

Addressing climate change

Working toward a decarbonized society, we seek to build a sustainable business foundation and contribute to the sustainable development of society by analyzing risks and opportunities related to climate change that affect our businesses and reflecting them appropriately in our Management Plan and fundamental policy.

We set targets related to ESG and are making efforts toward achieving them not only for sustainable growth in our company through the safe and steady supply of energy that considers the global environment, but also for the contribution for sustainable development of society by solving global social issues. By applying the TCFD* Recommendations from the perspective of analyzing long-term risks and opportunities, we will link our efforts with relevant responses to climate-related issues.

* TCFD is an abbreviation for Task Force on Climate-related Financial Disclosures. This task force was established by the Financial Stability Board, which is an international agency that has central banks, financial regulatory authorities and other organizations from major countries as members. In total, 792 organizations around the world, including financial institutions, businesses and governments, declared their support for the TCFD Recommendations as of June 28, 2019.

Governance

⇒ P27-30

- Recognizing that climate change is a serious issue for business operation, our Sustainability and CSR Promotion Council and our Risk Management Committee evaluate and manage issues related to climate change, which include materiality, management indicators, risks and opportunities.
- The results of evaluations and management by the above committees are reported to our Board of Directors regularly and reflected in the plans and policies of our entire group.

Risk management

⇒ P29-30

- We place climate change as a serious risk that can greatly affect the business activities of our corporate group. Based on understanding and evaluating the management status of various risks that originate from climate change, we are making efforts to manage these risks at suitable levels by investigating and implementing necessary countermeasures.
- In order to increase the effectiveness of these efforts, we are undertaking the management of these risks in an integrated and unified manner with the evaluation and management of other serious risks as part of the risk management system of our entire company.

Indicators and objectives

Cut in half CO₂ emissions that accompany power generation business in Japan by fiscal 2030 (compared to in FY 2013).

Achieve a renewable energy facility capacity of 6 million kW by 2030s (2 million kW or more new development in Japan and abroad).

Be the top producer of CO₂-free energy in Japan

Support for the TCFD Recommendations

On May 27, 2019, our company declared our support for the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Recognizing the size of the impacts that our business activities have on the global environment, we declared our support for the TCFD Recommendations to “analyze and disclose business risks and opportunities originating in climate change over the medium and long terms in order to reduce risks of financial market destabilization.”

In the future, in addition to analyzing risks and opportunities to our businesses from climate change, by promoting information disclosure, we will solidify relationships of trust with stakeholders, and we will contribute to the sustainable development of society while seeking to build sustainable business foundations.



Strategies

⇒ P52-63

- Based on recognizing risks and opportunities related to the measures of our new Medium-term Management Plan, we set promoting efforts toward decarbonization as a provision of business operation materiality.
- We will make various efforts to reduce carbon intensity of society as a whole, including lowering the carbon intensity of electricity.

Lowering electric power’s carbon intensity

Technological developments for constructing the Smart Grid

Contributing to energy conservation, cost reductions and CO₂ emissions reductions for customers and society

Overseas activities

Technical development efforts

Value chain efforts

Efforts to reduce greenhouse gases other than CO₂

Strengthening of human capital foundations

In addition to the workstyle innovation, health and productivity management, along with diversity promotion, we will promote, as “human capital” innovations, “strengthening personnel development measures” through the Kansai Electric Power Group Academy and “providing fields where people can flourish” to realize their ideal form in the future.

Strengthening personnel development measures

- OJT
- Group training
- Personal growth support

Human capital innovations

Providing fields where people can flourish

- Personnel deployment
- In-house application system, etc.

Strengthening personnel development measures (the Kansai Electric Power Group Academy)

We established the Kansai Electric Power Group Academy in 2018 and systematized our corporate training and education systems in order to actualize our company belief that “developing human resources is the most important thing for coming out on top in a severe competitive environment” along with our corporate group philosophy of “management that values people.”

The “human capital” that we seek

We have formulated “human capital” as the characteristics desirable in employees in order to achieve sustainable growth for the corporate group.



Personnel development system

We set four educational departments with our company president as the president of the Academy. The heads and deputy heads of each department, who are executives and managers appointed from related divisions, will be actively pushing the growth of our employees.



Personnel development policies

Toward the achievement of our Medium-term Management Plan, we will advance personnel development policies to develop all employees into autonomous people who have specialties (strength and expertise) and strong wills that allow them to think, act and forge new paths independently. In particular, in fiscal 2019, we strengthened personnel development that promote initiatives to increase productivity and create added value utilizing digital technologies as well as personnel development measures that support the further growth of our group companies.

Note: See page 71 for details about our training and personnel development systems.

Providing active fields

Adoption of an in-house application system (e-challenge system)

Supporting the independent career development of all individuals, we have implemented an in-house application system that allows employees to take on the challenges of diverse careers and fields. Based on high levels of motivation, they can exercise their abilities to their maximum extents even more than before.

Career challenges	Discover and develop new personnel with the strong motivation to take on challenges in a variety of careers (global business and new business creation, for example)
Dual work challenges	In addition to their original work, participants take on another type of work (specific project work, etc.) during some of their working hours

DX personnel development

— Strengthening expertise that will be a source of competitiveness

For the realization of digital transformation (DX), we are developing DX personnel as key people in their departments to advance efforts to increase productivity and generate added value utilizing digital technologies. Specifically, we are implementing on-the-job training (OJT) as well as “data analysis basic training” and “visualization tool utilization training” at K4 Digital Company and or at each department.

Next generation leader development

— Executive management candidate development

We are adopting outside training programs in order to develop early and systematically the next generation of leaders who will drive innovation. We are crossing conventional work divisions and incorporating interactions with different types of work as well as implementing curriculums that always link to business strategies.



Round table discussion with the President



Contributing to the fulfillment of Sustainable Development Goals through overseas projects

In our international business activities, not only providing stable power supplies, we are also actively making efforts in consideration of local environments and communities. Through our overseas businesses, we will contribute to the resolution of problems faced by global society.

Since 1998, when we participated in the San Roque Hydropower Project in the Philippines, which was the first time that a Japanese power company participated in a power generation project overseas, we have advanced numerous power projects, including power generation projects as well as transmission and distribution projects, in countries throughout the world.

Consideration of communities and the environment at the Nam Ngiep 1 Hydropower Project in Laos

The Nam Ngiep 1 Hydropower Project in Laos was our first overseas project in which our company was the biggest shareholder. We began investigations for this independent development project by our company in 2004 and plan to start commercial operation in 2019.

In developing this project, we have been considering the

environment, including preservation of a 3,700km² watershed. We have also been holding repeated dialogs with local residents who must move due to the construction of the dam and considering community environments that can provide them with even more abundant life following their unique local cultures.

Consideration for communities



Preparing living environments for relocated residents

Through extensive conversations with relocated residents, we prepared living environments, infrastructure and farmland that suit the particular customs and unique demands of small ethnic groups.

Medical and educational support

We have built a hospital at the relocation site and conduct medical house calls, physical examinations and nutrition promotion activities.

Moreover, not only we have established schools and kindergartens and deployed teachers, we have also set up a scholarship system so that local people in poverty can receive educations as well. In addition, we provide job trainings such as automobile maintenance and dressmaking.

Livelihood improvement programs

In order to restore and improve the lifestyle levels of residents after relocation, we are formulating and implementing support programs for fields that include agriculture, livestock, fishing and non-wood forest products. We are also conducting trainings for women to strengthen their abilities and build their economic independence.



Home interior changes before (left) and after (right) relocation



Elementary school class changes before (left) and after (right) relocation

Consideration for the environment



Reducing environmental impacts from construction

We built a purification facility within the project site for wastewater from construction work use to purify toxins from the water before returning wastewater back to the river. We spread seeds and placed turf on the topsoil slopes that were excavated during construction and sought to restore their vegetation.

We are also undertaking efforts to protect the biological environment, and to implement biodiversity offsets and biomass clearance.



Revegetation of excavated topsoil slope before (left) and after (right) restoration

Comments from relocated residents

At the time of relocation, a local village head told us, "I checked your initiatives to improve soil and change to other kinds, and thought that I could go along with peace of mind with this Japanese company that has reliable technologies and sincerity I can trust." Moreover, other residents said the followings. "Not only is the house pretty and stronger, there are also a school and the hospital nearby." "Safety increased for residents. I am satisfied with the new relocation village." "Infrastructure was put into

place, so long-term storage of food supplies and food safety have been assured." "With the establishment of a health center, regular health checkups are now available, so the constant health concerns we had before relocation were eliminated." These are among numerous other expressions of favorable evaluations of the new relocation village. We will keep contributing to the advancement of local communities through our overseas projects in the future.