

# Management with corporate social responsibility as the measure

To help the Group continue to fulfill its unchanging mission of “serving customers and communities,” Kansai Electric Power positions CSR, a firmly held value of the entire Group, as a core conviction, reflecting how the Group has in the past and will continue in the future to approach management from a solid foundation of CSR.

	1950s and 1960s	1989–2008	2009–
Major events	<b>1951</b> ▼KEPCO launched upon restructuring of power business	<b>2000</b> ▼Liberalization of electricity retail market begins <b>2004</b> ▼Increased liberalization of electricity retail market (high voltage) ▼Mihama Nuclear Power Station Unit 3 secondary pipe failure	<b>2011</b> ▼Great East Japan earthquake <b>April 2016</b> ▼Full liberalization of the electricity retail market begins <b>April 2017</b> ▼Full liberalization of the gas retail market begins
Philosophy and Vision	<b>1951</b> ●“Maedaregake Spirit” (the spirit of consideration for and service to others) ●Corporate Creed “good sense, diligence, friendship” <b>1964</b> ●Establishment of Kansai Electric Power service	<b>March 2004</b> ●Kansai Electric Power Group Management Vision No. 1 in customer satisfaction among suppliers	<b>March 2016</b> ●Management Philosophy ●Guidelines for Action  ●Kansai Electric Power Group Vision
CSR		<b>March 2004</b> ●Kansai Electric Power Group CSR Action Charter <b>May 2005</b> ●Kansai Electric Power Group CSR Action Standards	<b>March 2016</b> ●Kansai Electric Power Group CSR Action Charter
Main activities and efforts	<b>April 2004</b> ●1st CSR Promotion Council held	<b>December 2005</b> ●CSR Promotion Group established and full-time system created ●Key CSR staff appointed	<b>March 2014</b> ●10 years since the start of CSR activities

## The Kansai Electric Power Group CSR Action Charter

### Basic view

The Kansai Electric Power Group’s business activities draw support from customers, regional communities, shareholders, investors, business partners, employees and many other segments of society.

This trust the Group gains from all these communities is the very bedrock of the Group’s operations, without which it would be unable to maintain sustainable growth and fulfill its mission.

At the Kansai Electric Power Group, we would like to fulfill our responsibilities as a member of society, including maintaining compliance and transparency. In addition, by responding sincerely to the expectations of members of society for our group business activities, we would like to contribute to the sustainable development of society and the realization of a bright and affluent future as well as keep the trust that we receive unshakable.

Thus, the Kansai Electric Power Group develops all of its

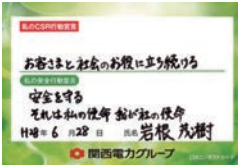
business activities and fulfills its CSR obligations as an enterprise based on its six CSR Action Principles. (For the original text of the principles, see page 35.)

### Carrying CSR Conduct Cards

The Group Management Philosophy and CSR Action Principles have been inscribed on portable Conduct Cards. We distribute these to all employees who write their personal conduct vows on the back and use them to confirm their conduct and goals in their own work.



Conduct Card



President's Action Declaration

## Fundamental purchasing policies of the Kansai Electric Power—purchasing activities based in corporate social responsibility (revised April 2018)

With safety as the highest priority and the ideal of cost reduction and stable procurement at the same time, our purchasing divisions are procuring materials and services that are outstanding in terms of safety, quality and price at appropriate times. We follow our Action Standards for Procurement Activities, which is comprised of seven items, including quality maintenance, consideration of the environment and human rights, and thorough compliance. Doing so, we undertake purchasing activities based in corporate social responsibility and endeavor to contribute to society and create value.

Since these purchasing activities are supported by our

suppliers, who are valuable partners, we are using contract negotiations, supplier visits and other opportunities to work to explain our fundamental purchasing policies and deepen their understanding of our efforts.

### Action Standards for Procurement Activities

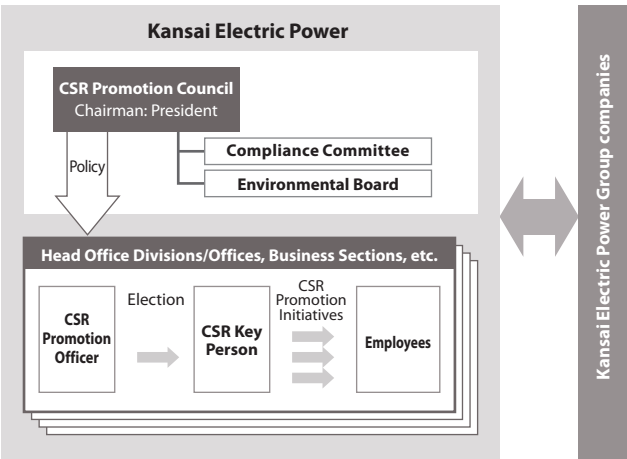
1. Safety as the highest priority
2. Promotion of cost reduction efforts
3. Maintenance and improvement of stable procurement, quality, and technical capabilities of materials and services
4. Establishment of fiduciary partnership
5. Contribution to society and consideration of the environment
6. Transparent, open business activities
7. Strict enforcement of compliance

# Preparation of systems to fulfill CSR reliably

## CSR Promotion Council at the heart of the CSR promotion system

Headed by the president of Kansai Electric Power, the CSR Promotion Council establishes the general policies that guide the entire Group in promoting CSR, and provides general coordination of specific activities. Issues of a specialized nature are sent to committees, such as the Compliance Committee and the Environmental Board, for deliberation. The policies formulated by the CSR Promotion Council are communicated to each operating division and business location, which then develop their own activities. CSR promotion initiatives are led by the person in charge in each division and location acting as the CSR Promotion Officer, who assigns a CSR Key Person at each workplace. Each Group company also develops its own CSR promotion activities independently, while staying in communication with Kansai Electric Power.

### CSR promotion system



## Communication between executives and frontline workplaces

The Company creates various opportunities for the president and other executives to visit frontline workplaces. Through such dialogues, the president and other executives are able to directly communicate their views about safety and the importance of safety, and to promote and promulgate an understanding of CSR. Through an exchange of views, the president and other executives also gain an immediate understanding of issues and problems being faced by each workplace, which is later reflected in management policy.



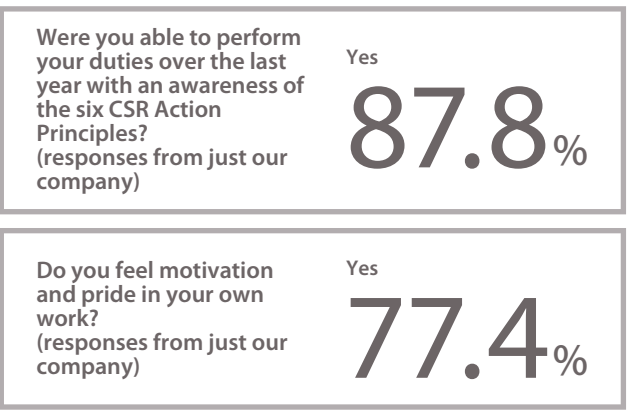
Dialogues with the president at the Namba Office

## CSR promotion initiatives for employees

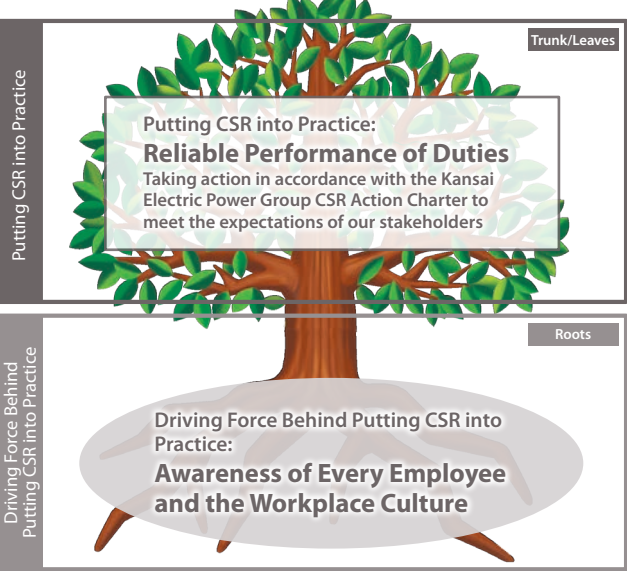
We continuously carry out efforts to educate employees about putting CSR into practice and improving workplace cultures. We are implementing promotion initiatives to reinforce the awareness that carrying out one’s duties conscientiously on a daily basis (putting CSR into practice) builds the trust of customers and the communities.

Using the analogy of a tree, improving the workplace culture is an initiative that gives nourishment to and strengthens the roots of the tree (raising the awareness of every employee/workplace culture), which are not visible. Putting CSR into practice (carrying out one’s duties conscientiously on a daily basis) makes the trunk and leaves and other visible parts of the tree grow (six CSR Action Principles). Based on this approach, promotion initiatives for all employees are taken independently, led by the CSR Key Person elected to promote CSR at each workplace. Also, a company-wide employee questionnaire on CSR is conducted annually for analyzing and assessing CSR activities for employees and for providing feedback to each workplace.

### Results of questionnaire for employees on CSR (conducted in November 2017)



### CSR promotion activities (CSR Tree)

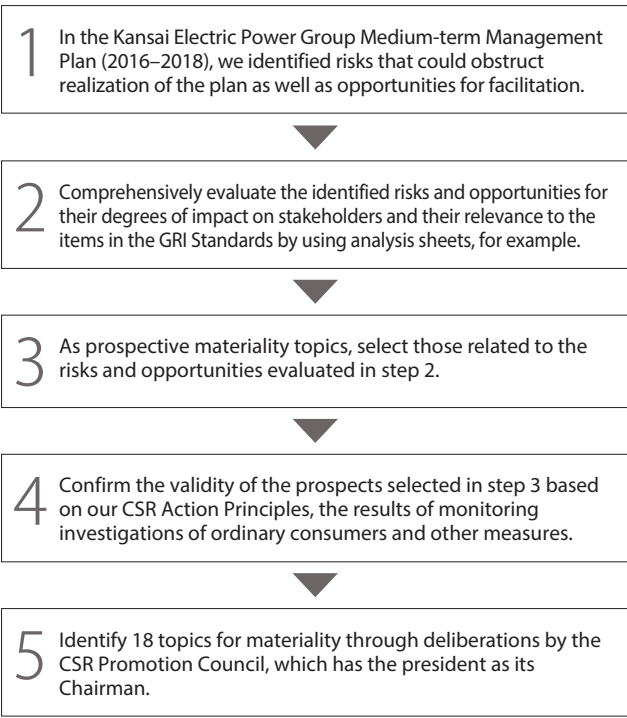


# Important issues in CSR

We have applied the principle of materiality to specify important issues, and we are conducting PDCA cycles for our efforts with the goal of clarifying the issues that our company should be working on now in order to make both our corporate group businesses and the societies in which they are active sustainable. In addition, we are seeking to contribute to the Sustainable Development Goals (SDGs), which are global issues at the highest priority and clarify “The Future We Want” as we approach 2030, through related efforts by our group with a focus on materiality.

## Materiality identification process

We have organized the identified materiality topics by CSR Action Principles and are reporting our main efforts in this document. In response to changes in the business environment and in the expectations and demands of stakeholders, we will revise materiality selections and enhance efforts to contribute to sustainable development.



## Sustainable Development Goals (SDGs)

In September 2015, Sustainable Development Goals (SDGs) were adopted by every participating country at a United Nations summit. At the summit, 17 goals, which included poverty, hunger, energy and climate change, that should be achieved by 2030 were proclaimed.



## Main results for CSR Action Principles and materiality

Key: Economic issue							Environmental issue	Social issue		
CSR Action Principle	Materiality topics	GRI disclosure item	Related SDGs	Main efforts and objectives		FY 2017 results	Boundary (extent included in total)	Reference pages		
Safe and stable delivery of products and services as chosen by customers	Economic Performance	201-1		Revenue assurance	● Ordinary profit ● Capital to asset ratio ● Return on assets (ROA)	¥200 billion in fiscal 2018 20% in fiscal 2018 3.5% in fiscal 2018	¥217.1 billion 20.8% 3.7%	Consolidated base	7, 19–22, 79	
	Availability and Reliability	G4-DMA (old EU)		Safe and stable power supply	● Maximum power ● Supply capacity	26,380,000 kW 28,660,000 kW	Kansai area	5, 6, 42, 43, 80		
	Demand-Side Management	G4-DMA (old EU)		Energy conservation consulting for customers	● Number of “Hapi e-Miruden” participants	3,988,000	Kansai Electric Power Co., Inc.	8, 45–47, 54, 55		
	Plant Decommissioning	G4-DMA (old EU)		Nuclear power plant utilization and decommissioning	● Mihama Nuclear Power Station Units 1 and 2 decommissioning ● Ohi Nuclear Power Station Units 1 and 2 decommissioning	Implementation of safe and steady decommissioning of Mihama Nuclear Power Station Units 1 and 2 Ohi Nuclear Power Station Units 1 and 2 decommissioning measures plan approval	Mihama Nuclear Power Station Units 1 and 2 decommissioning measures plan approved (April 19, 2017) Applications for approval for specified assets for nuclear power and for approval for special account related to nuclear power decommissioning submitted for the decommissioning of reactors at Ohi Power Station Units 1 and 2 (December 22, 2017) Power generation business change notification submitted for the decommissioning of reactors at Ohi Power Station Units 1 and 2 (March 1, 2018)	Kansai Electric Power Co., Inc.	29, 32	
	Disaster/Emergency Planning and Response	G4-DMA (old EU)		Preparation for and handling of accidents and disasters	Preparation for nuclear power disasters ● Number of participants in training and practice programs (Mihama, Takahama and Ohi) ● Number of drills (Mihama, Takahama and Ohi) Preparation for large-scale disasters ● Number of participants in companywide comprehensive disaster response drills	Appropriate implementation Appropriate implementation	About 5,900 About 5,700 847	Kansai Electric Power Co., Inc.	40, 44	
	Customer Health and Safety	G4-EU25		Assure public security at power facilities	● Number of injured ordinary citizens	None	7	Kansai Electric Power Co., Inc.	5, 6, 43	
	Marketing and Labeling	417-1*		Transmission and communication of various types of information related to electricity	● Appropriate information transmission to customers and society ● Number of reform cases based on customer feedback	Appropriate information transmission at appropriate times Continuous reform	We reliably transmitted information about safe use, value chains, fuel, waste products and other matters through group reports and other means (Cumulative total) 101 cases	Kansai Electric Power Co., Inc.	5, 6, 38–47, 49, 50	
	Access	G4-EU29		Power supply quality	● Annual power outage time per household	Maintain the highest standard in the world	15 minutes	Kansai area	8, 42, 43	
	Proactive approach with a view to creating ever better environment	System Efficiency	G4-EU11 G4-EU12		Maintain and improve thermal efficiency of thermal power plants	● Thermal power thermal efficiency (lower heating value)	Maintain and improve current level	48.3%	Kansai Electric Power Co., Inc.	49, 50, 52, 80
			Reduce transmission and distribution loss		● Transmission and distribution loss rate	Reduce from current level	4.35%	Kansai area	50	
Emissions		305-4 305-7		Reduce carbon impact of electricity	● CO <sub>2</sub> emission coefficient (end use)	About 0.37 kg-CO <sub>2</sub> /kWh in fiscal 2030 (objective of the Electric Power Council for a Low Carbon Society)	0.42 kg-CO <sub>2</sub> /kWh (Tentative value)	Kansai Electric Power Co., Inc.	8, 49–51, 80	
		Prevent atmospheric pollution		● SO <sub>x</sub> emissions (thermal power) ● NO <sub>x</sub> emissions (thermal power)	Maintain the lowest level in the world Maintain the lowest level in the world	0.039 g/kWh 0.077 g/kWh	Kansai Electric Power Co., Inc.	49, 50, 58		
Effluents and Waste		306-2		Reduce environmental impacts from waste	● Amount of high-concentration PCB processed ● Low-level radioactive waste generated	Process the entire amount within the legal time limit Steadily implement reduction measures	239 units 1,451 drums	Kansai Electric Power Co., Inc.	49, 50, 57	
Proactive contributions to development of local communities	Local Communities	G4-DMA (old EU)		Promote community development activities	● Total number of community development activity plans realized	Maintain and create demand in cooperation with stakeholders	5 (as of June 2018)	Kansai Electric Power Co., Inc.	62, 63	
Respect for human rights and development of favorable work environment by taking advantage of diversity	Occupational Health and Safety	403-2		Employee safety and hygiene	● Accident frequency rate	0	0.29	Kansai Electric Power Co., Inc.	8, 68	
	Training and Education	404-1		Development of employee skills and abilities	● Number of group training participants (group training)		40,893	Kansai Electric Power Co., Inc.	67	
	Diversity and Equal Opportunity	405-1		Promotion of diversity	● Number of female managers (ratio) ● Number of female hires for office positions (ratio)	Double the fiscal 2013 number by the end of fiscal 2020 Female ratio of 40% or higher	106 (1.9%) 21 (43%)	Kansai Electric Power Co., Inc.	8, 66	
Strict enforcement of compliance	Environmental Compliance	307-1**		Strict enforcement of compliance	● Press releases related to serious compliance problems and matters	No serious violations	Environmental compliance 0 Socioeconomic compliance 1	Kansai Electric Power Group	59, 65	
	Socioeconomic Compliance	419-1***								
	Customer Privacy	418-1****		Information security management	● Press releases related to personal information leaks	No information leaks	1	Kansai Electric Power Group	74	

(GRI standards used for reference) \* GRI 417: Marketing and Labeling 2016 417-1, GRI 103: Management Approach 2016 103-1, 103-2, 103-3  
\*\* GRI 307: Environmental Compliance 2016 307-1, GRI 103: Management Approach 2016 103-1, 103-2, 103-3  
\*\*\* GRI 419: Socioeconomic Compliance 2016 419-1, GRI 103: Management Approach 2016 103-1, 103-2, 103-3  
\*\*\*\* GRI 418: Customer Privacy 2016 418-1, GRI 103: Management Approach 2016 103-1, 103-2, 103-3



# Conducting all business activities based on our CSR Action Principles

## CSR Action Principles



1

### Safe and Stable Delivery of Products and Services As Chosen by Customers

The Kansai Electric Power Group will endeavor to develop and improve the products and services as chosen by customers and as a business operator responsible for lifelines that are indispensable to society we will take every conceivable measure, day by day, to deliver our product and services safely and stably.

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2

### Proactive Approach with a View to Creating Ever Better Environment

As a provider of energy services that are closely connected with the environment, the Kansai Electric Power Group fully recognizes the scale of impact its business activities have on the global environment and therefore will strive to alleviate the environmental burden and environmental risks accompanying our business activities. Furthermore, we will aspire for creating ever better environment and contribute proactively to the development of a sustainable society through provision of products and services having lesser environmental impact.

→P48



3

### Proactive Contributions to Development of Local Communities

As a business operator closely linked with its local communities and lives of their inhabitants, the Kansai Electric Power Group fully recognizes that its own development is not conceivable without the development of the local communities associated with its business activities and therefore we will proactively contribute to the development of our local communities through initiatives to revitalize these communities and the local economy. Also with regard to our overseas business activities, we will strive to contribute to the development of the respective local communities with due consideration to local culture and practices.

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4

### Respect for Human Rights and Development of Favorable Work Environment by Taking Advantage of Diversity

The Kansai Electric Power Group recognizes the "human rights" as a common and universal value of the global society, supports the international standards relating to the human rights and respects the human rights in all of its business activities. Accordingly, we will strive to secure safe and comfortable work environment for all the people associated with our business activities and take advantage of diversity (each individual's diversity) to the maximum extent.

→P64



5

### Highly Transparent and Open Business Activities

In order to properly reflect social opinions in its business activities, to ensure fairness in the management of its business operations and to faithfully carry out its accountability to society through timely transmission and disclosure of information, the Kansai Electric Power Group will promote increased communication with all members of society and conduct business activities that are transparent and open.

→P69



6

### Strict Enforcement of Compliance

In all aspects of its business activities, the Kansai Electric Power Group will comply with all laws and regulations, internal rules and business ethics and will ensure strict enforcement of compliance as the basis of our management. The Group as a whole will build the structure that should ensure these actual practices and will strive to maintain and improve its structure.

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CSR Action Principles

1

## Safe and Stable Delivery of Products and Services As Chosen by Customers

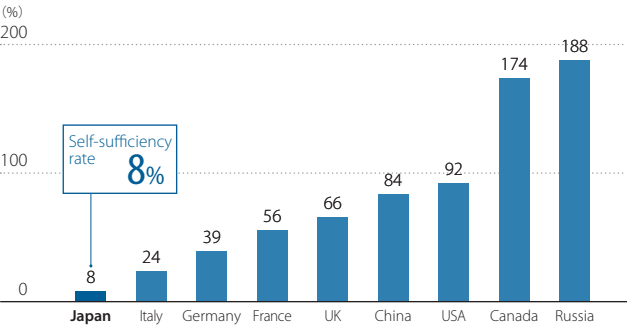
The Kansai Electric Power Group will endeavor to develop and improve the products and services as chosen by customers and as a business operator responsible for lifelines that are indispensable to society we will take every conceivable measure, day by day, to deliver our product and services safely and stably.

## Ensuring diverse power sources for stable supply

### Energy risks faced by Japan

Japan's energy self-sufficiency rate is only around 8%; for most of its power needs, Japan must rely on imported energy. Japan imports much of its crude oil and liquefied natural gas (LNG) from the Middle East, where political conditions are unstable. Overdependence on these sources of energy presents risk in terms of both price and the stable supply of energy. In contrast, the uranium used in nuclear power plants is widely distributed throughout the world, and many of the nations where it is produced are politically stable, which enables a stable supply of uranium. To ensure stable future energy supplies, it is vital to maintain diversified resource procurement and an optimal mix of electric power generation methods.

Energy self-sufficiency rates of major countries (for 2015, except 2016 for Japan)

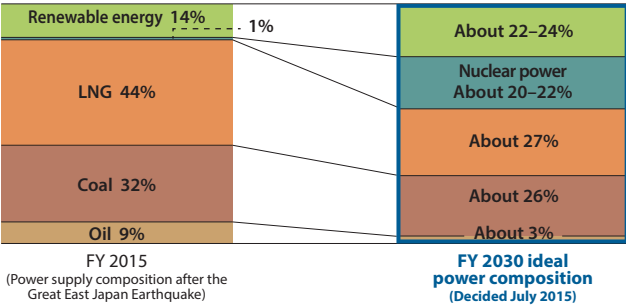


Source: Federation of Electric Power Companies of Japan, "Consensus document on nuclear power"

### Energy mix

In July 2015, the government established a long-term energy supply and demand outlook (energy mix) that expresses how energy supply and demand should be in Japan for fiscal 2030. Within this, nuclear power is specified to have a fixed ratio of 20–22% of the total power supply composition. Furthermore, while recognizing limitations including those related to the environment and location, a goal of approximately doubling the fiscal 2014 levels to 22–24% is indicated for the incorporation of renewable energy.

FY 2030 energy mix



Created based on the Agency for Natural Resources and Energy's "Long-term Energy Supply and Demand Outlook" (July 2015), "Documents Related to the Long-term Energy Supply and Demand Outlook" (July 2015) and other materials