



**“Corporate responsibility continues to be woven into every major decision we make as a company.”**

At Chiquita, corporate responsibility means living by our Core Values—Integrity, Respect, Opportunity and Responsibility—and Code of Conduct, achieving high environmental, social and ethical standards and balancing the interests of our stakeholders. Corporate responsibility continues to be woven into every major decision we make as a company. In 2004, we continued to make progress, which supports our sustainable growth strategy and strengthens our business. The following sections further outline the progress we made during 2004 in this important area.

**BUILDING ON OUR ENVIRONMENTAL COMMITMENT**

Chiquita committed in the mid-1990s to achieve certification of all our company-owned banana farms to the rigorous standards of the Rainforest Alliance, a leading international conservation organization. The mission of the Rainforest Alliance is to protect ecosystems and the people and wildlife that live within them by implementing better production practices for biodiversity conservation and sustainability. [www.ra.org](http://www.ra.org)

In 2004, for the fifth consecutive year, 100 percent of our farms in Latin America earned Rainforest Alliance certification on the basis of scheduled and surprise annual audits. In addition, 83 percent of independent grower banana farms supplying Chiquita in Latin America were also certified, up from 33 percent in 2001.

We built on our environmental commitment in new ways in 2004, including the Chiquita Nature & Community Project, a unique joint effort by Chiquita and a Swiss retailer. We dedicated a portion of a banana farm in Costa Rica to preserve plant and animal species, promote environmental awareness and encourage conservation of tropical rainforest habitats. [www.chiquita.com/naturecommunity](http://www.chiquita.com/naturecommunity)

**ACHIEVING SA8000 CERTIFICATION  
A YEAR AHEAD OF TARGET**

Chiquita is committed to fair labor practices and ensuring good working conditions in all of our operations. Social Accountability International, a nonprofit organization devoted to promoting human rights by improving workplace conditions and communities, developed the voluntary SA8000 workplace standard, which is based on core conventions of the International Labor Organization and United Nations. We adopted SA8000 as the labor standard in our Code of Conduct in 2000 and committed to achieve compliance and third-party certification in all of our owned banana divisions. [www.sa-intl.org](http://www.sa-intl.org)

In 2004, a year ahead of our original target, independent auditors certified 100 percent of our owned banana farms in Latin America to the SA8000 standard. These farms cover approximately 15,000 hectares (37,000 acres) in total area and provide jobs to more than 14,000 Chiquita employees.

#### EXTENDING STANDARDS BEYOND BANANA OPERATIONS

Initially, we focused our corporate responsibility reporting on our owned banana farms in Latin America, which have historically been the focus of stakeholder concern about our social and environmental performance. In 2002, we expanded our reporting to more operations, including our global supply chain organization and Great White Fleet shipping subsidiary.

Great White Fleet has proactively monitored the safety, quality and environmental impacts of its operations since the mid-1990s. To evaluate social performance, we measure compliance with our Code of Conduct, which is based on the SA8000 standard. In 1995, seven years before it became a legal requirement, we earned certification to the International Safety Management Code. In 2001, we earned certification from the American Bureau of Shipping for our Marine Safety, Quality and Environmental Management System (SQE), which Great White Fleet adopted in 1998. Great White Fleet was the first shipping company in Europe to achieve certification under the rigorous SQE auditing process. We are focused on continuous improvement through our certification programs and active participation in the Clean Cargo environmental working group. Clean Cargo, which is composed of leading marine shipping companies and top importers of containerized cargo, aims to develop cost-effective performance specifications to promote cleaner, more environmentally sustainable marine transport.

In our next report, we will expand the scope again and provide information about corporate responsibility performance at our Processed Fruit Ingredients (PFI) business for the first time. At PFI, we use the SA8000 standard to measure our social performance and the Costa Rican government's *Bandera Ecológica* (Ecological Flag) as the benchmark for managing environmental performance. Independent audits have demonstrated significant progress, while also revealing continuing opportunities for improvement, especially in Ecuador. One significant environmental accomplishment has been in organic waste disposal. In Costa Rica, all of our fruit peels and skins are delivered back to banana farms to make organic compost or to dairy farms and cattle ranches to serve as animal feed. Environmental efforts such as these have earned PFI the *Bandera Ecológica's* "AA" rating, one of only 14 companies in Costa Rica to achieve this distinction or the higher *Sello Verde* (Green Seal).

#### FACING A KEY CHALLENGE IN COLOMBIA

In May 2004, Chiquita announced that the company's management and audit committee, in consultation with the board of directors, had voluntarily disclosed to the U.S. Department of Justice more than a year earlier that the company's banana producing subsidiary in Colombia had been forced to make protection payments to certain groups in that country. The company's sole reason for submitting to these payment demands was to protect employees from the risks to their safety if the payments were not made.

The voluntary disclosure to the Department of Justice was made because management became aware that these groups had been designated as foreign terrorist organizations under a U.S. statute that makes it a crime to support such an organization. The company requested the department's guidance. Following the voluntary disclosure, the Department of Justice undertook an investigation, with which the company has cooperated. To date, this investigation has not concluded, and the company cannot predict its outcome. Chiquita sold its Colombian banana-producing and port operations to a local producer and exporter of bananas in June 2004.

#### OUR CONTINUING COMMITMENT

In early 2005, Manuel Rodriguez, senior vice president of government and international affairs, assumed an additional role as the company's corporate responsibility officer. His membership on the executive leadership team as well as his regular engagement with a wide variety of the company's stakeholders will sustain our commitment to corporate responsibility at the most senior levels of the company.

Jeffrey M. Zalla, who has served as Chiquita's corporate responsibility officer since 2000, has assumed new responsibilities at the company as vice president of finance for Chiquita Fresh North America. Zalla provided excellent stewardship of Chiquita's corporate responsibility efforts since 1998. As a result of his effective leadership and passion for our corporate responsibility performance, Chiquita has earned the respect of many who were once harsh critics.

We will continue to measure and report our environmental, social and financial performance in an open, honest and straightforward manner. We encourage you to visit our web site to review our corporate responsibility reports for much more detail. Our next corporate responsibility report will be published in 2005, based on the company's performance in 2003–2004. [www.chiquita.com](http://www.chiquita.com)