

# Sustainability Report



# United Nations Sustainable Development Goals adopted by Chiquita



## No poverty

End poverty in all its forms everywhere.

Our commitment to tackling TR4 directly relates to ensuring the livelihoods of millions globally. We invest in helping to create sustainable growth in local communities and have an exemplary rewards package in place for our employees.



## Zero hunger

End hunger, achieve food security and improved nutrition and promote sustainable agriculture.

As well as our work For the Greater Good, tackling TR4, we farm with an eye on the future using technology to achieve the best farming results.



## Good health and well-being

Ensure healthy lives and promote well-being for all at all ages.

Bananas continue to be the most consumed fruit on earth, contributing to the health and well-being of millions globally.



## Quality education

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

Our children and education program has distributed just under 25 000 school assistance packages in the last 5 years.



## Gender equality

Achieve gender equality and empower all women and girls.

Our annex agreement with the IUF\* and COLSIBA\*\* makes gender equality a key part of all our collective bargaining agreements. Chiquita is committed to publishing a comprehensive pay and opportunities gap analysis by 2020.



## Clean water and sanitation

Ensure availability and sustainable management of water and sanitation for all.

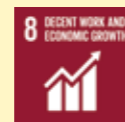
Over the last 5 years we have invested in water-smart technologies, reducing water use in packing stations by 23%.



## Affordable and clean energy

Ensure access to affordable, reliable, sustainable and modern energy for all.

Our energy use is relatively low, and is mainly in shipping and ripening. Here, we have made significant investments in energy efficiency over the last few years, including one of the world's first carbon-neutral banana ripening facilities in The Netherlands.



## Decent work and economic growth

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Above all, our employees are at the heart of everything we do. We pay on average well above national minimum and living wages and are the only international banana company to have an international framework agreement in place with the IUF\*.



## Industry, innovation and infrastructure

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

Since 2015, we have replaced over 10 000 containers in our fleet with energy-efficient ones, saving over 17 000 tons of CO<sub>2</sub> per year. In 2017, we converted all vessels to a process called cold ironing, reducing emissions by 1150 tons of CO<sub>2</sub> each year.



## Reduced inequalities

Reduce inequality within and among countries.

We fully support the UN Universal Declaration of Human Rights, the International Labour Organization Core Conventions and the UN Guiding Principles on Business and Human Rights.

In 2017, we looked beyond these to the UN Child Rights principles and are the first banana company in the world to have undertaken a Child Rights Impact Assessment of our operations.



## Sustainable cities and communities

Make cities and human settlements inclusive, safe, resilient and sustainable.

We believe in embeddedness, which is a way of measuring our effectiveness. It is part of our relationship with the communities that we are so deeply linked to. We work with communities in 12 municipalities across four countries to help create sustainable growth.



## Responsible consumption and production

Ensure sustainable consumption and production patterns.

Our "no banana wasted" program ensures that no bananas enter landfill at any point in our supply chain.



## Climate action

Take urgent action to combat climate change and its impacts.

Following the Paris climate agreement, we will work with external experts to set new, science-based targets by 2020. These are in line with contributing to the two degree maximum global warming target and ensure we can set and then meet our carbon budget.



## Life below water

Conserve and sustainably use the oceans, seas and marine resources for sustainable development.

Our Great White shipping Fleet operates to the highest international standards.



## Life on land

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

Since 2004, all of our farms have been certified by the Rainforest Alliance, ensuring the protection of vital ecosystems. Most recently, we have donated the San San Pond Sak wetland, 160 ha of reforested land, to the people of Panama, and maintained 100 ha of the Nogal Reserve, which is part of the Meso-American wildlife corridor.



## Peace, justice and strong institutions

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

We have active grievance mechanisms within the company, with governments and trade unions, and an independent hotline. We work with all to ensure strong, peaceful industrial relations.



## Partnerships for the goals

Strengthen the means of implementation and revitalize the global partnership for sustainable development.

Chiquita sits on the steering committee of the UN-hosted World Banana Forum, and is the enabling force behind collaborative efforts with international universities like Wageningen in The Netherlands to tackle TR4.

\*IUF = International Union of Food, farm and hotel workers worldwide

\*\*COLSIBA = Coordinadora Latinoamericana de Sindicatos Bananeros y Agroindustriales

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# Committed to investing for future generations

Chiquita – today the most recognized banana brand – has its roots in the banana industry, from the company's establishment in the late 1800s. With such recognition and leadership comes responsibility, not just for our own people and the communities where we operate, but also as a key part of the wider industry. Chiquita is a long documented pioneer in social and environmental sustainability. Our mantra remains simple: what is good for the banana industry should be good for Chiquita, and what is good for Chiquita should be good for the industry.

Bananas are grown in 135 countries, and, according to the FAO, 400 million people worldwide depend on bananas either as a staple food or source of income. More than 85% of bananas grown are needed for domestic consumption. A healthy banana industry is not just needed for the relatively small export market. We all must have regard to the well-being of the wider, increasingly interconnected industry.

Demand for healthy food and bananas will continue to increase. The world needs an intelligent innovative food industry. The debates about a balanced diet, the effects of climate change and about what constitutes long term sustainable agriculture to feed our increasing population will unavoidably start to have more prominence. Fruits and vegetables, including bananas, will have an ever-increasing role to play as a healthy and sustainable food source to properly feed our planet. This is where our industry can make a difference.

We at Chiquita are farmers at heart. We operate in tropical areas. These are prone to extreme weather, floods and hurricanes – natural events the industry has always had to deal with. Over the years our good people have taken all this in their stride and will again, especially with the unpredictability of climate change.

Our clear focus will continue to be on incrementally improving social and environmental sustainability in our own supply chain. We will continue to invest in our farms and loyal Chiquita associates as well as in the communities where they live. Our teams are committed. We all realise that good quality, good productivity, good labor and environmental practices, social and gender respect go hand in hand with progress. This report will highlight some of what we have achieved together so far and plan to do in the future.

At Chiquita we all believe that the journey to have a truly sustainable business in all aspects only makes common sense. We thank our faithful employees for their untiring commitment. It is our hope, however, that all who participate in the supply chain from farm to shelf share these same principles. Enjoy our report and give us feedback. We need to shape our future together.



Carlos Lopez Flores  
President

# Embeddedness as a key ingredient for inclusive and sustainable growth

Since the early 1990s, Chiquita has been committed to helping create sustainable change in the regions in which it invests. We do this by pursuing an approach that we call 'principled embeddedness'. This is our commitment to follow our principles of corporate responsibility worldwide, while also providing our subsidiaries with enough independence to become part of the local economy. The commitment to local embeddedness is based on the growing realization that multinational enterprises (MNEs) have great potential to do good beyond their business. This can be achieved by helping to sustain and grow the local economy and local community life, and sustainably manage the natural environment. However, this potential can only be achieved if MNEs understand that they are not only accountable to international shareholders, but also to local stakeholders.



This commitment to local embeddedness also enables foreign companies to become accepted as local stakeholders. This is crucial for their efforts to secure their long-term license to operate.

Here, 'principled embeddedness' is a major shift in the field of corporate social responsibility (CSR). It is based on understanding that a company does not create value for society only by trying to avoid risk, but rather by being prepared to take the risk to invest in new markets.

By doing so, Chiquita brings long-term value to the local economy and society, and helps it to grow by transferring knowledge and technology and increasing economic opportunities. As such, it is very much in line with the human-centered approach of the United Nations' Sustainable Development Goals (SDGs), which are designed to end poverty and solve the world's environmental and human health challenges. With our commitment to 'principled embeddedness', Chiquita contributes to SDG 8 in particular, on inclusive growth, provided governments, retailers and civil society organizations support our local initiatives. Their feedback and support are vital for us to further improve our contribution to the SDGs.



Philipp Aerni  
Director CCRS, University of Zurich, Switzerland

## References:

- Aerni, P. (2018) Global Business in Local Culture. Springer Briefs in Economics. Springer Heidelberg.
- Aerni, P. (2017) Principled Embeddedness: How Foreign Direct Investment May Contribute To Inclusive and Sustainable Growth In Developing Economies. ATDF Journal 9 (1/2), 3-19.
- Aerni, P. (2017) Beyond Corporate Social Responsibility. The Reporting Times. Issue 11.



# Behind the Blue Sticker

# Strategic Vision



We want Chiquita to be the banana of choice in every market we are in, providing our customers with the very best quality product and service right from our farms to the retailers' shelves. Together, we want to create shared value for the Chiquita brand, our customers, suppliers, associates and the community. We want to do this in the spirit of doing well and giving back, with respect for the environment and everyone involved in our business.

### Farmers' Code

Every day, every minute, somewhere in the world, someone is peeling and eating a Chiquita banana. Those bananas come from farms in South and Central America and we ensure that, from farm to consumer, our business processes are sustainable and efficient.

These farms, and the thousands of people who work on them, are at the heart of our business. Our *Employees at the Centre* program runs initiatives that make sure our employees get the right training and support and are healthy, safe and motivated in their daily work. Looking to the future, in this report we will set out how we safeguard and promote the rights of women within Chiquita, and what we aim to do going forward on this important topic.

In our *Farm Rejuvenation and Reengineering* program, we are improving efficiency, increasing yield and substantially reducing our environmental impact, while ensuring the best Chiquita banana quality.

### Being a Good Neighbor

Being a Good Neighbor means more than just providing employment – we know that all our farms depend on their local communities. Because of this, we ensure that all activities are set up together with the community, who understand their own priorities best.

Alongside broad community support work, we feel that helping children is where we can best have a positive, long-lasting impact in the community. Helping children to get a good primary education through our Children and Education initiative is one of the ways we do this.

To safeguard the rights of children, the most vulnerable members of society, we have looked beyond our workforce and outside our farms and operations. As a first for the industry, in 2017 we undertook a Child Rights Impact Assessment across 14 farms in two countries.

The natural environment in Central America is sometimes volatile, so we have committed to providing medical aid and disaster relief on an ongoing basis as we have done throughout the last three years.

### For the Greater Good

The disease TR4 affects staple food crops like plantains and other edible types of banana. It is, therefore, a serious risk to the food security and livelihoods of millions of people. All those involved in the banana business are therefore morally obliged to help efforts to tackle this disease – a role that Chiquita fully embraces.

# Farmers' Code



Farming for future generations means making sure that we carefully optimize what we put into the land, water and agriculture. We also need to think now about who will run and work on our farms in the future and how we can safeguard decent work for all. All of this is contained in our Farmers' Code.

## Farm rejuvenation and reengineering — sustainability and productivity go hand in hand

We are always improving the way we grow, harvest, package and ship our high quality bananas. We can improve our environmental sustainability, while also making our processes more efficient and productive.

Our farm rejuvenation and reengineering program is one of Chiquita's key initiatives. This involves improving land and soil, switching banana varieties, increasing the amount of plants we grow in an area, and improving crop cover.

### Rejuvenation progress (cumulative performance)

Goal for 2019–2022	76 %
2018	59%
2017	54%
2016	41%
2015	30%
2002 to 2014	24%
	As percentage of Chiquita-owned farmland

Chiquita came under new ownership in 2015. Since then, farm rejuvenation has been one of our top priorities. We have, however, revised our timelines and we now expect to achieve 76% rejuvenation by 2022, whereas previously we had hoped to achieve this by 2020.



“Our farm rejuvenation programme will continue until 2022, as it is an essential part of improving the way we produce our bananas sustainably. Rejuvenation means increasing yield without extending land usage. This is a clear decision by Chiquita, based on sustainability principles, to make the most of existing land and not to plant new areas. Our aim is to increase yield by 25% using this approach.

The rejuvenation phase provides a great opportunity to remove considerable amounts of plastic, which were used in the past, from the soil (1 ton/hectare). In doing this, we are able to regenerate the soil and improve its quality. This process also allows us to systematically analyse the soil, which is important from an environmental point of view. The content of various nutrients in the soil is monitored and those that are deficient are replenished, in line with the requirements of the plant”.

*Hugo Leonel Aroche Morales,  
Global Quality Director*



“Some of Chiquita’s farms are 50 years old. Our main challenge during the rejuvenation process, which will continue until 2022, is that harvesting cannot take place for a period of nine months. However, despite a short-term loss, we know that the investment is worth it in the longer term, both in productivity and working conditions. In fact, the results have exceeded even our own expectations.”

Wagner Beig,  
Director of Agriculture



### No Banana Wasted

We work hard to ensure that no banana on our farms is wasted. We aim to achieve this goal by 2020 and we are well on our way to doing so. Bananas that are not suitable for export are either sold to local markets or processed for other food uses. In Costa Rica and Panama, bringing in new practices has meant we were able to improve the quality of our banana bunches and greatly reduce the number not suitable for export or local consumption. In 2016, a total of 101 416 tons of such bananas were either sold at local markets or sent to be processed at the Chiquita Tropical Ingredients Processing Plant (CTI) in Costa Rica. Here, we turn them into banana puree or banana flour. This figure fell to 81 524 tons in 2017, to 56 000 tons in 2018 and we expect it will continue to decrease in the following years.



## Cover crops

Cover crops are a natural way to limit soil erosion and control pests, and mean fewer agro-chemicals are used. We have tested which species works best and are now rolling this out.

Between 2016 and 2017 we achieved good progress and a third of our land area now uses this cover crop. This program allowed us to reduce our use of herbicides by 36% from 2014 to 2017. Our plan is to expand this initiative to wherever this cover crop can be used, subject to the local climate. We estimate that by 2021, 65% of our area will be covered.

### Cover crops per country

Country (% of farm land under cover crop)	2016	2017
Guatemala	17%	30%
Honduras	6%	7%
Costa Rica	30%	34%
Panama	34%	48%
Total	25%	33%





We aim to minimize water use and to safeguard water quality. To achieve this, we have based our water strategy and water management policies on the results of independent studies by the World Wildlife Fund (WWF). These have significantly improved our water footprint.

# Saving water



## Water footprint: savings and recycling

Chiquita's water footprint varies by country, from 400 to 600 liters per kilogram of fruit. In Costa Rica and Panama, rainfall (green water) is normally sufficient, and land rejuvenation has also helped to maximize its availability and use. In Honduras and Guatemala, irrigation (blue water) is required. We always seek to minimize its use.

Chiquita has identified two main ways in which we can reduce our blue water consumption: targeted irrigation and water-smart packaging stations.

## Targeted irrigation

Most bananas are planted on farms that usually do not need irrigation to produce fruit all year round. Some, however, do experience a dry season. Climate change has also caused greater variation in rainfall patterns, which means irrigation is now required in more places than before.

Chiquita only uses irrigation where it's needed. Currently, 34.3% of our farmland is irrigated, with none of this being wasteful overhead irrigation. We are investing, as part of our farm rejuvenation program, in mini and micro irrigation and this currently covers 6.5% of our irrigated land.

## Water-smart packing stations

We have two ways in which we reduce water consumption in our packing stations: water recycling systems and dry de-handing. Our overall aim is to continue moving from wet to dry de-handing.

We have installed water recycling systems in 26% of our packing stations, which has allowed us to reduce our water use by more than 1.7 billion liters per year compared to our 2013–2016 average. That's an 80% water saving compared to packing stations that don't have such systems.

23% of our stations are dry de-handing packing stations, with each station saving about 9.4 million liters of water.



# Agricultural chemicals



We do everything we can to avoid using agricultural chemicals. We have reduced chemical use in many ways, such as product rotation and putting in place good agricultural practices (plant health, preventive defoliation, pest monitoring, use of traps and so on). We have also adopted precision agriculture integrated with pest management.

We only use agro-chemicals when pests pose a risk to the crop. We only use products approved by regional or country regulations. Chiquita also closely follows the supplier guidelines. We monitor this carefully through our farms' certification by the Rainforest Alliance and Global Gap. We use the best possible application techniques and schedules and rotate active ingredients to avoid resistance. 92% of the products we do use are low toxicity (WHO category III and IV).

However, climate change impacts on our banana plantations too. It has changed the numbers of pests and natural predators, which can sometimes lead to an imbalance and an increased need for some pest controls.

## Summary of reduction actions

Thanks to our intensive soil cover crop program in Costa Rica, Guatemala, Honduras and Panama, we have been able to reduce our **herbicide** use by 33% between 2014 and 2018.

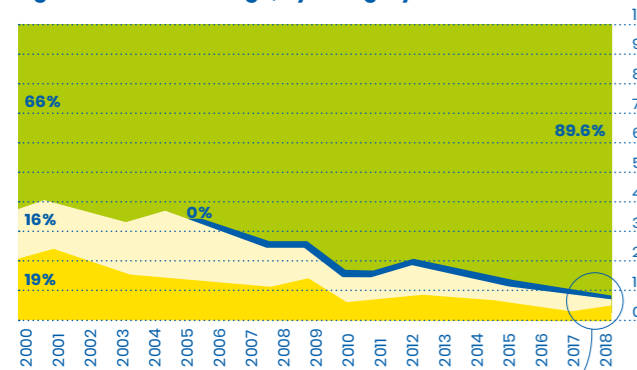
We have reduced our use of **fungicides** by 18%, although controlling Sigatoka (a leaf spot disease) is still a challenge.

We have drastically reduced **insecticide** use by over 75% between 2014 and 2018.

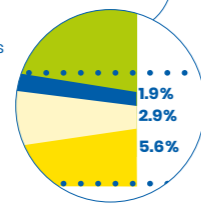
As for **nematicides**, we are trying to rotate products to avoid resistance developing. For that reason, the usage can vary year by year.

## All Chiquita owned farms 2000–2018

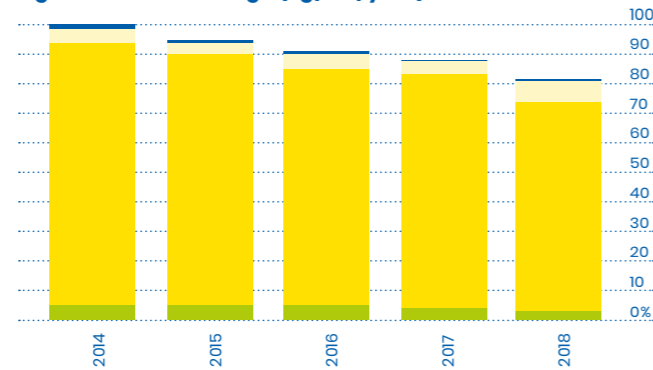
Agro-chemicals usage, by category



Note: The use of category I and II agro-chemicals has decreased dramatically since 2000.



Agro-chemicals usage (kg/ha/year) – index 2014 = 100



Note: From 2014 to 2017 we have reduced the amount of agro-chemicals used by 13% per hectare.





# Farming 4.0 and organic

## Looking to the future of farming

Chiquita is currently setting a sustainability strategy for the next 20 years. A key part is our vision of farming in the future. Below, you will find our commitments relating to the important role that organic farming will play.

Chiquita is committed to sustainable farming as well as meeting certification standards, so that we ensure we play our part in achieving the Paris Climate Agreement by keeping global warming to a maximum of 2 degrees above pre-industrial levels. The terroir – the soil, the climate, the slope, a sense of place – is all-important in farming. Each field is as individual as each of us. This means that the practices that are most sustainable also vary greatly.

Our first commitment under our Farming 4.0 program is to map the current and likely future distribution of banana cultivation areas, identifying zones with different requirements. This will identify areas where low-input organic systems are possible and will be most sustainable. It will also identify areas where non-biological controls are the only way ensure farming is commercially sustainable. This mapping exercise will guide our investments in the various farming technologies.

Our second commitment is to maximize the available production of organic bananas. This means, in the right climatic zones, extending organic production by converting conventional land into organic land. It also means applying our farming expertise to organic agriculture, taking the skills, care and focus on quality from our conventional farms and making organic produce as available and affordable as we can.

The third commitment is to ensure that where organic farming is not possible we use the best agricultural practices to minimize our carbon footprint. This will meet the aim of helping to keep global warming within two degrees by reducing carbon emissions. This will be monitored and reported on each year through our Science Based Targets Initiative.

# Workplace safety

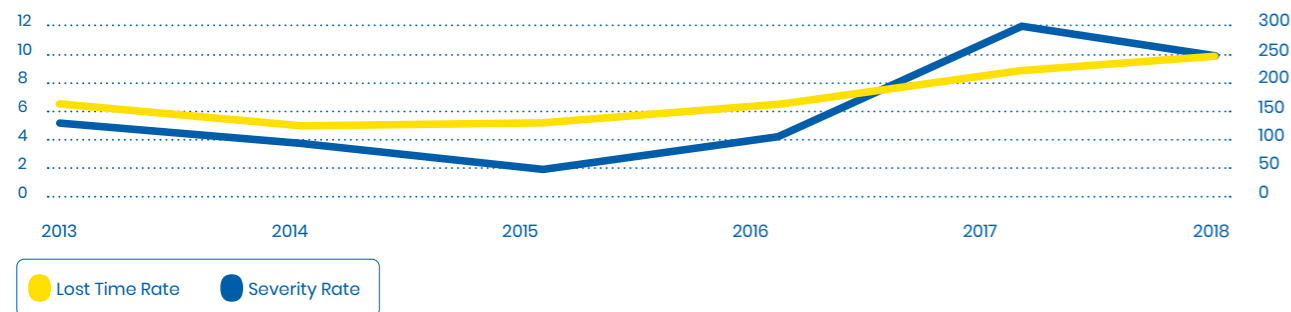
**“Our goal is for our employees to work in a hazard-free environment with no workplace safety incidents. That is why our long-term goal is “Target Zero”: no incidents at all. We measure our performance in line with the US-American Occupational Safety and Health Administration standards ([www.osha.gov](http://www.osha.gov)) and our goal is a 10% annual improvement rate.”**

*Raúl Gigena Pazos,  
Human Resources Director*

We measure the following statistics:

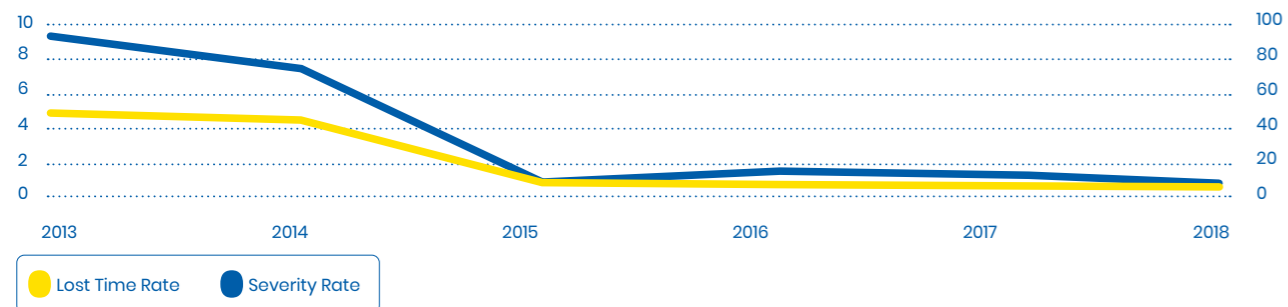
- Severity rate – lost days per number of recorded incidents.
- Recordable rate – recorded incidents per 200 000 hours worked.
- Lost time rate – lost time incidents (LTI's) per 200 000 hours worked.

## Safety performance Latin America Agriculture Operations



There was an increase in incidents in agriculture (farm) operations in 2017 and 2018. Both severity and lost time rates remain significantly higher than our aim. This was due to a significant increase in temporary labor, particularly in Honduras. Local teams are reviewing the specific cases and putting action plans in place to reduce the incident level in the future.

## Safety performance Latin America Logistics Operations



We are very proud of our excellent safety performance since 2015. In July 2018, the logistics operations in Puerto Barrios, Guatemala, achieved 13 million hours of operations accident free. In the same month, our Chiapas port operations in Mexico reached the 2000-day mark. These achievements are representative of the broader excellence in performance in this area.





# Employee representation



## Union participation and employee representation

Chiquita supports and encourages employees to be part of organizations that speak for their needs and concerns. Overall, our employees from Costa Rica, Honduras, Guatemala and Panama are represented by 35 different organizations. We measure their representation by the trade union density rate, in line with the guidance from the International Labour Organization (ILO, [www.ilo.org](http://www.ilo.org)). The trade union density rate shows the number of employees in trade unions as a percentage of the total number of employees.

Taking into account all regular Chiquita employees, our employee union membership rate was 71% in 2015–2018. Although the rate can vary depending on the year and country, it continues to be stable and is far ahead of the general unionization rate in each country.

### Trade Union Density Rate 2015–2018

	Chiquita	ILOSTAT (2018)
Panama	98–100%	11.9%
Honduras	87–93%	---
Guatemala	72–78%	2.6%
Costa Rica	*19–20%	19.4%

## Employee representative meetings

We collaborate closely and meet regularly with employee representatives from unions or Comités Permanentes. We measure the collaboration by the number of meetings in each area, and these are recorded. If the number of recorded meetings drops, it does not necessarily mean collaboration has reduced. On the contrary, it often means that collaboration has led to improved communication and that issues have been resolved and therefore fewer meetings are needed.

### Employee meetings per country

Year	GT	HN	CR	PA
2015	91	697	289	152
2016	88	775	342	120
2017	125	533	281	*671
2018	155	509	282	666

\*Note: The reason for the increase in 2017 in Panama is that formal meetings between the farm administrator and union representatives are now included in the figures. Previously, only meetings of labor relations staff were included. In the other countries (Costa Rica, Honduras and Guatemala), meetings took place all at the same time between the farm administrator, the labor relations staff and the union representatives.

# Complaints, claims and rate of resolution

In meetings with our employee representatives from Chiquita's Central American operations (Guatemala, Honduras, Costa Rica and Panama), the average resolution rate for claims and complaints was 90% for 2013–2018.

## Claims and complaints filed

Year	GT	HN	CR	PA
2013	369	—	315	476
2014	388	476	1 063	870
2015	329	997	1 068	458
2016	315	681	715	360
2017	288	563	1 116	723
2018	300	817	1 082	718

## Claims and complaints resolution rate

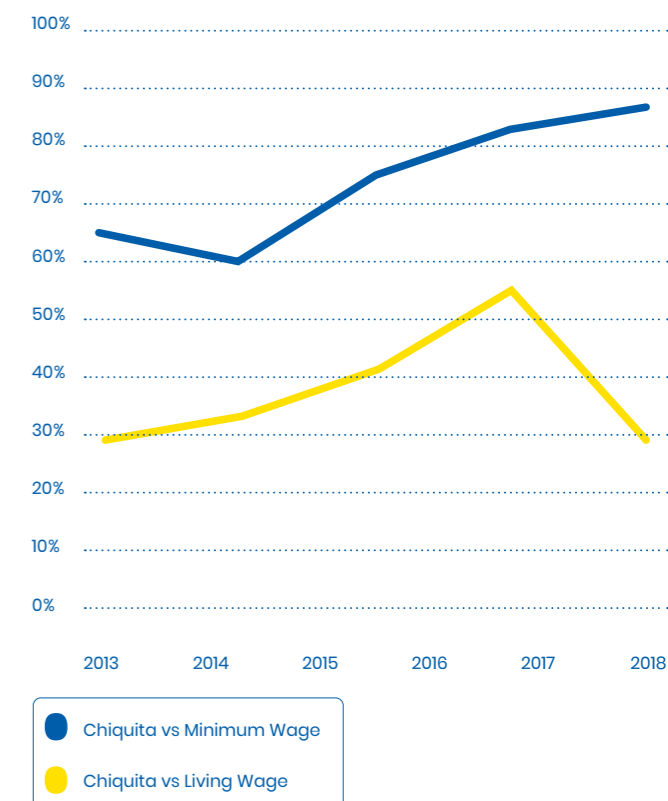
Year	GT	HN	CR	PA
2013	79%	—	100%	98%
2014	77%	99.6%	100%	97%
2015	91%	89.7%	100%	90%
2016	96%	91.0%	86%	89%
2017	97%	90.2%	86%	93%
2018	97%	93%	75%	96%



# Wages

On average, Chiquita pays daily employee wages (including benefits) that are well above the local minimum and living wages. The minimum wage is established in each country by the government for the specific type of work or sector, while the living wage includes the minimum wage but also considers other elements/benefit required for a decent and better standard of living (e.g. food, water, housing, education, health care, transportation, clothing, etc.).

## Chiquita average wage (with benefits) vs. local minimum wage or living wage



These figures are calculated in line with Social Accountability International's (SAI) SA8000 standard. SAI is a member of the Global Living Wage Coalition, <https://www.globallivingwage.org>

The cost of living has risen significantly in Panama, which is reflected in the SAI independent recalculation of a living wage in Panama. After the normal annual wage negotiation processes, we expect that wage levels in Panama will readjust.

# Women's empowerment



Achieving gender equality and empowering all women and girls, while challenging in the context of banana producing countries, is something that we can directly contribute to.

At Chiquita, we approach gender equality in two main ways: safeguarding women's rights and promoting opportunities for women.

**“Enabling our employees, both women and men, to express themselves and to flag inappropriate behavior on our farms is one of our key goals. It is crucial that our employees feel safe and that they benefit from the best possible working conditions. We will continue to communicate proactively, going from farm to farm to promote our helpline, which gives the opportunity to all employees, regardless of status, to raise issues such as harassment or bribery. This challenge means a lot to the new owners, who come from the farming industry themselves.”**

*Raúl Gigena Pazos,  
Human Resources Director*

There has been an IUF–COLSIBA–Chiquita agreement since 2001. It is the only one of its kind in the banana industry, promoting workers' rights and specifically protecting women.

A review committee meets one or two times a year to oversee the agreement's application. A regional women's committee meets quarterly in person or via conference calls to review topics specifically related to women (participation in the workforce, training, and so on).

In 2013, an annex to the agreement, 'Joint understanding about sexual harassment', was drafted and agreed. The annex has already been included in the CLA (Collective Labor Agreement) in Panama, Costa Rica and Honduras and is in the process of being included in Guatemala.

A study in October 2017 into child rights at 14 Chiquita farms in Costa Rica and Panama found a "good and open culture" where "women employees interviewed consistently reported that they are treated fairly and were not subject to harassment or discrimination from employees and supervisors."

The report also noted that "Chiquita has strong protections for pregnant women in the workplace. It is not enough to say that we are an equal opportunity employer. We have found that we must also challenge social norms to ensure women have access to opportunities."



**“Achieving gender equity in banana producing countries is highly challenging. In order to increase the proportion of women in the workforce, we actively create and provide job opportunities and communicate with the women in the local communities, motivating them to apply. We have already been successful in doing this and gained useful experience. We are continuing to assess these processes, with a view to identifying how we can best promote the role of women throughout the company.”**

*Raúl Gigena Pazos,  
Human Resources Director*



In our last report we talked about a learning project that was established in Panama in 2014 with a local women's committee and the Sitraibana local union.

Since then its main achievements have been:

- Increased female participation in Panama from 8% to 13%.
- Education and building awareness of sexual harassment and women's rights.
- Improving conditions for women in the workplace.

Experience shows that when the IUF, COLSIBA, Chiquita and local unions work together they have a much greater impact. It also shows that education and awareness are critical in changing culture. The following are some examples of issues being dealt with:

- Women talking to women about their rights in their own language (i.e. Ngöbe bugle).
- Dealing with the challenges in shifting men's view on women's rights and sexual harassment.
- Recognizing that in many areas and tasks women perform similarly to men, and some tasks better, for example through better attendance rate and greater accuracy in greenhouse cultivation.

We are committed to fully analyzing any gender pay or opportunities gaps in our organization for all pay grades, and to have a plan to address these by the time of our next report in 2020 at the latest.

# Portraits of women

While there are still not enough women across all tiers of our organisation, women’s participation is already increasing in what has traditionally been a male–dominated industry. Mayra, Elizabeth, Faustina and Nives are just four examples of such women.

<p><b>Employee name:</b> Mayra Noelia Pereira  <b>Position:</b> Mobile Crane Operator  <b>Location:</b> Puerto Barrios, Guatemala</p>	<p><b>Employee Name:</b> Faustina Madrid  <b>Position:</b> Farm Administrator  <b>Location:</b> Changuinola, Panama</p>
<p>Mayra is a woman, wife, mother of 4 children and an example of perseverance and professional improvement as she is the first woman to operate mobile cranes in the Puerto Barrios Railroad Port Terminal, a port operated by Chiquita on the Atlantic. Mayra executes her work efficiently and promptly–carrying out loading and unloading of containers on vessels.</p> <p>She began her work in 2015 as a mechanical technician for crane repairing. As she got involved with the port operations, she took the challenge of developing a job usually done by men: crane operator.</p> <p>Mayra has inspired other women to perform port operative tasks. Nowadays, 16% of the port headcount are women, in jobs previously culturally known as only for men. Mayra believes that with dedication and perseverance she can develop any task with efficiency, <i>“My family is very proud of my performance in this position, and I am very happy and thankful with Chiquita for giving me the opportunity to be an example for my children and other women.”</i></p>	<p>Faustina studied agronomy, a male–dominated career, because she had been interested in agriculture since she was a small girl. A friend suggested she should apply for a position at Chiquita and she has had several roles since. At first, she was a Packing Supervisor, in 2005, then an R&amp;D Technician, and since 2017 she has been a Farm Administrator.</p> <p>Working at the company has enabled her to gain knowledge and new abilities. More importantly, she has led a male–dominated team and union through good relations with her colleagues. Faustina describes her work philosophy as: <i>“Strength and persistence to achieve what one desires, and never lose hope”.</i></p>
<p><b>Employee Name:</b> Nives De Luca  <b>Position:</b> Port Manager  <b>Location:</b> Oxnard, California, USA</p> <p>Nives started with Chiquita in 2003 in the Global Management Development Program (GMDP). She was first involved in logistic operations in 2007 as Yard Leader in San Pedro Sula, Honduras, and was promoted after a year to Senior Planner Transportation for our Honduras and Nicaragua operations.</p> <p>She then held several roles in Finance and Equipment in our regional office in San José, Costa Rica. In 2017 she was promoted to Fruit Sourcing Manager in Costa Rica for eight months, then moved to become Port Manager in Puerto Cortes, Honduras.</p> <p>Since August 2018, she has been our Port Manager in Oxnard, California, supplying the West Coast of the US.</p> <p>As Nives says, <i>“With a degree as a Plant Scientist, and proud of it, throughout my career I’ve always targeted organizations in the agricultural industry or roles related to it. Close to culminating my MBA 15 years ago, I had the privilege of being selected for the General Management Development Program... and I haven’t stopped my personal development program since. During the past two years, I’ve been challenged by managerial positions in operations with higher responsibilities and with geographical moves I hadn’t ever planned. It’s been tough but rewarding... and the learning never stops.”</i></p>	<p><b>Name:</b> Elizabeth Vargas Hidalgo  <b>Position:</b> Packing Plant Supervisor  <b>Location:</b> Triple Tres Farm, Costa Rica</p> <p>Elizabeth Vargas Hidalgo, better known as Betty, started working at the Chiquita Triple Tres Farm in Costa Rica on March 27<sup>th</sup>, 1989, as a farm worker.</p> <p>In April 2006, Betty was given the opportunity to become a fruit diagnostician at the farm. This job allowed her to achieve many personal and professional goals. She was able to provide her daughter with a comfortable home where she lacked for nothing, and could pay for her to go to college and gain a degree.</p> <p>She worked as a diagnostician from April 2006 until July 2016, when she was promoted to Packing Assistant at the same farm. She felt that <i>“Even though I am a woman, they gave me the opportunity to show that I had the ability to successfully carry out this position that was usually occupied by men. I was very grateful to the organization for their trust”.</i></p> <p>With her in this position, the farm achieved very good results and won the excellence award on several occasions.</p> <p>In May 2017, Betty was given the opportunity to become a supervisor at the packing plant, which is her current position.</p>

# Pink Sticker

Breast Cancer Awareness Month is an annual international health campaign organized by breast cancer charities every October. The Pink Sticker campaign is for Chiquita a way to raise global awareness on breast cancer by changing the colour of the iconic Blue Sticker to Pink in the month of October.

Chiquita started this initiative in 2017 to reinforce one of its sustainability pillars – Being a Good Neighbor – not only focusing on the banana production areas and communities but also giving back to Chiquita consumers, mainly in North America and Europe.

Every October, Chiquita distributes 200 million Pink Stickers worldwide to support the fight against the disease by increasing awareness and raising funds for research into its cause, prevention, diagnosis, treatment, and cure. Chiquita is collaborating with various charities and institutions, among which are Pink Ribbon and the American Cancer Society.



# Low carbon supply chain and operations

As well as investing in the future of farming, we are also making changes to our supply chain and operations. Under new management, Chiquita is leading the way in the industry by adopting the most modern energy-saving technology available. This includes how we package and protect our bananas on their journey to market, the containers and ships used to transport them and where they are ripened.

## Packaging

We prioritize optimizing material use and then reuse, whenever possible.

For example, we have reduced the amount of paper recycled because we have optimized the dye-cut process for the paper rolls used to make banana boxes. This has meant we have been able to reduce the amount of wasted paper, which required recycling, by 25%.

We reduced the size of the plastic bands used to provide information about our bananas, as requested by certain customers. By moving from 45mm wide to 15mm wide bands, we have reduced our plastic consumption by approximately 390 tons per year.

Recognizing that there will always be a packaging requirement, we believe that the best-long term solution is to ensure that we minimize, and if possible completely remove, the need for virgin raw material for all our packaging; that is, all of it is fully recyclable, and from recycled material or where appropriate compostable. This long term vision requires changes in laws, in the provision and use of recycling technologies and a change in consumer habits. We are committed to this long term journey and working with others to reach these goals.

## Number of recycled materials

Material (kg)	2016	2017	2018
Plastic bags	1 469 531	1 558 119	1 731 590
Other plastic containers	14 358	17 912	17 737
Paper/cardboard	4 297 000	3 267 151	203 772
Polypropylene (ties)	881 746	441 392	393 592

## Container upgrade

Between the beginning of 2015 and the end of 2017, we replaced 4 570 older containers with 5 700 new ones and in 2018 a further 5 000 containers were replaced. In all, 73% of our container fleet has now been replaced with modern, energy-saving versions.

The average container age has reduced from 7.6 years in 2015 to 5 years in 2018. In 2018 alone, the container upgrading led to savings of more than 3.5 million liters of fuel.

In 2018, to date, we have also renewed 138 generator sets. These are used to power controlled atmosphere reefer containers when carrying cargo such as bananas by truck over long distances at set temperatures. The new sets save 52% of diesel versus previous ones. This results in using 250 fewer tons of diesel per year.





### Supply chain – cold ironing installation

Chiquita constantly seeks ways to help protect the environment in every part of its supply chain. Transport is one of the key areas where we see the opportunity to take the lead and make improvements. We recently invested in High Voltage Shore Connection (HVSC) components on our ships, *Chiquita Progress* and *Chiquita Venture*. Also known as ‘cold ironing’ or alternative marine power (AMP), this means that electricity is used instead of fuel to supply energy to the vessels when they are in port. Both ships had to have major modifications to their power management systems to be able to transfer the high voltage power from shore to ship. However, the resulting reduction in air pollution and noise emissions makes it worthwhile.

As a result of these changes, we are able to save 1150 tons of CO<sub>2</sub> emissions each year, equivalent to the annual CO<sub>2</sub> emissions of 200 cars on the road.



### Vlissingen wind turbine

The Vlissingen terminal operated by Kloosterboer in The Netherlands is our hub for Northern Europe. It is home to thousands of Chiquita reefer containers, which preserve the quality and freshness of our Chiquita bananas. Keeping them all cool is a big job; fortunately, the Chiquita wind turbine has this more than covered. Producing a massive 4 000 megawatt hours per year, which is 150% of our current requirement, this turbine gives us room to grow and saves around 2 500 tons of carbon a year versus conventionally produced electricity.



### Hueneme flat energy panel

At Hueneme in California our cold storage operations have a 1.0 MW solar array installed on 368 000 square feet of a 528 000 square foot roof. Installed by the building’s owners and providing 120% of the facility’s requirements the project utilizes more than 2 900 trackers, which made it the world’s largest rooftop tracker installation in 2017.



### Gorinchem CO<sub>2</sub> neutral ripening

Open since 2011 and consisting of 22 ripening rooms of various sizes, the Gorinchem banana ripening facility is Chiquita’s first plant to operate CO<sub>2</sub> –neutral. This is achieved through its very high–specification design, building and machinery, which result in very low emission levels and offsetting of any emissions through a designated carbon credit program in Nicaragua.

When bananas arrive at the facility, the refrigeration system conditions them at a temperature of 13°C. The temperature is then raised in order to open the very pores of the fruit, at which point the ripening mixture is administered into the process. The total ripening process takes between 6–7 days.

The process heat from the ripening plant is used to heat and cool the offices, toilets are flushed using rainwater, lights are equipped with daylight–responsive control and there is a charging station for electric vehicles.

# Being a Good Neighbor

Protecting children's rights and the natural environment for the future.

Chiquita fully endorses the Children's Rights and Business Principles (CRBPs) developed by UNICEF, the UN Global Compact and Save the Children.

At Chiquita, we believe these principles enhance the UN Guiding Principle (UNGP) on Business and Human Rights by encouraging us to look beyond our workforce and the boundaries of our farms and operations to ensure the rights of the most vulnerable in society are respected.

Within our own operations we have strong processes to ensure that worker's rights are well protected, which are verified through third party certifications, the Rainforest Alliance and SA8000 as well as retailer audits against ETI or BSCI codes.

Importantly, we protect and renew these rights through collective bargaining and direct agreements with legally established trade unions and other employee representatives in the countries where we operate. We recognize 35 different organizations, and are the only international fruit company that has an international framework agreement signed with the IUF and COLSIBA.

While we have worked to bring these principles to our supply chain, we also wanted to ensure they understood any impact on the most vulnerable, not just within but also connected to their own operations. This led us to identify children as a potentially vulnerable group where we needed to better understand the impacts on them.

In line with the UNGPs, our report placed impacts on children's rights in various categories: those caused by Chiquita, those that we contributed to, and those we were linked to through the supply chain. Overall, only 5 issues out of 14 identified were directly caused by Chiquita.

## Why children deserve special attention

Because childhood is a unique period of rapid physical and psychological development, negative impacts on children's physical, mental and emotional health and well-being can be long lasting and, in some cases, irreversible.

A remediation plan was immediately agreed by our board and carried out in all our operations, not just in the farms where issues were found. Chiquita has also started the process of engaging local government and other stakeholders to make changes that will address the impacts on rights that we have indirectly contributed to or are linked to.

## UNICEF quote

**A Child-Rights Impact Assessment is a first step for collecting information that can be used to develop innovative and sustainable solutions that secure the well-being of affected communities and the future of the supply chain. It is also a first step to inform conversations with other stakeholders, including governments and civil society, to address some of the systemic challenges faced. Such an assessment not only highlights risks in the company's own supply chain, but also provides a broader context and, with it, the opportunity to take actions that benefit the workers, families, and communities they operate in. Of course, an assessment is just the first step. Setting priorities and taking action is absolutely necessary for effective realization of children's rights.**

*Andrew Mawson,  
Chief, UNICEF  
Child Rights and Business*

Young workers can never fully make up for time spent out of education, and missed opportunities are rarely restored. Many of these impacts remain invisible, and businesses rarely involve or seek the input of children on decisions that will profoundly affect them.

Article One



## Article One quote

We applaud Chiquita for conducting a child rights impact assessment and believe that, amongst its peers, Chiquita's commitment to child rights exhibits strong leadership.

Globally, agriculture continues to have a high risk of child labor. The sector also faces a challenge in remaining attractive as an employer to the younger generations on whom it depends for its survival. To fully understand Chiquita's impacts, Article One conducted interviews with 26 stakeholders, 235 employees from 14 farms and 26 children in nearby communities. These interviews and our contextual analysis confirmed the company's leadership in eliminating child labor in the banana industry, with no evidence of child labor at Chiquita farms in either country. We also found strong non-discrimination policies and protections for pregnant workers across all 14 farms we visited.

We found that the working conditions of the parents have a significant impact on the well-being of their children. Therefore, much of our recommendations focused on building out the benefits packages provided to working parents. For example, there is an opportunity to help parents of young children with child care by providing infrastructure and other aid, while improved transportation benefits to and from work can increase working parents' ability to care for their children. In addition, there are opportunities to increase access to education for young workers through shift changes, transportation and other benefits. Finally, there is a need to continue to strengthen access to food for workers' families in indigenous communities in Panama.

We are encouraged by Chiquita's response to the assessment and understand that the company is in the process of implementing many of the recommendations. It is our hope that the findings prove useful for Chiquita's operations in other countries and that other companies in the sector follow Chiquita's lead in assessing and addressing child rights impacts related to farming operations.

*Faris Natour  
Co-Founder and Principal, Article One*

# Children and education



In 2017, we helped four schools in Costa Rica, donating educational equipment and materials to two schools and building materials to two further schools.

In 2018, we have so far helped eight schools in three different countries. We have donated educational equipment and materials to a school in Mexico; in Costa Rica we donated the land that six schools are built on; and in a school in Panama we built a lunch room to benefit 330 children.



### School package donations

Year	GT	HN	CR	PA
2013	1 020	45	2 872	312
2014	1 021	45	3 034	301
2015	983	45	2 937	141
2016	922	45	2 967	279
2017	1 282	45	2 547	238
2018	1 290	45	2 028	354
<b>Total</b>	<b>6 518</b>	<b>270</b>	<b>16 385</b>	<b>1 625</b>



Note: School packages granted – 1 school package = 1 child



# Forests for the future

With two oceans, the second largest coral reef in the world, volcanic mountain ranges, deserts and lush rainforests, Central America is the world's third largest biodiversity hot spot. Although it covers less than 1% of the planet's surface, this region contains more than 7% of all known species.

Chiquita is well aware of the importance of maintaining forestry coverage in an era of rapidly increasing climate change. The last time we deforested on our own farms was over 20 years ago (1992–1994), when we turned some livestock fields on our Sarapiquí farm in Costa Rica into banana plantations. Since then, our focus has been entirely on protecting forestry and reforestation. We have no plans to expand our existing farming land – in fact we intend to make even better use of it by rejuvenation and re-engineering.

As a company deeply rooted in the land, Chiquita devotes a lot of effort and resources to protecting the environment on all its farms. We have also developed the Nogal project, in the Mesoamerican Biological Corridor – 100 ha of land that has been restored, preserved and maintained through our efforts.

The Mesoamerican Biological Corridor was created in the 1990s to protect the area's natural riches and contribute to its sustainable development. It connects Mexico to South America, and takes in seven countries in between. The Corridor is not a traditional reserve, but a combination of protected areas and private land whose main aim is to enable animals to move from one end to the other.

Chiquita will work hard over the coming years to increase the connectivity of the Corridor, and we will encourage our grower suppliers to do the same.

## San San reforested land returned to the people of Panama

On February 22<sup>nd</sup>, 2018, Chiquita was involved in donating 160 ha of reforested land from the San San Pond Sak wetland reserve to the people of Panama. This was the result of a successful long-term partnership between public and private organizations, all working to protect the Panamanian environment.

The following organizations worked together to achieve this result: the public private partnership Changuinola–Sixaola (Panama and Costa Rica), including la Alianza por el Millón; Chiquita; the Panamanian Ministry of Environment, as well as German and Costa Rican companies and NGOs; REWE; GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit); and Corbana (Corporation Bananera Nacional of Costa Rica). The local environmental NGO, AAMVECONA, also supports the project on behalf of the people of Panama and their desire for a sustainable country.



## Result of long-term planning and intense partnership

From 2009 to 2014, an area of Panama with degraded soil was restored through assisted reforestation. Chiquita and its partners not only planted thousands of trees but also provided financial support for the purchase of the land from the previous owner. Hundreds of volunteers from Chiquita Panama worked on the project. Following this transaction the land was transferred to AAMVECONA, which managed the reforestation process over this period. After the initial five years of the program, the area was donated to the Ministry of Environment (MIAMBIENTE). This agreement became a part of a MIAMBIENTE initiative to reforest one million hectares in Panama.

Since the project was completed, Chiquita and its partners have continued to finance the maintenance, surveillance and protection of the reforested land. There are several protected species living in this area, in particular sea turtles and manatees. Since the San San project started, at least 30 000 hatchling turtles have been released.

## Disaster relief

Many of our banana plantations in Central America are in areas of earthquake or volcanic activity. When disaster strikes, we are there to provide help and relief. Whether we are providing food, transportation, or financial support, we make our resources available wherever and whenever we can make the best impact.

In 2017 we provided help and donations in the aftermath of the earthquake in Mexico, donating to the Mexican Red Cross to help them provide medical aid and support to victims. We also regularly provide support for communities and employees in areas affected by floods, tropical storms and hurricanes.

Since the eruption of the Fuego volcano in Guatemala in June 2018, Chiquita has been providing help. In coordination with SOSEP, the office of the Guatemalan first lady, we donated much-needed materials for shelters to house displaced people. These materials have helped these people to survive in the weeks and months following the disaster.

A container of bananas was donated to families in Cocode Berta Alicia, which was isolated by the volcanic lava, and to the Eugenia Alvarez shelters, where 40 families were housed in a 160 square metre area. These people are from the community of Aldea San Miguel Los Lotes, which was totally destroyed by the volcano.

Banana growers from Bananeros de la Frontera in Mexico collected goods that were sent to Guatemala in a Chiquita container. Chiquita employees coordinated this effort.

Chiquita also provided help to transport medicines and medical equipment, donated by the Heineman Foundation, from the USA to Guatemala.

## Being a Good Neighbor

# Puerto Barrios community action

Our business depends on local communities. We are an integral part of the communities we have been present in for decades, not only by providing employment, but also by being present in day-to-day activities. This presence means we can provide support that is relevant to the community's development.

All of the fruit that Chiquita exports from Guatemala passes through the port of Puerto Barrios, our engagement with this community is very well developed and we are proud to support so many different initiatives.

## Health and safety

We are supporting the 7<sup>th</sup> Volunteer Fire Company of Puerto Barrios by donating equipment, repairing vehicles, improving communications systems and overall general maintenance and repairs to the fire station. We also donated an equipped ambulance in cooperation with the Heineman foundation. The 7<sup>th</sup> Company is the only first response organization in Puerto Barrios, so supporting their efforts is very important.

## Leisure

Chiquita aims to strengthen sports in Puerto Barrios, which is why the two projects carried out at the end of 2016 were identified. Remodeling and repairs of the Roy Fearon Municipal Stadium consisted of remodeling dressing rooms and bathrooms, cleaning and painting the internal and external walls of the stadium, installing pump and water tank, and painting curbs, bleachers and walls. We also donated equipment to the School of Minor Leagues. Based in the Roy Fearon stadium, this school trains children from throughout the municipality from age 7-17.

## Infrastructure

The city of Puerto Barrios has developed significantly in recent years, with population growth and also commercial cargo growth, a situation that has resulted in increased traffic within the city. In addition to this, the City and Port of Puerto Barrios shared a single access road.

In 2015, the Municipality of Puerto Barrios launched its road development plan, which included the rehabilitation of streets within the city, for development of tourism and the comfort of the residents by separating the heavy transport and urban transport flows.

Chiquita was pleased to be able to support this plan to create an alternative route of access to Puerto Barrios.

In addition to the road development plan initiatives, complementing street work developed by Chiquita Guatemala in 2013, the company also undertook to build, repair and remodel the 5<sup>th</sup> Puerto Barrios Avenue, one of the busiest streets in the city.







### House donations – Panama

Over the 120 years since Chiquita was established in Bocas del Toro, it has built more than 25 000 homes that over time have been transferred to workers. On December 3<sup>rd</sup> 2018 more than 300 housing units were donated.



### Hospital del Valle – Honduras

Since the start of 2018, our workers in Honduras and their families, around 9 000 people, have had the exclusive use of Hospital Del Valle. As well as free transport to and from the city of San Pedro Sula, the hospital has 2 ambulances. It is equipped to provide a full range of medical services including, amongst other areas, Gynecology and Obstetrics, Pediatrics, Physiotherapy and Radiology.





# For the Greater Good

## TR4, Fusarium Wilt – a challenge for the industry

Fusarium Wilt of banana, which is often wrongly referred to as Panama disease, is caused by a soil-dwelling fungus that makes plants wither and die. The Tropical Race 4 (TR4) attacks the most widely grown variety, the Cavendish banana, as well as many other banana species. Until recently, efforts have focused on managing existing cases of TR4, preventing further outbreaks, and promoting industry coordination. Now, new steps are being planned to find a long-term solution.

**“TR4 is a global issue and I believe it will take a global effort to solve it. Also, I think it is valuable that a major player, such as Chiquita, wishes to provide support and it should be encouraged.”**

*Dr Rosie Godwin,  
Research & Development Manager,  
Australian Banana Growers*

**“I would like to personally thank Chiquita for supporting us financially so that we could attend and for sponsoring the meeting. It is a valuable opportunity for me to attend such an international meeting where I can have contact with well-known plant pathologists.”**

*Sri Widinugraheni,  
MSc, Phytopathologist,  
Faculty of Agriculture, Nusa Cendana  
University, Indonesia*

## Chiquita supports a scientific solution

We recognize that the whole industry needs to work together to develop a permanent solution to TR4. In our connected world, the disease knows no boundaries and its spread is indiscriminate, most worryingly affecting the plantain and banana crops that are the basic diet of millions of the poorest people on earth.

Chiquita has already taken many steps to improve collaboration within the industry and is currently helping to bring leading scientists, researchers, industry players and institutions together to address this threat. In July 2018, scientists from around the world met in Boston to discuss current research and development (R&D) and how to deal with TR4. This was the first global scientific discussion on the subject, bringing together around 60 specialists in this area. Fifteen speakers shared their findings, and participants agreed a way forward.

The event was led by Professor Gert Kema from Wageningen University & Research, The Netherlands, and Professor André Drenth, University of Queensland, Brisbane, two global leaders in the field of banana diseases.

Recognizing that the long-term solution to the TR4 problem lies not just in a cure but also in developing completely new banana varieties, we recently announced that we are cooperating with the University of Wageningen to work together on possible innovative new solutions.

It is very important that all of this work is in the public domain and that we collaborate globally to stave off the impact on people's lives and livelihoods from TR4. In this way, we and our partners are helping to pave the way for the future of the industry.

**“I believe that we now have a huge opportunity for innovation in the banana industry and I thank Chiquita for their speed of action and openness to embrace a new way forward. Bananas are a staple food for more than 80% of the population in many of the producing areas, so it is of paramount importance that we find a solution as soon as possible. In doing so we will be helping millions of people across countries and markets”.**

*Prof. Gert Kema, PhD,  
Wageningen University & Research,  
Biointeractions and Plant Health, Netherland.*

# Compliance section of the Sustainability Report

Chiquita is committed to conducting business with integrity and complying with both the spirit and letter of the law. We are proud of being a good corporate citizen, and our actions reflect our values of integrity, respect and responsibility.

We use all our best efforts and processes to conform with the complex compliance requirements that multinationals must meet. Examples include our approach to ethics, supply chain transparency, FCPA\*, OFAC\*\*, taxes, and our constant search for certifications that ensure our proper governance, such as CTPAT\*\*\*.

## Ethics

We have a code of conduct that all employees are given and have hired a helpline administered by an independent service supplier. This can be used by employees and other third parties confidentially and anonymously (where this is permitted by local law) to flag up ethical or legal concerns, including concerns about accounting controls or financial matters. Everything reported through the helpline is passed directly to the compliance group and law department.

A full extract of the Transparency in Supply Chain Act and Modern Slavery Statement can be viewed on: <https://www.chiquita.com/transparency-in-the-supply-chain-and-modern-slavery>

## Employee concerns and measure taken

Action Taken	2012		2013		2014		2015		2016		2017	
	#	%	#	%	#	%	#	%	#	%	#	%
No Action Necessary	76	54	72	51	70	53	27	66	8	31	7	50
Pending	18	13	25	18	19	14	12	29	11	42	3	21
Training Required	14	10	6	4	5	4	0	0	1	4	2	14
Disciplined	13	9	13	9	11	8	1	2	0	0	0	0
Recommended Review	10	7	12	8	14	11	1	2	2	8	0	0
Termination	5	4	13	9	12	9	0	0	4	15	1	7
Perf. Improvement Plan	3	2	0	0	0	0	0	0	0	0	1	7
Prosecution	1	1	0	0	0	0	0	0	0	0	0	0
Reassignment/Transfer	1	1	1	1	2	2	0	0	0	0	0	0
<b>Total</b>	<b>141</b>	<b>100</b>	<b>142</b>	<b>100</b>	<b>133</b>	<b>100</b>	<b>41</b>	<b>100</b>	<b>26</b>	<b>100</b>	<b>14</b>	<b>100</b>

Please note that until 2016 the figures reported were for both Chiquita and Fresh Express companies. As of 2017 we're reporting only Chiquita figures, which is why this year's number is significantly lower.

## Supply chain transparency

We have set up and maintain systems that comply with the California Transparency in Supply Chains Act Statement and the UK Modern Slavery Act to ensure that slavery and related human trafficking play no part in our supply chain. We are committed to complying with all applicable laws and regulations on wages and hours. We require our associates and anyone working on our behalf – including business partners, vendors, service providers, independent contractors and each of their subcontractors – to comply with all the laws and regulations in the countries in which they and Chiquita operate. Agreements with our suppliers include provisions for our partners to keep to these human rights principles.

## FCPA and OFAC

Chiquita enforces (i) FCPA rules, identifying payments/donations/other benefits to government officials or others and certifying those that are permitted and compliant and (ii) OFAC rules, running certified background checks on our business partners.

## Compliance training

Each year we provide three training modules to targeted employees to educate them on the laws, regulation and company policies that apply to their day-to-day job responsibilities. This helps to prevent and detect violations of laws and regulations. Based on our risk profile, we work hard to deliver the right message to the right audience at the right time.

### Compliance training: type

2017 E-Compliance Training	2018 E-Compliance Training
Workplace Harassment	Global Data Privacy
Careful Business Communications	Antitrust and Competition Law
FCPA and UK Bribery Act	Ethics Reporting

Results of 2017 Compliance Training – percent of employees who completed the E-Compliance Training.

### Compliance training per country

2017 E-Compliance Training	Latin America	Europe	North America
Workplace Harassment	48%	65%	60%
Careful Business Communications	51%	73%	69%
FCPA and UK Bribery Act	41%	66%	66%

For the future, Chiquita is committed to significantly raising the percentage of training completed. By 2020 our objective is to have 85% of staff trained.

\* FCPA – Foreign Corrupt Practices Act

\*\* OFAC – Office of Foreign Assets Control

\*\*\* CTPAT – Customs Trade Partnership Against Terrorism

# Sustainability timeline

150 years of growing bananas,  
pioneer in sustainability



1871  
The first Chiquita bananas are grown in Costa Rica.

1910  
The company initiates the first banana research in Latin America to develop new disease-resistant varieties.

1958  
Scientists recommend new varieties of bananas that are resistant to Panama disease.

1992  
Chiquita is the first company in the industry to test the pioneering scheme created by the Rainforest Alliance.

1994  
The Rainforest Alliance certifies the first two Chiquita-owned farms in Costa Rica.

2000  
All Chiquita owned farms are Rainforest Alliance certified.

2001  
Chiquita signs an agreement with the IUF (International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations)/COLSIBA (Latin-American Coordination of Banana Workers Unions).

2002  
All Chiquita-owned farms in Costa Rica are SA8000 certified.

2004  
All Chiquita-owned farms are SA8000 certified.

2005  
All Chiquita owned farms are Global G.A.P. certified.

2009  
Chiquita becomes a founding member of the World Banana Forum (WBF), promoting sustainable practices throughout the global supply chain.

2010  
Chiquita undertakes a carbon footprint study with Massachusetts Institute of Technology (MIT), to reduce its CO<sub>2</sub> footprint.

2011  
The Women's Committee of IUF/COLSIBA/Chiquita is established to improve women's opportunities for personal and professional development.

2014  
The 10-year anniversary of the Nogat Nature and Community Reserve in Costa Rica.

2015  
Publishing of The Corporate Social Responsibility Story of Chiquita by Dr. Dorothea Baur and Dr. Guido Palazzo from the University of Lausanne.

2016  
Chiquita upgrades the Swedish Banana Ripening Centre, which creates 45% energy savings.

2017  
Chiquita pioneers an extensive Child Rights study in Panama and Costa Rica with Article One.

2018  
Chiquita supports the global scientific congress (ICCP) in Boston to combat Panama disease TR4.

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