Divine™

CO-OWNED BY COCOA FARMERS

IMPACT REPORT 2022

FAIRTRADE

Certified B Corporation

Our vision is a world in which farmers thrive and prosper; where they are no longer exploited by the cocoa industry for our chocolate pleasure.

In this report, we look at the progress and relationships we have built over the past 25 years through our programmes and partnerships.

We continue to support farmers to build sustainable livelihoods by investing in their farms and communities. Better for the planet, better for people and better chocolate.

The data and information included in this report is for the year 2022 unless otherwise stated.

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Left: Cocoa pods
Cover: Ama Aboagyewaa, Labour Rights Project

CORD BUDDE

Group CEO, Divine Chocolate and Ludwig Weinrich GmbH & Co.

Q. Divine is celebrating its 25th anniversary in 2023. What are its greatest successes so far?

A. The strong and inspiring relationships Divine has established with farmer co-operatives are testament to its care and authenticity. The co-ownership model that Divine launched 25 years ago is still unique in the industry today and is celebrated as a way to do business differently.

Building a successful business, particularly against the challenging backdrop in recent years, shows true resilience. A driving force of this has been the brilliant team behind the brand in the UK, US and Sweden. They work together with a special kind of enthusiasm and passion for Divine's mission.

Throughout this time, together with us at Weinrich, Divine has stayed true to the highest standards of chocolate, never compromising on quality and taste whilst showing it is possible to care for the people in our supply chain. I'm very proud of these achievements and I look forward to seeing what else we can achieve in the next 25 years.

Q. How have you seen the chocolate industry change during this time?

A. The good news is that we see many more chocolate products covered by third-party sourcing certifications today. This is a positive step for cocoa farmers and chocolate lovers alike, but it is not the end of the story. Most cocoa farmers are still not earning a living income and improvements to their quality of life have not reached the levels we should demand. There is a huge amount of work still to be done and collaborative efforts must be scaled up to address the extent and the urgency of the problem.

Q. How will Divine continue to have a positive impact in years to come?

A. Divine's vision is a world where farmers thrive and prosper. We will continue to deliver community programmes in Ghana, which we know are bringing huge benefits to farmers and their families. We hope to expand the reach and impact of these programmes in the future and to promote them as an example of what can be done. With farmer interests and welfare at the heart of our decision-making, we are always looking at ways to do things differently and better. Innovating with novel product concepts and local manufacturing processes in Ghana are two ways that we aim to drive positive impact in years to come.

Divine is a fantastic brand that has farmers at its heart and produces delicious, high-quality chocolate.

"MY WISH IS TO SEE THE BRAND GROW TO REACH MANY MORE PEOPLE WITH ITS GREAT TASTING CHOCOLATE AND REAL-WORLD EXAMPLES OF HOW WE CAN MAKE A DIFFERENCE TO COCOA FARMERS AND THEIR FAMILIES."

25 YEARS OF DIVINE

1993

Kuapa Kokoo Farmers Union in Ghana was founded on Fairtrade principles

1997

Kuapa Kokoo farmers vote to establish Divine Chocolate Ltd. The company is formed with support from Body Shop, Christian Aid, DFID and Comic Relief

1998

Divine Fairtrade milk chocolate is launched in the UK – the first ever Fairtrade & co-owned chocolate bar aimed at the mass market

2002

Divine and the Co-op collaborate to convert all Co-op own-label chocolate to Fairtrade

2006

Founding supporter The Body Shop donates its shares to Kuapa Kokoo giving the farmers' co-operative an even bigger stake

2007

Divine launches in the USA

2015

Divine brings out the first caramel-filled bar with no palm oil – we still never use palm oil

2016

Divine achieves B Corp certification

2018

Divine wins an Academy of Chocolate Award for its Dark Chocolate with Raspberries and The Queen's Award for Enterprise in Sustainable Development

2020

Divine wins International Fairtrader of the Year

2021

The brand re-launches with new packaging

2022

Divine achieves its highest B Corp score yet, retaining its position as the highest rated food and drink brand in the UK

IMPACT REPORT 2022

It's 25 years since the first Divine Chocolate bar launched in the UK and we are still the only chocolate company in the world that is Fairtrade and farmer owned. That says a lot about Divine and, sadly, about the wider chocolate industry.

People all over the world love chocolate but 25 years ago not many knew where it came from, or gave a thought to the farmers growing the cocoa. Divine's radically different business model – with farmers at its heart – played a key role in creating the Fairtrade cocoa supply chain. We demonstrated that the market cares about Fairtrade and influenced change across the industry, resulting in major players in chocolate beginning to move towards Fairtrade cocoa.

Cocoa farmers in Ghana have owned a share of Divine since the company was founded, benefitting financially and having a voice and say in their future. Divine has also invested directly in farmer projects addressing gender equality, labour rights, farming expertise and more. We enabled people to meet each other and introduced farmers directly to consumers. As a result, we now see a generation of chocolate lovers who are far more aware of where the chocolate they love comes from.

Today, Divine remains an award-winning benchmark of what can be achieved when you 'Do Business Differently'. The chocolate industry would not exist without cocoa farmers and we continue to expand our reach and spread fair income for cocoa producers around the world.

We are proud of what we have achieved, but we are not done yet. Our vision is a world where farmers thrive and prosper – a vision which depends on fairness, sustainability and empowering farmers. We are committed to expanding our impact, working with farmers to address issues like adult literacy, labour rights and women's empowerment.

As for the next 25 years, we will continue bringing joy to chocolate lovers with exciting, delicious products, putting farmers and communities first and showing the world that there is a better way to do business.

FARMER COMMUNITY PROGRAMME: 1

KUAPA KOKOO

FARMERS UNION

Kuapa Kokoo was the first Fairtrade certified farmers' organisation in West Africa and it is now the largest Fairtrade cocoa co-operative in the world. We are proud of our close relationship with the farmers of Kuapa Kokoo, developed through years of listening, sharing and collaborating.

Since it was established in 1993, Kuapa Kokoo has grown into a co-operative of over 100,000 smallholder cocoa farmers. They work in 57 co-operative societies spanning 71 districts in Ghana.

We piloted our first Adult Literacy and Numeracy Programme together in 2014 and it is still a key focus today. We are also working to strengthen and expand our Labour Rights Programme, ensuring clear labour practices and protecting the rights of tenant farmers.

One of our main objectives is to empower women so they can participate fully in the co-operative, be more involved in their communities and unlock opportunities to grow their businesses. Our experience has shown that women have less access to education and training and this limits their income and participation in decision making. Increasing basic literacy is of major importance and we also continue our pioneering work in addressing the labour rights of tenant farmers to ensure fair labour practices in the cocoa industry and minimise disputes over expectations and benefits between farm owners and tenant farmers.

Left: Mary Aboagye, Asamankese Society
Right: Robert Donkor, Asamankese Society
Below: Women's Literacy Group

ADULT LITERACY AND NUMERACY PROGRAMME

Providing literacy and numeracy skills to empower communities

About a third of Kuapa Kokoo's membership of over 100,000 farmers are women. While many have risen to senior positions, the proportion of women members is not yet reflected in elected roles. A survey suggests that differing levels of literacy between men and women is a contributing factor. We address this through literacy and numeracy classes which we run for nine months of the year, four times a week.

Left: Mercy Adutwumwah

Above: Comfort Opoku

Top: Adult Literacy and Numeracy Group, Cape Coast Society

IMPACT

Following the training, learners are able to perform basic arithmetic, reading and writing, and operate their mobile phones. Some are involved in small-scale trading alongside cocoa farming. Prior to the programme, they were unable to cost and price their activities or keep proper records, resulting in losses. Equipped with reading and arithmetic skills, many women take over these businesses, diversifying income sources and increasing the overall family income.

Mercy Adutwumwaah from Adwumakase who had not previously been to school completed the nine month course. She is putting her new literacy and numeracy skills to use in the co-operative and has even decided to run for Assemblywoman for her area in the upcoming general election.

313
participants
started the programme and **302** graduated from the most recent course, which closed in February 2023.

12
zones
in Goaso, Kasapin and Sankore implemented the programme.

226
participants were women – a **72.2%** representation.

1349
people have taken part since the start of the programme of which **79%** were women (post the pilot phase).

LABOUR RIGHTS

Championing the rights of tenant farmers

Together with Divine, Kuapa Kokoo has become a pioneer in establishing labour rights of tenant farmers in the cocoa industry. Our approach involves progressing from verbal agreements between farm owners and tenant farmers to written tenancy contracts. We help to establish Labour Rights Committees which raise awareness about tenant rights, strengthen relationship building, improve record keeping and help to resolve disputes.

Many farmers in Ghana own dispersed plots of land and take on tenant farmers to work the plots they cannot manage themselves. In many cases, arrangements between farmers and tenants are informal and non-standardised which can lead to disputes.

2480
total agreements
signed since 2017 - over **30%** of signatories are women.

110
workshops
on conflict resolution have been held with community leaders and chiefs in 2022.

6
societies
in 2022, **642** farmer and tenants contracts signed.

548
members
of the Labour Rights Committee received t-shirts to enhance the visibility of their role in the community, as well as billboards and radio spots to drive awareness.

"I PRAY THAT COCOA FARMERS IN OTHER COMMUNITIES WILL RECEIVE THE BENEFIT OF WRITTEN COCOA TENANCY CONTRACTS. IT IS THE SUREST WAY OF PEACEFUL CO-EXISTENCE BETWEEN FARM OWNERS AND THEIR FARM HANDS"

– Ama Aboagyewaa

DYNAMIC AGROFORESTRY

Promoting food security and climate resilience with nature-based farming

In 2022, Divine Chocolate invested £15,000 in the Dynamic Agroforestry Project (DAF), delivered by HALBA and its partners. Dynamic agroforestry is a nature-based farming system that combines a variety of trees alongside cash crops, allowing farmers to grow food staples like yams, maize and cassava in addition to cash crops like cocoa and bananas.

Divine's investment financed food crops within 35 hectares of Dynamic Agroforestry plots. Planting these crops increases food security for farmers and their families and additional income when they are sold. Importantly, the dynamic agroforestry plots also sequester greenhouse gas emissions and support climate resilience.

To take the DAF project further, Divine Chocolate launched a campaign with Grow Ahead on Earth Day 2022 to raise additional funds for tree planting. The campaign closed on August 1, 2022 with consumers donating $1,400, which Divine topped up to reach a total of $6,400. This donation will enable Kuapa Kokoo to purchase, distribute and plant over 10,000 timber, shade and fruit trees in 2023.

Above: Mary Bediako

Left: Ama Aboagyewaa, Labour Rights Project

FARMER COMMUNITY PROGRAMME: 2

CECAQ-11

CECAQ-11 is a Fairtrade, organic-certified cocoa co-operative based in the southern part of the African island nation of São Tomé and Príncipe. We've been sourcing cocoa for Divine's Organic range from CECAQ-11 since 2018.

Our work with CECAQ-11 focuses on supporting sustainable agriculture by promoting good agricultural methods that are organic, regenerative, adaptive to climate change and increase productivity on existing land. This includes providing farmer training to promote the key skill of grafting cocoa trees and replanting them as an effective way of increasing yields.

Since 2018, Divine & CECAQ-11 have focused on increasing women's empowerment. Past community consultations heard that women farmers were unable to access agricultural training such as pruning, shade control and grafting. As a result, we developed and funded a Gender Justice Programme to create an enabling environment for women cocoa farmers. Through access to training, the programme raises awareness of the work - especially the unpaid work - women do, with the aim of challenging social norms. With help from our Farmer Community Programmes, CECAQ-11 created and trained a gender unit and prepared a gender plan.

Above: Adalberto Luis, São Tomé
Left: Fatima Silva, São Tomé

RESULTS SINCE 2018

97 hectares of land renovated in total including:

- **67,398** existing cocoa plants grafted and planted.
- **10,000** new cocoa seedlings planted.
- **83.5** hectares pruned to promote the health and productivity of cocoa trees.

40% improvement in average yield with even better results expected in 2023 when the trees grafted over the past three years will start producing.

288 women received agricultural training.

10% per year increase in cocoa production as a result of funding – demonstrating that women's empowerment has a significant impact on productivity.

FARMER COMMUNITY PROGRAMME: 3

KASINTHULA CANE GROWERS' ASSOCIATION

Kasinthula Cane Growers' Association (or KCGA) is a Fairtrade-certified sugar cane farmer association based in southern Malawi. KCGA has supplied Fairtrade sugar for Divine's chocolate for over a decade.

Today, Kasinthula has 762 farmers – 34% female and 66% male – and 1,435 ha under sugarcane production. It achieved Fairtrade certification in 2004 and Divine Chocolate is one of Kasinthula's long-standing Fairtrade partners.

Communities in Malawi have been impacted by floods, drought and debt in recent years. While we have provided direct economic assistance to support the immediate response when needed, our ongoing projects focus on enhancing income diversification, empowering women, improving access to clean water, and building educational facilities for long term community resilience. Strengthening the Women's Action Group (WAG) which now includes 260 women representing 34% of KCGA's membership is a pivotal part of our programme support. Loans and provisions have been provided as a result of the profits generated from the maize mill which Divine funded in 2020.

2023 marks the end of the decade-long partnership between Kasinthula and Divine Chocolate as all Malawi sugar production is now focused on domestic consumption, not export. We feel privileged to have worked with such a resilient and dedicated co-operative and look forward to continuing to hear stories from them.

From 2023, Divine will start sourcing sugar from a number of Fairtrade sugar co-operatives through the Mauritius Sugar Syndicate. We look forward to getting to know them better and to building strong, mutually beneficial partnerships.

Left: John Baker, Zione Dziweni, Regina Joe, Joseph Kamfozi, Mwadsangate and Amos Tamulekela, Malawi

IN NUMBERS...

60
WAG members
have received loans (through their revolving fund) and approx. **60** elderly women farmers have received food and household basics.

This year another **20** members accessed loans and **16** elderly women were supported.

Construction of a Youth Training Centre with a cafeteria, computer room and a sewing training room with new tailoring machines, meant that **eight** young people successfully completed a course in tailoring and design in early 2023.

€15,000
donated
in early 2022 after Tropical Storm Anna hit Malawi leaving a trail of destruction. This funded **1,000** aid packages to alleviate the situation among those most affected.

OUR B CORP JOURNEY

Divine's mission is focused on empowering farmers and consumers and we are deeply committed to our responsibility to do business differently. This includes constantly improving labour standards and reducing our impact on the environment.

B Corp certification is an important validation for how we operate and improve our business across five main areas – Governance, Community, Workers, Customers and Environment. We were proud to complete our re-certification in 2022 and improve our B Corp score from 127.1 to 130.4.

We score especially high in the area of Community, reflecting our purpose-led mission to tackle poverty and empower those in our supply chain through Fairtrade sourcing, our co-owned business model, and farmer community programmes.

Certified B Corporation

Community

GOVERNANCE: 17.6

Governance considers the ability of a company to protect their mission, ethics and transparency and to address all stakeholders in decision making through their corporate structure or governing documents.

We achieved a high number of points in this section because of our unique farmer co-ownership model and governance structure. Our relationship with farmers makes us stand out. Farmers partake in business decisions by sitting on our board and co-creating community programmes that bring wide ranging benefits to farmers, their families and their districts. This means producers are given a voice in a marketplace which has traditionally kept them silent.

WORKERS: 22.0

B Corp assess a company's contribution to the financial security, health and safety, wellness, career development, and engagement and satisfaction of its employees.

At Divine, our commitment to paying a real Living Wage to everybody and investing in training and development have improved our Workers score. We focus on building flexibility into the jobs we create and offering a range of benefits for staff including a cycle-to-work scheme, travel card loans, two volunteer days a year, holiday increases related to length of employment and private health insurance.

COMMUNITY: 71.1

The Community section looks at a company's impact on the communities in which it operates.

This is Divine Chocolate's highest scoring category. Every Divine Chocolate bar sold helps to improve the lives of farmers and their families. Not only do we guarantee the Fairtrade minimum price (and premium) for cocoa, sugar and all other Fairtrade ingredients we source, but Divine also invests in farmer community programmes which address important needs around adult education, labour rights, income diversification and youth training. These programmes are farmer led and farmer designed, which embodies Divine's values of promoting farmer autonomy and agency through collaboration and partnership.

In 2022, Divine invested over €119,000 in programmes which have seen improved literacy for hundreds of women in Ghana, yield improvements for farmers in Sao Tome, and loans for women in Malawi to support their businesses.

Divine will always have the welfare of farmers at the heart of its business.

ENVIRONMENT: 15.5

The Environment score looks at a company's overall environmental management practices as well as its impact on the air, climate, water, land and biodiversity.

We are committed to reducing our environmental impact across our full value chain. Our chocolate bars are produced in a carbon neutral factory that compensates for all its greenhouse gas emissions through verified climate protection projects. We are continuously looking at ways to improve our packaging – our bar packaging is fully recyclable and all our Easter eggs remain 100% plastic free.

There is still much more we can do from an environmental perspective and will be focusing on taking positive steps forward over the coming years.

CUSTOMERS: 3.8

B Corp assesses how well a company looks after its customers through the quality of its products and services, ethical marketing, data privacy and security, and opportunities for customer feedback.

Our speedy responses to customer feedback and the high standards of data protection we uphold, as well as the third-party certifications that provide transparency over our supply chain, are just some of the many ways we look after the needs of our customers.

We will always look for improvements and new approaches that can help us serve our customers better.

130.4 POINTS

B Corp certification requires a B Impact Assessment score of 80+ points.

Divine continues to be the highest rated food B Corp in the UK!

Divine™

CO-OWNED BY COCOA FARMERS

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EVERY BAR DIRECTLY IMPROVES THE LIVES OF FARMERS