



Version 5.0 | October 2021

respeggt- System Manual

Table of contents

1. Introduction	3
2. Services offered by respeggt group	4
2.1 Sexing as a Service (SaaS): Gender identification in the hatching egg.....	4
2.2 Supply chain control	8
3. Requirements for respeggt system partners	10
4. The respeggt advisory board	19
5. Annexes	19

1. Introduction

Every year, several billion male chicks of egg-laying breeds are killed worldwide because they do not lay eggs and because fattening them is economically unviable. In Europe alone, around 330 million day-old male chicks are killed each year. The company respeggt group (hereinafter also referred to as respeggt) significantly contributes to solving the problem of chick culling through its process of gender identification in the hatching egg and its supply chain control for the fattening of male layer chicks.

This current version of the respeggt System Manual primarily defines “Sexing as a Service” (SaaS), which aims to provide the process of gender identification in the hatching egg to all supply chain partners in egg production and distribution.

In addition, this respeggt System Manual describes the service of implementing supply chain controls to verify supply chains that are free of chick culling and to guarantee the product promise “Free of Chick Culling” to consumers.

The respeggt System Manual defines the binding rules for securing, verifying and implementing the respeggt process along supply chains. All respeggt system partners must comply with the currently valid version of the respeggt System Manual and implement its requirements in a responsible manner. These requirements are to be accepted by signing the respeggt System Recognition Agreement or one of the respeggt Declarations of Consent.

Through their business activities, all respeggt system partners contribute to end chick culling.

All respeggt system partners are committed to fair and cooperative business conduct and strive to communicate openly and constructively.

All respeggt system partners must comply with the applicable legal framework and, furthermore, continuously focus on considering and improving the welfare and protection of animals.

2. Services offered by respeggt group

The company respeggt group is wholly independent and is not in any way economically dependent on any other company along the supply chain of egg production and distribution. All entrepreneurial decisions are taken solely by the management of respeggt group.

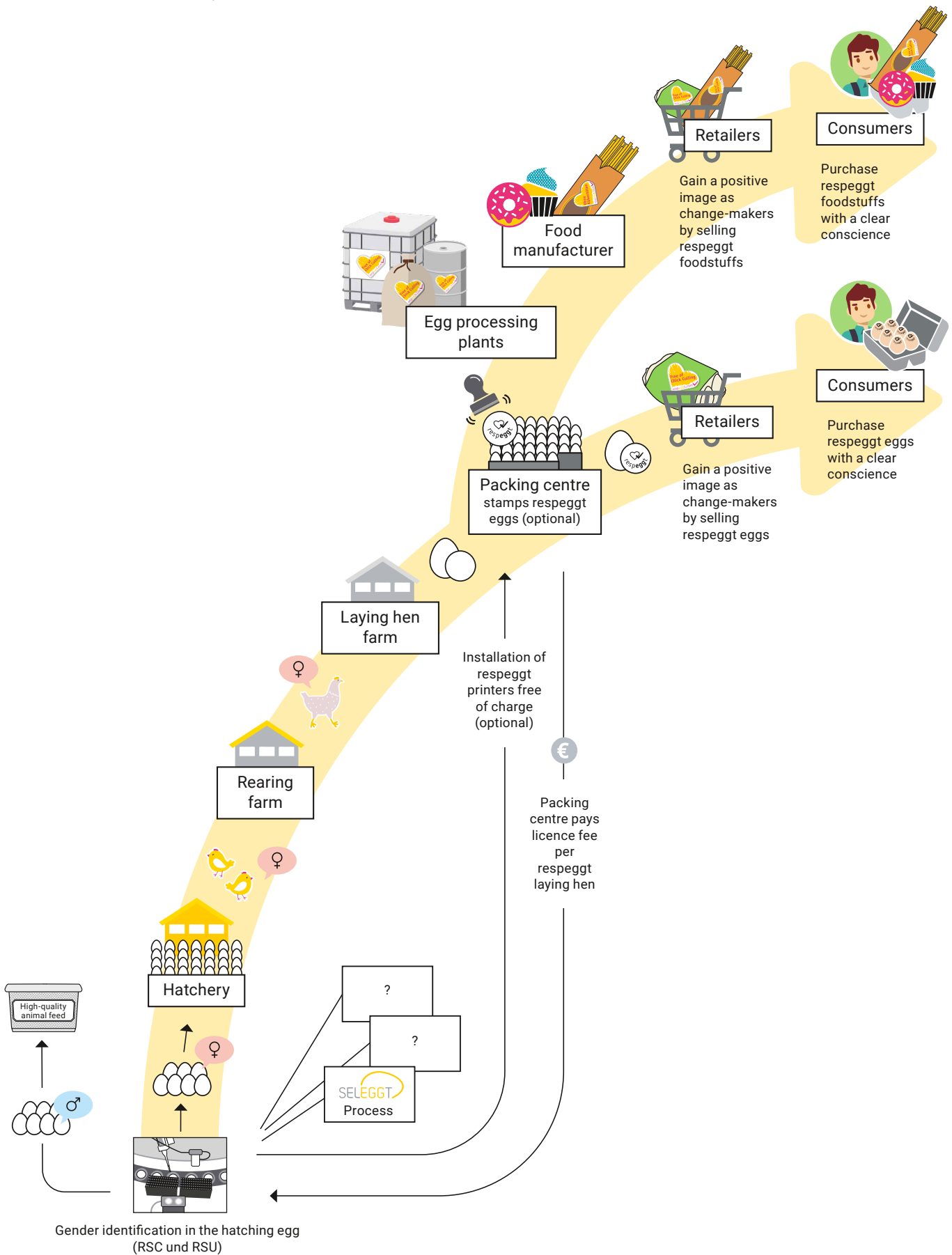
The independent service company respeggt group offers the services described in the following sections to all system partners in egg production and distribution.

2.1 Sexing as a Service (SaaS): Gender identification in the hatching egg

The company respeggt group operates central respeggt Sexing Centres (**RSCs**) as well as local respeggt Sexing Units (**RSUs**) for gender identification in the hatching egg.

The supply chain of respeggt group is shown in Figure 1.

Figure 1: The respeggt supply chain



The supply chain comprises the following steps:

The respeggt-Sexing-Center (RSC),
are operated by the company respeggt group and provide their services to all hatcheries.
SaaS procedure at an RSC:

1. Hatching eggs are delivered by a hatchery.
2. Eggs are pre-incubated before undergoing the process of gender identification (i.e., nine days in the SELEGGT process).
3. Gender identification in the hatching egg.
4. Sorting of the hatching eggs.
5. Delivery of female hatching eggs in a special truck back to the hatchery for final incubation until hatching.
6. The male hatching eggs are transported from the RSC to an animal feed plant for further processing.

The necessary biosecurity at the RSC is ensured through a hygiene station for the hatching eggs at the goods receiving area, specially trained and skilled staff and strict hygiene requirements.

OR

The respeggt-Sexing-Units (RSUs)
are assembled and operated by respeggt at a hatchery.
SaaS procedure at an RSU:

1. Gender identification in hatching eggs that were pre-incubated at the cooperating hatchery (i.e., on the ninth day of incubation in the SELEGGT process).
2. Sorting of the hatching eggs.
3. The female hatching eggs are returned to the incubators of the hatchery.
4. The male hatching eggs are delivered to an animal feed plant for further processing.

The service of gender identification in the hatching egg is performed free of charge for hatcheries at an RSC or RSU. The company respeggt group invoices a fixed licence fee per **respeggt laying hen** to the packing centres or to invoice recipients defined by the packing centres.

SaaS procedure at other respeggt system partners:

1. The hatchery delivers the **respeggt chicks** to a rearing farm after hatching. The licence fees for all ordered respeggt laying hens are invoiced at this point by respeggt to the packing centre or to the invoice recipient defined by the packing centre¹
2. After about 17 to 18 weeks of rearing, the respeggt pullets are housed at a respeggt laying hen farm.
3. When they are approximately 22 weeks old, the **respeggt laying hens** begin laying (unfertilized) “Free of Chick Culling” fresh eggs – so-called **respeggt eggs**.

Additional SaaS procedure for the supply chain of ...

... respeggt eggs:

4. The respeggt eggs are delivered by the laying hen farm to the packing centre, where they are packed into egg boxes. During this step, respeggt eggs may be packed into egg boxes with the **heart-shaped respeggt label** (see Figure 2). Thanks to the implemented supply chain controls, the heart-shaped respeggt label guarantees the added-value promise “Free of Chick Culling” to consumers. Additionally, respeggt eggs may be marked with the **respeggt stamp** at the packing centre (see see Figure 2 and Annex 5.3).
5. Through its pricing, the packing centre passes the licence fees on to the food retailers. It is thereby fully free to determine its own pricing and respeggt has no insight into its internal calculations.
6. The food retailers offer respeggt eggs in their supermarkets. The food retailers are solely responsible for setting their retail prices for respeggt eggs; respeggt has no insight into their internal calculations.

OR

... respeggt foodstuffs:

4. The respeggt eggs are delivered directly from the laying hen farm or its downstream packing centre to the egg processing plant.
5. At the egg processing plant, the respeggt eggs are processed into **respeggt egg products** (e.g., liquid whole eggs, liquid egg white, liquid egg yolk, whole egg powder, egg white powder, egg yolk powder or boiled eggs).
6. The **respeggt egg products** are delivered to a foodstuff producer and may be used as ingredients to produce respeggt foodstuffs. A foodstuff producer may also process respeggt eggs directly (i.e., without cooperating with an egg processing plant).
7. The foodstuff producer distributes the respeggt foodstuffs to food retailers or alternative distribution partners. The distributors are solely responsible for setting their retail prices for respeggt foodstuffs; respeggt has no insight into their internal calculations.

There are no additional charges for using the heart-shaped respeggt label.

¹ The conditions of licensing are agreed with the respective respeggt system partner through the respeggt System Recognition Agreement.

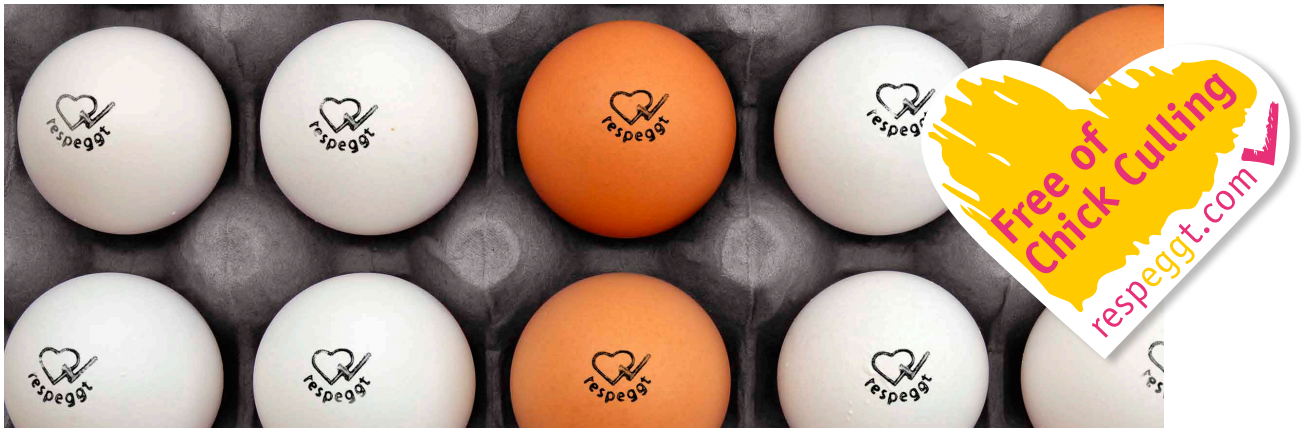


Figure 2: respeggt stamp and heart-shaped respeggt label

2.2 Supply chain control

To guarantee the added value of SaaS throughout the process up until the distributed end product, whether for fresh eggs or foodstuffs containing eggs, respeggt has developed a blockchain-based Supply Chain Monitoring System (**SCMS**) that provides a guarantee for the added-value promise “Free of Chick Culling”. The SCMS of respeggt group allows transparent control along the supply chain from the process of gender identification in the hatching egg up until the final product, i.e., respeggt eggs or respeggt foodstuffs. Plausibility checks, mystery shoppers at the point of sale, the regular control of all companies as well as clearly defined requirements and agreements mean respeggt can guarantee the promise “Free of Chick Culling”.

To ensure this promise is visible, eggs may display the respeggt stamp and both the respeggt egg boxes as well as the packaging of respeggt foodstuffs may display the heart-shaped respeggt label. By licensing the respeggt laying hens to the packing centres, respeggt invoices not only the costs relating to gender identification in the hatching egg, but also the costs for all services relating to the control of the supply chain.

2.2.1

The company respeggt group only performs the control of the supply chain after a packing centre has signed the **System Recognition Agreement** and placed an order for respeggt laying hens. It can either order these respeggt laying hens from a cooperating hatchery (RSU) or directly from respeggt (RSC) by sending an email to order@respeggt-group.com.

2.2.2

Supply chain control can also be applied to the fattening of **respeggt male layer chicks** (see Annex 5.1.), where this is performed according to the specific requirements of respeggt group. This control requires that the fattening of male layer chicks is organized and performed by a packing centre, a hatchery or an independent service provider acting on behalf of a packing centre or hatchery. The company respeggt group verifies whether its specific requirements for the fattening of respeggt male layer chicks are hereby respected. This allows minimum standards to be guaranteed during rearing and the verification of whether there is consistency between the male layer chick flock and the corresponding laying hen flock.

2.2.3

By signing the System Recognition Agreement, the packing centres or hatcheries accept the requirements for the fattening of respeggt male layer chicks and commit to fulfilling them. The packing centre is invoiced for the control of the fattening of male layer chicks performed according to respeggt's specific requirements.²

2.2.4

The fresh eggs from a respeggt laying hen that are classified as "Free of Chick Culling" owing to the process of fattening the respeggt male layer chicks are also designated as **respeggt eggs**. The requirements for the rearing of respeggt flocks, as well as for the separation of respeggt eggs from all other eggs (see Chapter 3), are the same as when SaaS is applied and need to be fulfilled.

2.2.5

Consumers can search for the producer code on the consumer website www.respeggt.com/en. Here, consumers can type in the code that is printed on the respeggt egg and thereby check whether the egg really comes from a respeggt flock. In addition, they can see which solution was applied to ensure the added value of "Free of Chick Culling" through one of the following messages: **"Free of Chick Culling" thanks to gender identification in the hatching egg using the SELEGGT process** and/or **"Free of Chick Culling" thanks to respeggt's fattening of male layer chicks**. This offers consumers a high level of transparency and a high degree of safety in terms of the product promise.

² The conditions for the licensing are agreed with the respective respeggt system partner through the respeggt System Recognition Agreement.

3. Requirements for respeggt system partners

Any hatchery, rearing farm, laying hen farm, packing centre, egg processing plant or foodstuff producer may become part of a respeggt supply chain. For this, hatcheries and packing centres need to sign a System Recognition Agreement, whereas rearing farms, laying hen farms, egg processing plants and foodstuff producers need to sign a **Declaration of Consent**; in addition, they should all meet the applicable legal standards and requirements.

The relevant financial framework conditions are defined in the respeggt System Recognition Agreement and in the respeggt Declarations of Consent. All the additional general requirements for respeggt system partners are described in the following section.

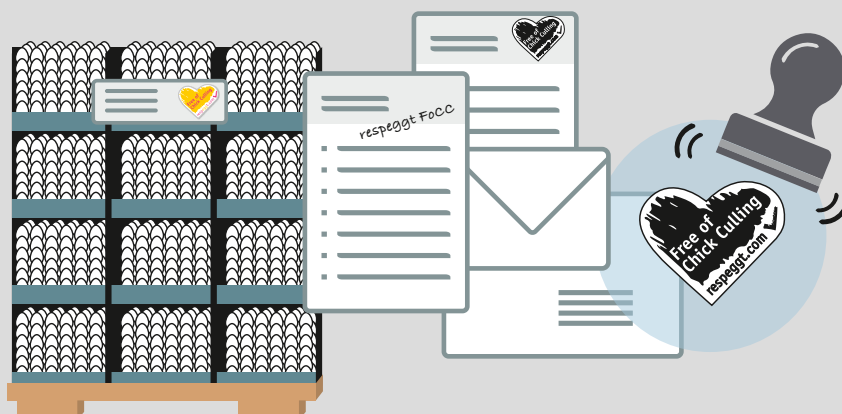
3.1

The respeggt hatching eggs/chicks/laying hens/eggs/egg products must be permanently separated from conventional hatching eggs/chicks/laying hens/eggs/egg products. The respeggt system partners may agree to the use of labels, boxes and brood trays in different colours for this purpose. On its website, www.respeggt-group.com/en/#Downloads, respeggt group provides a barn sign (that can be downloaded as a PDF file) for the correct marking of barns housing respeggt flocks in rearing and laying hen farms. A laying hen farm may only rear conventional laying hens and respeggt laying hens at the same time if it uses a separate producer code for each respeggt flock. The producer code of a respeggt flock may not be used for any conventional flock.

3.2

All respeggt system partners in a supply chain shall always mark any relevant documentation, e.g., labels, delivery notes, transport documents and invoices, with the references "respeggt OKT" (Ohne Kükentöten) or "respeggt FoCC" (Free of Chick Culling), or with the **respeggt document stamp**. Additionally, a specification for "respeggt FoCC" must be created and used in the merchandise management system by respeggt system partners.

Figure 3: Correct marking of documents and pallets



3.3

The **respeggt flock passport** is a hardcopy document that allows the verification of the added value of "Free of Chick Culling" across the supply chain. It is issued by the hatchery and accompanies the respeggt animals during their entire life cycle. The employees of the hatcheries, rearing farms, laying hen farms and fattening farms of male layer chicks shall enter the delivery data of respeggt flocks into the respeggt flock passport and send a photograph of the updated passport via email to data@respeggt-group.com. The employees of the hatchery shall forward the respeggt flock passport with the transport documents of the respeggt chicks to the rearing farm, whereas the employees of the rearing farm shall forward it with the transport documents for the respeggt pullets to the laying hen farm. The employees of the rearing farm and laying hen farm shall control the respeggt flock passport and supplement it with additional data. They shall subsequently display the respeggt flock passport in a convenient place in the barn where it is easy to see. Upon the removal of the respeggt laying hens, the packing centre must send a photograph of the fully completed respeggt flock passport via email to data@respeggt-group.com.

3.4

At least once per year, respeggt group will organize a visit to the respeggt system partners in order to verify the correct implementation of the requirements resulting from the respeggt System Manual. The respeggt system partners commit to submitting all the necessary documentation required for this purpose during this visit.

3.5

Prior to the first delivery of female hatching eggs/respeggt eggs/respeggt egg products, an employee of respeggt group shall visit the hatcheries, packing centres, egg processing plants and foodstuff producers. During this visit, the respeggt system partners shall be informed about the special character of the delivered female hatching eggs/respeggt eggs/respeggt egg products and the special handling that is consequently required for these hatching eggs/eggs/egg products.

3.6

The housing of respeggt laying hens is subject to licensing. At the time of hatching of the respeggt chicks, the packing centre or the invoice recipient defined by the packing centre shall receive an invoice from respeggt for the licence fees for the ordered respeggt laying hens; these are licenced per respeggt flock.³

3.7

The RSC or RSU and the hatchery are jointly responsible for ensuring that a sufficient number of hatching eggs of sufficient quality are delivered to the RSC or RSU and housed to achieve the number of ordered respeggt laying hens. The required specifications of the hatching eggs (e.g., age of parents, duration of housing, health status of parents) shall be communicated to the RSC or RSU in due time. The hatchery

³ The conditions for the settlement of licence fees are stipulated in the respeggt System Recognition Agreement.

communicates the expected proportion of infertile eggs, the expected hatching rate, as well as any other relevant and requested information to the RSC or RSU. On the basis of the data provided, the RSC or RSU calculates how many hatching eggs must be provided and informs the hatchery of the determined quantity. If the delivered hatching eggs do not correspond to the agreed specifications, the RSC or RSU assumes no responsibility for the results of the process of gender identification in these hatching eggs. Furthermore, the RSC or RSU reserves the right to refuse acceptance of the delivered hatching eggs and to refrain from performing the process of gender identification on them. Each time the process of gender identification in the hatching egg is performed, and also when the corresponding respeggt chicks hatch, a respeggt coordinator will be present to document these events.

3.8

In the case of shortfalls in deliveries of respeggt chicks or respeggt pullets, respeggt will pay a compensation if the cause for this can be clearly traced back to the process of gender identification in the hatching egg or if it can be proven that the fault has been caused by respeggt group.⁴ To prove this, the respeggt system partner sends the respective delivery note to respeggt via the email address **data@respeggt-group.com**.

3.9

The respeggt chicks delivered to the rearing farm may comprise a small percentage of male chicks. A certain error rate cannot be avoided in gender identification in the hatching egg. The culling of these male chicks during rearing, merely because they have no economic value, is prohibited. The male chicks must be fattened according to the applicable version of the "rearing guidelines" of KAT e.V. Compensation is paid for all normal, healthy male brother chicks that are delivered to the slaughterhouse, and not those that are otherwise, or for other reasons, discarded.⁵ To prove the number of slaughtered and non-discarded male brother chicks, the respeggt system partner sends the proof of slaughter to respeggt via the email address **data@respeggt-group.com**.

3.10

A packing centre may trade respeggt eggs with other packing centres. During the control of incoming goods, the packing centre that receives the respeggt eggs must verify the authenticity of the traded respeggt eggs by checking the producer codes of the eggs on the website **www.respeggt.com/en**.

⁴ The conditions for compensation payments are stipulated in the respeggt Declaration of Consent.

3.11

The use of the heart-shaped respeggt label on packaging for end consumers, whether of fresh eggs or foodstuffs, is only permitted following compliance with the requirements of the **respeggt Style Guide** and after approval by respeggt (see Annex 5.2). When using the heart-shaped respeggt label on egg boxes, it is possible to also mark the respeggt eggs individually by printing the respeggt stamp on their head side. The printing equipment is provided free of charge by respeggt to packing centres (see Annex 5.3).

3.12

A foodstuff may only display the heart-shaped respeggt label if the eggs or the egg products that it contains are provably at least 95% respeggt eggs or have provably been made with at least 95% respeggt eggs.

3.13

If end products, e.g. foodstuffs or fresh eggs, are distributed without the heart-shaped respeggt label on packaging for end consumers, references to the added value of "Free of Chick Culling" on packaging or on any other advertising material shall be without reference to respeggt group and shall not in any way allow conclusions to be drawn about respeggt group.

3.14

In the event of a violation of respeggt's requirements resulting from the respeggt System Manual, the System Recognition Agreement or a Declaration of Consent, the **respeggt advisory board** will decide on the extent and degree of the resulting sanctions.

3.15

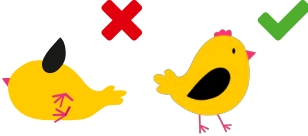

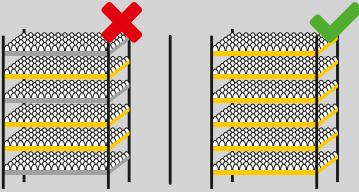
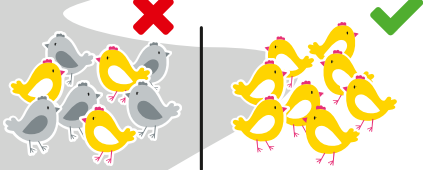
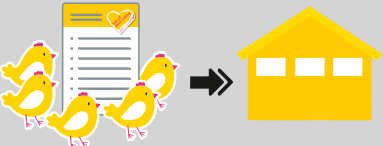


The respeggt system partners shall properly inform their employees about the special character of respeggt hatching eggs/chicks/laying hens/eggs/egg products and the special handling that is consequently required for these eggs/animals/products. The employees of the respeggt system partners must know and fulfil the requirements relating to the incubation/hatching of respeggt chicks or rearing of respeggt chicks or rearing of respeggt laying hens or handling of respeggt eggs and respeggt egg products. The respeggt system partners will receive the applicable version of the respeggt poster "The 7 respeggt rules" and (upon request) a respeggt document stamp from respeggt. The main requirements for each respeggt system partner are listed on the respeggt posters. The respeggt system partners shall display the respeggt poster permanently in a convenient place where it is easy to see for all employees.

The different versions of the poster are shown in Figures 4 to 8:

The 7 respeggt rules

Requirements for hatcheries



- 1  **No male chicks may be killed during rearing.**
- 2 All employees must know and follow the respeggt rules for the handling of respeggt hatching eggs and respeggt chicks. 
- 3  The respeggt hatching eggs must **never** be mixed with conventional hatching eggs.
- 4 The hatched respeggt chicks must **always** be examined, vaccinated, housed and transported **separately** from conventional chicks. 
- 5  The **respeggt flock passport** must be delivered together with the respeggt chicks to the downstream rearing farms.
- 6 All relevant documentation, such as delivery notes, transport documents and invoices, must always be marked with the reference **respeggt FoCC** (Free of Chick Culling) or with the respeggt document stamp. 
- 7  Employees of **respeggt group** may visit the hatchery at any time.

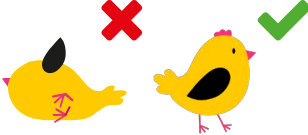
Please contact us by sending an email to data@respeggt-group.com if you have any questions.

Figure 4: Poster of "The 7 respeggt rules – requirements for hatcheries"

The 7 respeggt rules

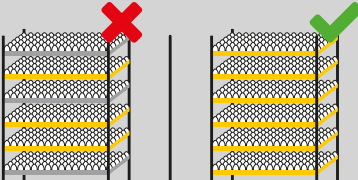
Requirements for rearing farms




①  **No male chicks may be killed.** The male chicks of respeggt flocks must be reared until they are at least **ten weeks** old and may only be slaughtered once they have reached this age and a minimum weight of **1.3 kg**.

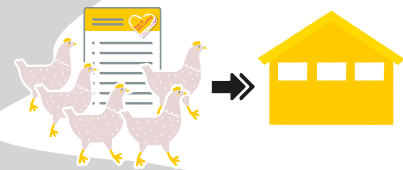
② All employees must know and follow the respeggt rules for the rearing of respeggt chicks.



③  The respeggt chicks must **never** be mixed with conventional chicks.

④  The **respeggt flock passport** must be visibly displayed on the **entrance door of the rearing barn** of the respeggt chicks.

⑤ The respeggt flock passport must be delivered **together with** the respeggt pullets to the downstream laying hen farms.



⑥ All relevant documentation, such as delivery notes, transport documents and invoices, must always be marked with the reference **respeggt FoCC** (Free of Chick Culling) or with the respeggt document stamp.



⑦  Employees of **respeggt group** may visit the rearing farm at any time.

Please contact us by sending an email to data@respeggt-group.com if you have any questions.

Figure 5: Poster of "The 7 respeggt rules – requirements for rearing farms"



The 7 respeggt rules


Requirements for laying hen farms



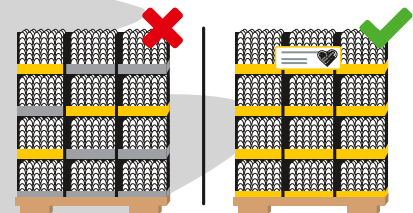
1 All employees must know and follow the respeggt rules for the rearing of respeggt laying hens.



2  |  The respeggt laying hens must **never** be mixed with conventional laying hens.

3  The **respeggt flock passport** must be visibly displayed in the **barn of the respeggt laying hens**.

4 The eggs of the respeggt laying hens must always be collected, internally transported, sorted, packed on trays and palletised **separately** from conventional eggs.



5 All relevant documentation, such as delivery notes, transport documents and invoices, must always be marked with the reference **respeggt FoCC** (Free of Chick Culling) or with the respeggt document stamp.



6 The laying hen farm must print the **producer code** onto the eggs in such a way that the packing centre can properly print the respeggt stamp onto the head side. An overlapping of the two prints is not permitted.



7  Employees of **respeggt group** may visit the laying hen farm at any time.

Please contact us by sending an email to data@respeggt-group.com if you have any questions.

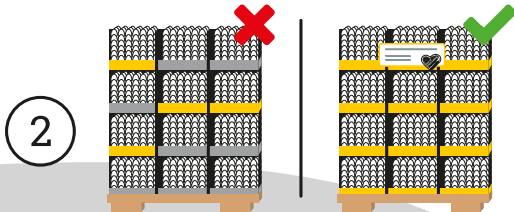
Figure 6: Poster of "The 7 respeggt rules – requirements for laying hen farms"

The 7 respeggt rules

Requirements for packing centres



1 All employees must know and follow the respeggt rules for the handling of respeggt eggs.

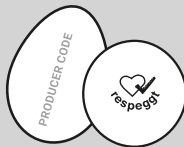


The respeggt eggs must always be collected, internally transported, sorted, packed on trays and palletised **separately** from conventional eggs.

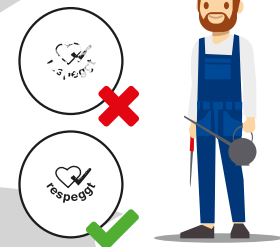
3 All relevant documentation, such as delivery notes, transport documents and invoices, must always be marked with the reference **respeggt FoCC** (Free of Chick Culling) or with the respeggt document stamp.



4 Only respeggt eggs may be marked with the round respeggt stamp before the egg packs are closed. This stamp must always be printed **onto the head side** of the respeggt eggs.



5 The respeggt stamp must always be printed correctly and **legibly** onto the eggs. An overlapping of the stamp with the producer code is not permitted. The respeggt printer must always be professionally **serviced and maintained**.



6 The packing centre must inform respeggt group upon the **removal of each respeggt flock** by sending an email to data@respeggt-group.com.



7 Employees of **respeggt group** may visit the packing centre at any time.



Please contact us by sending an email to data@respeggt-group.com if you have any questions.

Figure 7: Poster of "The 7 respeggt rules – requirements for packing centres"

The 7 respeggt rules

Requirements for egg processing plants

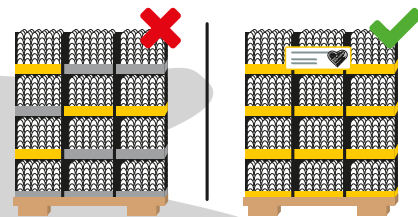


- 1 All employees must know and follow the respeggt rules for the handling of respeggt eggs.



During the **control of incoming goods**, the respeggt eggs must be checked for authenticity by referring to the producer code.

- 3 The respeggt eggs must always be internally transported and stored **separately** from conventional eggs.



- 4 The use of respeggt eggs for producing respeggt egg products always requires the specification **respeggt FoCC (Free of Chick Culling)** in the merchandise management system.

- 5 The finished respeggt egg products must be marked with the heart-shaped respeggt label or the reference **respeggt FoCC (Free of Chick Culling)** in the merchandise management system.



- 6 All relevant documentation, such as delivery notes, transport documents and invoices, must always be marked with the reference **respeggt FoCC** or with the respeggt document stamp.



- 7 Employees of **respeggt group** may visit the egg processing plant at any time.



Please contact us by sending an email to data@respeggt-group.com if you have any questions.

Figure 8: Poster of "The 7 respeggt rules – requirements for egg processing plants"

4. The respeggt advisory board

A system manual is a document that requires revision. New developments and changing framework conditions mean that system manuals need to be amended or adapted from time to time. A respeggt advisory board has been constituted for this purpose. This advisory board consists of three members – one representative each from the packing centres, the hatcheries and the egg processing plants – that are all entitled to vote. The company respeggt group also has a seat on the advisory board.

To ensure the smooth establishment of the respeggt advisory board, Dr Ana Blanco of respeggt group, Mr Wim Lettink, CEO of the hatchery Ter Heerdt, Mr Hermann-Josef Hennes, managing partner of Eierhof Hennes GmbH, and Mr Alexander Grewe of Bouwhuis-Enthoven B.V., have agreed to form the respeggt advisory board.

The respeggt advisory board convenes at least once per year to discuss its recommendations on any necessary adjustments to the respeggt System Manual. Decisions on adjustments of the System Manual may be taken by simple majority. Respeggt has the sole right of veto in this decision-making. In the event of a stalemate, respeggt's vote is decisive.

Furthermore, the advisory board also makes decisions on sanction proceedings against respeggt system partners that have violated the requirements of the respeggt System Manual.

The respeggt advisory board may, by unanimous resolution, accept additional stakeholders or industry representatives as its members until it reaches a maximum number of 5 persons or institutions.

5. Annexes

5.1 Requirements for the fattening of respeggt male layer chicks

5.2 respeggt Style Guide

5.3 Marking of respeggt eggs with a stamp