



Sustainability Report **2016-2017**





# 150 years of growing bananas

## 25 years of commitment to sustainability

1871

The first bananas were grown in Costa Rica.

1910

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

1958

Scientists recommended new varieties of bananas that were resistant to Panama disease.

1992

Chiquita was the first company in the industry to test the pioneering scheme conceived by the Rainforest Alliance.

1994

First 2 Chiquita owned farms certified in Costa Rica by the Rainforest Alliance.

2000

100% Chiquita owned farms Rainforest Alliance certified.

2001

IUF/COLSIBA/Chiquita agreement signed.

2002

- Chiquita joined the Ethical Trading Initiative.
- Chiquita named one of top 20 "green stocks" by The Progressive Investor.
- 100% Chiquita owned farms in Costa Rica SA8000 certified.

2003

- Chiquita received "Corporate Conscience Award" from Social Accountability International.
- 100% Chiquita owned farms in Costa Rica and Panama certified to Global G.A.P. Food Safety standards.
- 100% Chiquita owned farms in Panama SA8000 certified.

2004

- 100% Chiquita owned farms SA8000 certified.
- Independent Chiquita employee helpline was introduced.

- Nogal Nature and Community Reserve (Biodiversity Partnership in Costa Rica) was established.

2005

100% Chiquita owned farms Global G.A.P. certified.

2009

- Biodiversity/Nature conservation Partnership with REWE, GIZ, CORBANA in the San San region of Panama began.
- World Banana Forum (WBF) founding member - WBF promotes the worldwide adoption of sustainable practices throughout the global supply chain for banana production and trade.

2010

- Carbon footprint study with Massachusetts Institute of Technology (MIT), which helped identify the best ways to reduce our CO<sub>2</sub> footprint.
- RPBC (Returnable Plastic Bulk Container) programme – the first case of returnable plastic in the industry. Climatop awarded the company with a CO<sub>2</sub> Champion Award.
- Inauguration of the CTI (Mundimar) Biodigester for breaking down organic material into energy, producing biogas as well as fertilizer. The system operates without fuel or electricity and also purifies wastewater.

2011

- Carbon Neutral Banana Ripening centre in Gorinchem (Netherlands) inaugurated – one of the first in the world - reducing electricity consumption by 50% and offsetting the remaining emissions through carbon credits from an audited Nicaraguan reforestation project.
- Women's Committee of IUF/COLSIBA/Chiquita established to focus on women's employment issues, including workplace safety, freedom from harassment and improvement of opportunities for personal and professional development.

- Chiquita received the REWE Group's PRO PLANET label, the first non-REWE Group brand to be recognised.

- Start of the Employee Volunteer Time Off benefit programme, with Chiquita employees providing 8 hours of paid service dedicated to community and sustainability projects.

2012

- Chiquita celebrated 20 years working with the Rainforest Alliance.
- Water Footprint project with WWF.
- Free breast cancer screenings offered to more than 470 women in Costa Rica.

2014

- 10 year anniversary of our Nogal Nature and Community Reserve partnership in Costa Rica, dedicated to conserving biodiversity with the community and for the community.

2015

- Beginning in 2015, container fleet upgrade, replacing 4'570 older containers with 5'700 new ones, reducing energy consumption by 35% to 58%.

2016

- Swedish Banana Ripening Center in Helsingborg upgraded with new air fans and fan operating software enabling 45% energy savings.
- German retailer REWE Customer Voting Award identified Chiquita bananas as one of their most sustainable products.

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# Our passion for doing well and giving back



Chiquita is approaching 150 years young - a good moment to reflect on our achievements but, more importantly, to focus on the road we need to follow for the 150 years in front of us. Now in private ownership, with a vision for the long term, we want to build a resilient company able to cope with both the cycles inherent in the fruit business as well as the unpredictability of Mother Nature. To achieve this we need to be part of a healthy and competitive industry. We have to generate consistent returns over time in order to invest for the future. Also, and unambiguously, we need to run a truly sustainable and responsible business model. We want to respect and protect our natural resources. We want to support the communities where we work and, above all, place our proud and skilled employees at the centre of all our activities. That is why we are committed to the broad spirit of doing well and giving back.

We want to do well and grow. That is good business but, also, we want to give back to our employees and our communities. Today we are investing in our sustainable future proactively. Our decision-making focuses on a long-term view. We try to steer clear of 'quick fixes' for short-term gain. We are farmers at heart with a focus on growing, sourcing and delivering our best to our consumers in all aspects. We do so not just with a sense of integrity and humility but with bold commitment. We manage our operations with a hands-on, practical approach from shareholder to farm worker. That's why CSR is not a separate, independent function in Chiquita. It is now embedded 'North, South, East and West' in all our daily operations.

Today we are and will be focussing our sustainability strategy on 3 essential initiatives:

Firstly, we want to ensure that our iconic blue Chiquita label stands for high-quality, delicious, and - above all - sustainable bananas. For this reason the **"Behind the Blue Sticker"** initiative comprises numerous innovations in farm management and logistics with an impact on waste, emission reduction, CO<sub>2</sub> and water footprint and much more. Our most notable sustainability initiative under this heading is the ongoing farm rejuvenation

programme to improve efficiency and environmental footprint. As of today 39% of the farmland we own has been rejuvenated. Our goal is to reach 76% by 2020. To achieve this we need skilled and motivated employees. That is why we place employees at the very centre of our efforts. We provide them with a comprehensive set of programmes and benefits related to workplace safety, healthcare, collective bargaining agreements, women's rights, education and training as well as competitive wages and savings plans.

Secondly, we aspire to **"Being a Good Neighbour"**. As a good neighbour and citizen, we recognise we have a duty and commitment to our communities, suppliers, customers, partners, consumers and the environment. We initiate and support community projects such as investing in school infrastructure, helping children receive an education, creating environmental awareness and promoting social empowerment. We provide disaster relief when needed and work closely with NGO partners on selected charity programmes. In terms of the environment, we continue to support our longstanding nature conservation projects.

Thirdly, for the global banana industry to be viable and durable over time, we, as industry leaders, must leverage resources and know-how in an industry-wide approach working **"For the Greater Good"**. Bananas are the world's fourth most important food crop after rice, wheat and maize. Indeed bananas are an essential and important food staple for millions. We want to bring industry players together to address issues like the threat of the TR4 banana disease. In our globally connected world TR4 knows no boundaries. We recognise our duty and responsibility to take the lead and proactively work for the future of our industry together with all stakeholders.

In this publication, we introduce you to some of Chiquita's ongoing and new initiatives. We truly hope you understand our philosophy of 'embedded sustainability and responsibility'. We all have a passion for trying to do what we do in an exemplary fashion. We are excited about the future of Chiquita and our industry. We hope you are too and invite you to join us on our journey. See you soon.

Andrew Biles  
CEO and President

Raul Gigena Pagos  
Human Resources and Sustainability Director



# Embeddedness as a success factor for sustainable business

*We want to create positive and measurable impact by implementing the principles of sustainability in all our business practices. As a global company we are embedded in a bigger picture. To be successful, we recognise the importance of doing well for our employees and their families, for our communities, our industry as a whole and the environment we all live in. We know that doing so is a key success factor for our business.*



In the course of 25 years of commitment to sustainable business practices, we have learned that sustainability encompasses, and is embedded in, all human activities. We know that we do best when everyone involved mutually benefits from working together, with shared goals and convictions. That's when the success of our employees and communities translates into our success as a company - and vice versa. It's the spirit everyone at Chiquita embraces. It's embedded in our DNA and defines the standard by which we act on a daily basis, as we carry out our individual duties.

*Embedded sustainability* means that we support the capacity of current and future generations to create healthy and thriving communities, whilst keeping our company resilient and profitable. In order to free up the resources to pursue these long-term goals, we must be highly efficient and productive. Our scope of embedded sustainability encompasses a broad range of elements and factors that go in to the equation of how we do business, such as:

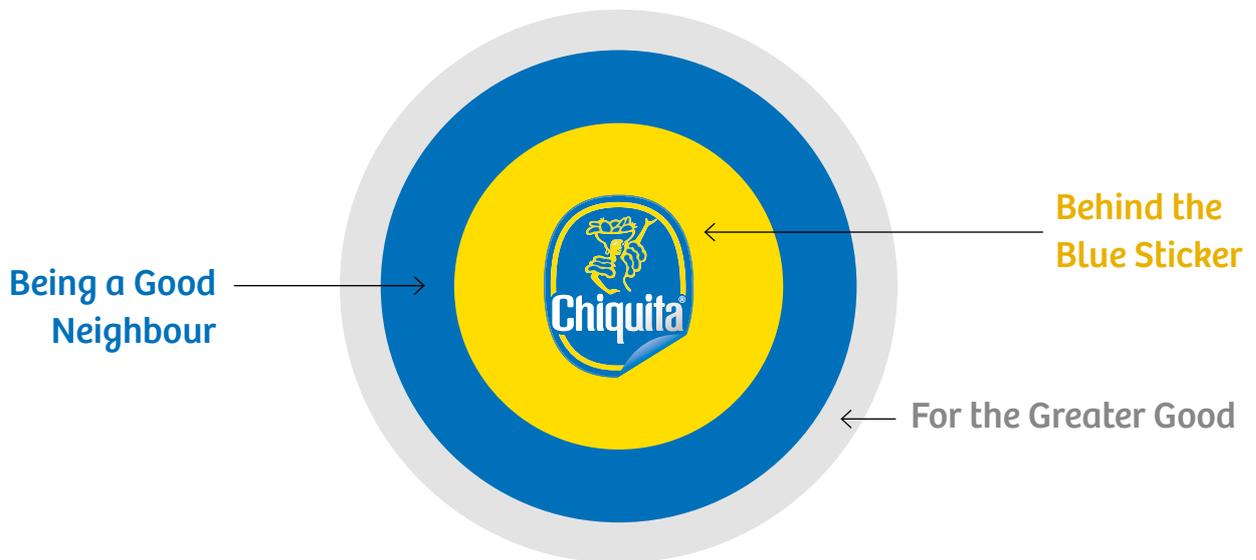
- [Environmental-friendly business practices for improved productivity and efficiency](#)
- [Guidelines for ethical behaviour](#)
- [Healthcare](#)
- [Diversity](#)
- [Community development](#)
- [Education](#)
- [Social empowerment](#)
- [Financial security](#)
- [Human rights](#)
- [Labour rights](#)
- [Workplace safety](#)
- [Charitable projects](#)
- [Disaster relief](#)

# Strategic vision

*We want Chiquita to be the healthy banana of choice in every market we are in, providing our customers with the highest quality product and service, all the way from our farms to the retailers' shelves. We want to create consistent value for the Chiquita Brand, our customers, suppliers, associates and the community. We want to do so in the spirit of doing well and giving back, with respect for the environment and everyone involved in our business. **Behind the Blue Sticker** we work relentlessly to achieve sustainable growth. By **Being a Good Neighbour** we show that we care for our community. And as leaders in the banana business, we work **For the Greater Good** to address challenges which concern us all.*



# Strategic initiatives



## Behind the Blue Sticker

We want to make sure that our iconic blue Chiquita label stands for both sustainable bananas and our inspiration for doing well and giving back. Efficient and sustainable business processes throughout the whole supply chain with a healthy, motivated workforce is at the core of how we run our company. Currently, we focus on two key sustainability initiatives: *Farm Rejuvenation and Reengineering* for improved efficiency and reduced environmental footprint, and *Employees At The Centre*, which comprise a wide range of initiatives, programmes and incentives to maintain workforce motivation and capability to run our farms sustainably, day after day.



## Being a Good Neighbour

We have a duty and commitment to our communities, and we know that their success translates in to our success. That is why we support our communities with a variety of projects. The initiative *Children and Education* is our answer to the need to educate our younger generation. We feel that helping children get primary education is where we can best have a positive, long-lasting impact on the communities. We provide disaster relief where hardship hits most, and work with select NGOs and foundations for charitable programmes. Furthermore, we will continue to support our longstanding biodiversity projects in Latin America.



## For the Greater Good

Bananas are one of the world's most important food crop. Being the existential basis and alimentary subsistence for millions of people, we want to bring the industry together in order to ensure our ability to address issues like TR4. The disease is endangering not just our banana farms, but those of our suppliers and competitors, too - across countries and markets. In the light of these developments, we acknowledge our duty to take the lead and rally the industry to tackle the main challenges. Working jointly, we can address TR4 as well as future issues, whilst sharing learnings with our shareholders.

*Let us show you how we implement our strategic sustainability vision and initiatives. Using concrete examples, highlighting **Impact Cases** and **Focus** areas, we would like to give you an impression of our hands-on, practical approach to creating tangible results.*

# Behind the Blue Sticker



## IMPACT CASE Farm rejuvenation and reengineering

Our most important and challenging initiative is our ongoing farm rejuvenation and reengineering programme. By reengineering and streamlining the numerous farm operation processes, from soil preparation and planting all the way to harvest, packaging and shipping, we can enhance our productivity and efficiency significantly. Many of these improvements in farm management benefit environmental sustainability in areas such as waste and emissions, CO<sub>2</sub> and water footprint, recycling, logistics, pesticide use and much more. Under new private ownership, Chiquita has decided to increase the pace of farm rejuvenation. Let's take a closer look at the various impacts the rejuvenation and reengineering programme has.



## Summary of progress and outlook

Rejuvenation progress (cumulative performance)

• 2002 to 2014	24%
• 2015	28%
• 2016	39%
• Goal for 2017 to 2020	76%

As % of Chiquita owned farmland

Rejuvenation progress (annual performance)

• 2002 to 2014	2% per year
• 2015	4%
• 2016	11%
• Goal for 2017 to 2020	10% per year

As % of Chiquita owned farmland

## Examples of impact on farm operations and efficiency

**1. Terrain and soil** are crucial factors for growing bananas. Re-arranging the plantation drainage system allows us to plant around 12% more plants/ha, resulting in up to 20% better productivity. Rejuvenation has also led to a reduction in the amount of CaCO<sub>3</sub> required for soil acidity control.

Before rejuvenation we required 5 tons of CaCO<sub>3</sub>/ha. After rejuvenation we use only up to 1 ton/ha - a reduction of 80%.

**2. By levelling uneven** surfaces and **optimizing** farm layout, certain farm labour tasks such as harvesting and pruning have been optimised, resulting in improved productivity.

**3. Switching to different banana plant varieties** that are better suited to local weather and soil conditions have resulted in a 20% improvement in output, as has replacing plants in older farms that have not yet been rejuvenated.

**4. Biological soil erosion control:** In Panama, we are testing a new low-growing soil cover crop specie which successfully helps to reduce soil erosion and herbicide use in a biological way. Actual status of implementation:

- 24% of total area has 100% crop cover
- 38% of total area has between 50% and 80% crop cover
- 38% of total area has 50% or less crop cover

**5. Plant material waste reduction:** In non-rejuvenated areas in Costa Rica and Panama we used to have about 15% plant material waste, versus less than 5% in rejuvenated areas. Under the "No Banana Wasted" policy we prevent inedible fruit from being disposed of as waste. The remaining inedible plant waste is returned to the soil.

## FOCUS

### "No Banana Wasted"

We don't waste banana at farm level. Our goal is to ensure by 2020 that no single banana is wasted along our supply chain. All bananas not suitable for export are either sold to local markets or are processed to reach consumers in some form or other. For example, in Honduras (2016), 16'000 tons of deficient bananas were sold to the company "Inversiones y productos agroindustriales (Inprosa)". Bananas that cannot be sold on local markets are supplied to the Chiquita Tropical Ingredients processing plant (CTI), formerly known as Compañía Mundimar, located in Costa Rica, where an average of 65'000 tons/year of fruit from Panama and Costa Rica are processed into banana puree and banana flour.

## FOCUS

### Recycling programmes

We put great emphasis on recycling and re-using organic and inorganic materials.

- 50% of wooden **shipping pallets** are returned from Europe and can be re-used about twice on average.
- We extract about 6'700 tons of **twine** (plastic threads that help stabilize the banana plants) per year from our renovated farms in Costa Rica, Honduras and Panama, and on a growing number of farms in Guatemala. The twine is gathered during or after the harvest process and is either recycled or disposed of appropriately, thus reducing environmental pollution.
- More than 1'150 tons/year of **blue plastic bags** used to protect the banana hands on farms are collected and recycled every year.
- About 50% of **cornerboards** used for shipping are returned to the tropics. Of these, 30% are then re-used and the rest is recycled.



## FOCUS

### Water footprint management

As a result of two independent water footprint studies carried out in collaboration with the Massachusetts Institute of Technology (MIT) and the World Wildlife Fund (WWF), our renewed water strategy and water management policies have allowed us to significantly improve our water footprint in terms of water quality and water savings.

### Water footprint: Savings and recycling

The banana water footprint (water consumed/kg of bananas produced) ranges from 400 to 600 litres. The crop in the field consumes between 90%-99% of this water footprint. In some regions with irregular or seasonal rainfall, irrigation is necessary; in others, rainfall provides adequate moisture. The balance (1%-9%) is consumed in the packing station during the dehanding, washing and packing process.

- **Dry dehanding packing stations**

To date, we operate 17 dry dehanding packing stations, equivalent to 23% of all stations. Each station saves about 9.4 million liters of water per year, for a total saving of 160 million liters of water per year. Due to this enormous water saving potential, we will continue to further invest in dry dehanding packing stations.

- **Water recycling systems**

Since their installation in 2004, 20 of our packing stations (26% of all stations) are now equipped with a water recycling system, reducing the use of water by more than 1.7 billion liters per year (2013-2016 average for all farms equipped with water recycling systems). That's an impressive 80% of water savings over packing stations without water recirculation system.

- **Other measures for saving water include:**

- Lower depth of cleaning tanks in certain packing stations
- Micro-irrigation in some locations
- Heavy mulching, cover crops and buffer zones to reduce water run-off

### Water footprint: Quality

We perform regular monitoring of water discharge and water quality as required by local legislation, including microbiology and pesticide residue analysis, to ensure that discharge water is free of contamination. We monitor:

- [Quality of water discharge at all packing stations](#)
- [Quality of runoff through drainage channels of the farms - before releasing into rivers or creeks - at 42 checkpoints. Some farms share a monitoring point](#)
- [Quality of river and creek water before and after passing through our farms at an additional 25 monitoring points](#)
- [Regular microbiology and pesticide residue analysis to ensure that discharge water is free of contamination](#)

We emphasize and promote cooperation with other parties to address water footprint issues. There are good opportunities for working collaboratively in the region with other water users, local governments, NGOs and communities.



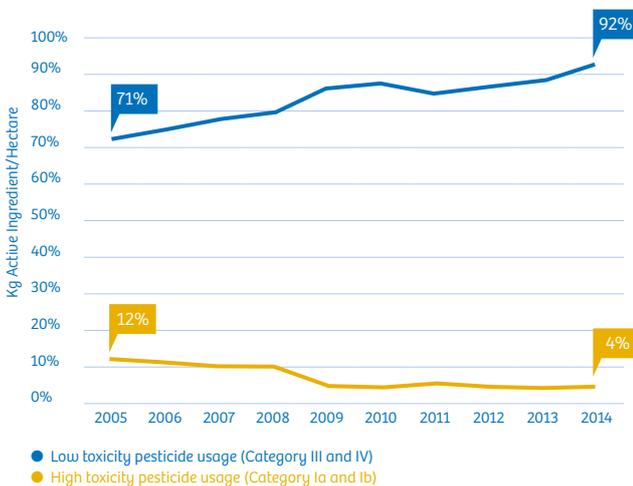


## FOCUS Pesticide control and reduction

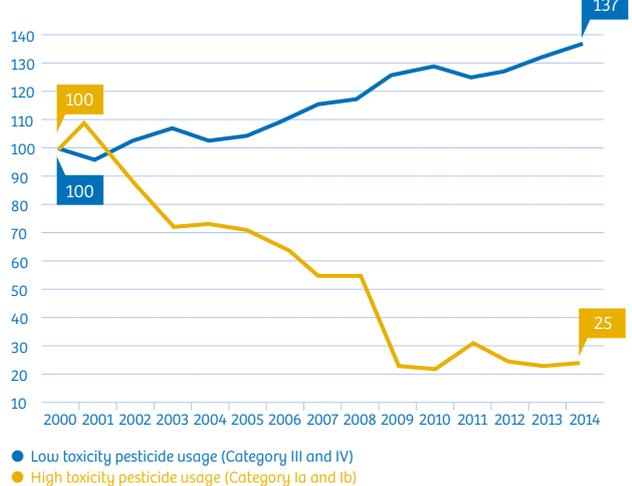
We are committed to reducing the use and impact of pesticides by optimizing application techniques and schedules. We use only agrochemicals for pest and disease control authorized by the respective regional or country regulations.

As part of our pesticide control efforts, we regularly monitor run-off water and discharge from farms to make sure quality and residues meet local regulations requirements. Our employees who handle and apply pesticides receive rigorous safety training.

### All Chiquita owned farms 2005-2014



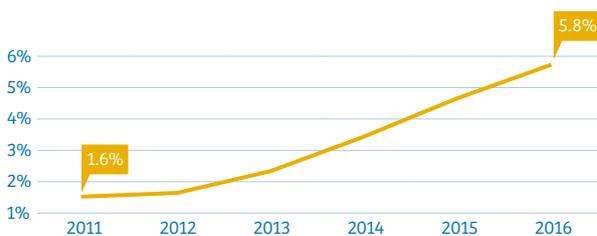
### All Chiquita owned farms, Index 2000 = 100 2000-2014





## FOCUS Organic bananas

Our organic share has more than tripled, from 1.6% (2011) to 5.8% (2016) of total banana volume.



Organic share as % of total banana volume

### Certifications update

We continue our efforts to have all Chiquita owned farms certified to the Global G.A.P., Rainforest Alliance and SA8000 standards.

## FOCUS Container fleet upgrade

In 2009, we began a comprehensive refrigerated container renewal programme in order to replace 65 percent of our container fleet. Refrigerated containers are key components in the logistics of today's banana supply chain. We operate more than 15'000 40-foot containers. Improvements in the design and operating efficiency of containers have led to important environmental benefits:

- [Reduced electricity consumption](#)
- [Greenhouse friendly refrigerants](#)
- [Use of insulation materials with reduced emission footprint](#)

The impact of this fleet renewal has been substantial. We achieve energy savings of up to 35 percent compared with the old units, and up to 58 percent when equipped with Quest software that automatically shuts down the container compressor without affecting the quality of the stored fruit. As a result, electricity savings of 34 million kilowatt hours have been achieved. This in turn led to annual emissions reductions of 17'000 tons of CO<sub>2</sub> per year which is equivalent to taking over 3'000 cars off the road every year.

### Summary of progress and outlook

Between January 2015 and the end of 2017 we intend to replace 4'570 older containers with 5'700 new ones. Despite an increase of 25% in the overall number of containers, we expect to achieve an 11% reduction in electricity consumption.



## IMPACT CASE Employees at the centre

### Overview

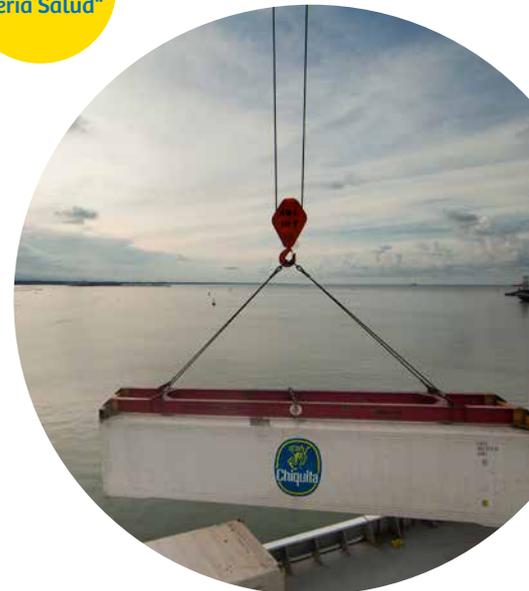
Our business is only as resilient and sustainable as our workforce. Skilled, motivated and healthy employees are at the centre of everything we do. It is they who run our farms on a daily basis and their success at work as well as at home, where they provide for their families, translates in to our success as a company. Our employees enjoy a set of benefits and programmes that are exemplary for our industry:



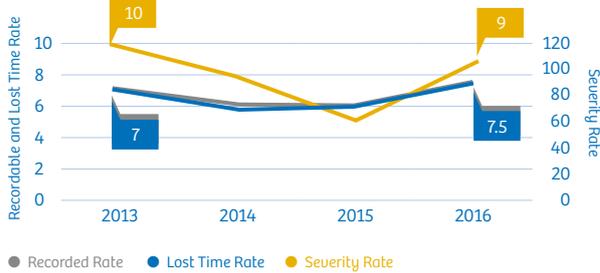
### FOCUS Workplace safety

We are committed to our „Target Zero“ long-term goal. Zero workplace safety incidents mean zero lost time and - even more importantly - zero employees affected by workplace hazards. In order to get there, our objective is to achieve a 10% improvement in safety performance on a yearly basis. We measure safety performance according to the US-American Occupational Safety and Health Administration (OSHA) standards ([www.osha.gov](http://www.osha.gov)). This includes the measurement of:

- [Incidents recorded per 200'000 hours worked \(recordable rate\)](#)
- [Lost Time Incidents \(LTI 's\) per 200'000 hours worked \(lost time rate\)](#)
- [Days lost per number of recordable incidents \(severity rate\)](#)



## Safety performance Latin America Agricultural operations



The Agriculture (farm) operations performance from 2013 to 2015 shows a steady decline of incidents of at least 10%, exceeding our company goal. In 2016 we recorded an increase in incidents due to issues related to the implementation of certain safety procedures in some locations. We are working to get the numbers realigned with our company goal in 2017.

## Safety performance Latin America Logistics operations



2013 - 2016 Performance (Logistics Operations): Average incident rate and lost time incidents dropped to almost zero, as did the severity rate of incidents.

## Logistics safety milestones

Year	Month	Location	Milestone without Lost Time Incident
2013	March	Puerto Barrios port - Guatemala	1m consecutive hours (3m accumulated)
	May	Chinandega yard - Nicaragua	1'500 days
	September	Almirante port - Panama	1m consecutive hours
		San Pedro Sula yard - Honduras	1'000 days
November	Macrolotes yard - Guatemala	3m consecutive hours (2m and 3m accumulated)	
2014	February	Puerto Barrios port - Guatemala	1m consecutive hours (4m accumulated)
	December	Puerto Barrios port - Guatemala	2m consecutive hours (5m and 6m accumulated)
2015	April	Macrolotes yard - Guatemala	1m consecutive hours (3m accumulated)
	August	Puerto Barrios port - Guatemala	1m consecutive hours (7m accumulated)
2016	May	Puerto Barrios port - Guatemala	3m consecutive hours (8m, 9m and 10m accumulated)
	October	Puerto Barrios port - Guatemala	1m consecutive hours (11m accumulated)



Puerto Barrios

## FOCUS

### Employee representation and collective bargaining agreements

#### Employee representation and union participation

Most of our regular employees from Guatemala, Honduras, Costa Rica and Panama are members of, or are represented by, 34 different organizations (unions or comités permanentes), which they are free to choose and join. According to the International Labour Organization (ILO, [www.ilo.org](http://www.ilo.org)) standards, the so-called trade union *density rate* represents the number of employees who are organized in such a way as a percentage of the total number of employees. In the period 2013-2016 our employee union membership rate was on average 71%, taking in to account all regular Chiquita employees. The rate varies by country and year but is at an overall stable level:

- Panama: 99% - 100%
- Honduras: 87% - 93%
- Guatemala: 73% - 77%
- Costa Rica: 19% - 20%\*

\* Note that in Costa Rica employees are organized in so-called Comités Permanentes which are not trade or labour unions and are not included in this table.

#### Meetings with employee representatives

Over the years we have intensified collaboration with employees representatives in the form of unions or comités permanentes. We measure this by the numbers of meetings with employee representatives. A decline in a certain year does not imply less, or less fruitful, collaboration - it reflects the fact that issues have been resolved at the local level between the employees and their supervisor, and no longer need to be addressed during these meetings.

Year	Guatemala	Honduras	Costa Rica	Panama	Total
2013	77	-	315	317	709
2014	97	398	288	580	1'363
2015	91	697	289	152	1'229
2016	88	756	242	123	1'306





### Claims, complaints and rate of resolution

From 2013 - 2016, in our Central American operations (including Guatemala, Honduras, Panama and Costa Rica), the average resolution rate of claims and complaints presented during the meetings with employee representatives was 94%.

#### Claims and complaints filed

Year	Guatemala	Honduras	Costa Rica	Panama	Total
2013	369	-	1'135	476	1'980
2014	388	476	1'063	870	2'797
2015	329	997	1'068	458	2'852
2016	315	681	715	360	2'071

#### Claims and complaints resolution rate

Year	Guatemala	Honduras	Costa Rica	Panama	Total
2013	79%	-	100%	98%	96%
2014	77%	100%	100%	97%	96%
2015	91%	90%	100%	90%	94%
2016	96%	91%	86%	89%	90%

### EXAMPLE

#### "Feria Salud" healthcare programme

Throughout 2016 the "Asociación Solidarista de Empleados Diarios de Chiquita Brands Costa Rica" (ASOCHI) – Solidarity Association of Daily Workers of Chiquita Brands Costa Rica (ASOCHI) - organized several health fairs that benefitted farm workers in Costa Rica. About 1'200 employees received a health checkup, diagnosis and - if needed - treatment in the following areas: dentistry, optometry, general medicine, cervix cancer and prostate cancer prevention.

There was also a social outreach component to the health fairs. School children from 4 schools in the farm's neighbourhoods were invited to receive visual and dental care, education and free teeth cleaning kits. The impact of such activities is especially high in areas where educational levels tend to be low and where access to diagnostic facilities is limited due to distance from medical centres and the cost involved.

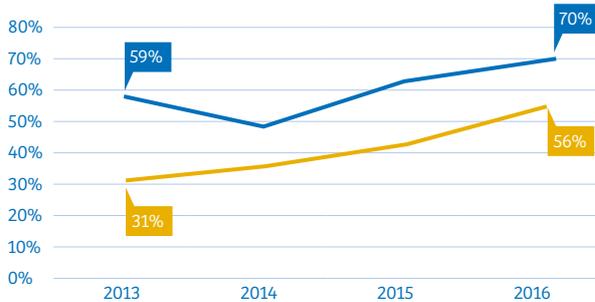




## FOCUS Wages and salaries

The *minimum wage* is established in each country by the government for the specific type of work or sector. The *living wage* is calculated according to SAI/SA8000 ([www.sa-intl.org/](http://www.sa-intl.org/)) certification standards, which includes the minimum wage, but also considers other elements/benefits required for a decent and better standard of living, such as food, water, housing, education, health care, transportation, clothing and other essential needs, including provision for unexpected events. The following chart illustrates the weighted average wages including benefits as agreed in the collective bargaining agreements and “*arreglos directos*” that Chiquita pays compared to the average current minimum and current living wage for all countries combined (Panama, Costa Rica, Honduras and Guatemala).

### Chiquita pays average wages (including benefits) that are well above the local minimum and living wages



● Chiquita us. Minimum Wage ● Chiquita us. Living Wage  
Chiquita wages shown as % above local wages



## FOCUS Savings programme

Eligible Chiquita farm employees in Costa Rica can opt to participate in a financial savings programme run by the “Asociación Solidarista de Empleados Diarios de Chiquita Brands Costa Rica” (ASOCHI) – Solidarity Association of Daily Workers of Chiquita Brands Costa Rica (ASOCHI), which is now in its 10th year of existence. Eligibility to participate starts after 3 months working for Chiquita. In 2016, 77% of eligible farm workers participated in ASOCHI, which is managed by a board of directors consisting of Chiquita employee representatives. Worker contributions range from 3-5% of salary. Additional voluntary contributions are permitted. Chiquita’s employer contribution is 2% of the salary. Administrative employees participate in a separate solidarity association called ASECOB.

Our employees are organized in two Solidarity Associations (Year: 2016)

Organization	Membership	Members	Total Savings (US\$)
ASOCHI	Farm Workers	2'089 (77%)	2'389'367
ASECOB <sup>3</sup>	Administration	295 (47%)	1'777'080
<b>Total Chiquita</b>			<b>4'166'447</b>

<sup>3</sup>Grupo Asecob S.A.S

On average for both farm workers and administrative employees, the combined historical participation rate is stable above 70%.

## EXAMPLE ASOCHI

- ASOCHI is one of the largest solidarity associations in the banana sector
- ASOCHI administration is fully paid for by Chiquita
- Average farm worker savings amounted to \$1'143 (at the end of 2016)
- ALL worker members save 5% of their salary while we contribute 2%. A significant number of employees contribute additional voluntary savings which represent 6% of the ASOCHI total capital
- 45% of ASOCHI funds are used for low interest loans to members
- Current financial investment amounts to 52% of capital with a preferential yield as compared to market interest rates
- For the fiscal year ending September 2016 the return on total capital was 14%
- ASOCHI also provides services to members and the wider community:
  - School materials for children
  - Mother's day gifts
  - Special donations for members in need (e.g. funerals, emergencies)
  - Annual donation to Teletón, the children's hospital charity
  - Health fairs for employees and their families
  - Training to manage employee personal and family finances
  - “Solidarity Sundays” (family and sports activities)

## FOCUS Women

The proportion of women in Chiquita's workforce has been very stable, on average at about 17%. As the workforce has increased in size since 2013, the number of female employees has grown proportionally as well. We recognise the needs and rights of our female employees and do our best to improve the occupational well-being and opportunities of women.

### IUF / COLSIBA / Chiquita agreement

As part of the IUF / COLSIBA / Chiquita agreement, a Women's Committee was formed in April 2011 which identified key topics for action to be taken. These are as follows:

- Strengthen Chiquita's policies to improve working conditions for women
- Develop awareness and information campaign for women to advance technical skills, women's rights, health and workplace safety
- Develop plans to increase employment opportunities for women

On March 27th, 2013 an important annex\* to the agreement was signed, aimed at further improving the working conditions for women on company-owned farms - particularly with regard to protection from sexual harassment and all kinds of discrimination - making this an integral part of our collective bargaining agreements.

\* Anexo Del Acuerdo Uita/Colsiba y Chiquita Entendimiento Conjunto Sobre Acoso Sexual

**Annex to the IUF/COLSIBA/Chiquita Agreement, signed on March 27th, 2013, has also been included in the following:**

- Panama: Collective bargaining agreement (November 2014)
- Costa Rica: "Arreglos directos" (2013 and 2014)
- Costa Rica: Port operations collective bargaining agreement (September 2015)
- Honduras: Two collective bargaining agreements
- Pending to be included in additional collective bargaining agreements in Guatemala, Honduras and Costa Rica



## Gender pilot project

In the spirit of, and in line with, the IUF / COLSIBA / Chiquita agreement, we've started setting up projects that serve as role model cases and as a learning experience for everyone involved. As a pilot programme in 2013 in our Panama operations, a local women's committee was founded between Chiquita and a local union (Sitraibana). Periodical meetings took place throughout the year to review women's needs and define actions. As a result of this project we were able to improve the conditions for women working in our farms and we now prioritize women for specific farm tasks that were usually done by men in the past.

Examples of local women's committee impact:

- In the course of the farm rejuvenation programme, a new greenhouse was built. The committee identified that the majority of greenhouse tasks could be done by women.
- Additionally, it was decided that work conditions needed to be improved by providing a mobile toilet specifically for women, as the greenhouse is far away from the toilets at the farm packing station.

In our Panamenian banana farms in the Bocas del Toro region, about 13% of the total workforce are women. In 2016, these women have increasingly carried out tasks that were traditionally reserved for men. Women are now working in all of these areas:

- Leaf cutting
- Banana cleaning
- Bagging, packing and boxing
- Greenhouse tasks
- Control and application of fertilizer
- Pest control
- Planting of anti-erosion ground cover plants





## FOCUS Employee helpline

Since 2004 Chiquita has, and will continue to have, a well-established and efficient helpline for employees to request immediate help, assistance and advice on how to file claims in an anonymous way if they feel it is necessary to do so.

### Helpline reports by year

	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total reports received	135	111	156	172	141	142	132	41	21

Action taken	#	%
No action necessary	6	29%
Pending	14	67%
Training required	0	0%
Disciplined	0	0%
Recommended policy/procedure review	0	0%
Disciplined - termination	1	5%
Performance improvement plan	0	0%
Prosecution	0	0%
Reassignment/transfer	0	0%
<b>Total</b>	<b>21</b>	<b>100%</b>

## FOCUS Education and training

Training our employees and promoting our finest talents are a key ingredient in maintaining an excellent workforce. We make sure that our employees are informed about practices and regulations in all relevant areas. We have significantly increased the number of employees trained over the past 4 years:

Category	2013	2014	2015	2016*
Social, Environmental, Good Agricultural Practices	20'382	23'387	21'818	26'122
Occupational Health and Safety	13'690	16'177	22'864	25'164
Company Regulations	3'807	4'502	3'729	2'813
<b>Total</b>	<b>37'879</b>	<b>44'066</b>	<b>48'411</b>	<b>54'099</b>

\*As per the date of printing, the 2016 figures do not include December values.







# Being a Good Neighbour



## IMPACT CASE Children and education

We believe that educating children is the means by which we can make the greatest impact on the families and communities of our employees. As part of existing collective labour agreements and individual agreements, Chiquita already has a school benefits programme in place for the children of our farm workers, available in three of the four countries where we own farms. In Costa Rica and Guatemala we provide a school package (containing many of the basic materials required by the Education Ministry) and in Panama we provide scholarships.

- In view of the positive impact that these packages have had on the children and communities in the past, we want to intensify our engagement. Our vision is that in 10 years all the children in the areas where we produce bananas will have the opportunity to obtain a **good primary education**

### Summary of progress and outlook

- In 2016 we supported 15 schools. We have donated materials and equipment and we have helped improve the infrastructure of buildings (painting, roof, security, bathrooms and more)

By 2020 it is our intention to reach **100 schools and 20'000 children** by building and renovating school infrastructure, providing learning materials and teaching courses. Starting with pilot projects in Costa Rica and Panama in our owned farms, we will then expand to those countries where we buy bananas from independent growers.

- Every Chiquita employee will be offered the opportunity to give 1 day of paid work to support the construction and renovation of schools and/or to help teaching

### Scholarships or School Packages granted

Year	Total
2013	4'204
2014	4'356
2015	4'061
2016	4'168

1 scholarship/school package = 1 child



Renovated School in Honduras

## FOCUS

### The International Medical Outreach programme

The International Medical Outreach programme (IMO), a partnership between the Heineman Foundation of the Charlotte and Carolinas HealthCare Systems, provides decommissioned material and medical equipment to hospitals in Central America and the Caribbean. After repair and refurbishing, this much needed medical equipment is deployed to hospitals and clinics in developing countries.

Since 2013 Chiquita has provided and transported 55 containers of medical equipment and 17'000 computers to rural public schools in Guatemala, impacting the lives of over a million people. The target of these donations is the disenfranchised population in remote areas.

Chiquita's company goal is to maintain our commitment to the Heineman Foundation and to provide the transportation of as many containers of medical or educational equipment as necessary.

*"Since the collaboration with Chiquita began, IMO has been able to deliver \$26.4 million (new value) worth of medical and electronic equipment and has touched over one million lives. IMO could not have done half of this work without the valuable assistance of Chiquita Brands International and for this we remain eternally grateful".*

Theresa Johnsson, Director International Medical Outreach  
Carolinas Healthcare System and Heineman Medical Outreach

## FOCUS

### Nogal Nature and Community Reserve

The biodiversity partnership at the Nogal Nature and Community Reserve was created in 2004 with the support of retailer partners, a government development agency and NGOs. During the past decade, the project's partners have invested more than \$1.5 million into reforestation, restoration of critical wildlife corridors, local community education and monitoring and investigation of tropical flora and fauna under the motto: "For the community, with the community".

Key project results have included:

- 600 hectares of previously isolated forest areas have been reconnected to recreate a biological corridor for wildlife species
- More than 35'000 trees of 62 native species have been planted
- More than 22'000 school children and visitors have participated in the project's environmental education programming

The Nogal forest reserve is officially protected as a private wildlife refuge. This status is being renewed for an additional 10 years.

## FOCUS

### Cancer Awareness

We would like to use our worldwide recognition, thanks to the reach of our bananas and their Blue Sticker, to increase awareness about cancer. Chiquita has supported cancer awareness and prevention for some time.

- In 2012, more than 470 women in Costa Rica, including female employees and women from local communities over 40 years old, were offered free breast cancer screenings. This programme was implemented in collaboration with the Costa Rican Employee Solidarity Association ASOCHI (formerly known as ASEACOB)
- In order to underline the long-term commitment to cancer awareness and increase reach and impact, Chiquita has joined Ahold's "Our Family Foundation", which aims to improve the quality of life for children, fight hunger and build healthy communities. A majority of the funds will go to fight childhood cancer by supporting various hospitals
- In 2016 Chiquita donated \$ 200'000 for cancer foundations, and for 2017 is committed to donate \$ 250'000
- In 2017, 100 million special Chiquita stickers will be used to bring the topic to the attention of consumers all over the world

## FOCUS

### Disaster Relief

When disaster strikes, we want to be there to help and provide relief to people in need. Be it transportation or provision of food, wherever and however we can we implement our resources for best impact.

As recently as 2016, we assisted and donated in the aftermath of the earthquakes in Ecuador and Italy, as well as providing support for the communities and our employees in areas that were affected by floods or tropical storms and hurricanes.

*On Saturday April 16th, 2016 Ecuador suffered a 7.8 magnitude earthquake that shattered the country. In order to support the victims, Chiquita donated \$15'000 in food and materials for basic needs. Our local team coordinated our humanitarian effort, buying the goods and transporting them from Guayaquil to the operations centre in Bahía de Caraquez, more than 340 km away and closer to the epicentre of the earthquake. Chiquita's donation was received by the Ministry of Agriculture and the Ecuador Armed Forces, who delivered it to people in need.*



**For the  
Greater Good**



## IMPACT CASE

# Bringing the industry together

*In 2009, Chiquita was one of the **World Banana Forum (WBF) founding members** and continues to remain an active member. The WBF is open to all stakeholders and includes the participation of banana farmers, shippers, traders, retailers, scientists, civil society organizations, trade unions and government representatives. The WBF and its partners are aware of the threat of TR4 and coordinate appropriate response efforts.*



### TR4 - A worldwide challenge

Tropical Race 4 (TR4) is a fungal soil-dwelling banana disease causing wilt (i.e. withering and drying up of the plants) that has had devastating effects on banana plantations in several parts of the world. Presence of TR4 has been reported in South East Asia, Australia, Jordan and Africa. TR4 can affect most banana varieties but will predominantly attack the Cavendish, the most widely cultivated banana variety in the world.

- At present, there is neither any effective treatment nor cure for TR4 once it has infested a banana plant, nor do resistant banana varieties exist that can replace the Cavendish or withstand the disease
- The only counter-measure against TR4 currently available is to prevent the transfer of infected soil or plant material from infected to clean areas
- TR4 is resistant to fungicides and cannot be eliminated by chemical treatment
- TR4 spores can remain dormant and go unnoticed for decades in the soil
- TR4 spores can be carried on equipment, clothing and shoes and by the dispersion of infested soil by vehicles, animals, people, irrigation water or surface run-off water and naturally occurring flooding
- TR4 biology and genetics are not well understood at present

### A call to action

Bananas are one of the world's most important food crops. They form the existential basis and alimentary subsistence for millions of people. TR4 endangers not only our banana farms, and those of our suppliers and competitors, but also those of small, family-owned producers who rely on bananas for their own consumption or supply local markets and have no back-up plan should the disease strike. In view of these developments, we recognise our duty and responsibility to take the lead and proactively bring our industry and all stakeholders together to pool our resources. The goal is to establish a global contingency plan and action programmes to:

- Prevent outbreak of TR4
- Manage existing TR4 cases
- Strengthen collaboration and coordination of the entire industry and beyond, reaching out to institutions, researchers, governments and producers - in short: bringing everyone involved together
- Find a permanent solution for TR4

Only by working together and sharing solutions in the open domain can we ensure the sustainability of the banana industry.





2011  
2011



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