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# respeggt System Manual

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# 1. Introduction

Every year, several billion male chicks of egg-laying chicken breeds are killed worldwide because they do not lay eggs and because fattening them is economically unviable. In Europe alone, **around 330 Millionen** day-old male chicks are killed each year. respeggt has developed a technological solution for ending chick culling. Through both the process of gender identification in the hatching egg and supply chain control, respeggt provides efficient and sustainable services for implementing supply chains that are free of chick culling to the egg industry.

This current version of the respeggt System Manual describes the services offered by respeggt as well as its requirements for 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 processes 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 Declaration of Consent.

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

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

The 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

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

# 2.1 Gender identification in the hatching egg

respeggt operates its own gender identification centres or assembles the technology for the <u>SELEGGT process</u> at its own expense in partner hatcheries where the process of gender identification in the hatching egg is performed. As a result, animals from a supply chain using the SELEGGT process can be ordered from **any hatchery**, even if the hatchery does not carry out the SELEGGT process itself. Figure 1 shows the respeggt supply chain.



Figure 1: The respeggt supply chain



or



The supply chain comprises the following steps:

# **Own gender identification centres**

are operated by respeggt to perform the SELEGGT process. They provide their services to the hatcheries.

#### The procedure:

- 1. Delivery of hatching eggs by the hatchery.
- 2. Pre-incubation until the process of gender identification is carried out.
- Gender identification in the hatching egg on the ninth day of the incubation process using the SELEGGT process.
- 4. Sorting of hatching eggs into male and female eggs.
- 5. Delivery of the male hatching eggs to an animal feed plant for further processing.
- 6. Delivery of the **female hatching eggs** back to the hatchery for final incubation and hatching.

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

The hatchery pays a **fixed price**<sup>1</sup> **for each female hatching egg** to respeggt for gender identification in the hatching egg using the SELEGGT process.

# **Partner hatcheries**

receive the technology for performing the SELEGGT process. This technology is then assembled on the hatchery's premises.

The procedure:

- For hatching eggs that were pre-incubated at the partner hatchery, gender identification is performed on the ninth day of the incubation process using the SELEGGT process.
- 2. The hatching eggs are sorted into male and female eggs.
- 3. The male hatching eggs are delivered to an animal feed plant for further processing.
- 4. The **female hatching eggs** are returned to the incubators of the partner hatchery.

respeggt assembles the SELEGGT technology at its own expense. The process of gender identification in the hatching egg is carried out by respeggt staff. The costs for staff and material required for the process of gender identification are paid for by respeggt. The partner hatchery pays a **fixed price**<sup>1</sup> **for each female hatching egg** to respeggt for the process of gender identification in the hatching egg.

#### Procedure at the other respeggt system partners:

- 1. The hatchery delivers the respeggt chicks to a rearing farm after hatching.
- 2. After about 17 to 18 weeks of rearing, the respeggt pullets are housed at a respeggt laying hen farm. When the pullets are more than 18 weeks old, the laying hen farm receives a **respeggt "Free of Chick Culling" certificate** for each respeggt laying hen flock that has been controlled by respeggt.
- 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.

<sup>1</sup> The pricing conditions are agreed with the respective respeggt system partner in a separate document.

#### Additional procedure for the supply chain of



or

# respeggt eggs:

- 4. The respeggt eggs are delivered by the laying hen farm to the packing centre.
- At the packing centre, the respeggt eggs 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). Additionally, respeggt eggs may be marked with the respeggt stamp at the packing centre (see Figure 2 and Annex 4.2).

The packing centres are entirely free to determine their own pricing and respeggt has no insight into or influence over their internal calculations.

 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 in-sight into or influence over their internal calculations.

# respeggt foodstuffs:

- 4. The respeggt eggs are delivered directly from the laying hen farm or its downstream packing centre to the egg processing plant.
- 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).
- The respeggt egg products are delivered to a foodstuff producer and may be used as an ingredient in the production of respeggt foodstuff. 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 and may use the heartshaped respeggt label on their packaging. The distributors are solely responsible for setting their retail prices for respeggt foodstuffs and respeggt has no insight into or influence over their internal calculations.



Figure 2: respeggt stamp and heart-shaped respeggt label



# 2.2 The respeggt supply chain control

To guarantee the added value of gender identification in the hatching egg up until the distributed end product, whether fresh eggs or foodstuffs, respeggt has developed a supply chain control that provides a guarantee for the added value "Free of Chick Culling". This 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 ensure that the added value promise of "Free of Chick Culling" can be guaranteed. To make this promise visible, eggs may be marked free of charge with the respeggt stamp and the heart-shaped respeggt label may be printed on both the respeggt egg boxes as well as the packaging of respeggt foodstuffs. The respeggt supply chain control can be performed for all methods of rearin.

Besides the SELEGGT process, respeggt also recognises other processes of early gender identification. The PLANTegg and the In Ovo processes are also performed on the ninth day of the incubation process. As these solutions are equivalent in terms of sustainability and animal welfare orientation, eggs and food-stuffs resulting from supply chains using these processes may also bear the heart-shaped respeggt label.

Consumers can easily verify the added value of "Free of Chick Culling" by entering the producer codes on our website <u>https://www.respeggt.com/en/#code-check</u>. In addition, they can see which solution was applied to guarantee the added value of "Free of Chick Culling", i.e., the message "Free of Chick Culling thanks to gender identification in the hatching egg using the SELEGGT/PLANTegg/In Ovo process" is displayed. This offers consumers a high level of transparency and a high degree of safety in terms of the product promise.

There are two methods for performing supply chain control: supply chain control using the SELEGGT process and supply chain control using the PLANTegg or In Ovo processes. These methods are described in the following sections.



# 2.2.1 Supply chain control using the SELEGGT process

# 2.2.1.1

At **four weeks before hatching** at the latest, the supply chain control must be commissioned upon ordering the birds at the hatchery. The hatchery forwards the order to respeggt.

# 2.2.1.2

All respeggt system partners must sign a **Declaration of Consent** to confirm that they will meet the respeggt requirements described in this System Manual.

# 2.2.1.3

It is mandatory that a respeggt coordinator is always present during the process of gender identification in the hatching eggs and during the hatching of the chicks in order to verify that the respeggt requirements are respected.

# 2.2.1.4

Apart from the agreed price per female hatching egg, no additional costs apply for the supply chain control.

# 2.2.1.5

Once the supply chain control has been successfully completed and the respeggt laying hens are more than 49 weeks old, the laying hen farm receives a **compensation of € 0.05** per housed respeggt laying hen directly from respeggt if the flock is "Free of Chick Culling" due to the SELEGGT process being applied.

# 2.2.1.6

If a laying hen flock controlled by respeggt and resulting from a supply chain using the SELEGGT process is required to be culled at the laying hen farm due to bird flu (AI) by a regulatory order during rearing or before reaching more than 49 weeks of age, respeggt will **not invoice any costs** for the process of gender identification to the hatchery for an identical replacement flock.

For this purpose, this regulatory order for culling due to AI must be presented to respeggt. A flock is only considered an "identical replacement flock" if it is ordered at a hatchery with respeggt supply chain control immediately after culling, with the same number of animals and for the same barn using the SELEGGT process where the culling was previously carried out.



# 2.2.2 Supply chain control using the PLANTegg or In Ovo processes

In order to achieve the greatest possible quantity of respeggt eggs, respeggt also offers supply chain control for other early processes of gender identification (i.e., <u>PLANTegg</u> and <u>In Ovo</u>).

# 2.2.2.1

The supply chain control must be ordered by **4 weeks before the housing of the hatching eggs** at the latest at the hatchery. The hatchery places the order through a separate form to respeggt.

# 2.2.2.2

All respeggt system partners must sign a **Declaration of Consent** to confirm that they will meet the respeggt requirements described in this System Manual.

# 2.2.2.3

It is mandatory that a respeggt coordinator is always present **during the hatching of the chicks**, in order to verify that the respeggt requirements are respected.

# 2.2.2.4

The "Free of Chick Culling" eggs resulting from a supply chain of PLANTegg or In Ovo controlled by respeggt are also called respeggt eggs. The requirements for the rearing of respeggt flocks and the separation of goods for respeggt eggs (see Section 3) are therefore the same as for supply chains using the SELEGGT process and must be fulfilled.

# 2.2.2.5

The supply chain control amount of  $\notin$  0.10 per ordered respeggt laying hen for other early processes of gender identification is invoiced to the commissioning hatchery by respeggt at the time when the chicks hatch. The amount of  $\notin$  0.10 per laying hen is capped at a maximum total amount of  $\notin$  5,000 for larger flocks (50,000 or more laying hens).



# 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, rearing farms, laying hen farms, packing centres, egg processing plants and foodstuff producers must sign a Declaration of Consent to confirm that they will meet the requirements 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, <u>www.</u> respeggt.com/en/system-partners respeggt 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 the 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 OK"** (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. It does not suffice to solely use the reference "FoCC" or "Free of Chick Culling" as a marking.

Figure 3: Correct marking of documents and pallets





#### 3.3

The respeggt flock passport is a hard copy 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 and laying hen farms 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.com The employees of the hatchery shall forward the respeggt flock passport with the transport documents of the respeggt chicks to the rearing farm, and 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 the laying hen farm shall control the respeggt flock passport and supplement it with additional relevant data. They shall subsequently display the respeggt laying hens, a photograph of the fully completed respeggt flock passport must be sent via email to data@respeggt.com by the laying hen farm.

Important note: If a respeggt system partner does not receive the flock passport together with the respective flock, it must request this flock passport directly from the supplier or by sending an email to <a href="mailto:data@respeggt.com">data@respeggt.com</a>.

#### 3.4

At least once per year or once per flock, respeggt will organize an **announced 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

It is possible that a small number of the respeggt chicks delivered to the rearing farm will be male chicks. A certain error rate cannot be avoided in the process of gender identification in the hatching egg. **Culling these male chicks during rearing** for the only reason that they have no economic value **is prohibited**. The male chicks must be fattened according to the requirements resulting from the currently valid version of the rearing guidelines of KAT e.V. (KAT-Leitfaden Aufzucht).

#### 3.6

In the few exceptional cases where there are not enough female respeggt chicks in a hatch, the hatchery may supplement this hatch. If a hatch is to be used to supplement an order with a respeggt supply chain control, the respeggt flocks may only be supplemented with FoCC chicks resulting from an early process of gender identification (i.e., the SELEGGT, In Ovo or PLANTegg processes) or chicks resulting from the process of fattening the male layer chicks (in line with the KAT guidelines). It is imperative that the hatchery informs respeggt prior to such an additional purchase of chicks by sending a notification to <u>data@respeggt.com</u>.



#### 3.7

The trading of respeggt eggs is permitted between different packing centres and between packing centres and the egg processing plant. During the **control of incoming goods**, the company that receives the respeggt eggs must verify the authenticity of the traded respeggt eggs by checking their producer codes on the website <u>https://www.respeggt.com/#code-check</u>. Additionally, it must be simultaneously ensured that the producer code on the delivery note is the same as the producer code on the eggs.

#### 3.8

If a laying hen farm decides to implement a supply chain control, the corresponding respeggt system partners must add the following text to their order confirmations and invoices: "respeggt animals with supply chain control. May be distributed with the heart-shaped respeggt label 'Free of Chick Culling'." If a laying hen farm decides **not** to implement supply chain control, the corresponding respeggt system partners must add the following text to their order confirmations and invoices: "SELEGGT animals **without** supply chain control. May **not** be distributed with the heart-shaped respeggt label 'Free of Chick Culling'."

#### 3.9

All respeggt system partners consent to the processing of their data by signing a Declaration of Consent. If this consent is withdrawn by a respeggt system partner, the particular supply chain may, from this point in time, **no longer use** the heart-shaped respeggt label "Free of Chick Culling" in distribution.

#### 3.10

The use of the heart-shaped respeggt label on packaging for end consumers, whether fresh eggs or foodstuffs, is only permitted following compliance with the requirements of the **respeggt Style Guide** and after **approval** of the packaging to be used by respeggt (see Annex 4.1). 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. For this purpose, respeggt may deliver printing equipment to the packing centres free of charge (see Annex 4.2).

#### 3.11

**Only respeggt eggs** may be used for the production of respeggt egg products. To achieve a higher output, it is possible to mix different batches of respeggt eggs. In these cases, the producer codes of the respective egg batches need to be recorded in the merchandise management system of the egg processing plant.

#### 3.12

Foodstuffs may only display the heart-shaped respeggt label if the eggs or the egg products that they contain are verifiably at least 95% respeggt eggs or have verifiably 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** and shall not in any way allow conclusions to be drawn about respeggt.

#### 3.14

In the event of a violation of the respeggt requirements described in the respeggt System Manual or the Declaration of Consent, respeggt will decide on the extent and degree of the resulting **penalties** or the withdrawal of the right of use for the heart-shaped respeggt label.

#### 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/birds/products. The employees of the respeggt system partners must know and fulfil the requirements relating to the incubation/hatching of respeggt chicks, the rearing of respeggt laying hens or the handling of respeggt eggs and respeggt egg products.

#### 3.16

The respeggt coordinators will provide the respeggt flock passports and the respeggt material to the hatcheries. This material will be handed over to the rearing farms together with the respeggt chicks. The laying hen farms will receive the respeggt material by mail from respeggt before the pullets are housed.

#### 3.17

The respeggt system partners will receive the applicable version of the respeggt poster "The 7 respeggt rules" and (on request) a respeggt document stamp from respeggt. The main requirements for each respeggt system partner are listed on the respeggt posters (<u>https://www.respeggt.com/en/system-partners/</u>). The respeggt system partners shall display the respeggt poster permanently in a convenient place in their company where it is easy to see for all employees.



# 4. Annexes

#### 4.1

respeggt Style Guide

# 4.2

Marking of respeggt eggs with a stamp