

Compliance

GOVERNANCE



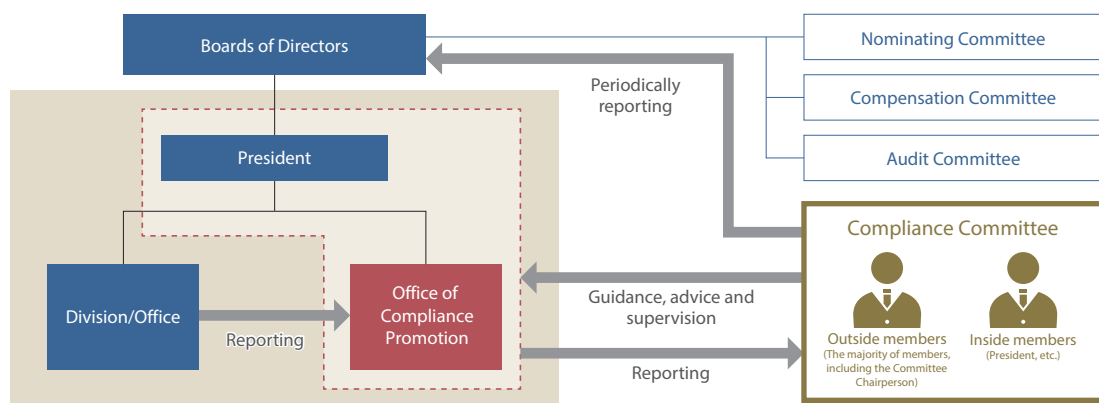
Compliance system

In order to radically strengthen our system of observing laws and regulations, the Group has decided to rebuild its compliance system by utilizing external human resources, and we established a Compliance Committee and an Office of Compliance Promotion in April 2020. Aiming to strengthen supervisory functions related to compliance, the Compliance Committee is organized directly under the Board of Directors as a committee independent from the President and other executive officers. The majority of the committee members, including the chairperson, are from outside the Company. (See page 99.)

The Office of Compliance Promotion was newly established as a business organization independent from the Office of General Administration in order to strengthen its promotion functions related to compliance. The Office is composed of employees with legal knowledge as well as employees with diverse work experience. Besides formulating and implementing the Group's compliance promotion plan and responding to problematic events, the Office reports on and brings up compliance-related events for discussion to the Compliance Committee. Then, with the guidance, advice and supervision of the Compliance Committee, the President and other executive officers are able to act and take concrete measures.

In addition, an executive in charge of the Office of Compliance Promotion periodically reports on the status of compliance promotion to the Compliance Committee Chairperson, and in return he/she receives guidance, advice and supervision.

◆ Compliance system



● <Reference> Compliance Committee meetings held in fiscal 2021

Meetings of the Compliance Committee are held regularly on a quarterly basis, and will also be held swiftly and flexibly when a particularly problematic event arises.

In fiscal 2021, a total of six meetings were held, focusing on the deliberation of compliance promotion plan, compliance-related training, and investigation reports on compliance problematic events.

Efforts to promote compliance

For fiscal 2022, the major items for compliance promotion that should be recognized and worked on by the entire Group are "Penetration of compliance awareness across the Group and in all of its workplaces," and "Penetration of compliance awareness through the approach of 'superiors'* who are close to individual employees," to create open workplaces where employees can consult with their superiors on any matters and where compliance issues are addressed as organization responses.

* In addition to direct superiors such as section chiefs and section managers, those who are not direct superiors but are in a job position involving routine communication with the person in charge, such as general managers, are included.

▶ Compliance Promotion Plan for fiscal 2022

1. Penetration of compliance awareness across the Group and in all of its workplaces

◆ Implementation of group-wide training

Integrity approach-based training* is provided across the Group, including directors and employees of our group companies.

* Integrity approach-based training: Training to raise awareness toward better behavior



◆ Group-wide awareness-raising activities

Through communication, etc. between outside members of the Compliance Committee and employees, we will work to raise employees' awareness of compliance.

In addition, we will promote activities to disseminate our Compliance Policy established in fiscal 2021 as a concrete explanation of the Kansai Electric Power Group Code of Conduct from the perspective of compliance.

Additionally, we will support compliance activities in group companies by providing tools for raising awareness and discussion case examples, exchanging opinions with the secretariat of each group company on promotion activities.

◆ Applying the Regulations on Handling of Gifts and Hospitality across the Group

We will apply the Regulations on Handling of Gifts and Hospitality stipulated in fiscal 2021, in addition to those on the reception of gifts and hospitality, to all group companies, and implement measures for the appropriate operation of these regulations by sharing examples of handling of gifts and hospitality.

◆ Improving the group-wide compliance hotline system and promoting understanding

In accordance with the enforcement of the amended Whistleblower Protection Act (June 2022), we will improve our group-wide system and take steps to foster a sense of trust in the compliance hotline by sending out messages from the lawyer in charge of the external hotline.

2. Penetration of compliance awareness through the approach of 'superiors' who are close to individual employees

◆ Support for supervisors to promote compliance

We provide tools for superiors to promote compliance at their workplaces, including case examples of internal and external compliance issues.

◆ Promotion of consultation with superiors and use of the Compliance Hotline

We encourage general managers, etc. to send out messages regarding the protection of confidentiality, prohibition of detrimental treatment, etc.

Autonomous compliance promotion in accordance with the characteristics of each division/group company

▶ Promoting compliance in each company division and group company

By having each division and group company actively facilitate the functioning of PDCA cycles and promote compliance, we seek to have the idea that "compliance is a foundation of business" permeate and become established throughout the entire Group.

Specifically, each division has created their own "compliance promotion plans" and is striving to implement, evaluate and improve their promotion efforts. When doing so, they are considering the Company's fundamental policies and major themes, the business and work characteristics of their divisions, and compliance risks that could occur in the future along with changes in the business environment, unacceptable incidents that occurred in the past both inside and outside the Company, and other factors.

Furthermore, considering our fundamental policies and major themes, each of our group companies is autonomously promoting compliance based on the characteristics and sizes of their businesses, as well as other real conditions.

◆ Compliance awareness survey (Results of questionnaire given to all employees on sustainability conducted in November 2021)

Are you acting with awareness of compliance on a daily basis?

Yes
98.0%

▶ Supporting the efforts of each division and group company

In addition to leading the promotion of efforts of the Group as a whole, our Office of Compliance Promotion is supporting the efforts of each division and group company. In fiscal 2021, as part of our support for awareness-raising activities related to compliance of the entire Group, we prepared a leaflet on our Compliance Policy established in the same year, which can be carried at all times for confirmation, and distributed it to each division and group company.

In addition, as a project with the participation of employees, we invited applications from each division and group company for our new mascot character and held an awards ceremony.

Going forward, we will further enhance discussion materials and strengthen support through communication with each division and group company.



▶ Efforts to prevent overseas bribery

The Group is globally operating business in Asia, North America, Europe, and many other regions, and we believe that complying with local legislation and rules is a major premise for global business expansion.

In particular, as tightening of bribery regulations has become a global trend, we have established internal rules to prevent bribery of foreign public officials, etc., and clarified prohibited items such as gift-giving and entertainment with wrongful intentions as well as items to be observed. At the same time, we are continuously informing divisions involved in international transactions, including the International Business and Cooperation Division, through training and other means.

We will continue to strive to prevent inappropriate bribery through these efforts.

Compliance Hotline

The Kansai Electric Power Group Code of Conduct stipulates how to report to and consult with the hotline when feeling doubt or discomfort related to compliance.

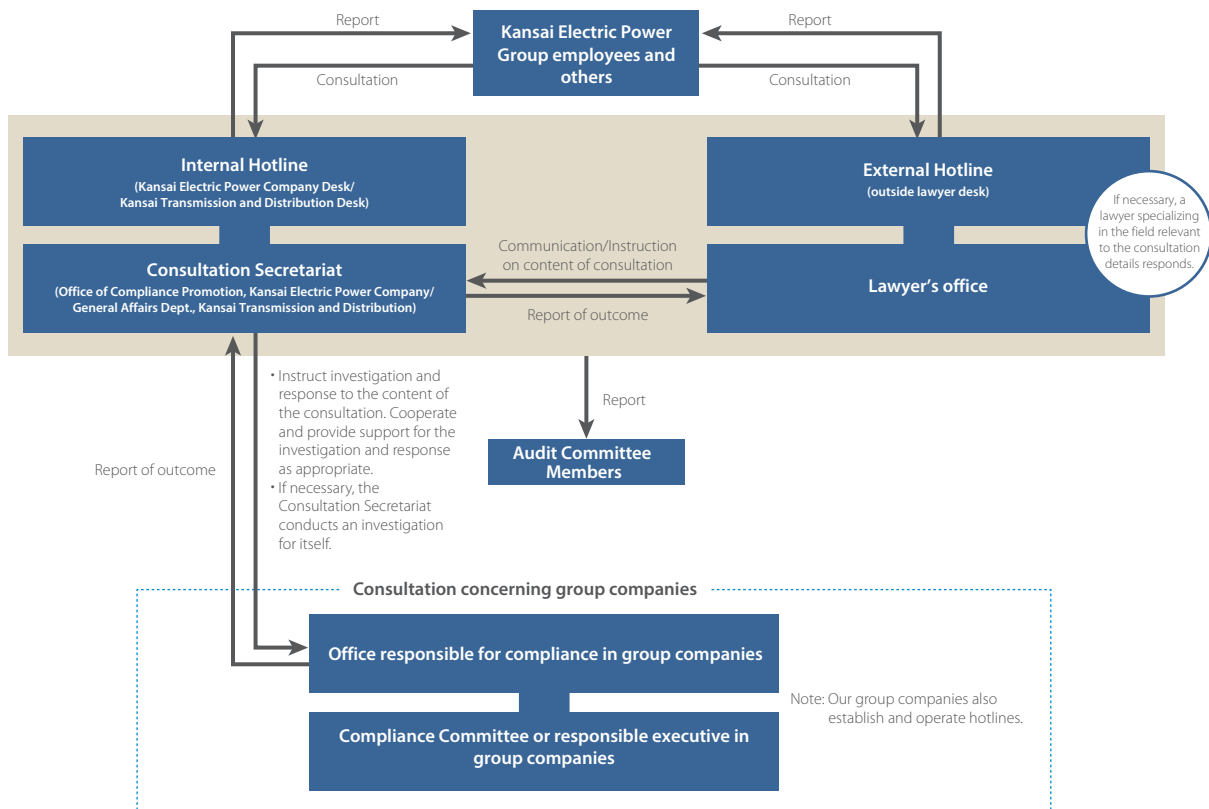
Our Compliance Hotline has been set up for consultation when people have doubts related to compliance in their workplaces, and in regard to various legal violations and improper work conduct. This hotline is available not only to officers and employees of our group companies and contractors but also to those retired or resigned from the above. The hotline is designed to prevent, detect early, and correct inappropriate behavior in terms of compliance. If required, a lawyer specializing in the field relevant to each issue will respond, and he/she can request the Compliance Committee or Audit Committee to take effective measures at his/her own discretion.

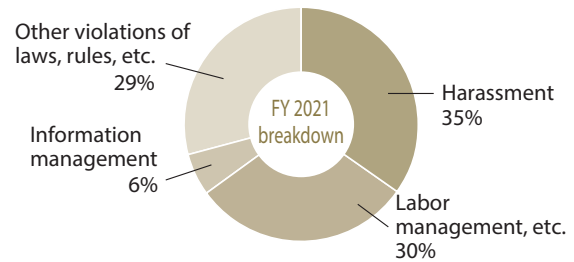
We are working to create an environment offering a more approachable service that can accept anonymous consultations and that allocates female consultants, for example, and are strictly prohibiting detrimental treatment of consulters due to having received consultation. Paying close attention to protecting the confidentiality of consulters, we disclose consulters' names only to the minimum parties required for fact-finding and taking action, and impose confidentiality obligations on them. In addition, we proceed with a fact-finding survey while confirming the intention of each consuler.

Considering the importance of using the hotline, with intranet, posters, leaflets, and various educational tools, we are continuously informing and encouraging each of our divisions and group companies to use the hotline.

In fiscal 2021, a consultation with an outside organization (a lawyer's office) revealed a case of inadequate work experience for a construction management technical certificate exam in a company of our Group. Based on advice and guidance from the Compliance Committee, we publicly announced currently known facts, and the third-party committee is conducting an investigation.

◆ Kansai Electric Power Group Compliance Hotline





Responding to compliance violations

Based on our business improvement plan formulated in fiscal 2019, the Company and Kansai Transmission and Distribution, Inc. have established a reporting system when a problematic event occurs, and stipulated the reporting rules for executives and employees in our internal rules.

In the relevant divisions, should respective division heads become aware of any information on major violations of laws and regulations (including omission of procedures stipulated by laws and regulations) or fraud and other compliance-related issues that affect the Company's and the Kansai Transmission and Distribution's credibility with the external stakeholders, they shall immediately report these matters to the General Manager of the Office of Compliance Promotion. The General Manager of the Office shall take appropriate measures and report on these matters to the Compliance Committee to receive guidance, advice and supervision.

When executives become aware of an event that causes or is likely to cause a compliance issue, they shall report it to the outside members of the Compliance Committee and the Chairperson of the Board of Directors. In the same situation, employees shall report to their superiors. If it is judged appropriate based on the details of the report, employees can report to the Compliance Hotline set up inside and outside the Company, instead of reporting to their superiors. When a report is received, the Hotline shall investigate and take action in cooperation with relevant divisions and related parties as necessary. If the investigation reveals a violation of laws and regulations, the relevant divisions and related parties shall promptly take corrective and recurrence prevention measures, and if necessary, report to the relevant administrative agency and announce the issue to the news media. The General Manager of the Office of Compliance Promotion shall also follow up with related divisions and parties as necessary, and check whether the corrective and recurrence prevention measures are functioning sufficiently, as well as checking if any compliance issue has reoccurred. If a compliance issue has reoccurred, the General Manager can discuss necessary measures with relevant divisions as well as other related divisions.

Regarding compliance-related risk assessment

Each year the Kansai Electric Power Group assesses compliance-related risks, including anti-corruption, and selects compliance risk items to be addressed. We formulate and implement concrete preventive measures against these risks.

► Results of a questionnaire for all employees regarding compliance awareness, etc.

The Company and Kansai Transmission and Distribution, Inc. conduct a "Sustainability questionnaire for all employees (conducted every year since fiscal 2006)" which includes a survey on compliance awareness. Utilizing the results of the survey, we will continue to work on correcting our corporate structure and fostering a sound organizational culture that emphasizes compliance.



Information security measures

► Policy and Concept

Amid rising awareness of personal information and accelerating data utilization with the progress of digitization, the Amended Act on the Protection of Personal Information has been enacted, imposing more stringent obligations on business operators that handle personal information.

The Group believes that the proper protection of personal information is an important responsibility in order to earn the trust of customers and many other people in society, as well as to fulfill our mission as an enterprise. Fully recognizing the importance of personal information the Company and group companies obtain from our customers, etc. that we must handle carefully under principles of respect for the individual, we deal with personal information appropriately in consideration of rights as the right to privacy, in compliance with the Act on the Protection of Personal Information and other guidelines.

With regard to information security, including proper handling of business and personal information, measures on an organizational, personnel, physical and technical level have been implemented. We seek to improve on these measures by incorporating internal and external events as well as reviewing the latest technology and knowledge as appropriate.

► System

Director responsible: Makoto Araki [Kansai Electric Power CISO (Executive Vice President)]

Deliberative body: Executive Meeting

Management office: Cyber Security Administration Group, Office of IT Strategy (Information Security Management Office)

► Efforts

The Group works to enhance information security. Our efforts include strengthening physical and technical measures such as entry/exit controls and access controls for information systems. Organizational and personnel measures such as reviewing internal rules, training employees, and training to defend against targeted email attacks are also ongoing.

Participation rate of
information security
training
(conducted January to
February 2022)

97.7%
(8,084 participants)

● Relevant data

		2020/3	2021/3	2022/3
Number of information security training participants		17,979	17,715	17,235
	Kansai Electric Power Co., Inc.	—	8,269	8,084
	Kansai Transmission and Distribution, Inc.	—	9,446	9,151
Major information security incidents		2	1	0

