

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.

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.

● Procurement activities in line with the Declaration on Partnership Building

In October 2020, we announced our Declaration on Partnership Building.

In order to implement procurement activities in line with this declaration, we inform both internal and external parties of the details of the declaration and sincerely respond to requests and consultations from our suppliers, thereby endeavoring to build a relationship of co-existence and co-prosperity.

● Implementing human rights due diligence

Since fiscal 2022, the Company has been conducting human rights due diligence along its supply chain.

This fiscal year, targeting 98 major suppliers, we conducted a questionnaire survey that includes items such as forced labor, child labor, and conflict minerals. (Questionnaire response rate: 100%)

Based on the survey results, we are working to prevent and reduce negative impacts on human rights as necessary.

▶ System

Director responsible: Toru Tanaka (Executive 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**● Implementation of Basic Procurement Policy and promotion of its adoption by suppliers**

Conducting a questionnaire survey for suppliers to encourage permeation of the Basic Procurement Policy and the Declaration on Partnership Building

▶ 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 fact-finding surveys, etc. to monitor how sustainability-related tasks are addressed.

● Relevant data

Policy		
Basic Procurement Policy	Established	https://www.kepco.co.jp/english/corporate/info/procurement/principle/index.html
Supplier conduct standards and procurement policies	Established	https://www.kepco.co.jp/english/corporate/info/procurement/principle/index.html

