

**Modern Slavery Act
– declaration for the
2020 financial year
for the RATIONAL
Group**

1. RATIONAL Group and its business model:

The RATIONAL Group produces and distributes cooking appliances for hot food preparation in large and commercial kitchens worldwide. Sales are also generated with accessories, care products and spare parts.

The principal company of the Group is RATIONAL Aktiengesellschaft whose head office is in Landsberg am Lech. The company distributes its products worldwide with 33 subsidiaries, of which 25 sales companies, and through local dealer partners.

The core sales market is Europe. Here, we achieve around 60% of our revenue. New markets in America and Asia, including the USA, Canada, Mexico, Brazil, China and India, are gaining importance.

Our two combi-steamer models are produced exclusively at the headquarters in Landsberg am Lech (Germany). The VarioCookingCenter® is manufactured in Wittenheim (France).

In production, we focus on low proprietary value creation, which predominantly lies in the final assembly of the products and the manufacture of stainless-steel components. We purchase around 80 to 85% of all components from external partners.

We therefore rely on long-term and reliable partnerships with suppliers. The close collaboration with suppliers and the high quality of primary products, the logistics processes and the corporate quality of the suppliers are therefore crucial for us. All series suppliers are based in Germany, France or in other European countries.

2. RATIONAL Compliance – Management System:

The Board of RATIONAL AG is responsible for compliance in the RATIONAL Group. The Compliance Officer is assigned with implementation. He/she reports to the Board regularly. Local Compliance Managers have also been appointed in the sales companies.

The primary compliance objective of RATIONAL is to maintain our values by adhering to all relevant statutory regulations and internal provisions, and as such protect the company and its bodies.

The statutory provisions are implemented in the following core guidelines:

- RATIONAL Code of Conduct
- RATIONAL Rules of conduct in business transactions
- RATIONAL Anti-corruption guideline
- RATIONAL Tax manual

There are also comprehensive complementary guidelines, particularly in the "Technical Compliance" area.

All guidelines are regularly assessed and revised if necessary.

Employees of the RATIONAL Group and third parties (suppliers etc.) can contact the Compliance Officer and the local Compliance Managers in situations of conflict. Any incidents reported will be evaluated and the Compliance Officer will decide with the local Compliance Managers whether an investigation needs to be launched. The Compliance Officer also maintains full documentation of incidents or compliance cases to be processed.

3. RATIONAL Risk Management System:

RATIONAL risk management relates to all internal and external transactions which may negatively impact the achievement of business objectives or strategies within a defined reporting period. The primary objective of risk management is to maintain the viability of the company and to comply with all statutory requirements.

Within the scope of RATIONAL risk management, a risk assessment was performed in 2019. The objective of this risk assessment was to identify potential internal/external risks (early risk detection), to record the risks as they are (risk inventory), to analyse potential risks and where necessary, to take appropriate measures. In line with this objective, workshops with selected process managers were held during the course of the 2019 risk assessment. A review of these results is done in the year 2020.

In this process, the following topic areas were analysed in a targeted manner:

- Respect of human rights
- Employee concerns
- Social concerns
- Combating corruption/bribery
- Environmental concerns

No significant risks were identified in this process. As part of this process, we have found that there are no human rights risks in the areas mentioned.

4. Supplier management:

All series suppliers are based in Germany, France or in other European countries. Overall, we procure series production materials from more than 190 suppliers. In this connection, it must be noted that the RATIONAL Group maintains long-term collaborations with its suppliers.

The RATIONAL Group also expects its partners to adhere to our high corporate governance standards, including within our supply chain. We are therefore also a member of the Association for Supply Chain Management, Procurement and Logistics (Bundesverband Materialwirtschaft, Einkauf und Logistik e.V. , BME) and promote the respect of human rights, ethical principles and fair work practices as well as the abolition of forced and child labour, and also anchor this obligation in our supplier contracts. Since October 2012, we have also recommended that our suppliers enter into the BME Code of Conduct.

The BME Code of Conduct comprises general rules on the following points:

- Respect of human rights
- Environmental and health protection
- Fair working conditions
- Combating of corruption
- Antitrust agreements
- Child and forced labour
- Maintenance of ethical principles towards suppliers (compliance)

The BME Code of Conduct also refers to international regulatory frameworks such as the UN Global Compact, ILO Conventions, the UN Universal Declaration of Human Rights, OECD Guidelines for Multinational Enterprises etc., and as such to worldwide, inter-company relations.

Since 2019 financial year, RATIONAL has audited the compliance in the supplier chain by an external auditor.

5. Guaranteeing the special requirements of the Modern Slavery Act:

- Respect of human rights

In light of the increasing number of international branches and supply chains, this matter is also relevant to medium-sized enterprises such as RATIONAL whose production is exclusively in core Europe. Not all countries in which companies with subsidiaries or their suppliers are active have the same high statutory standards to guarantee the respect of human rights. Since we as a company are conscious of our great responsibility towards all persons who contribute to the success of the company within our supply chain, this matter is of high priority for us. For us as a global company, we consider the respect of human rights to be our corporate and ethical duty and it is an important condition for the sustainable development of our company. At the same time, we respect the responsibility of national governments to protect human rights.

- Employee health and safety

The safety and health of all employees is important to us. In order to prevent accidents at work and to promote the health of employees, regular safety training is provided as well as examinations by the company physician. This is also reflected in the low rate of accidents and illness.

One safety audit per year is performed by an external auditor. This identifies individual fields in which workplace safety can be improved further. These measures are discussed, prioritised and implemented.

There have not been any work-related deaths in the entire history of RATIONAL.

- Equal rights and opportunities

All employees are valued equally, receive the same level of respect and have the same opportunities. By signing your employment contract, you have undertaken in writing to refrain

from and to counter discrimination of any kind as well as sexual harassment or other personal attacks on individuals. Employees or third parties (suppliers etc.) can submit any concerns anonymously to the Compliance Officer or the local Compliance Managers. They will assess the case and take appropriate measures to rectify the situation.

The RATIONAL Group will continue to take effective measures to guarantee the respect of human rights in the RATIONAL Group and by our suppliers.

Landsberg am Lech, on May 17, 2021

RATIONAL AG

The Executive Board



Dr Peter Stadelmann

Chief Executive Officer



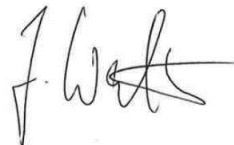
Peter Wiedemann

Chief Technical Officer



Markus Paschmann

Chief Sales Officer



Jörg Walter

Chief Financial Officer