

# Audit Report

## Global Standard for Agents and Brokers Issue 2: February 2018

1. Audit Summary			
Company name	Xiamen Funian Import & Export Co. Ltd.	BRC Site Code	1403192
Operation	Broker		
Services	Export		
Scope of audit	Broker of fresh pomelos.		
Exclusion from scope	None		
Product categories	1 - Chilled and frozen food		

2. Audit Results					
Audit result	Certificated	Audit grade	A	Audit type	Announced
Audit frequency	12 months	Audit finish date	2018-08-10	Re-audit due date	2019-08-10
Previous audit grade	No Grade	Previous audit date	NA		

Voluntary modules included		
Modules	Result	Details
Choose a module	Choose an item	NA

Number of Non-Conformities	Critical	0
	Major	0
	Minor	6

3. Company Details			
Address	Room 19E, No.29 North Hubin Road, Siming District, Xiamen 361012		
Country	China	Site Telephone	0086-592-5314097
Commercial representative name	Wen Mindong	Email	wmd@xm-flourish.com
Technical representative name	Wen Mindong	Email	wmd@xm-flourish.com
Certification Body name and address Micron2 Ltd, Betton Mill, Betton Rd, Market Drayton TF9 1HH UK			
AB206 English Agents & Brokers Template version 2 17/5/2018 Micron2 2018 v 2	Page 1	Report No. MZ002/BRC A&B/18	Auditor: Zheng Mingqiang

4. Company Profile					
No. of employees	6	No. of suppliers of products/services	5	No. of product categories traded	1
Other certificates held	None				
Product recalls in last 12 Months	No				
Regions actively exporting to	Asia North America Europe				
Regions actively importing from	None				
Major changes since last BRC audit	This is first BRC audit				
<p>Company Description</p> <p>Xiamen Funian Import and Export Co. Ltd. was founded in December 2013, located in Xiamen which well know as sea Garden city.</p> <p>As a professional fruits import and export co. Ltd., our main fruit products are pomelo, citrus and so on, fruits are mainly sold to Europe, Russia, Canada and Southeast Asia. Our all products are from the experienced exporting registered factory, and we established food safety management system to ensure export food hygiene, formulated quality manual, the process of food processing using standardized HACCP management system. The hygiene management implements the SSOP management procedure, and has the facility complete standardization laboratory, set up the quality management department headed by the general manager, strictly controls the product quality. On this basis, according to the basic principles of HACCP, the company improved the company food safety management system. Ensure the safety of our products.</p>					

Audited Location		
Site Name	Country	BRC Site Code
Office	China	1403192

Additional Locations		
Site Name	Country	BRC Site Code
NA		

Certification Body name and address Micron2 Ltd, Betton Mill, Betton Rd, Market Drayton TF9 1HH UK			
AB206 English Agents & Brokers Template version 2 17/5/2018 Micron2 2018 v 2	Page 2	Report No. MZ002/BRC A&B/18	Auditor: Zheng Mingqiang

### 5. Audit Duration Details

On-site duration	8 man hours
Reasons for deviation from typical or expected audit duration	NA

### Audit Duration per day

Audit Days	Audit Date(s)	Audit Start Time	Audit Finish Time
1	2018-08-10	9:00	18:00

### 6. Key Personnel

Auditor Number	167039	Auditor Names and roles	Zheng Mingqiang – Lead Auditor
----------------	--------	-------------------------	--------------------------------

### Present at audit

Note: the most senior manager on site should be listed first and be present at both opening & closing meetings:			
Name / Job Title	Opening Meeting	Procedure Review	Closing Meeting
Wen Mindong / GM	x	x	x
Zhang Shujun / Purchase	x	x	x
Zhang Qunpeng / QA	x	x	x
Lin Yating / Booking Space	x	x	x
Zhang Shuyan / Office	x	x	x
Lei Guixiang / Finance	x		x

Certification Body name and address Micron2 Ltd, Betton Mill, Betton Rd, Market Drayton TF9 1HH UK			
AB206 English Agents & Brokers Template version 2 17/5/2018 Micron2 2018 v 2	Page 3	Report No. MZ002/BRC A&B/18	Auditor: Zheng Mingqiang

# Non-Conformity Summary Sheet

Critical			
No.	Clause	Details of non-conformity	Anticipated re-audit date

Major							
No.	Clause	Details of non-conformity	Correction	Proposed Preventive Action Plan (based on root cause analysis)	Evidence provided document, photograph, visit/other	Date reviewed	Reviewed by

Certification Body name and address			
AB206 English Agents & Brokers Template version 2 17/5/2018	Page 4	Report No. MZ002/BRC A&B/18	Auditor: Zheng Mingqiang

Minor

No.	Clause	Details of non-conformity	Correction	Proposed Preventive Action Plan (based on root cause analysis)	Evidence provided document, photograph, visit/other	Date reviewed	Reviewed by
1	2.5	The process flow diagram did not include the process for damaged or rejected product.	Revise the process flow chart and add the disposal process of damaged or nonconforming product.	Reason analysis: lack of understanding of process details, not paying attention to the treatment of unqualified products Action plan: 1. Trained HACCP team members to learn BRC standard requirements; 2. Confirmed the process flow chart again and kept records.	Document and training record	2018-09-04	MZ
2	2.6	Find the hazard and risk analysis did not include and analyse physical contamination and physical damage.	In the hazard analysis, the risk of physical pollution is added, and the preventive measures are formulated according to the analysis results.	Reason analysis: Thought that the product has the outer packing for the finished product, neglected Action plan: train HACCP team members to understand the standard details and keep records	Document and training record	2018-09-04	MZ
3	2.8.1	Spot check contracts and find that the supplier was not required to communicate with company when the site's hazard and risk management plan is changed.	1. The supplier has been informed, and the new contract has added the requirement of "timely notice when changing the hazard risk plan" 2. Trained the responsible personnel of procurement, and performed as required	Reason analysis: there are related requirements, but they are not reflected in the contract Action plan: when the contract is reviewed, it will focus on the change requirements of the risk management plan.	Contract and training record	2018-09-04	MZ
4	3.6.4	Find one specification of customer Metro Group was dated in 2013, which was more	1. Contact Metro Group timely to ask for the new specifications 2. Train the management	Reason analysis: Have communicated with Metro Group and did not update the specification because of no change	Specifications and training record	2018-09-04	MZ

Certification Body name and address

AB206 English Agents & Brokers Template version 2  
17/5/2018

Page 5

Report No. MZ002/BRC A&B/18

Auditor: Zheng Mingqiang

Minor							
		than 3 years.	personnel and update the specifications according to the standard requirements	Action plan: review the specification at least every three years and keep the review record			
5	4.1.1	There was a supplier approval procedure in place, but the risk assessment was not considered as requirements of BRC.	Re-evaluate supplier risk in accordance with standard requirements and train related personnel	Reason analysis: the risk assessment of suppliers is not detailed enough and the analysis process is not specified Action plan: strictly control the preventive measures according to the risk assessment results, and the quality inspection shall be responsible for supervising the implementation.	Assessment and training record	2018-09-04	MZ
6	4.4.1	Company did not supply the documented product sampling or verification programme.	Establish product sampling plan and follow up	Cause analysis: the original sample test, but did not form a specific document Action plan: train the person in charge and implement the plan strictly according to the sampling plan	Sample testing plan and training record	2018-09-04	MZ

Comments on non-conformities

Certification Body name and address			
AB206 English Agents & Brokers Template version 2 17/5/2018	Page 6	Report No. MZ002/BRC A&B/18	Auditor: Zheng Mingqiang

# Detailed Audit Report

## 1. Senior Management Commitment

### Summary

A documented policy was signed by GM Wen Mindong and issued on 2017-11-10 and training had been conducted. Seven clear objectives had been defined and had been monitored and results had been recorded, for example: contract review should be 100%, consumer satisfaction was 97.33% which was required  $\geq 95\%$ , purchase in time was 100% which was required  $\geq 95\%$ , purchase conformity was 100%, document control was 100%, training was 100%, product sample testing was 100%. The document was dated on 2018-07-05 and frequency was every half a year. Management review meetings had been planned and conducted on 2018-07-05 and attended by all senior management. The meeting decisions were: 1. Strengthen the contract management. 2. Strengthen the training of supplier assessment. A system in place to ensure any relevant legislation is kept informed. The records show the managements hold meeting, most recently on 2018-07-09. Human and financial resources could fulfil with the requirements of food safety. Legislation where the products will be sold could be collected by local CIQ, Internet and clients. The company had been registered at Fujian CIQ and the register No. 3995611069. Company senior managers had attended the opening and closing meeting. An organisation chart and documented work instructions are in place and it is clearly documented who deputises in the absence of the responsible person, e.g. QA Zhang Qunpeng deputised by GM Wen Mindong.

### N/A Clauses

<u>No.</u>	<u>Justification</u>
1.1.9	This is the first BRC audit for the company
1.1.11	This is the first BRC audit for the company

## 2. Hazard and Risk Assessment

### Summary

The HACCP team comprised the GM & business Wen Mindong, Office Zhang Shuyan, QA Zhang Qunpeng, purchase Zhang Shujun. The Team Leader was Wen Mindong who is the General Manager of the company and had been trained about HACCP. All other team members had been trained internally. All products and processes are defined in the scope of the HACCP study, and detailed product descriptions are present e.g. Fresh pomelo, no rotten, pesticide residue should be met the requirements of received Countries, fresh, no physical injuring and no pest, sold to markets or retailers or eat directly, ambient storage, between 2-12C distribution, shelf life: 6 months, packaging: PE film with woven net and cartons. A process flow diagram is in place. **The process flow diagram did not include the process for damaged or rejected product. See NC 2.5.** The hazards analysed included consideration of physical hazards (foreign bodies, glass, metal including knife and blade control), allergens, microbiological and chemical of products and allergens. Hazards and risk ratings determined on the basis of likelihood (1,2,3,4,5) and severity (1,2,3,4). **Find the hazard and risk analysis did not include and analyse physical contamination and physical damage. See NC 2.6.** Company can ensure that subcontracted service providers effectively manage their operations to

Certification Body name and address Micron2 Ltd, Betton Mill, Betton Rd, Market Drayton TF9 1HH UK			
AB206 English Agents & Brokers Template version 1 24/01/2018 Micron2 2018 v 2	Page 7	Report No. MZ002/BRC A&B/18	Auditor: Zheng Mingqiang

**This report shall not be reproduced in part without the permission of Micron2 Ltd**

If you would like to feedback comments on the BRC Global Standard or the audit process directly to BRC, please contact enquiries@brglobalstandards.com

prevent or eliminate a significant hazard or reduce it to acceptable limits, e.g. contracted with Xiamen Shihong Transport Co. on 2018-08-01 for chilled transport.

They also review HACCP of suppliers by asking for the BRC certificates of suppliers. Examples were seen for all forms of suppliers: Products from Pinghe Flourish Fruit Industrial Co. BRC code 2336342.

**Spot check contracts and find that the supplier was not required to communicate with company when the site's hazard and risk management plan is changed. See NC 2.8.1.**

There shall be effective processes to monitor and verify that the processes operated by subcontracted service providers are effectively controlling the hazards identified. E.g. FN-CX-12-2017.

Corrective actions are fully documented in the CCP summaries and are appropriate and detailed, e.g. FN-CX-18-2017.

The hazard and risk analysis system is reviewed by the HACCP team annually, most recently 2018-06-10.

### N/A Clauses

No.	Justification
NA	

## 3. Product Safety and Quality Management System

### Summary

#### Document

They have a Manual which covers all the sections of this Standard using the same numbering. Currently the overall revision ref: FN-CX-XX-2017. It includes a document control procedure with details of issue numbers and changes in an index. The procedure was controlled by Zhang Shujun who approves the documents and ensures that old documents are rescinded. The latest version was dated on 2017-11-01. Document was changed and issued by Zhang Shujun.

#### Records

They hold records for at least 3 years, more than one year than products shelf life. Electronic records are backed up on the server weekly. Product's shelf life are 6 months. No records are held by 3<sup>rd</sup> parties. Some records are retained by their suppliers, e.g. Pinghe Flourish Fruit Industrial Co.

#### Customer Communication

The company complete details on customer specific requirements by email. The company had effective processes to communicate them to the relevant suppliers of products and services, e.g. using email. Requirements of customer Capespain dated on 2018-07-02 and supplier communication dated on 2018-08-09.

#### Internal Audit

They have carried out a risk assessment to determine audit frequency and have determined all activities should be done annually. The internal audit plan ref: R4.18.1 was in place. Zhang Shujun and Wen Mindong who had been trained according to BRC A&B standard. Recently internal audit was carried out on 2018-06-13. Audit report has in place. Records compliance and 1 NC found this time, e.g. Forwarder company was not reviewed this year.

#### Specifications

Products specifications had been together listed in books. Products to comply with relevant Countries. **Find one specification of customer Metro Group was dated in 2013, which was more than 3 years. See NC 3.6.4.** Specifications as attachment of contract and listed together with relevant contract. Example of product specification Metro Group specification No. STOUF.FRT.003.01-01.

#### Traceability

The company maintained a traceability system for all products, which identifies the last manufacturer or place of last significant change of the product Records also was maintained to identify the recipient of each batch of product from the company. The system is tested at a frequency of: every year.

Certification Body name and address Micron2 Ltd, Betton Mill, Betton Rd, Market Drayton TF9 1HH UK

AB206 English Agents & Brokers Template version 1  
24/01/2018 Micron2 2018 v 2

Page 8

Report No. MZ002/BRC A&B/18

Auditor: Zheng Mingqiang

**This report shall not be reproduced in part without the permission of Micron2 Ltd**

If you would like to feedback comments on the BRC Global Standard or the audit process directly to BRC, please contact enquiries@brglobalstandards.com



Results of the latest test were examined: 2018-06-25 fresh pomelo, No. YZ180204, quantities 17864kg, export to Anton Durbeck GmbH on 2018-02-06.  
 A vertical test was also carried out during the evaluation including a mass balance on and the results were as follow:  
 Fresh pomelo No. YZ180112 quantities 17160kg, export to Capespan Continent N.V. on 2017-12-16, Ship was Ever Diadem No. 132N, from Xiamen Port to Rotterdam Port, Container was from KAWASAKI KISEN KAISHA Ltd, No. TGHU9949171.  
 The company used asking BRC certificates or auditing on site to verify the traceability system of suppliers.

Complaints & Non Conforming Product

No complaints are happened. All of complaints had been in analysis report and corrective action had been taken.  
 Complaints handle procedure in Quality manual is in place FN-CX-08-2017 and it had included relevant subcontractors. The procedure includes the requirement for RCA and trend analysis. Dot check one complaint had been handled in time.  
 The company had document procedure for the handling of corrective actions ref: FN-CX-18-2017 and control of non conforming products ref: FN-CX-17-2917.  
 Decisions regarding the disposition of affected products are authorised by on site QA Zhang Qunpeng. E.g. 2018-05-10 spot checking the colour of pomelos were dark, 5 out of 30pcs, then re-sort the products.

Management of Incidents, Product Withdraw and recall

Crisis procedure was in place to ensure that action could be effected at any time. Ref: FN-CX-19-2017.  
 There is a procedure for the management of product recall and withdrawal ref: FN-CX-22-2017.  
 The procedure includes guidelines on the decision to recall or withdraw, details of the crisis management team, emergency services, customers, suppliers, regulatory authority and external agencies, certification body, corrective and preventive action and business recovery. The procedure includes the arrangements for incidents occurring outside normal working hours.  
 The most recent mock product recall test was carried out on 2018-02-19, No. YZ180130, quantities 18304kg distributed to Metro of Russia.

**N/A Clauses**

No.	Justification
3.3.3	No records are held by third parties
3.7.3	No further processed product is behalf of the company
3.8.3	No compliant happened since last year
3.11.4	There was no product recall since previous BRC audit.

**4. Supplier and Sub-contracted Service Management**

**Summary**

Supplier Approval

All suppliers are approved and monitored in accordance with procedure ref: FN-CX-11-2017. Approval is based on BRC GFSI certification and site evaluation. There is 1 product supplier and the supplier had the BRC Global Standard for food safety certificates. Relevant list is in place, e.g. Pinghe Flourish Fruit Industrial Co BRC code: 2336342. **There was a supplier approval procedure in place, but the risk assessment was not considered as requirements of BRC. See NC 4.1.1.**  
 There is a procedure for service suppliers ref: FN-CX-12-2017. The company has 2 service

Certification Body name and address Micron2 Ltd, Betton Mill, Betton Rd, Market Drayton TF9 1HH UK			
AB206 English Agents & Brokers Template version 1 24/01/2018 Micron2 2018 v 2	Page 9	Report No. MZ002/BRC A&B/18	Auditor: Zheng Mingqiang

subcontract: transport and test services. There are 4 service suppliers for transport and test services. Relevant contracts are in place, e.g. contracted with Xiamen Shihong Transport Co. on 2018-08-01, Xiamen Zhijie International Transport Co.

Product Security/Food Defence

The manager audit takes in food defence and effectively a risk assessment in place. Their procedure ref: FN-CX-31-2017 requires these standards which therefore include food defence. Food defence checklist is in place and it had been included into supplier evaluation process. Company ask for BRC certificate or requirements in contracts.

Product Inspection and Laboratory Testing

There have a system of production inspection and testing for all suppliers. There are 2 employees for QA and QC. **Company did not supply the documented product sampling or verification programme. See NC 4.4.1.** Major control items are pesticide residue, rotten and heavy metal. Each batch product has relevant pesticide residue analysis report before product release. Two main labs used: Zhangzhou CIQ and Eurofins (Qingdao) Testing, both accredited to 17025. Ref: Zhangzhou CIQ CNAS: L0246, Eurofins (Qingdao) CNAS: L10449. results are reviewed to identify trend. Company had claims of Global GAP and certificate was in place by Ceres GmbH, validity date is 2018-10-13.

Product Legality and Labelling

There is document process to verify product information according to customer requirements ref: FN-CX-30-2017. Labels are issued by clients and labels conforming records are in place, e.g. by GM & business Wen Mindong and using email.

Product Design and Development

The company has written a formal procedure for product development ref: FN-CX-24-2017. But it is inactive as they have never developed any new products. All of products are fresh pomelos.

Product Release

All products are positively released based on releasing procedure ref: FN-CX-28-2017. Releasing records have in actual independent tests as appropriate and signed by Zhang Qunpeng. Dot check release record is signed by Zhang Qunpeng.

Product Authenticity

Information on any historical or developing threats is accessed through trade associations / government sources / private resource centres.

A documented vulnerability assessment was present and routinely reviewed and as a minimum annually, e.g. on 2018-04-13.

Management of Surplus Products

Effective process is in place to ensure the branded labels and packaging. FN-CX-05-2017, e.g. strict control the quantities of label and packaging which had the customer information.

**N/A Clauses**

No.	Justification
4.1.4	No products are purchased through other agents and brokers.
4.1.7	No suppliers are prescribed by customer
4.2.5	No subcontracted activities by supplier to another company
4.2.6	No suppliers are prescribed by customer
4.6.5	No products designed to enable a nutritional or health claim to be made
4.8.3	No product identified as being at particular risk of adulteration or substitution
4.9	No surplus products with customer brand

Certification Body name and address Micron2 Ltd, Betton Mill, Betton Rd, Market Drayton TF9 1HH UK			
AB206 English Agents & Brokers Template version 1 24/01/2018 Micron2 2018 v 2	Page 10	Report No. MZ002/BRC A&B/18	Auditor: Zheng Mingqiang

## 5. Personnel

### Summary

Training procedure (ref: FN-CX-04-2017) is in place. There is the 2018 training plan. Part of schedule had been conducted and relevant records could be seen. Dot check training record on 2018-05-07 for HACCP plan is in place by Meng Lingqing, Key staff and new staff were trained by Meng Lingqing on 2018-02-10.

### N/A Clauses

No.	Justification
NA	

Certification Body name and address Micron2 Ltd, Betton Mill, Betton Rd, Market Drayton TF9 1HH UK			
AB206 English Agents & Brokers Template version 1 24/01/2018 Micron2 2018 v 2	Page 11	Report No. MZ002/BRC A&B/18	Auditor: Zheng Mingqiang