

Supply Chain Management

SOCIAL



► Policy and Concept

● Kansai Electric Power Group Basic Procurement Policy

In January 2022, the Kansai Electric Power Group announced the Kansai Electric Power Group Basic Procurement Policy (hereinafter, the "Policy") to endeavor to carry out sustainable, transparent, and responsible procurement in all business activities.

Specifically, the previous "Kansai Electric Power CSR-based Procurement Policy" has been revised as the Group-wide policy, and details have been newly given to "Transparent procurement activities" and "Respect human rights," with "Strict compliance" and other values placed as high-level concepts.

In accordance with the Kansai Electric Power Group Code of Conduct and the Policy, we will endeavor to carry out sustainable, transparent, and responsible procurement activities in all business activities.

Our procurement activities are supported by our suppliers, who we view as valuable partners, and we will place importance on communication as we move forward with procurement initiatives.

1. Practice and ensure strict compliance.

With the practice and ensuring of strict compliance positioned as the foundation to all procurement activities, we shall thoroughly observe all relevant laws, regulations, and morals thereof.

We shall also give due consideration to the strict management and protection of personal and confidential information, as well as intellectual property.

2. Carry out transparent and responsible procurement activities.

We shall carry out highly transparent and responsible procurement activities. We shall not participate in bribery or other corrupt conduct with the goal of obtaining profits unfairly nor shall we provide convenience only to specific individuals or companies. Furthermore, we shall have no relationship with antisocial forces or organizations.

We shall expand our business through new transactions with companies at home and abroad. When selecting suppliers, selection shall be conducted in a fair and equitable manner according to the supplier selection criteria outlined below, taking into consideration economic and social rationality.

Criteria for selecting suppliers:

We shall select suppliers by considering factors including thorough compliance implementation; respect for human rights; safety; quality; level of technical expertise; attention to environmental considerations; business conditions; willingness to maintain a relationship of trust; price; adherence to delivery/construction schedules; adherence to maintenance and management standards; provision of after-sales service; and adequacy of response to accidents and defects.

3. Respect human rights.

With respect for human rights, we shall not be involved in any forms of discrimination or inhumane treatment (forced labor, child labor, etc.). We shall also respect workers' rights (freedom of association, collective bargaining rights, payment of appropriate wages, etc.).

4. Establish strong partnerships.

We shall establish strong partnerships with our suppliers by deepening bilateral communication and working together to make improvements. We shall also strive to build relationships toward mutual development through collaboration to optimize the entire supply chain, from material procurement, manufacturing, and logistics through to maintenance.

5. Ensure safety.

By making the assurance of safety the top priority in all activities, we shall thoroughly implement measures to prevent occupational accidents and occupational diseases, and to ensure public safety.



6. Promote cost reduction and quality improvement efforts.

We shall promote sustainable low-cost procurement efforts by reducing costs through technological innovation and new ideas, as well as by strengthening cooperation with our suppliers. Moreover, for the sake of our customers, we shall work to maintain and improve the quality and technical expertise of the products and services we provide.

7. Always consider the environment and contribute to local communities.

We shall promote procurement of materials with low environmental impacts to help build a decarbonized, recycling-oriented society. We shall also contribute to the development of local communities in cooperation with our suppliers.

8. Achieve continuous and stable procurement.

Together with our suppliers, we shall seek to ensure continuous and stable procurement by improving our methods of placing orders and other means. Moreover, in preparation for the occurrence of accidents and natural disasters, as well as the spread of infectious diseases, we shall thoroughly implement crisis management in a systematic manner. In such emergency events, we shall endeavor to promptly arrange necessary materials and equipment.

▶ System

Director responsible: Nobuhiro Nishizawa (Representative Executive Officer, Vice President) of the Kansai Electric Power Co., Inc.
Management office: Planning & General Management Group, Sourcing and Procurement Division of the Kansai Electric Power Co., Inc.

▶ Goals**● Dissemination and implementation of our Basic Procurement Policy**

- Procurement activity questionnaire implementation rate for new suppliers (Sourcing and Procurement Division contracts) 100%
→ Implementation rate of 99% (FY 2021 results)
- Implement procurement activity questionnaire in fiscal 2019-2021 for our top 200 business partners, whose transaction amounts are among the largest.
→ No. of companies implemented: 167 (FY 2019-2021 results)

▶ Efforts

The Sourcing and Procurement Division holds in-house discussions on the Policy and provides new employee training, for the purpose of disseminating and implementing the Policy.

We make use of supplier registration and other opportunities to explain the Policy to our suppliers and ask for their cooperation in questionnaires to monitor how they address sustainability-related tasks.

