

Better for Nature & Farmer



“Working together for a sustainable future with a focus on biodiversity, soil and climate. Based on a fair revenue model for all.”



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Proud of our partnership

Dear grower, colleague,

Albert Heijn wants to make better food accessible to everyone. We do this with a wide range of fresh, convenient, affordable and sustainable products. We continuously take steps to improve our selection, strengthen our chains, and make our range more sustainable. And we do so through collaborations with all our partners, our regular suppliers, pig, dairy and, poultry farmers, and with you, our potato, vegetable and fruit growers.

We develop these collaborations with our regular farmers and growers in the 'Better for' programmes. An intensive collaboration, in closed, transparent chains with a healthy revenue model for all parties form the basis here. And the facets of nature and farming are reflected in all the programmes. Each chain with its own characteristics, but always dynamic and evolving; forward-looking, striving to do better every day.

This brochure informs you about our **Better for Nature & Farmer programme** of Potatoes, Vegetables and Fruit. With this programme, we would like to take the next step and support you in becoming even more **sustainable** in your cultivation and business operations. We have developed the programme since 2022 in consultation with our growers and suppliers. Through various focus groups, you and/or your fellow growers made important contributions to this.

The programme is built on long-term collaboration and mutual trust. We make solid agreements regarding guaranteed purchase, a healthy revenue model and compensation for the extra sustainability efforts. That gives you room to confidently **invest** in your farm, focusing on biodiversity, soil health and a better climate, among other things. Both for now and the future, so that the next generation of growers can continue a strong and healthy business.

In addition, together we'd like to make the AGF chain **transparent**. Indeed, our customers expect us to be able to tell them exactly where our products come from, how they are made and who the growers are throughout the chain from 'field to customer'.

We are proud of our partnerships and this programme. We can't wait to take this next step with you.

Kind regards,

Constantijn Ninck Blok
Logistics Director & Chain
Albert Heijn

Erik van Nieuwenhuijzen
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Albert Heijn

Constantijn Ninck Blok *Erik van Nieuwenhuijzen*



CHAPTER 1

Building blocks of the programme

'Better' means for...

..Nature: In the 'Better for Nature' pillar, we are working towards nature-positive agriculture. We do this by increasing biodiversity, working towards resilient and healthy soil and reducing climate impact. Different criteria were developed for these themes together with growers from the focus groups.

..Farmer: In the 'Better for the Farmer' pillar, the starting point is sustainable, long-term collaboration with a healthy revenue model for all parties involved. In addition to existing agreements on purchasing and fair prices, this programme will compensate for the additional sustainability initiatives on your farm. So you can confidently invest in a healthy business which respects a better climate, biodiversity, the soil and your employees.

We keep doing it together

The programme was developed in collaboration with Albert Heijn, several growers, Albert Heijn's AGF service providers and the Centre for Agriculture and Environment (CLM). Together, we determined the content of the programme through focus group sessions.

In these sessions, we discussed with about 20 growers the collective ambition to future-proof cultivation and proposals were tested and fine-tuned. The focus groups with whom these sessions are held are composed so that each crop type is represented by you and/or your fellow growers. As such, all the criteria are tested among arable, open-field vegetable, mushroom, orchard fruit, greenhouse and soft fruit growers. This allows us to enter into a dialogue with each other about the measures we want to introduce to jointly reduce environmental impact, increase biodiversity and create resilient and healthy soils.

Of course, we already do an incredible amount of good together and want to keep making steps together to keep improving. Therefore, we consider it essential that Better for Nature & Farmer remains a dynamic programme. This means that we will continue to facilitate the form of focus groups to continue to shape the programme together and determine our common goals.

Compensation model

Albert Heijn wants to facilitate growers in continually making their crops more sustainable, so they can continue to choose sustainable operations with confidence. That is why this programme offers financial compensation for the extra sustainability efforts you make. Specifically, you will receive a payment for the volume delivered to Albert Heijn (with a maximum of the pre-programmed volume), as compensation for taking the sustainability measures from this programme. These measures were drawn up jointly between growers, service providers and Albert Heijn and calculated for the additional costs. More information on the compensation model can be found in chapter 4.

Structure of the certification scheme

The Better for Nature programme & Farmer is monitored by an auditor. In practice, this means that the measures from the programme have been translated into an independent certification scheme. Here, we chose to divide the scheme into three parts, namely mandatory measures, elective measures and monitoring:

- 1. Ambitious mandatory measures** on three central themes, namely (1) increasing biodiversity, (2) creating resilient and healthy soils and (3) reducing climate impact. These measures apply to all growers, but obviously depend on the type of crop.
- 2. Elective measures.** Within the programme, you are expected to take three measures from the choice cards in the first year of participation. By adopting an additional elective measure every subsequent year, we will continuously continue to improve sustainability. Besides the measures in the choice cards, you are also free to propose one elective measure yourself.
- 3. Monitoring the impact** by recording and measuring the environmental impact, CO₂ footprint and soil quality on the farm, among other things. This makes the effectiveness of the measures quantifiable over time, so we can adjust the programme accordingly.

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CHAPTER 2

Better for Nature

In the 'Better for Nature' pillar, we are working towards nature-positive agriculture. We do this by increasing biodiversity, working towards resilient and healthy soil and reducing climate impact. This chapter explains these themes in greater detail and discusses the measures within the programme to move towards nature-positive agriculture.

Increasing biodiversity

Biodiversity, besides being beautiful, is also useful and necessary. It supports and promotes many ecosystem functions such as pollination, clean water, fertile soil and a stable climate. In the Better for Nature & Farmer programme, we aim to boost biodiversity by creating nesting and accommodation for birds and insects, by creating flowering margins and by reducing light pollution.

Nesting and accommodation

Every grower has now received an insect hotel as part of this programme. This will provide nesting opportunities for solitary bees and other small insects such as spiders, parasitic wasps, lacewings, ladybirds and earwigs. Provisions have also been made for bumblebees and (nocturnal) butterflies.

We also ask each grower to construct nesting and accommodation facilities for 4 different species of (farmland) birds

and/or bats. Consider nesting bowls for house swallows, an owl box or predatory bird posts. Of course, nesting and accommodation facilities for other birds are also possible!

Flowering borders

By planting perennial, native, flowering borders, we increase the general biodiversity on and around farms. A mixture of various native plant species is attractive to many different insect species, which in turn provide a food source for various birds. Perennial flowering borders can additionally act as natural, green links between natural areas. They also provide a suitable place for the overwintering and breeding of pest controllers, such as spiders and soil insects. When constructed along surface water, the border forms a buffer between the plot of land and the adjacent surface water, reducing leaching of plant protection products and

This chapter provides explanations about the general measures. For each theme, icons indicate the type of cultivation to which it applies. How the themes translate into the certification scheme and what this means in practice can be found in chapter five. In the annex, you will find a breakdown of which crop fits into which category.



1. Uncovered: arable and vegetable cultivation



2. Uncovered: fruit growing



3. Covered: greenhouse cultivation

fertilisers.

Everyone starts laying their first flowering border in the first year of participation. Over the years, the number of borders increases, and eventually the ambition is to provide all Albert Heijn plots with perennial, native flowering borders.

Preventing light pollution

Animals are bothered by light at night because it disrupts their biorhythms. Artificial light has a proven disruptive effect, especially for birds, insects and amphibians. These negative effects can be mitigated by using lighting sensibly. Within the programme, we limit the disturbance of nocturnal animals by preventing light pollution. This is a particular issue with lighting in greenhouses, hence the need to work on a plan for additional light shielding there.

Resilient and healthy soil

In arable and open-field vegetable farming, the soil is the basis of operations. The Better for Nature & Farmer programme therefore focuses on resilient and healthy soil, because good soil can withstand a beating. The plots are easy to cultivate, there are fewer puddles, the crops take deep roots and they stay healthy. A healthy and resilient soil needs fewer external inputs and is therefore less of a burden on the environment.

In the Better for Nature & Farmer programme, the soil is kept as healthy as possible by working on supplying and maintaining the organic matter content, applying green manures and soil-enriching crops, and feeding soil life with the right fertilisers, among other things. It also works on the reduction of (emissions of) chemical crop protection agents and sustainable water management.

Basic soil quality

Good basic soil quality is crucial for future-proof agriculture and horticulture. A key indicator for keeping the soil workable and healthy is the organic matter content of the soil. In addition, plots with a too-low organic matter content are at risk of nitrate leaching. This programme, therefore, works with an entry requirement on organic matter content: plots below 1.5% organic matter in clay or 2% organic matter in sand will eventually be excluded for cultivating for Albert Heijn. Ultimately, the long-term ambition is to increase the organic matter content.

Besides the entry requirement per plot, the organic matter balance at farm level must be at least neutral. On plots that score low, feed extra organic matter so that these soils improve in the long run. In addition, you will carry out regular visual assessments of the state of the soil to gain a better understanding of your soils and focus on improving the soil quality.

Fertilisation

The principles associated with a resilient and healthy soil are to not only raise the organic substance content, but also improve soil life and prevent leaching. Fertilisation plays an important role in this. For example, slurry hardly contributes to the build-up of organic matter and does not feed soil life. To increase the organic matter content and nourish soil life, it is necessary to work more with compost and solid manure. The Better for Nature & Farmer programme, therefore, works with a maximum permissible amount of slurry that can be applied per hectare. For clay soils, it is 25 tonnes and for sandy soils, it is 15 tonnes of slurry.

In addition, we limit the leaching of unused nitrogen to ground and surface water by only giving nitrogen fertilisation based on crop and soil measurements from now on. This ensures optimum fertilisation according to the needs of the crop.

Green manures and soil-enriching crops

Green manures and soil-enriching crops are valuable building blocks for a healthy and resilient soil. They contribute to soil structure and biodiversity, fix nitrogen from the air in the soil and limit leaching. By incorporating green manures and/or soil-enriching crops on 50% of the area you grow for Albert Heijn, you create a wider crop rotation.

Integrated crop protection

In the Better for Nature & Farmer programme, we aim to minimise the impact of crop protection products on the environment. We are working on this by starting the conversation with each other based on the cultivation records over the past three years. The 25% best-scoring growers constitute a target for environmental impact points and deployment of risky resources. Growers are benchmarked against that target value within a relevant grower group, for example by crop, region and whether there is conservation. Each grower should be able to explain where the difference is between his/her spraying schedule and that of the target, and have a strategy to work towards that target.

To further justify the use of crop protection products, we are mandating the use of decision support systems (BOS) for certain diseases and pests. A BOS is always supportive and can provide information on the need and timing of crop protection product application.

To further reduce the impact on the environment, we expect you to apply non-chemical weed control at least once per crop and use non-chemical methods first when controlling certain specific pests. Consider deploying natural enemies, pheromone confusing techniques or using traps. Also, we expect you not to use chemical soil disinfection on your plots. Finally, we limit the use of glyphosate, a controversial substance. Our ambition is to stop using glyphosate by 2025. Until then, we restrict the use of glyphosate at farm level to encourage the search for alternative weed control.

Reducing emissions

Crop protection products and fertilisers are still found in surface water. Limiting, and preferably preventing, spray drift and farmyard emissions are, therefore, included in this programme. To prevent run-off in the farmyard, we ask that only non-chemical methods be used to control weeds on paved surfaces from now on. We also want to clarify possible emission pathways on the farmyard, by completing the farmyard emission scan and combining it with a baseline measurement in the farmyard pit. If improvement points follow from the scan or sample, implement them to further reduce farmyard emissions. You can think about a possible construction of a washing area with purification for the sprayer.

For crops in greenhouses or buildings, we limit emissions by preventing leaks and taking periodic preventive measures such as EC measurements in drainage wells. For open-field crops and outdoor fruit crops, we work with robust, approved drift-reducing spraying techniques with at least 90% drift reduction.

Efficient water use

The quantity of water in the Netherlands has until now been mainly a problem of 'too much'. In recent years, however, growers are finding that more and more soils are lacking water. Both water shortages and surpluses will increase under the pressure of climate change. It is therefore important to use water efficiently. In the Better for Nature & Farmer programme, irrigation, therefore, involves determining the required watering by means of moisture measurements or an irrigation planner, in order to optimally match watering to needs.

Reducing the impact on climate

Climate change is high on the global agenda, also in terms of agriculture and horticulture. There are already many initiatives to reduce climate impacts and there is great potential, for example, for long-term fixing of CO₂ in the soil. Thus, in the Better for Nature & Farmer programme, climate is an important component.

The Better for Nature & Farmer programme reduces the climate impact by reducing energy use in various ways.

Green energy

The first step we want to take with all growers is to use only green electricity. This can be done by switching to green power from your energy supplier, or by generating your own power.

The New Cultivation (HNT) course

A lot of energy is needed to grow products in greenhouses. Given the greenhouse horticulture sector's ambition to produce without fossil energy by 2040, it is important that we also take steps in that direction in this programme. The first step is to take The New Cultivation (HNT) course. The course offers the opportunity to learn more about how you can apply HNT on your own farm, and growing energy-efficient crops while achieving optimal production. Experience shows that growers who have taken the course have been able to achieve substantial energy savings on the farm.

LED lighting

LED lighting is an important development to save on electricity. Replacing incandescent and halogen bulbs in farm premises with LED bulbs is wise, even if the existing bulbs still work well. An LED bulb is 90% more economical than an incandescent bulb and consumes 85% less power than a halogen bulb. Although the purchase price is higher, the cost is ultimately lower due to the low energy consumption and long lifetime.

Besides LED lighting in sheds and offices, we also aim to use energy-efficient lighting as much as possible in the greenhouses. Currently, SON-T or high-pressure sodium lamps are commonly used. LED lighting offers the opportunity to save substantially on electricity here. In the Better for Nature & Farmer programme, we ask you to (eventually) replace 50% of your SON-T lighting used for AH crops with LED lighting.

Variable speed drives on all fans

A fourth energy saving is achieved by installing variable speed drives on fans in vertical cell cultivation. By fitting a variable speed controller to the fan's drive motor, the speed and thus the flow rate (amount of air per unit time) can be changed. The speed then adjusts to demand. As a result, the motor does not use more energy than necessary.

Insulating pipes on the farm

A central heating boiler uses natural gas to heat the central heating water. The hot central heating water is distributed through pipes to the heat delivery systems in the rooms to be heated. By insulating the pipes, less heat is given off where it is not needed such as in unheated rooms. This is a lot more energy-efficient.

Annual CO₂ footprint measurement

To monitor the climate impact, a carbon footprint measurement will be requested annually.



CHAPTER 3

Better for the Farmer

In the 'Better for the Farmer' pillar, we will address a connected and transparent chain and a healthy, safe and future-proof working environment, in addition to fair and long-term partnerships. In addition, economic sustainability is also part of Better for the Farmer. This will be

explained in 'the compensation model' in the next chapter.

after generation. To keep ourselves focused, we facilitate an annual satisfaction survey. This allows us to measure what we can together do better.

Long-term partnerships

At Albert Heijn, we have been working with service providers, growers and market gardeners for our AGF range for years. Consequently, we have often known each other from generation to generation and we work with you on our range and on the future. For years, we have been sourcing our products as nearby as possible and as far as necessary. This means that the majority of our range comes from the Netherlands. We would like to continue promoting this.

Satisfaction survey

Together, we can be proud of the long-term partnerships we have with many of you. Our aim is therefore to continue to build on an honest and long-term partnership, generation



Long-term participation

No one knows the practice as well as those who are in the middle of it every day. Therefore, as a special stakeholder in this programme, we would like to keep you involved in preparing and shaping the programme. This will be facilitated through (rotating) focus groups.

The chain is connected and transparent



Each day, we together ensure that more than 5 million plates of food are filled. Consumers expect us to be able to tell them exactly where our products come from, how they are made and who the growers are in the chain 'from field to customer'. And rightly so: it's not only instructive, but also fun! Together, we ensure the AGF chain is transparent.

Visibility

Every grower has now received an AH grower sign as part of this programme. By placing these visibly along the road, you offer transparency to passers-by about the destination (of part) of your crop.

To also digitally generate more visibility for your business among consumers, you will be asked for permission to share your name and address details. This will 'pin' your farm to Albert Heijn's supplier map (www.ah.nl/suppliers/map). This is a freely accessible online world map that can be zoomed in to see which grower in which location grows which product for Albert Heijn.



CHAPTER 4

Compensation model

Albert Heijn wants to facilitate growers in continually making their crops more sustainable, so they can continue to choose sustainable operations with confidence. The Better for Nature & Farmer programme is essentially about sustainable agricultural entrepreneurship. Albert Heijn expects growers to be ambitious about this and work with Albert Heijn to achieve that dream.

Besides the existing agreements on purchase guarantees, market-based prices and short payment terms in this programme, Albert Heijn will make a financial contribution for the extra sustainability efforts above the market standard, regardless of the cultivation, crop and region. Specifically, you will receive compensation for adopting the additional sustainability measures within this programme. These measures were drawn up jointly between growers, service providers and Albert Heijn. Both the measures and the compensation in return are fluid. That is, we will continue to reimburse what is above the standard in the market, but at the same time, we will continue to be critical of what is the standard in the market and where our ambition level lies. Annually, we review the level of ambition of the measures within the Better For the Farmer programme and revise these measures and the compensation model, if necessary. Of course, we do this in consultation with growers through focus groups and/or growers' councils.

Albert Heijn pays the financial contribution through the service provider. It is thus decoupled from regular price agreements. The grower has insight into the amount and structure of the compensation.

Structure of the compensation

The compensation is made up of a number of aspects:

1. First, we reimburse the audit costs for this programme. The auditor's invoice may be declared to your buyer. This applies both to the audit of the overall Better for Nature & Farmer programme and also to the, within this programme, mandatory social audit (GRASP, Fair Produce and/or Sedex).
2. The compulsory measures in the programme have been calculated in terms of average cost per hectare. These costs were then divided by the average yield of your crop per hectare to arrive at a compensation in cents per kilo or piece. This amount is multiplied by the volume you actually delivered to Albert Heijn last season, which gives a total compensation amount. At the start of harvesting, each grower will receive a basic payment of 30% of the cost per year based on the programmed Better For volume. After the last delivery of the season, each grower will receive a back-payment of the remaining

amount based on the numbers delivered to AH (up to the programmed volume).

3. Finally, we give a mark-up percentage over the compensation for the mandatory measures. This mark-up percentage is a reimbursement for taking at least three elective measures and for the extra hours incurred. It also compensates for the potential cultivation risk you run by growing more sustainably within this programme.

Calculation of the costs

To calculate the costs of the measures in the programme, we worked with the Centre for Agriculture and the Environment (CLM). They carried out a 'quick scan' to give a rough understanding of the average additional costs for each type of crop. The CLM has experience with this method. Each measure has been translated into additional costs, mostly consisting of investments. Information from research and knowledge from growers, consultants and companies was used for this purpose. Growers in the focus groups also reviewed and fine-tuned these calculations. Total costs were then expressed as cost per hectare per year. These costs are divided by the long-term average yield per hectare of each crop to arrive at a compensation per kilo of product for each crop.

Incentive fund

In addition to the compensation for complying with the programme, we want to go one step further. Our ambition is to continuously improve sustainability, leading the way in sustainable cultivation. For this, it is important that we encourage continuous sustainability, and support it financially, so that there is no reason for a grower to be reluctant about becoming more sustainable. We do this through an incentive fund, which can be claimed to make a crop more sustainable. This could include a financial contribution to set up a joint research project or organise excursions or knowledge days. Project proposals can be submitted to Albert Heijn through the service provider you supply to.



Notes

Distribution of crops by cultivation type

Vertical cell cultivation	Covered cultivation	Fruit growing outdoors	Open cultivation	
Basil	Strawberries	Strawberries	Potatoes	Radicchio Rosso
Chives	Aubergines	Apples	Endive	Rainbow carrots
Mushrooms white	Basil	Blueberries	Asparagus	Daikon radishes
Dill	Chives	Blackberries	Baby leaves	Red beets
King oyster mushrooms	Blackberries	Raspberries	Basil	Red cabbage
Chestnut mushrooms	Chilli peppers	Cherries	Chives	Rosemary
Chervil	Courgettes	Pears	Celery	Rocket
Coriander	Dill	Plums	Cauliflowers	Celery
Laurel	Raspberries	Red berries	Kale	Shallots
Marjoram	Chervil		Bunched carrots	Lettuce (various)
Mint	Cucumbers		Spring onions	Chard
Nameko mushrooms	Coriander		Broccoll	Green beans
Oyster mushrooms	Laurel		Cavolo Nero	Spinach
Oregano	Marjoram		Chinese cabbages	Kale
Peppermint	Mini cucumbers		Courgette Dill	Brussel sprouts
Parsley	Mint		Green cabbages	Sweetcorn
Rosemary	Oregano		Chervil	Thyme
Shiitake mushrooms	Pak choi		Garlic fresh	Onions
Brussel sprouts	Peppers		Celeriac	Fennel
Bean sprouts	Pointed peppers		Kohlrabi	Topped carrots
Thyme	Peppers		Coriander	White cabbages
Chicory	Peppermint		Laurel	Carrots
	Parsley		Spring onions	Sweet potatoes
	Pumpkins		Marjoram	
	Red radishes		Mint	
	Rosemary		Oregano	
	Lettuce (various)		(Shanghai) Pak choi	
	Snack cucumbers		Parsnips	
	Snack peppers		Parsley	
	Thyme		Leeks	
	Tomatoes		Rhubarb	

Notes

Notes



**“If we take good care of
nature, nature takes
good care of us!”**
