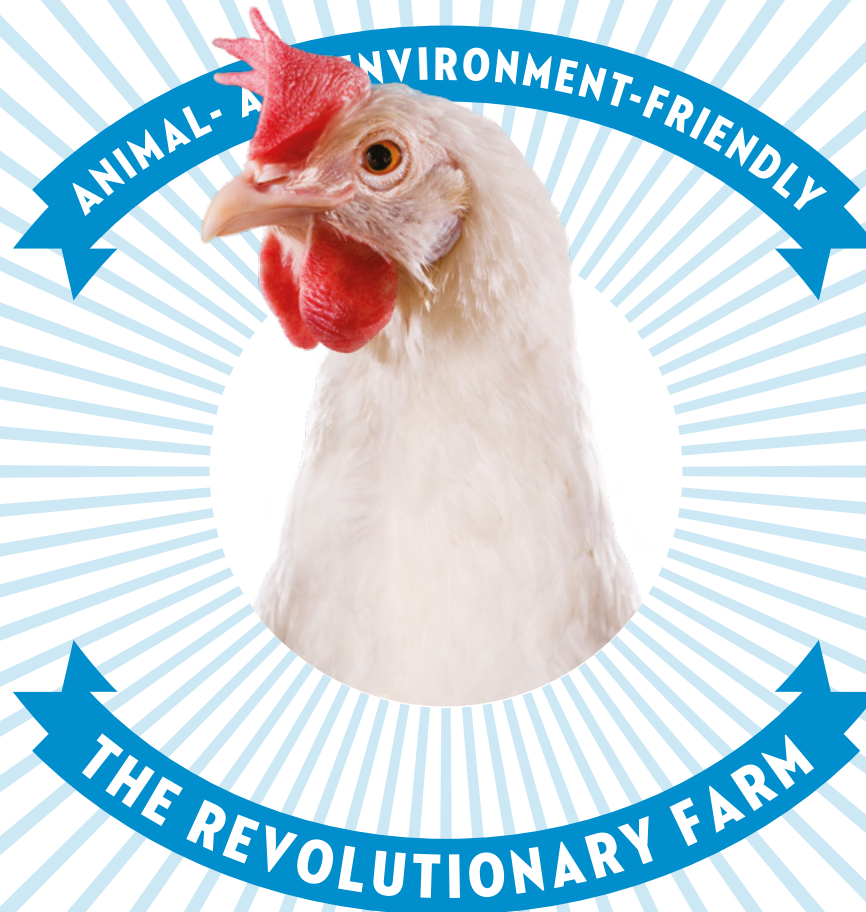




A bird's
eye view.





*A bird's
eye view.*

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While taking flight in the US, we also scooped up a nice prize.

PREFACE



This award celebrates environmental and sustainability initiatives.

2022 SEAL Business Sustainability Awards, honoring their leadership, innovation, and commitment to sustainable business practices



We are looking for farmers to become Kipster farmers. Please let us know. Your market is guaranteed.

INTRODUCTION

CLEANING NOT POLLUTING

We strive toward a circular food system where the interests of humans, animals, and nature are interconnected.

This may sound a bit presumptuous, but this means we want to create a world with less or no meat, eggs, and dairy in our shopping baskets. And it definitely calls for more respect for animals and nature. Basically, we offer our chickens a habitat to express their natural behavior as much as possible. It's still not perfect, but we are doing our best in making their lives as pleasant as possible.

We are working towards a food system in which livestock does not gobble up valuable land but rather upcycles existing residual flows from food production. This means livestock numbers need to match the size of the available food surplus and residual flows from food systems. We explain how this works – and its impacts – in this annual report.

Enjoy reading,
Team Kipster

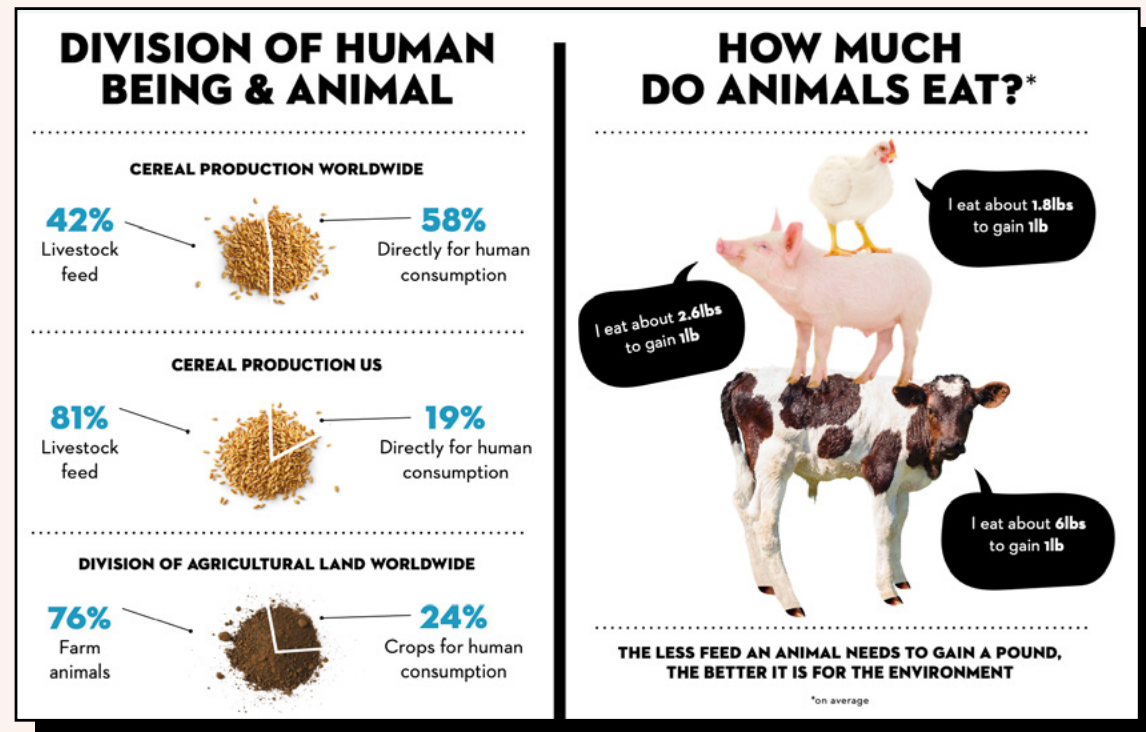


Image from the Kipster Farm Visitor Center in the United States



Give people a bigger piece of the grain pie.

OUR VIEW OF AGRICULTURE

We look forward to a world in which people eat plant-based alternatives to meat, eggs and dairy – and where animals are no longer seen as meat deposits.

WHY?

Because plant-based food is less harmful for the climate and the environment than animal proteins. Pushing crops first through the stomach of a chicken, cow or pig, means less food for people to eat. Removing animals from our food chain will bring us closer to solutions around global warming, famine, deforestation, etcetera.

FEED

Currently, over 75% of all agricultural land is used to grow livestock feed crops or for grazing (source: FAO). Feeding people with crops derived directly from the land is more efficient and generally less polluting. But people still like to eat animals, so there's still a lot of work to be done.

UKRAINE

Consider this: the very first grain shipment from Ukraine since the war started was filled with chicken feed – 26,000 tons of corn to be exact. Meanwhile, the number of people who are unsure if they will have enough to eat tomorrow has increased from 440 million to 1.6 billion, according to The Economist. Too much valuable farmland is being used to grow animal feed. So, let's make better use of that land by growing food directly for people. Let's free the world's poorest people of the drudgery of endlessly foraging for food.

UPCYCLING

Hence, Kipster won't be using any shiploads of Ukrainian corn. Our chickens upcycle residual flows from the food industry into eggs and meat. By using (almost) no land, we are seeking to be part of the solution. It's our small contribution to creating a future-proof agriculture.

IF WE USE THE LAND DIRECTLY FOR HUMAN FOOD, WE'D:

- Feed many more mouths
- Need less farmland
- Maintain natural habitats
- Emit fewer greenhouse gases
- Reduce the risk of zoonotic diseases

Etcetera

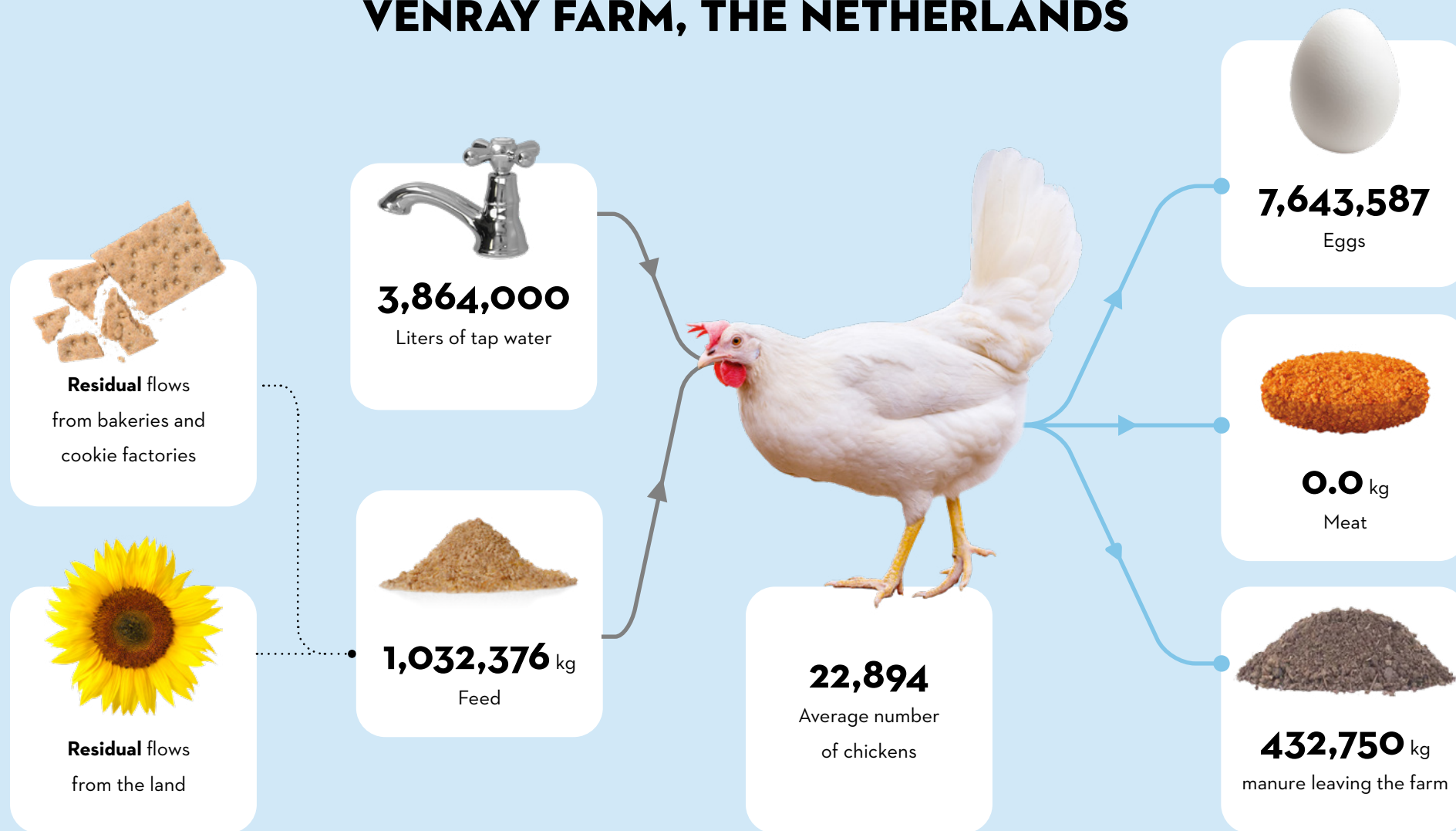
The Economist

"If everyone were vegan, only a quarter of current farmland would be needed."



Circular food
systems in
practice.

VENRAY FARM, THE NETHERLANDS

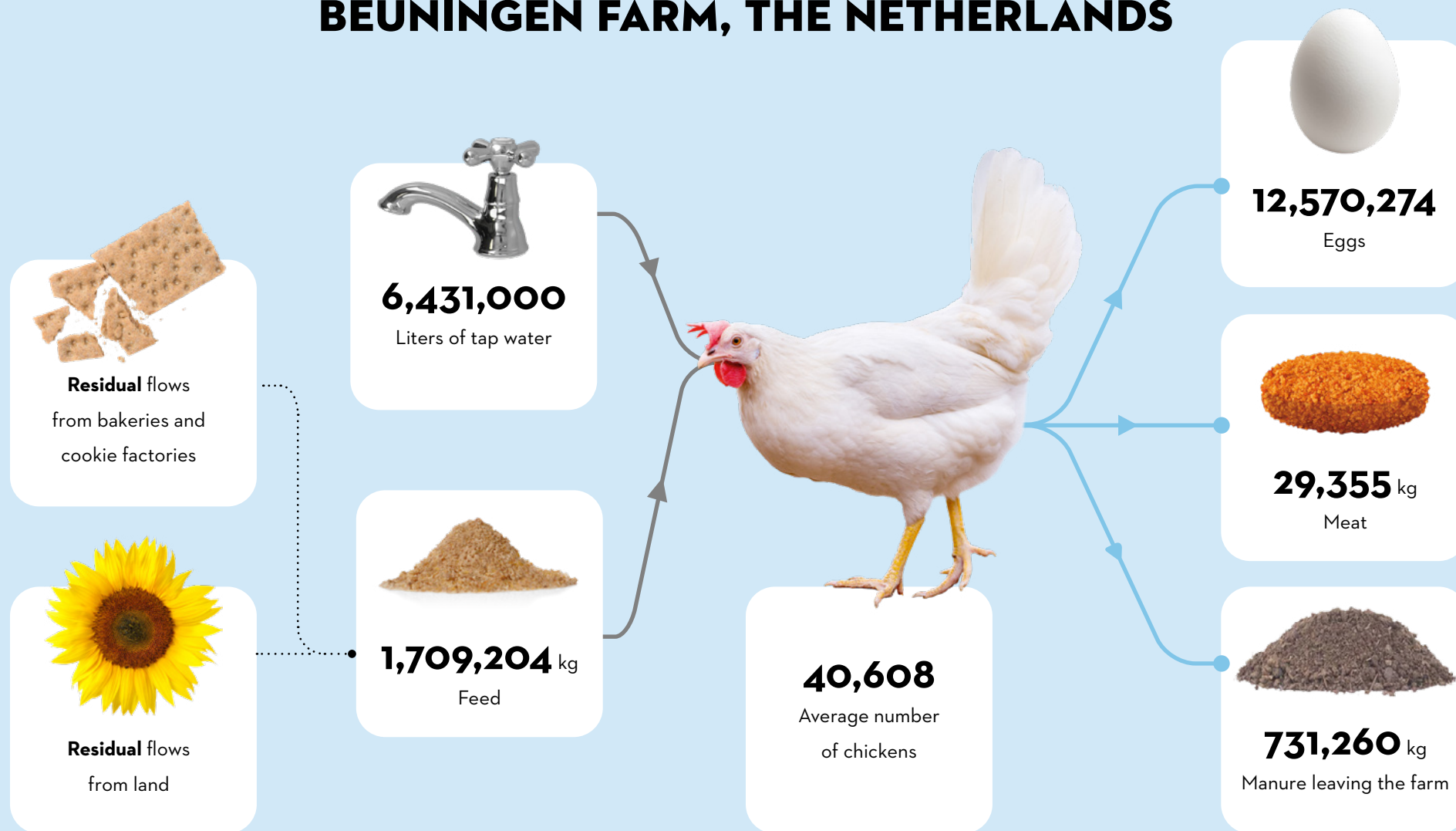


This does not reflect a fully closed-looped cycle. Human waste, for example, is not included in this cycle. This is why we use the term 'circular'.



Circular food
systems in
practice.

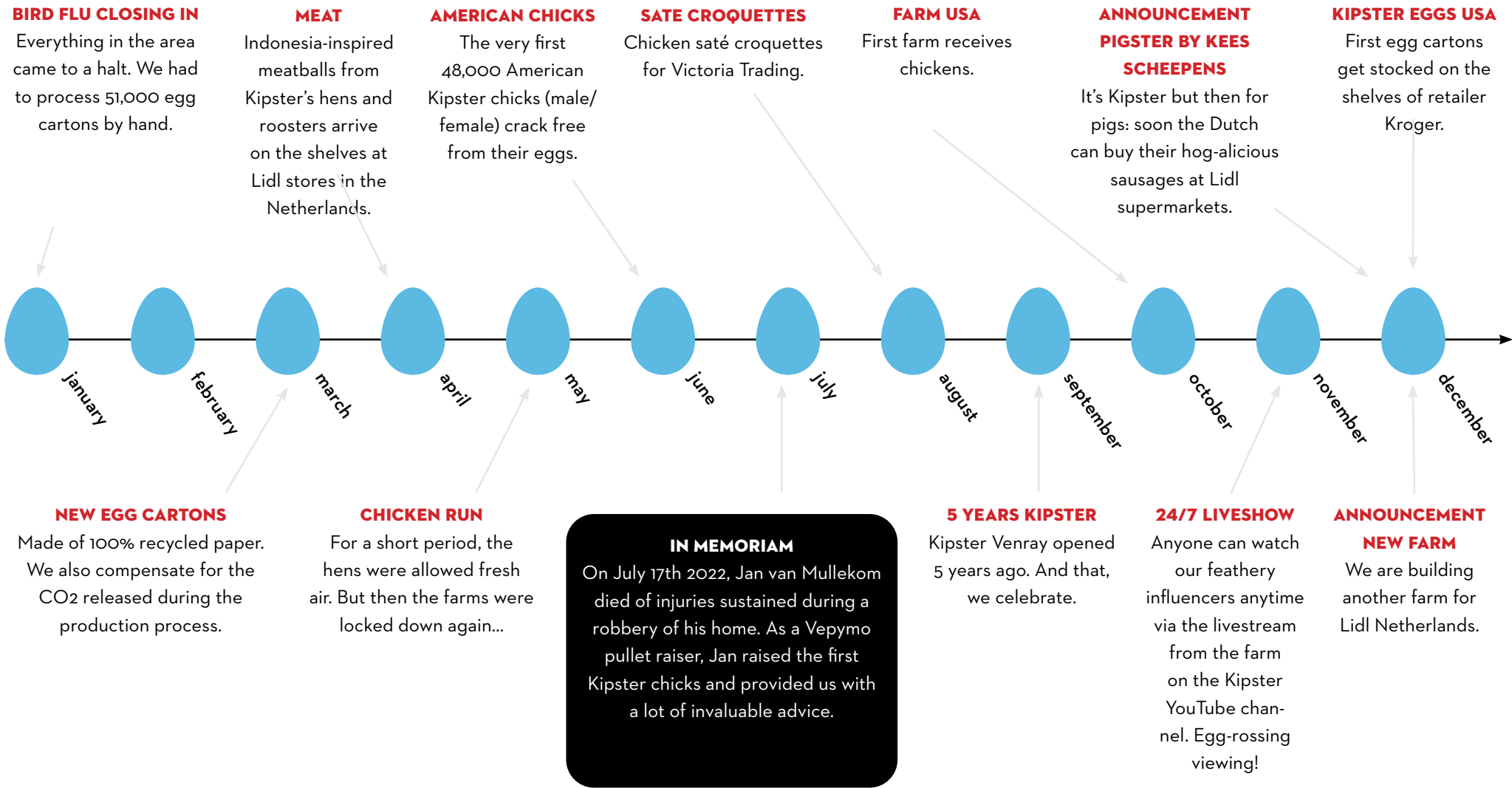
BEUNINGEN FARM, THE NETHERLANDS



This does not reflect a fully closed-looped cycle. Human waste, for example, is not included in this cycle. This is why we use the term 'circular'.



FROM DEFYING BIRD FLU TO CRACKING THE FIRST AMERICAN EGG





Courageous
customers.

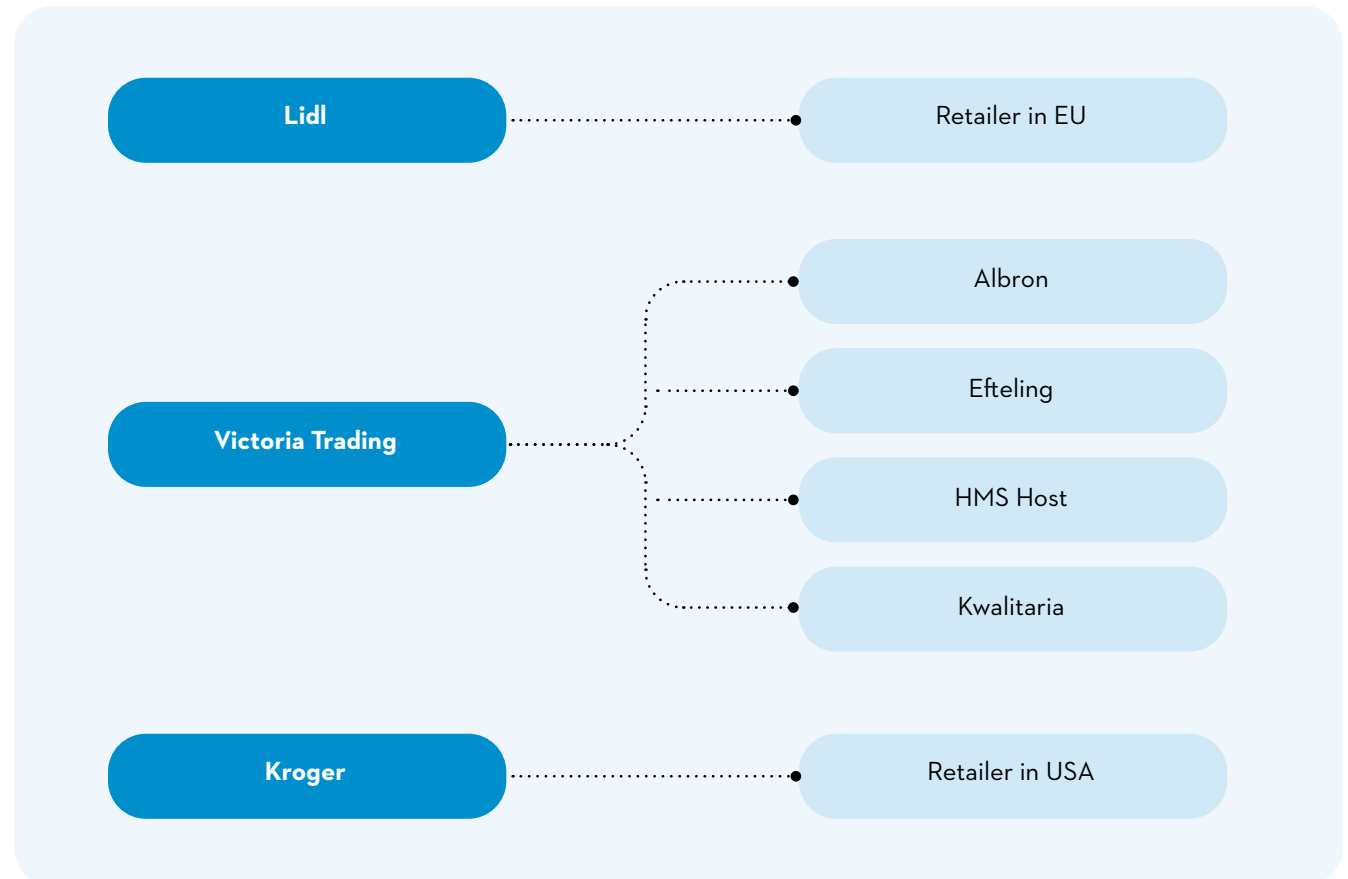
OUR CUSTOMERS

PRAISE THEM HENS

Before we build a farm, we make sure we already have a market for our eggs and meat.

It's an unusual way of doing business since it means our customers commit to purchasing all our eggs and meat for the coming years. This exceptional form of collaboration gets us a lot of praise from the business world. We would love to take all the credit but it's actually a tribute to our customers who have the courage and confidence to make this kind of deal.

The praise is for them.





I was born
in the USA.

KIPSTER USA

KIPSTER

WELCOMED WITH OPEN ARMS

THIS WAS OUR FOUNDING YEAR IN AMERICA

Four barns were built on our first farm. The first one was finished in October. And on December 5th, the first Kipster eggs were on the shelves of the retailer Kroger – finding their way to consumers in Michigan and Ohio.

WE HAVE THE BIGGEST

Our exclusive partner in America is the country's largest retailer: The Kroger Company. Never heard of them? That's fine. But they happen to operate different super-markets and multi-department stores across the US.



A Kroger delegation from the Cincinnati headquarters visits Kipster.



EXCELLENT COLLABORATIONS

SIMPLE TRUTH + KIPSTER BRANDING

Kipster eggs are co-branded with Simple Truth, the private label of Kroger's sustainable food brand. Together we are featured on the egg cartons. Naturally, we're grateful Kroger wants to be so strongly associated with our brand.

MPS EGG FARMS + KIPSTER FARMING

The farm in America is, except for a few details, identical to those in the Netherlands. Egg giant MPS Egg Farms (14 million chickens!!!) is Kipster's franchisee in the USA. They have expressed their confidence in Kipster in both words and deeds. They dared to invest heavily in Kipster USA and operate the farms.



Shania, Kipster Farm Manager at MPS Egg Farms



One good
looking chick.

NO LACK OF INTEREST

PRESS AND PUBLICITY

Even before a single egg was laid in the USA, Sandra (Kipster USA) already had a lot of press and NGOs lined up. She also had the honor of speaking at a number of conferences.

- WWF IFeeder Sustainable Feed Summit
- Google Food Lab
- Sustainable Agriculture Summit



Sandra Vijn, Kipster USA, at the farm in North Manchester, Indiana

The Washington Post

We need to close the gap between what we're doing as farmers and what people want, which is more ethically and sustainably produced food.

Ruud Zanders, Founding Farmer



The ASPCA applauds Kipster's innovative work to prove that higher welfare, sustainable farming can be achieved at scale

ASPCA Farm Animal Welfare



Through Kipster Farm's innovative design, birds are granted a positive living experience with perches, space, and bright lighting, setting the bar higher for both the egg and meat chicken industries in the US.

Julia Johnson



5 YEARS OF BEING HAPPY TOGETHER

This year we are celebrating our first lustrum with Lidl. This collaboration exceeded our wildest expectations.

Together we threw a party on December 16th with esteemed guests and inspiring speakers, including Joris Lohman, Hannah van Zanten, Kees Scheepens and Anne Hilhorst. Moderated by Harm Edens, we exchanged our thoughts on the future of our food system and how we can all – Lidl and Kipster – play an expanded role.

For most people, a farm is a black box. And that's not without reason: pull back the veil and you find much suffering. We applaud this initiative to let consumers see the farm for themselves and we hope this inspires other farmers to do the same.

**Anne Hilhorst, Director WakkerDier
about the livestream of Kipster**



Pig whisperer Kees Scheepens explains to Harm Edens about what makes Pigster special.





Ruud Zanders:
"I especially needed people
from outside the sector."

mt/sprout

Kipster pleads to preserve
roosters: "Eat or eat no eggs."

PLUIMVEEWEB



Yvon
"Farmer seeks
Woman" Jaspers
visits Kipster

From Kipster to Pigster:
pigs will soon be rolling around
in the mud on test farm.

De Limburger



Ruud as a guest on TV talk
show with Jeroen Pauw

A SMALL SELECTION

"I joined the people behind
the farm trying to do things
differently - at the "most
animal-friendly chicken farm
in the world". It struck me the
chickens are still in service of
people no matter how good the
intentions may be."

Thomas Oudman

*de
Correspondent*

As a guest at
Humberto Tan's talk
show... "Farmer Ruud
Zanders actually
wants to emit less
nitrogen".



Kipster in United
States receives
first laying hens.

NIEUWE OOGST

What are the most sustainable and
animal-friendly eggs in the world?
The answer is simple: Kipster eggs

CHANGE INC.

Our Maurits hands over
the "briefcase" to Dutch
Minister Rob Jetten





It's strange I keep laying eggs but they never hatch.

MAKE EGGS

Cartons of 5 eggs delivered to Lidl

370,080

Cartons of 6 eggs delivered to Lidl

1,092,990

Cartons with 10 eggs delivered to Lidl

685,008

Eggs delivered to Victoria Trading

4,218,681

Eggs **Venray**

Number laid: 7,643,587

A quality

For a supermarket

7,412,197

B quality

For a supermarket

231,390

Eggs **Beuningen**

Number laid: 12,570,274

A quality

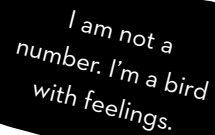
For a supermarket

12,064,904

B quality

For industry

505,370



We see chickens as animals with needs and instincts that deserve a dignified existence.

Venray

Round 4

It's very disappointing that we couldn't have taken better care of the animals. This must and will be improved. And we have taken steps to do so.

Beuningen

Farm 1
Round 2

Farm 1
Round 3

Hens 1 January 2022	24,000
Born	May 9th 2022
Loss	190 hens
Mortality 1 September to 31 December	0.8%

Farm 2
Round 2

Farm 2
Round 3

Number 31 October 2022	18,700
Born	July 5th 2022
Loss	61 hens
Mortality 31 October to 31 December	0.3%



THANK YOU, ROOSTERS!

For every laying hen, a rooster is also born. This is basic reproductive math. Yet these so-called “laying roosters” are considered worthless since – surprise, surprise – they can’t lay eggs.

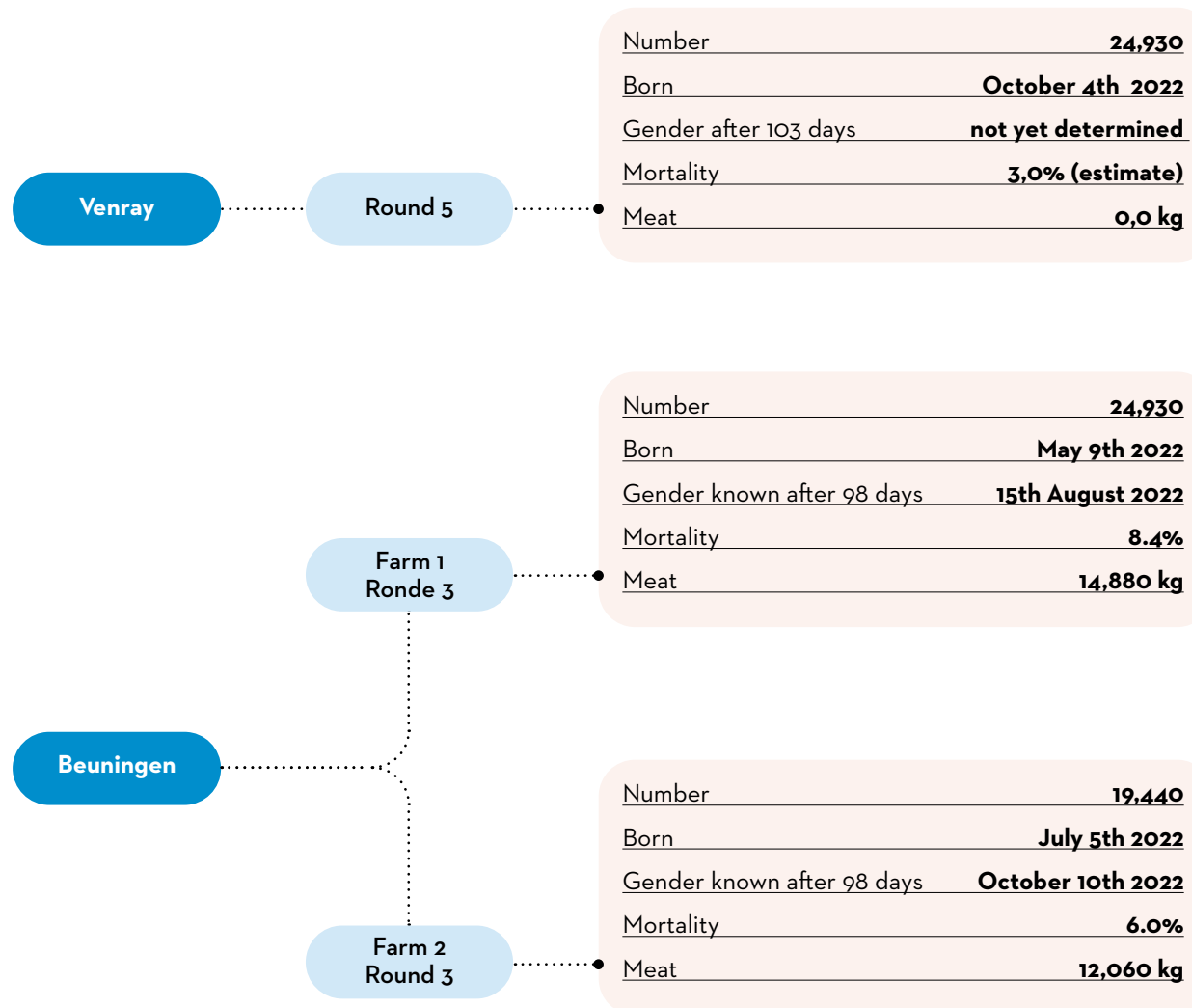
Meanwhile they have too little meat on their bones to compete with meat chickens. This is why it’s customary to gas these male chicks as soon as they hatch. In the Netherlands this involves about 4 million chicks annually.

USEFUL FUNCTION

No cockerels are gassed for Kipster eggs. Thanks to the cooperation with Victoria Trading and Lidl Netherlands, the cocks grow up according to the standards of the highest quality-of-life certification. Together we give these animals a useful function in our food system. As a result, fewer chickens need to be killed for our meat consumption since one kilo of this cockerel meat can replace a kilo of meat from the meat industry.

COSTLY

Allowing laying roosters to grow up is inefficient and costly compared to especially-bred broiler chickens. Roosters eat relatively more food compared to how much weight they actually put on. But while it’s more expensive, it is more ethical in our eyes.





Do I burn that much energy to lay an egg? Holy cluck!

ENERGY

HOW MUCH ENERGY GOES INTO AN EGG?

We measure - in MJ (megajoules) - how much energy we put into an egg. This begins with the parent animals and also includes the hatching of the eggs right through to transport to our customers, as well as the raising of the cockerels. The bottom line is one-third of the energy remains in the egg and the rest is needed to make it.

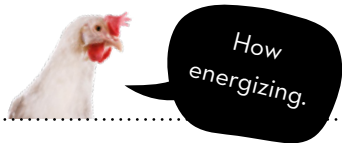
This is how much energy is needed to **make a Kipster**

1 egg
0.90 MJ

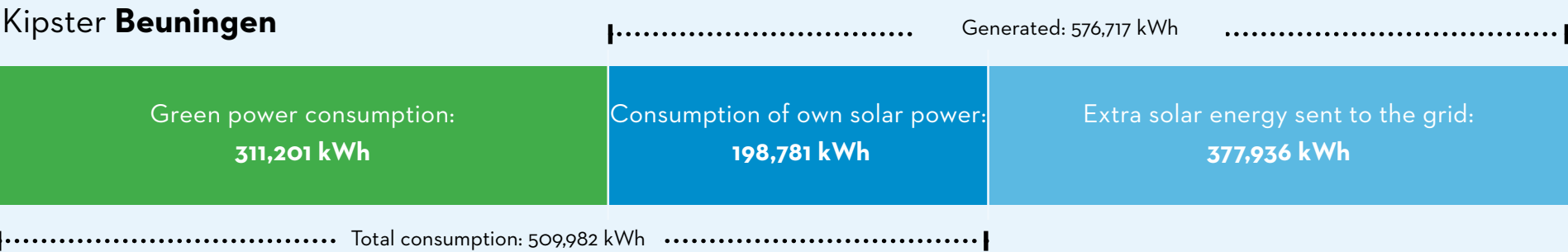
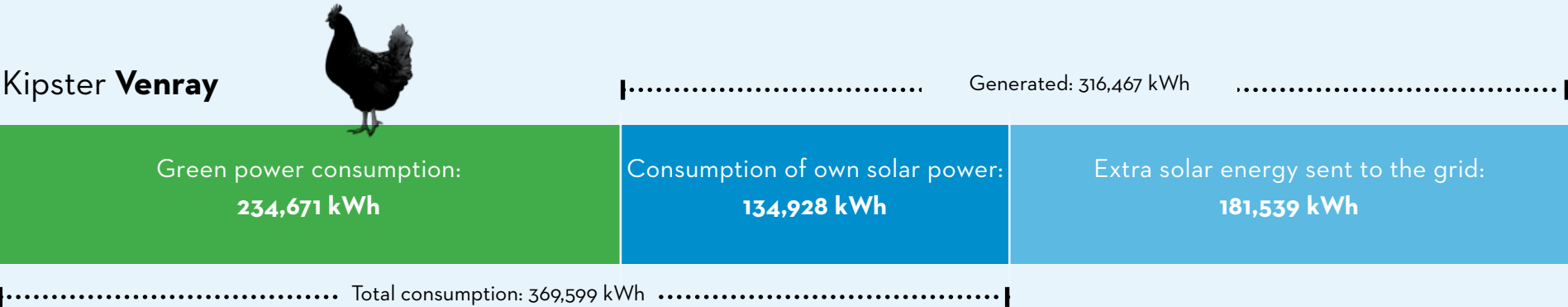
This is how much energy is provided to **make a Kipster egg**

1 egg
0.32 MJ





GENERATED FIGURES





I upcycle leftovers
from the food industry
into eggs and meat.

CIRCULAR FEED

CLOSING DUTCH CYCLES

Our chickens eat a specially developed feed made from leftovers from, for example, large bakeries.

In this way, they contribute to a better environment and reduce waste. We barely need any fields for growing chicken feed.

AMBITION

We strive for chicken feed that consists of 95% residuals and 5% vitamins and minerals. This year we are still 4.3% below that.

Our goal is to get away from soy. We just haven't yet been successful in making a balanced soy-free feed. But we are making small steps in the right direction.

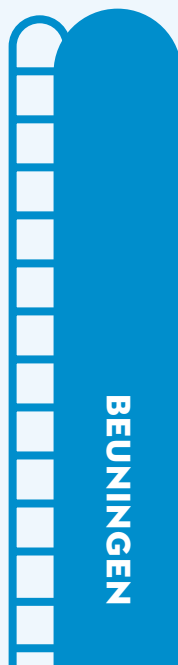
MORE SOY IN FEED THAN OUR GOAL

- 2020 5.1% more
- 2021 3.7% more
- 2022 3.1% more

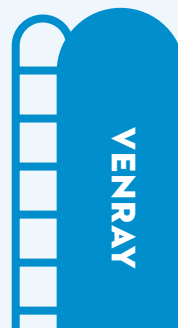
Our chickens are thus contributing in the fight against food waste.

HOW MUCH?

Circular feed:
1,709,204 kg

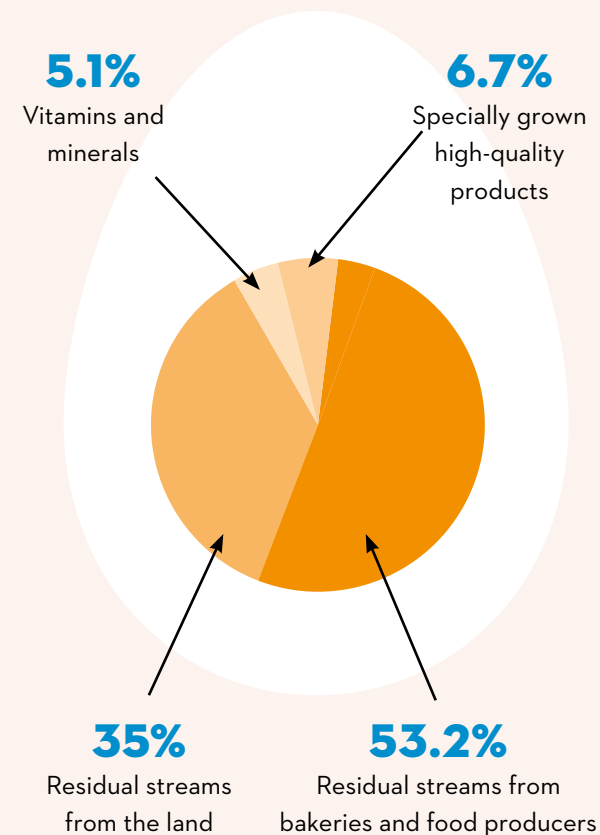


Circular feed:
1,032,376 kg



COMPOSITION

LAYING HEN FEED





I am but a drop
in the bucket.

EMISSIONS



CLIMATE-NEUTRAL FARMING

**This means we first try to reduce all our emissions.
Whatever's left, we compensate.**

CLIMATE-NEUTRAL EGG

A climate-neutral egg is not a utopian vision for us, but daily practice. We do this mainly by feeding our hens with residual flows from food production, and by generating our electricity from solar panels on our farms' roofs. Our white eggs also help: their CO₂ footprint is 5% less than brown eggs.

ANIMAL INDUSTRY

At the moment Kipster is just a drop in a bucket: a modest example of how things can be done differently. We are still part of the animal industry that according to the magazine *Groene Amsterdammer* (May 2022) in the Netherlands "emits twice as much methane as all households, traffic, oil and gas producers, industrial plants, power plants, ships, airplanes and landfills in our country put together".

And according to Royal Netherlands Meteorological Institute (KNMI), methane (CH₄) is a stronger greenhouse gas than CO₂ – 30 to 70 times stronger depending on chosen time horizon. Also something to note: methane is virtually non-existent when it comes to chicken (and pig) farming. Darn cows.





Beginning this year we are making an annual environmental impact budget which we evaluate quarterly with our farmers.

CO₂ FOOTPRINT

FROM JANUARY 1ST TO DECEMBER 31ST, 2022

Here are our preliminary results. The full environmental impact of our eggs in 2022 will be published in a separate independently-reviewed report.

FOR THE EXPERTS

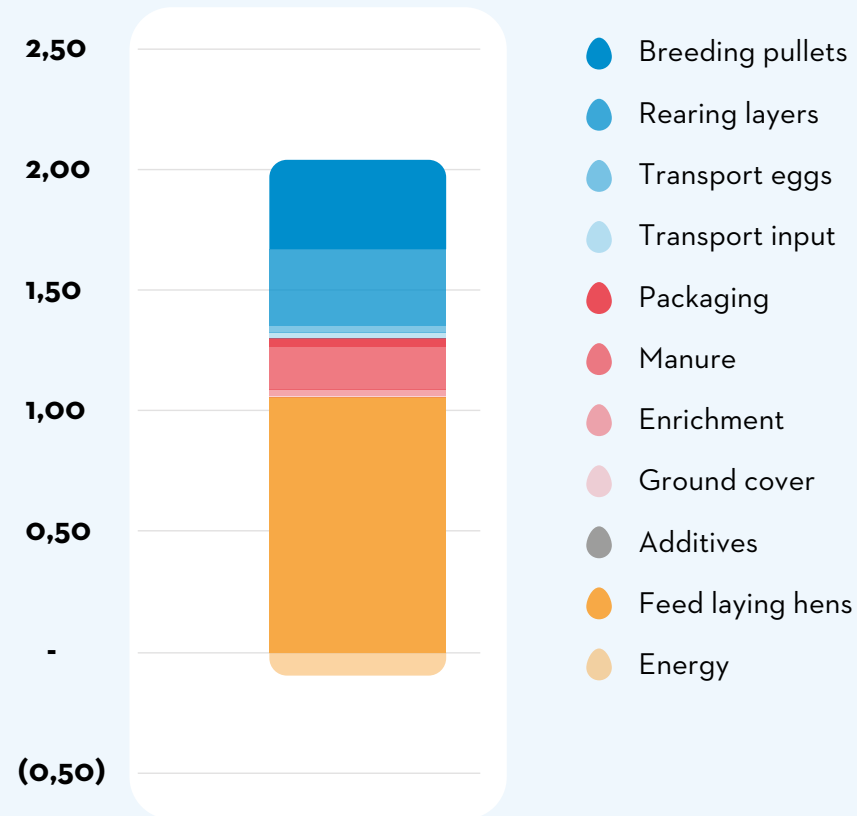
We look at Global Warming Potential (GWP) expressed in CO₂ equivalents. Thereby we can express the extent greenhouse gases contribute to global warming relative to CO₂. For agriculture, the main greenhouse gases are CO₂, CH₄ (methane) and N₂O (nitrous oxide).

FROM PARENT ANIMALS TO EGG CUSTOMER

In the CO₂-footprint calculations, the in- and outputs from cradle-to-first-customer is included. This begins with the parent stock and the hatching of the laying hens and cockerels and ends with the arrival of the eggs at our customers.

Our emissions are fully compensated with Fairtrade and Gold Standard certified credits from the Birds, Bees & Business project in Burkina Faso.

Contribution to GWP from Kipster eggs (kg CO₂ per kg egg).





CO₂ FOOTPRINT

EGGS *

2,670 ton CO₂ equivalents

Including solar energy sent to the grid:
282 tons of CO₂ equivalents.

PER EGG

0.114 kg CO₂ equivalents

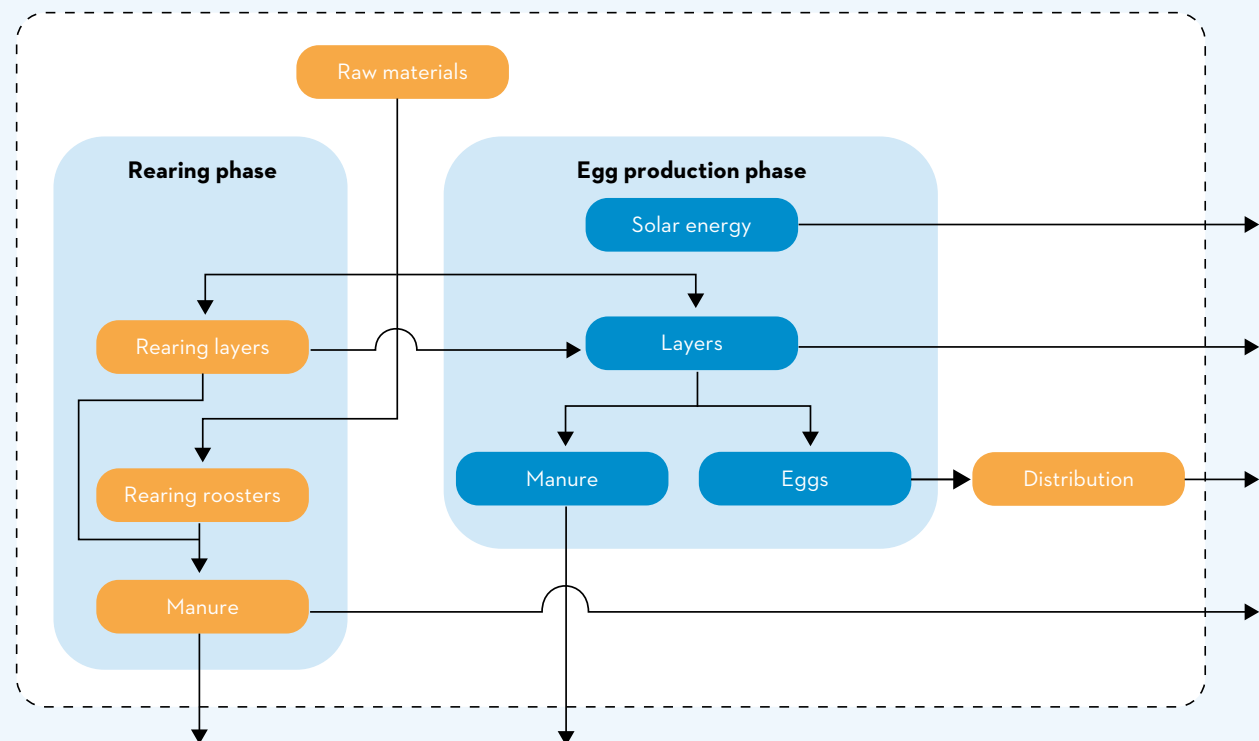
After compensation with solar energy sent to the grid and CO₂-neutral egg cartons

PER KG EGG

1.94 kg CO₂ equivalents

After compensation with solar energy sent to the grid and CO₂-neutral egg cartons

* includes breeding hens and roosters



This is within the scope of our calculations:

If the arrow goes outside the frame, it's outside the scope of our calculations. For example, manure storage is included, while manure handling is not. Another: transportation to our customers is included, but transportation from store to consumer is not.



This bird flu wave has been going on for over a year. In that time, 6 million birds were killed in the Netherlands alone.

SCARY

KIPSTER

BIGGEST OUTBREAK OF BIRD FLU EVER

As of October 5th, 2022, there is again a mandatory cage policy for poultry. That is because bird flu broke out in several poultry farms.

It concerns the highly pathogenic variant H5N1. Therefore, throughout the Netherlands, it's still prohibited to visit locations with risk birds (with exceptions being veterinarians and personnel).

Of course, we are not happy about this. And neither are our chickens. Normally we like to receive visitors to our farms. And we also let the chickens out in the open air. Fortunately, we have indoor gardens with lots of daylight, good ventilation, climbing trees and plenty of room for scratching and dust baths. So the chickens can still feel a bit as if they are outside.

The problem with bird flu is it's very contagious. There is now even talk of a world-wide outbreak among wild birds that also affects mammals. Also, the virus can infect humans (zoonosis). Concerns about bird flu therefore remain high. And let's face it, as long as we haven't switched to a (more) plant-based food system, the end is not yet in sight.

Between May and October, the chickens were allowed a beak of fresh air in the outdoor garden. After that they had to go back into lockdown indefinitely.





Don't call
me chicken.

PART 1. HOW PECKING ORDER RESEMBLES THE MAFIA



CAPOS

These are the somewhat higher-ranking chickens. They have differing power relations and peck each other to reestablish the order as they see it. It rarely degenerates into a blood bath. It's more about: "You! Out of my way! I'm going first."

BOSS

This is the one who's always in front of the feeders and has the best resting spot. They have a very loose beak when it comes to pecking. You know the type.

UNDERBOSS

As the boss's right-talon, this is the number two in the pecking order. So, she might occasionally get reprimanded with a peck from the boss. The opposite situation will never happen. And the other chickens will definitely get their butt pecked if they need to be reminded about the state of the hierarchy.

SOLDATO

They are at the bottom of the ranks. Of all the chickens in the coop, they get pecked around the most. These she-soldatos will never peck another chicken and meekly accept their place as last.

FREEBIRD. NOT

Sometimes chickens fall into disfavor with the rest of the group. For example, when they are weak or injured. Then you're out of the system. You can dehydrate or get pecked to death. It's a cruel world best avoided...



We do not strut
around with our heart
on our wings.

THE SECRET LIFE OF A CHICKEN

KIPSTER

PART 2. NEVER A DULL MOMENT



When chickens get bored, they start messing with each other. So it's important that there's always something to do. And that's what we provide at Kipster.

FREE-RANGING

Chickens spend 60 to 90% of their waking hours looking for food. That's why we scatter around a lot of feed to scavenge when the chickens come out of their nests in the morning. "Hey, what's that?"

HAY BALES

Chickens love to peck at and jump on the hay bales. Our bales are made of alfalfa hay. So, they're also tasty.

DUST BATH

Chickens like to take a refreshing dust bath for personal hygiene reasons. We facilitate this by having many different individual dust baths so a rejuvenating flutter is always just a few struts away...

BOWLS

We provide so-called pecking blocks for the chickens so they can maintain their beaks and nails.

FAKE TREES

These are just like real trees: made of wood. But we made the trunks and branches out of dead planks. It makes the chickens feel like they are in their natural habitat: the woods.

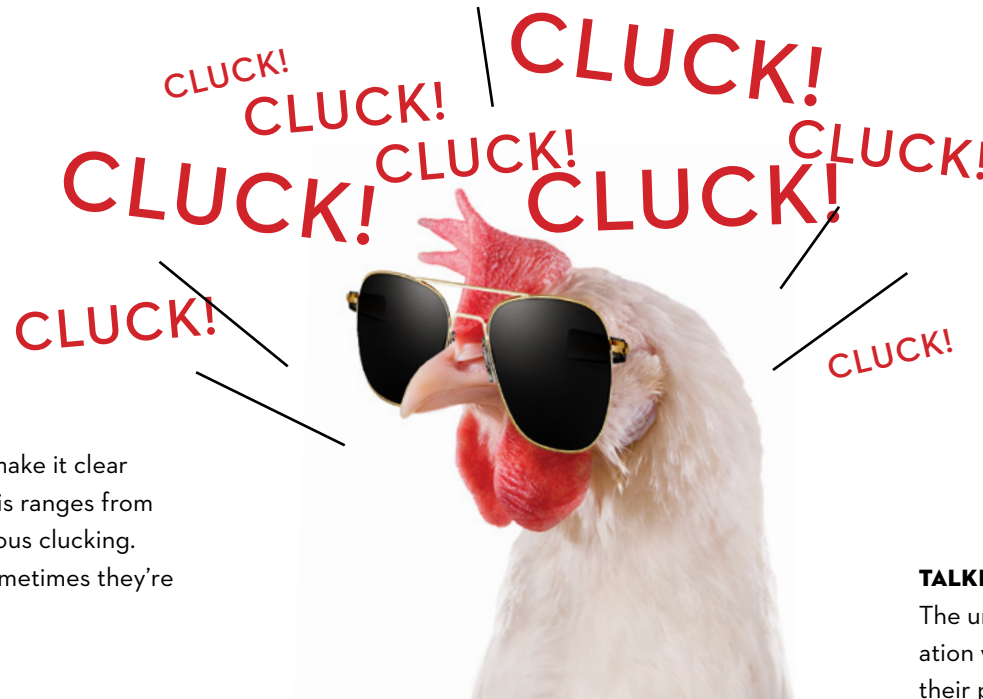
HEALTHY CHICK

When she is well feathered, she scurries around and has no tendency to peck at her mates or pull out her own feathers. Bored chickens have a tendency to do this more...



Are you clucking at me?
I don't see anyone else
around here.

PART 3. THE DEEPER SIDE OF CLUCKING



SOCIAL TALK

By cackling among themselves, chickens make it clear where they stand in the pecking order. This ranges from a gentle murmur to a cacophony of malicious clucking. Like humans: sometimes they're happy, sometimes they're grumpy.

ALARM CRY

When danger threatens, chickens alarm each other. They have a ground alarm to warn against earth-bound predators such as foxes. And if the danger comes from above via a circling bird of prey, the air alarm sounds. The chickens then know to flee or take cover.

FOOD GROUP

Chickens have different sounds for different types of food. If they discover a source of insects, the call will sound different than when they uncover a plant-based food source.

TALKING EGG

The unborn chicks squeak in the egg to exchange information with their mother. Already, they are learning what their parents' sounds mean.

THAT'S WHY THE ROOSTER CROWS

Roosters like to impress the hennies by getting all cock-a-doodle-do in the morning. At the same time, this sends a signal to competing roosters: "This is my turf."



I also have a father
and a mother.

CHICKEN CHAIN

PEELING BACK THE CHICKEN AND THE EGG STORY

All Kipster chickens on the farm are the same age. They've all crawled out of the egg at the same time. Scientists still don't know why this happens. At the moment we are doing research into simplifying the so-called chicken chain, reducing animal transportation and generally improving well-being.

GREAT-GRANDPARENTS

The great-grandparents of Kipster chickens come from a pure line owned by Hendrix Genetics, one of two major companies controlling the layer genetics market worldwide. Kipster chickens are from the Dekalb White brand.

GRAND PARENTS

The grandparents of our chickens live in specialized farms. Here, the parents of the laying hens are born.

PARENTS

The parents grow up at so-called breeding farms where they lay the eggs from which laying hens burst free. On average, for every eight hens there is usually one rooster to fertilize the eggs.

HATCHING EGGS

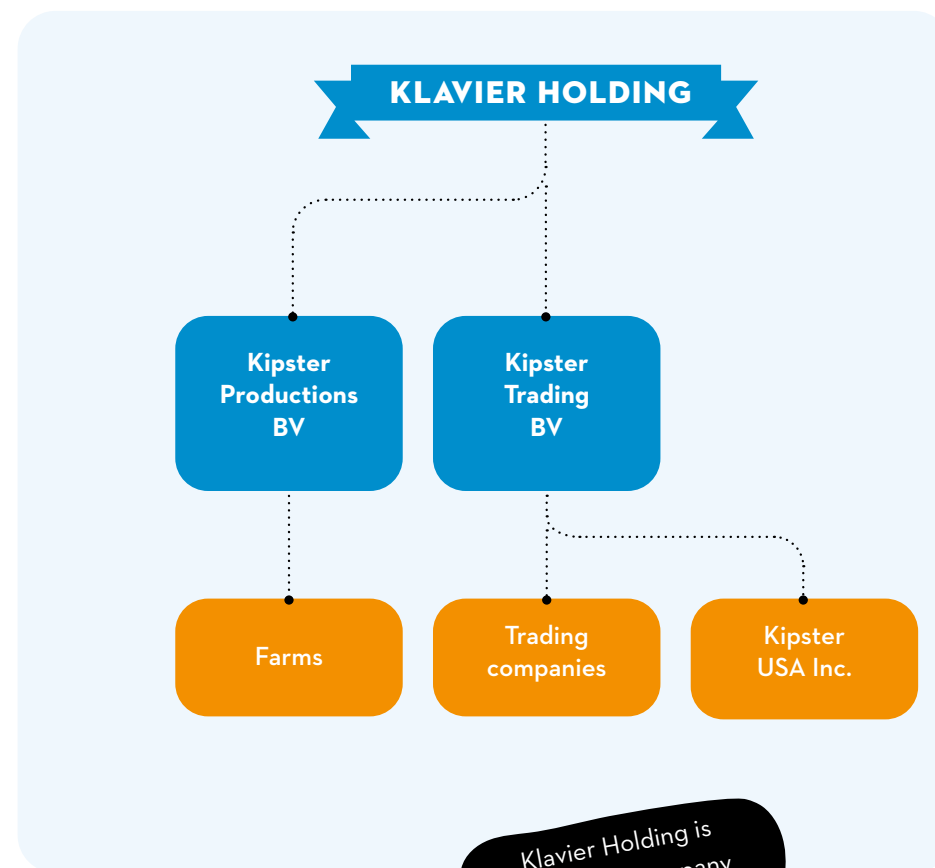
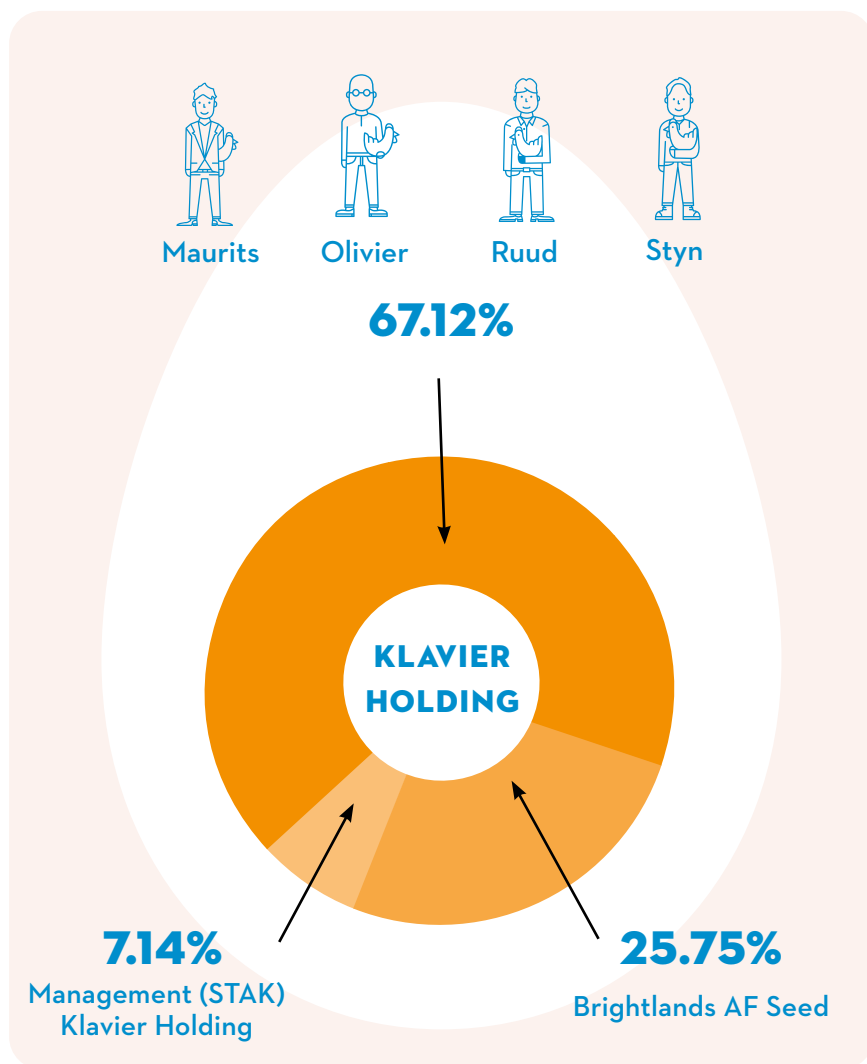
In so-called hatching eggs, our hens grow. Until they hatch 21 days later, they lie in an incubator. Then the wee roosters are separated from the wee hens. Usually, the roosters are killed immediately. But at Kipster, they are raised for their meat. Meanwhile the young hens – the pullets – are sent to a rearing farm.

LAYING HENS

At the rearing farm, the chicks are prepared for the real work: laying eggs. They learn where to eat, drink and sleep. At 17 weeks, the mature pullets arrive at Kipster. When they are around 21 weeks, they start pumping out the eggs.



OWNERSHIP SPLIT 2022



Klavier Holding is the parent company of Kipster.





I am the CEO of Kipster
(Chief Egg Officer).

TEAM & FINANCES

KIPSTER

TEAM

Size of team

40 people

19 people converted to FTE, 3 trainees

FINANCIEEL

Kipster Venray

Net profit € 43,358 (4.9% vs. sales)

Kipster Beuningen

Net profit € 214,538 (13.3% vs. sales)

Kipster Groep

Net profit € 308,333 (4.9% vs. sales)

De Kipster
family

INDIANA USA

VENRAY

VENLO

BEUNINGEN

DISCLOSURE:

Our farms make a profit that we then directly
invest into further innovation and expansion.

VOOR DE LIVE SHOW

KIPSTER VENRAY

Wusterweg 9
5808 BX Oirlo

Navigatie:

Wusterweg 9, Castenray

KIPSTER BEUNINGEN

Hosterdstraat 1b
6641 KB Beuningen

KIPSTER HQ

Villafloraweg 1
5928 SZ Venlo



Labels mean
nothing to me.

KIPSTER CERTIFICATES



IKB Free-range egg

IKB Egg packing center

IKB Farming certificate

Beter Leven Quality mark, laying hens, 3 stars

Beter Leven Quality mark, packing center

On the way to Planetproof Egg

IFS Food

COKZ Accreditation packing center / inspection

COKZ Installation certificate

Kipster Beuningen: 'Zoonosen-responsible business' by the GD

GroenGarant Certificate to write off GVOs for own use