



# Codes of conduct and international framework agreements: New forms of governance at company level

## Case study: Chiquita

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*This case study is based on an analysis of Chiquita documents and papers of the IUF, COLSIBA (Latin American Coordinating Committee of Banana Workers' Unions) and the Chiquita Agreement on 'Freedom of association, minimum labour standards and employment in Latin American banana operations' presented and discussed at a two-day research workshop. The Workshop, on 'New instruments of social dialogue and agreement: An emerging cross-national industrial relations?', was organised by the International Institute for Labour Studies (IILS) of the International Labour Organization on 15–16 December 2006. The presentations were made by George Jaksch (Senior Director of Corporate Responsibility and Public Affairs, Chiquita International Services Group, Belgium) and Ron Oswald (International Union of Food Workers (IUF), Geneva).*

## **Information about the company**

Chiquita Brands International, Inc. was formed in 1871 by a US railroad entrepreneur as the United Fruit Company, established in Boston, as a result of the merger of banana production and transportation companies in Central America and the Colombian Caribbean. Chiquita has been listed on the New York Stock Exchange since 1903. In 1944, the Miss Chiquita Banana cartoon character was created by the famous Dik Browne at the request of United Fruit. In 1969, the United Fruit Company merged with AMK Morrell and the company was renamed United Brand Company. In 1985, Carl H. Lindner, the president of United Brand since 1976, moved the headquarters from New York to Cincinnati and changed the name of the company to Chiquita Brands International, Incorporated in 1989. Chiquita Brands International, Inc. is a leading international marketer, producer and distributor of quality fresh fruit and vegetables and processed foods.

The firm has been involved in different political, environmental and labour scandals, such as the 'Banana gate' in 1975, their abuse of a dominant position in the banana and fruit supply markets, protection payments to paramilitary groups in Colombia and ongoing workers' rights violations (currently in Costa Rica). In 2001, Chiquita went bankrupt. Since then, Chiquita has worked to radically change its outlook and reputation, which led the company to conduct an environmental and social responsibility strategy with the result that Chiquita has been certified internationally by the Rainforest Alliance and Social Accountability International SA 8000.

Following the creation of the European Single Market in 1992, the United States sought to abolish the Banana Protocol of the Lomé Convention, the purpose of which was to protect markets for the former colonial overseas territories of France, Italy, Portugal, Spain and the UK. Together with some South American governments, Chiquita successfully challenged this protocol in the World Trade Organization (WTO), leading to the 'banana war' from 1998 to 2001, as the EU refused to stop its preferential treatment policy.

Chiquita is a Cincinnati, Ohio-based producer and distributor of bananas and other products, under a variety of subsidiary brand names, collectively known as Chiquita. The company also owns a German produce distribution company, Atlanta AG, acquired in 2003. Chiquita was formerly controlled by Cincinnati billionaire Carl H. Lindner, Jr.; his majority ownership of the company ended as a result of Chiquita Brands International exiting a pre-packaged Chapter 11 bankruptcy on 19 March 2002.

Chiquita operates in more than 40 countries and has sales in 60 nations. In 2006, Chiquita was the second largest producer/marketer of bananas in the world and the largest distributor of fresh fruit. Together with Dole, Del Monte and Fyffes, Chiquita is one of the 'Big Four' agribusinesses. (Dole and Del Monte were created as a result of an anti-trust action taken in 1908 to stop the Chiquita monopoly.) Chiquita is the largest employer of banana workers in Latin America, with 26,000 full-time employees all over the world, 14,000 of whom live and work in Latin America.

In 2001, the IUF, COLSIBA and Chiquita were pioneers in signing an historic labour rights framework agreement on 'Freedom of association, minimum labour standards and employment in Latin America banana operations', under Juan

Somavia, the Director General of the International Labour Organization (ILO), which hosted the signing in Geneva. The agreement affirms Chiquita's commitment to respect the core labour conventions of the ILO, including the convention on freedom of association. Furthermore, Chiquita also acknowledges its responsibility to provide safe and healthy workplaces, and Chiquita, the IUF and COLSIBA agree to collaborate in efforts to further improve the health and safety of the company's banana operations. The agreement has been signed with both international and regional unions.

Furthermore, in 1999 Chiquita adopted a set of core values that provide the foundation for Chiquita's business conduct in every location in which it operates around the world. These values resulted from interviews and discussions with approximately 1,000 employees worldwide about their personal values and the values they believe Chiquita should stand for. They are also applied in order to foster trusting relationships with consumers, shareholders, suppliers, host governments and communities. The core values are integrity, respect, opportunity and responsibility.

The core values are translated into action through the company's code of conduct, which since 2000 has established clear standards for behaviour that is ethical, legal, socially responsible and in accordance with company policy.<sup>1</sup> In 2000, Chiquita adopted SA 8000.

Achievement of high standards of corporate responsibility has become an important part of Chiquita's culture and business strategy. Since 2000, Chiquita issues public reports on its corporate responsibility efforts. Since 2003, annual reports to shareholders mention corporate responsibility progress.

Chiquita's commitment to the environment is also reflected in the certification of the 115 banana farms to the environmental and social standards of the Rainforest Alliance as well as international standards for environmental protection and for worker health and safety in banana farms. The environmental standards held by Chiquita are 'zero tolerance for deforestation, reduction of pesticide use, protection of wildlife, conservation of water and soils, environmental education and safety for workers'.

Chiquita is also a member of the UK-based Ethical Trading Initiative, which is an alliance of companies, non-governmental organisations (NGOs) and labour unions working together to advance good practice in business ethics, corporate responsibility and human rights.

Table 1: *Profile of Chiquita*

Features	Data
History, milestones, etc	Founded in 1904
Industry sector	Marketer and distributor of many fresh and processed products. Main banana provider
Employment worldwide	26,000 employees in the world, 14,000 of whom live and work in Latin America

Source: *Author*

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<sup>1</sup> <http://www.chiquita.com/chiquita/whole.asp?category=corpres&subcategory=code&file=CRcodemenu.asp>

## Industrial relations context

For more than a century, the banana industry had a reputation for poor working conditions, low wages, long working hours, unacceptable living conditions, the suppression and repression of trade unions, damage to health, and environmental devastation due to pesticides and agrochemical use. Workers usually worked for small-scale farms, which represent 85% of the world's banana production.

Chiquita is the largest employer of banana workers in Latin America, with 14,000 full-time employees. In signing the agreement in 2001, Chiquita made a remarkable shift in its relationship with unions and its critics, especially with its Latin American unions and the IUF. It has differentiated itself from its competitors by taking the high road.

Since the late 1950s, banana workers in Central America have generally worked on plantations owned by Dole, Chiquita and Del Monte. Many, though not all, of these plantations were unionised. By the 1990s, after years of organising and hard-fought labour struggles, banana workers enjoyed some of the highest wages and best job security among agricultural workers in the region.

However, environmental disasters have hit banana unions hard. Furthermore, it is well known that in the banana industry, multinationals use independent, anti-union and non-union producers and repression of union efforts still continues.

Additionally, multinationals shift production away from plantations that are direct subsidiaries and use a combination of joint ventures and independent producers. Only Chiquita seems to retain a large percentage of its own production.

Some critics say that the banana industry now resembles the textiles industry in its use of subcontracting and temporary labour in order to avoid the social and legal responsibilities of employing workers directly. This means that when local producers wage fierce anti-union campaigns, the multinational often claims to have no responsibility or power regarding workers' rights. The exception here is Chiquita, thanks to the agreement signed by Chiquita, the IUF and COLSIBA in 2001, as Chiquita acknowledges responsibility for working conditions on its suppliers' plantations.

Table 2: Overview of average daily wages \*

Country	Union	Non-union
Ecuador	Virtually no unions	\$2–5
Nicaragua	\$3–4	\$2
Guatemala	\$7	\$4
Honduras	\$7	\$4
Panama	\$8	\$6–7
Colombia	\$8	\$6–7
Costa Rica	\$9	\$6

Source: STITCH – Women workers in the US and Central America (<http://www.stitchonline.org/archives/StitchBananaFactSheet.pdf>).

\* While women's daily wage is generally the same as men's on union plantations, women's actual earnings tend to be 40% to 70% less than men's, since they can only work when there is fruit ready to be packed.

Table 3: *Chiquita banana farm workers (November 2006)*

Country	Total	Union members	%
Guatemala	1,346	946	70
Honduras	2,009	1,835	91
Costa Rica	4,735	450	10
Panama	4,193	4,193	100
All	12,283	7,424	60

Source: *George Jaksch, ILS, 2006.*

## The IUF, COLSIBA and Chiquita Agreement

### Background

Mr Oswald described the agreement as ‘historic in the truest sense, meaning that it offers the possibility for workers and employers to seek a new basis for the resolution of problems in an industry which has throughout its history been highly confrontational.’<sup>2</sup> He added, ‘We have an opportunity through this agreement to ensure that the relationships between Chiquita and its workers are always founded on mutual recognition and respect for human rights as set out in the conventions of the ILO.’

From the point of view of IUF, the cooperation and involvement of COLSIBA is essential, as it gives the agreement more credibility on the ground and ensures better implementation and monitoring.

On the management side, this agreement signals a new partnership with the IUF and COLSIBA, based on mutual respect and openness, and it sets a new leadership standard for social responsibility in the banana industry. ‘It reflects our continued commitment to uphold the highest standards in all of our relationships with stakeholders, including our employees and their unions. We look forward to our increasing collaboration with the IUF and COLSIBA, which are important partners in our efforts to ensure both that we live up to these standards and that our workplace practices are as efficient and productive as possible.’

A joint IUF, COLSIBA, Chiquita Review Committee will meet twice yearly to oversee the application of the agreement and review any potential areas of concern.

### Contents and role of actors

#### *Contents and issues*

The agreement applies throughout the Group and to its subsidiaries and suppliers. Point 7 of the agreement mentions that the signatory parties will publicise the agreement in all the company’s banana operations in Latin America.

After a short preamble reaffirming the fundamental right of each employee to join and/or be represented by independent and democratic trade unions and the necessity of democratic cooperation to improve employment, whereby local issues should be resolved by actors through collective bargaining, the agreement then addresses minimum labour standards (Part I), employment issues (Part II) and suppliers (final paragraph).

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<sup>2</sup> The full text of the agreement is available, in English and Spanish, on the IUF website at <http://www.iuf.org> under <http://www.iufdocuments.org/www/documents/Chiquita-e.pdf> and on the Chiquita website at <http://www.chiquita.com>.

The agreement draws on the ILO's main conventions. The following issues are explicitly mentioned in the agreement (Part I):

- freedom of association (ILO Convention 87);
- effective recognition of the right to collective bargaining (ILO Convention 98);
- protection and facilities to be afforded to workers' representatives (ILO Convention 135);
- elimination of compulsory or forced labour (ILO Convention 29 and 105);
- abolition of child labour (ILO Convention 138 and 182);
- elimination of discrimination in respect of employment and occupation (ILO Convention 100 and 111).

In Part I of the agreement, Chiquita reaffirms its will to support and foster good cooperation with trade unions (especially in respect of the right to form and join them) and to support unions' activities, thereby ensuring that employees will not be discriminated against because of their affiliation to a trade union or work activism.

Part II (employment) deals with Chiquita's commitment to addressing the social consequences of a situation that would seriously affect the volume of employment, the working conditions and the type of contract. Chiquita thus commits to:

- respect local law and regulations;
- consult the elected local workers' representatives concerned as soon as possible;
- notify the local trade unions legally empowered to collectively bargain for the workforce as well as IUF and COLSIBA;
- explain the firm's decision (changes or transfers in production, closure of all or part of a facility) and the consequences for the workforce;
- consider alternative proposals by trade unions and to answer them case by case.

In this section, the signatory parties learned from past experience and addressed issues such as the social treatment of workers after natural catastrophes, such as Hurricane Mitch in 1998, which destroyed 90% of Honduras's banana industry and led Chiquita to lay off more than 7,000 workers.

The final paragraph of the agreement addresses supplier issues. Chiquita requires its suppliers, contract growers and joint venture partners to respect local legislation as well as the minimum labour standards mentioned in Part I.

Due to the fact that this provision depends on the relative degree of influence of Chiquita over its suppliers, the signatory parties agreed that the Review Committee will assess the issue.

## **Implementation and monitoring**

### *Dissemination/information to employees and local managers*

Information and dissemination of the agreement is done via the IUF website.<sup>3</sup> The agreement is written in English and Spanish.

The agreement is also posted on the website of Chiquita Brands International, Inc. under the heading 'Corporate Responsibility', following Chiquita's 'Core Values', Code of Conduct and corporate responsibility reports. The agreement is not listed as such, but it is to be found under the heading 'IUF Reports'.<sup>4</sup>

In 2002, Chiquita's core values and Code of Conduct were disseminated to all Chiquita employees and a training kit was developed and translated into Spanish. Furthermore, training sessions on core values and workers' rights were organised for workers.

### *Implementation/monitoring*

The Review Committee meets regularly (at least once a year) to discuss the implementation of the agreement. The members of the Review Committee are the IUF (represented by Ron Oswald, General Secretary, and his IUF Latin American colleague), COLSIBA (represented by its general coordinator and a representative of a Latin American country) and Chiquita (represented by its Vice-President, the Vice-President of Corporate Affairs and its legal counsel). A technical observer may be asked to join the meeting in some cases.<sup>5</sup>

As part of the parties' commitment to transparency, a report is produced on the discussion and the points for action agreed upon at the meeting.

The outcome of the Review Committee meeting is an action plan in which the signatory parties decide to undertake further action to secure the implementation of the agreement and improve workers' situation. The Review Committee also discusses (countrywide) difficulties reported by trade union members or local management and proposes action-oriented solutions, such as: launching an independent study on the issue of 'treated bags' in Honduras (2004), a confidential assessment and gap analysis of the farms belonging to its primary supplier in Ecuador (2004) and an occupational health and safety pilot project in Honduras and Colombia (2003).

In addressing allegations of trade persecution in Costa Rica, including allegations of violations occurring on Chiquita farms, the fourth Review Committee agreed on a IUF/COLSIBA programme on three or four of the 28 non-union Chiquita farms in Costa Rica where it will carry out education workshops based on the agreement and solicit union membership. The parties agreed that the workshops will not interfere with normal production processes, that worker participation will be voluntary and that the company will neither encourage nor discourage participation or membership.

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<sup>3</sup> See [http://www.iuf.org/cgi-bin/dbman/db.cgi?db=default&ww=1&uid=default&ID=111&view\\_records=1&en=1](http://www.iuf.org/cgi-bin/dbman/db.cgi?db=default&ww=1&uid=default&ID=111&view_records=1&en=1)

<sup>4</sup> [http://www.chiquita.be/eur/pdf/iuf\\_report.pdf](http://www.chiquita.be/eur/pdf/iuf_report.pdf)

<sup>5</sup> As part of the parties' commitment to transparency, the reports of the Review Committee meeting are accessible to the public: Report of the 4th IUF/COLSIBA (Chiquita review committee meeting that took place in Panama City on 23 January 2003) and the 5th IUF/COLSIBA (Chiquita Review Committee of 04-07-2003) can be found on the IUF website at [http://www.iuf.org/cgi-bin/search\\_companies.cgi?p1=chiquita&p2=English&p3=en](http://www.iuf.org/cgi-bin/search_companies.cgi?p1=chiquita&p2=English&p3=en)

Chiquita guarantees that no reprisals will be taken against any worker for participating in those activities or for joining a union. An initial meeting will be convened between Chiquita corporate and local management, IUF representatives and local union representatives where the farms will be chosen and a general framework and objectives of the activities will be agreed. Interestingly, the report mentions that the actual activities would be held without Chiquita management participation.

## Outcomes and impact

Chiquita's image and reputation greatly improved following the agreement, from antagonistic to cooperative relationships with unions, to more corporate responsible actions in environmental issues. This recognition from external stakeholders significantly improved Chiquita's position in the banana industry.

Five years after the signing of the breakthrough agreement between the IUF, COLSIBA and Chiquita Brands, senior representatives of the IUF, COLSIBA and Chiquita met in Cincinnati on 10–11 May 2006 to review the overall impact of the agreement. The IUF and COLSIBA had also tabled a number of ongoing issues which remain unresolved between the company and the unions.

On the unions' side, COLSIBA and the IUF highlighted the successes achieved in the time the agreement has been in force and directly arising from it. They also stressed the importance of the open recognition of both the IUF and COLSIBA by senior Chiquita corporate management, and as a result by management throughout Chiquita operations. Furthermore, both the IUF and COLSIBA now have an opportunity to resolve what have often been difficult situations. It was reported that workers and union members use the agreement to increase union membership in the company as well as in a number of suppliers. One of the most significant membership successes has been the organising of close to 5,000 new union members in Colombia following the signing of the agreement and a number of collective bargaining agreements now in place there as a result. New union membership also increased subsequent to the agreement in Honduras, where a union was founded and consolidated on a number of farms. As such, the entire process of the signature and implementation of the agreement was welcomed by both COLSIBA and the IUF's general secretary.

Furthermore, it appears that the agreement has been used as the bottom line in some important cases, backing up trade union members and helping them to strengthen their action, such as in the signing of a groundbreaking agreement which saw Chiquita guaranteeing that the new owners would recognise the union, would respect the single collective agreement that existed and would do nothing to attack union membership in those operations. To date, that agreement has held, although the Chiquita Colombian division was sold.

Additionally, serious flooding in Honduras in 2005 led to Chiquita abandoning the farms where new union organisation had taken place. After a difficult period of negotiations, together with negotiations directly within the framework of the IUF/COLSIBA/Chiquita agreement, an initial agreement has been reached that new owners rehabilitating the flooded plantations need to agree to a union rights clause in any contract Chiquita might sign to purchase bananas from those farms in the future. While it is not a cast-iron guarantee, this agreement shows the value of the kind of negotiations possible with the company as a result of the recognition Chiquita gives to both the IUF and COLSIBA.

In Guatemala, there has been progress in settling significant conflicts through agreement evolving out of the process of engagement guaranteed by the IUF/COLSIBA/Chiquita agreement.

Even in Costa Rica, where issues of low union membership plague the banana sector and many other sectors in a country where union rights are systematically squeezed by the dominant 'Solidarismo' system (a type of 'yellow unionism'), the company has engaged in ongoing meetings with unions representing a very small proportion of Chiquita workers and



workers in their suppliers. The dialogue has replaced open confrontation and repression, and the company has in principle agreed to remain neutral and provide access to workers for a pilot union organising effort in a number of Chiquita plantations.

Following the review or the overall impact of the agreement, concrete actions have been agreed upon, such as the support from COLSIBA, the IUF and Chiquita corporate management for the constructive negotiations that had started following the Honduran floods and the damage to several plantations, and in principle, agreement for a pilot union organising project in Costa Rica and continued support from the highest level of Chiquita management for ongoing local negotiations in Guatemala.

Furthermore, the review process has led to the agreement that a full Review Committee would be held and would include proposals for re-negotiating and strengthening the content of the regional agreement.

However, the IUF representative made a clear distinction between the agreement reached with trade unions and corporate social responsibility (CSR). He stressed that CSR initiatives, whether valuable in themselves or not, are no substitute for full engagement with the unions that actually represent banana workers – unions that would represent many more workers but for the ongoing repression of workers' rights throughout much of the banana-growing activities of those companies in Central America and beyond.

## Annex



### **IUF, COLSIBA and Chiquita agreement on 'Freedom of association, minimum labour standards and employment in Latin American banana operations'.**

#### *Part 1: Minimum labour standards*

##### **IUF/COLSIBA and Chiquita:**

- Acknowledge the fundamental right of each employee to choose to belong to and be represented by an independent and democratic trade union of his or her choice, and to bargain collectively;
- Are convinced that reinforcing democratic forms of co operation in the company is the responsibility of both management and trade unions;
- Seek to identify practical opportunities for continuous improvement in the employment conditions of Chiquita employees, recognizing this as a necessary condition to advance the common interests of Chiquita and its employees;
- Respect the responsibilities of local Chiquita managers and unions to address local issues of concern through collective bargaining and to put into practice the following general principles.

In this spirit, IUF/COLSIBA and Chiquita agree on the following:

### **On minimum labour standards**

1. Chiquita reaffirms its commitment to respect the following core ILO Conventions:
  - The principle of freedom of association (Convention Nr. 87: Freedom of Association and Protection of the Right to Organise, 1948);
  - The effective recognition of the right to collective bargaining (Convention Nr. 98: Right to Organise and Collective Bargaining, 1949);
  - The protection and facilities to be afforded to workers' representatives (Convention Nr 135, Workers' Representatives, 1971);
  - The elimination of all forms of forced or compulsory labour (Convention Nr 29: Forced Labour, 1930 and Convention Nr. 105: Abolition of Forced Labor, 1957);
  - The effective abolition of child labour (Convention Nr. 138: Minimum Age, 1973 and Convention Nr. 182: Worst Forms of Child Labour; 1991; and
  - The elimination of discrimination in respect of employment and occupation (Convention Nr 100: Equal Remuneration, 1951 and Convention Nr. 111: (Discrimination (Employment and Occupation), 1958.
2. Chiquita reaffirms its commitment to respect the rights of freedom of association and collective bargaining, as well as all laws governing the application of these rights.
3. Chiquita shall respect the right of all personnel to form and join trade unions.
4. Chiquita will ensure that representatives of trade unions are not the subject of discrimination and that such representatives have access to employees in the workplace. The practical details of such access will be determined through national discussions and agreement. Chiquita guarantees that employees will suffer no discrimination, threats or sanctions as a result of any such visit by a union representative.
5. Where Chiquita is engaged in collective bargaining with unions, Chiquita will continue sharing with union representatives the information about the corporation as a whole and its local operations that they reasonably require to bargain effectively.
6. Chiquita acknowledges its responsibility to provide safe and healthy workplaces, and Chiquita and the IUF/COLSIBA agree to collaborate in efforts to further improve the health and safety of the Company's banana operations.
7. Chiquita and the IUF/COLSIBA will publicise this agreement in all the Company's banana operations in Latin America.

### ***Part II: Employment***

In the event of any situation that would seriously affect the volume of employment, working conditions or the type of contracts of work, such as changes or transfers in production or the closure of all or part of a facility, Chiquita commits to:

- Respect local laws and regulations;
- Consult those local trade unions that have been duly appointed as the representatives of the affected workers, which discussions should occur as soon as possible, especially when the change affects a significant number of employees such as in a partial or total closure;

- In the case that workers are legally represented by a labour union to bargain collectively, notification will be made at the same time to the local union, COLSIBA and the IUF of any such proposed change, including in such notification both:
  - An explanation of the Company's decision; and
  - A clear indication of the consequences of the decision for workers in terms of changes in contracts, working conditions or reductions of jobs.
- Chiquita will seriously consider alternative proposals presented by unions representing Chiquita workers, Chiquita will provide a response to those proposals within a time frame agreed on a case by case basis.

### **On suppliers**

Chiquita will require its suppliers, contract growers and joint venture partners to provide reasonable evidence that they respect national legislation and the minimum labour standards outlined in Part I of this agreement. The parties agree that the effective implementation of this provision is dependent on a number of factors such as Chiquita's relative degree of influence over its suppliers and the availability of appropriate and commercially viable supply alternatives. Implementation of this part of the agreement shall therefore be jointly assessed by the Review Committee taking into account these factors.

### *Part III: Oversight of this agreement*

Chiquita and IUF/COLSIBA will each appoint up to four members to a Review Committee that will meet periodically to oversee the application of this agreement and to discuss other areas of mutual concern. In case of a major conflict, Chiquita and IUF/COLSIBA may, in addition, include in the meeting a representative of the local union and a representative of local management.

Chiquita and IUF/COLSIBA recognize that this Agreement is not a substitute for, and that they should do everything reasonable to encourage, effective local bargaining processes. The parties agree that local parties should exhaust every effort to resolve local issues, and that the work of the Review Committee, as well as any intervention required between meetings of this Committee, will relate only to alleged serious and/or systematic violations of the rights outlined in this agreement.

The agendas for these meetings will be agreed in advance and both parties shall provide the relevant information necessary to carry out the intent of the meetings.

The Review Committee meetings will take place twice a year. An extraordinary meeting may be convened at the request of either party in case a situation arises that requires urgent discussion by the Review Committee.

Chiquita, the IUF, and COLSIBA will each identify a contact person responsible to facilitate communication and the timely resolution of any emergency issues that may be identified between meetings of the review committee.

### **Commitment to fair dealing and continuous improvement**

This agreement shall last until either party terminates it by prior written notice at least three months in advance of the termination date. During the term of this agreement, Chiquita and the IUF/COLSIBA agree to:

- Negotiate in good faith with the best interest of all parties in mind;
- Communicate in an open, honest and straightforward manner;

- Avoid actions which could undermine the process spelled out in this agreement, such as public international campaigns or anti union retaliatory tactics, until such time as one or the other party declares there has been a failure to agree. A time frame for discussion and mutually satisfactory resolution of the issue will be agreed case by case by the Review Committee, No failure to agree can be declared before the expiry of that time frame;
- Work to develop among Company managers, union leaders, and employees a common understanding of effective labor management relations, recognising their direct links to:
  - the quality of the Company's products;
  - the productivity, efficiency and flexibility of workplace practices;
  - the quality of work life of employees;
  - the social and environmental health of the communities in which Company employees live and work; and
  - the commercial success and the sustainability of the Company's operations.

Agreed by the parties in the city of San José, Costa Rica on the eleventh day of May, two thousand and one. Subscribed in the city of Geneva, Switzerland on the fourteenth of June, two thousand and one.

On behalf of the parties:

**Ron OSWALD**

General Secretary

International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations (IUF)

**Germán ZEPEDA**

Regional Coordinator

Coordinadora Latinoamericana de Sindicatos Bananeros (COLSIBA)

**Robert F. KISTINGER**

President and Chief Operating Officer

Chiquita Fresh Worldwide

Chiquita Brands International, Inc.

Witnessed by:

**Juan SOMAVIA**

Director General

International Labor Organization (ILO)

**Isabelle Schömann**, ETUI-REHS, Belgium

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