

# Modern Slavery Act – declaration for the 2023 financial year for the RATIONAL Group

## **1. RATIONAL Group and its business model:**

The RATIONAL Group produces and distributes cooking appliances for thermal food preparation in commercial kitchens worldwide. Furthermore, sales are generated with accessories, care products, spare parts and services.

The principal company of the Group is RATIONAL Aktiengesellschaft headquartered in Landsberg am Lech / Germany. With 32 subsidiaries, including 22 sales companies, and through local trading partners, the company markets its products worldwide.

The core sales market is Europe. New markets are becoming increasingly important.

The RATIONAL combi-steamer models are produced exclusively at the headquarters in Landsberg am Lech/Germany. The multifunctional cooking device iVario is manufactured in Wittenheim/France.

The in-house production depth is comparatively low and essentially includes the production of stainless-steel components and the final assembly of the products. RATIONAL source around 81 % of all components from external partners.

That is why RATIONAL rely on long-term and reliable partnerships with suppliers. The close collaboration with suppliers and the high quality of preliminary products, the logistics processes and the corporate quality of the suppliers are therefore decisive for quality of RATIONAL products. Most of series suppliers are based in Europe.

## **2. RATIONAL Compliance – Management System:**

Responsibility for compliance in the RATIONAL Group lies with the Executive Board of RATIONAL AG. The Compliance Officer is assigned with its implementation. The latter reports directly to the Executive Board on a regular basis. In addition, local Compliance Managers have been appointed in the sales companies.

The primary compliance goal of RATIONAL is to uphold our values adhering to all relevant legal regulations and internal guidelines, and thus to protect the company and its executive bodies.

The statutory provisions are implemented in the following core guidelines:

- RATIONAL Code of Conduct
- RATIONAL Anti-corruption guideline
- RATIONAL Tax manual

In addition, there are still comprehensive supplementary guidelines, particularly regarding "Technical Compliance".

The entire policy is reviewed regularly 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 conflict situations. Incoming information is evaluated, and the Compliance Officer decides with the local Compliance Managers whether an investigation needs to be conducted. Furthermore, the Compliance Officer provides full documentation of information or compliance incidents to be processed.

## **3. RATIONAL Risk Management System:**

Risk is understood to mean all internal and external processes that can negatively affect the achievement of business objectives or strategies in a defined period or that have a negative impact on areas outside the company through their own business activities.

Risk management is an integral part of RATIONAL Corporate Governance and is based on a risk management strategy that is derived from the overall corporate strategy by the Executive Board of the RATIONAL Group and regularly reviewed.

The primary goal of risk management is the early detection of risks to the company's continued existence.

As part of the annual RATIONAL risk management process, 2 risk workshops with all relevant divisions were held and functions in 2023 and a risk inventory was created on this basis.

Among other things, the following topics were specifically analysed in this process:

- Respect for human rights
- Employee concerns
- Social concerns
- Fight against corruption/bribery
- Environmental concerns

No endangering existence risks were identified in any of these areas.

#### **4. Supplier management:**

All series suppliers are based in Germany, France or other European countries. In total, RATIONAL purchase series production material from more than 199 suppliers. It should be mentioned in this context that the RATIONAL Group maintains a long-term collaboration with suppliers.

The RATIONAL Group expects its partners to comply with our high corporate governance standards within our supply chain. RATIONAL is a member of the Federal Association for Supply Chain Management, Purchasing and Logistics (Bundesverband Materialwirtschaft, Einkauf und Logistik e.V., BME) and has included compliance with human rights, ethical principles and fair labour practices as well as the abolition of forced and child labour, and anchor this obligation in our supplier contracts. In addition, RATIONAL recommend that our suppliers join the BME (Bundesverband Materialwirtschaft und Einkauf) Code of Conduct since October 2012.

The BME Code of Conduct contains basic rules on the following points:

- Respect for human rights
- Environmental and health protection
- Fair working conditions
- Fight against corruption
- Antitrust agreements
- Child and forced labour
- Compliance with ethical principles towards suppliers (compliance)

The BME Code of Conduct also reflects the international legal framework such as the UN Global Compact, ILO conventions, the UN Universal Declaration of Human Rights or OECD Guidelines for Multinational Enterprises.

Since fiscal year 2019, RATIONAL has been supported by an external auditor with regards to compliance with the supply chain.

## **5. Ensuring the specific requirements of the Modern Slavery Act:**

- Respect for human rights

In view of the global supply chains, this is also an issue for medium-sized companies such as RATIONAL, which have their production exclusively in core Europe. Not all countries in which companies with subsidiaries or their suppliers are active have the same high statutory standards that ensure compliance with human rights. Since RATIONAL as a company are aware of his great responsibility towards all people who contribute to the company's success within our supply chain, this topic is a high priority for RATIONAL. As a globally active company, RATIONAL consider the observance of human rights to be our social and ethical duty and an important prerequisite for the sustainable development of the company. At the same time, RATIONAL respect the responsibility of national governments to protect human rights. The Code of Conduct formulates our self-image, is a clear commitment to human rights and provides a clear guideline for the behaviour of all employees in our company.

- Employee health and safety

The safety and health of all employees are important for RATIONAL. To avoid accidents at work place and to promote the health of employees, regular safety instructions and training as well as examinations by the company doctor are carried out.

A security audit is carried out annually by an external auditor. If necessary, fields are identified in which job security can be further improved. These measures are discussed, prioritised and implemented.

There have been no work-related deaths of employees in RATIONAL's entire history.

- Equal rights and opportunities
- All employees experience the same appreciation, the same respect and have the same opportunities. By signing their employment contract, they have committed themselves in writing to refrain from discrimination of any kind as well as sexual harassment or other personal attacks on individual persons and to oppose them. Any concerns can be raised anonymously by employees or third parties (suppliers, etc.) to the Compliance Officer or the local Compliance Managers. They will examine the relevant case and take appropriate measures to remedy the maladministration.

The RATIONAL Group will continue to take effective measures to ensure respect for human rights in the RATIONAL Group and at our suppliers.

Landsberg am Lech, 13 May 2024

RATIONAL AG

The Executive Board

RATIONAL AG

Der Vorstand



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Dr. Peter Stadelmann  
CEO



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Dr. Martin Hermann  
CTO



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Markus Paschmann  
CSMO



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Jörg Walter  
CFO



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Peter Wiedemann  
COO