

## Corporate Governance Rating

This Revised Report has been prepared by JCR-ER in compliance to the regulations of Capital Markets Board of Turkey

**Publication Date:** 27/07/2023

**Sector:** Household Appliances

## İHLAS EV ALETLERİ İMALAT SAN. VE TİC. A.Ş.

### Ratings

Overall Score	<b>8.55</b>	AAA(Trk)/a (Stable)
Shareholders	<b>8.25</b>	AA(Trk)/bbb (Stable)
Public Disclosure & Transparency	<b>8.83</b>	AAA(Trk)/a (Stable)
Stakeholders	<b>8.46</b>	AA(Trk)/bbb (Stable)
Board of Directors	<b>8.61</b>	AAA(Trk)/a (Stable)

### Company Profile

<b>Trade Name</b>	İhlas Ev Aletleri İmalat San. Ve Tic. A.Ş.
<b>Address</b>	Merkez Mah.29 Ekim Cad. İhlas Plaza No:11 B/21 Yenibosna Bahçelievler/ İSTANBUL
<b>Chairman</b>	Mr. Sedat KURUCAN
<b>CEO</b>	Mr. Bekir EREN
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## Company Overview

**İhlas Ev Aletleri İmalat Sanayi ve Ticaret A.Ş. (IHEVA or the Company)** was incorporated on December 5, 1975 under the name of Hizmet Gazetecilik ve Matbaacılık Ltd. and began operating under its current name on July 5, 1995. The Company produces cleaning robots, water purification systems, vacuum cleaners and water heaters at the facility covering 14,300 m<sup>2</sup> within the organized industrial zone of Beylikdüzü. Products are sold on the domestic market through İhlas Pazarlama A.Ş.'s widespread distribution channels and Company carries out sales and marketing activities in Europe, America, Africa and Far East countries, mainly in the Turkic Republics, in 5 continents.

Investor Relations Unit conducts shareholder relations, organizes General Assembly meetings and is responsible for public disclosures. Company shares have been listed on the BIST under the ticker of IHEVA since September 26, 1996 and are included in the BIST Main, BIST All Shares-100, BIST Industrials, BIST Corporate Governance, BIST Istanbul, BIST Participation All Shares, BIST Metal Products, Machinery and BIST All Shares. 72.50% of shares are publicly traded as of 1Q2023. The Company's equity stood at TRY 734.91mn, and asset size and sales reached TRY 967.77mn and TRY 348.05mn as of March 31, 2023, respectively.

The Company's Board of Directors consists of 7 members, 2 of whom are executive and 5 of whom are non-executive. 3 of the non-executive members meet the independence criteria. Additionally, Audit, Corporate Governance and Early Detection of Risk Committees have been established within the Board and are chaired by independent board members.

### Strengths

- Innovative and technological research and development center and ongoing investments in the digitalization of management processes,
- Publishing a comprehensive annual report with a high level of compliance with the legislation,
- Having three independent members in the board of directors, the majority of whom are non-executive members, and committee chairs consisting of independent members,
- Safe working environment and high employee engagement,
- Pioneering practices in environmental protection and participation in various social responsibility projects.

### Constraints

- The privilege on the A group shares to determine majority of board members,
- Absence of any clauses in the articles of association that broaden the exercise of minority rights beyond the current legislation,
- Share of women members (14%) on the board not meeting the 25% threshold and the lack of a target policy regarding this,
- Absence of "Directors Liability Insurance" for the members of the board of directors and senior executives,
- Lack of performance evaluation system for the members of the board of directors,
- Lack of disclosure of the per-person remuneration of the top managers and the board members.