for use if confirmed.
黑旗 – 如果工厂有疑似童工或者狱工的问题点，确认后，工厂将被取消使用资格。
2. **Red Flag** - all red flagged findings must be closed or downgraded within 90 days of the audit. (If you are unable to meet the closure timeline, please contact Joey Que / ESTS <Joey.Que@estsglobal.com> and Wayne Stem / NBC Universal <Wayne.Stem@universalorlando.com>).
红旗 – 所有的红旗问题点都必须在审核后的 90 天内关闭或者降级。（如果在规定的时间节点内无法完成整改，请联系 Joey Que / ESTS <Joey.Que@estsglobal.com> 或 Wayne Stem / NBC Universal <Wayne.Stem@universalorlando.com>）。
3. **Yellow Flag** - all yellow flagged findings must be closed before scheduled re-audit.
黄旗 – 所有的黄旗问题点都必须在预定的复审时间之前关闭。

Photo Summary:

	
Entrance View from the Street of the Factory	Factory Gate and Factory Name
	
East of the Site	South of the Site
	
West of the Site	North of the Site



Production Building



Decalcomania Processing Area



Decal Firing Area



Inspection and Packing Area



Material Warehouse



Finished Goods Warehouse



Collection Facility for Odour from the Decal Firing Process



Treatment Facility for Odour from the Decal Firing Production Line #1



Treatment Facility for Odour from the Decal Firing Production Line #2



Treatment Facility for Odour from the Decal Firing Production Line #3



Discharge Outlet for Odour from the Decal Firing Production Line #1



Discharge Outlets for Odour from the Decal Firing Production Lines #2&3

	Nil
Domestic Wastewater Discharge Outlet	NA