

CSR Action Principles 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.



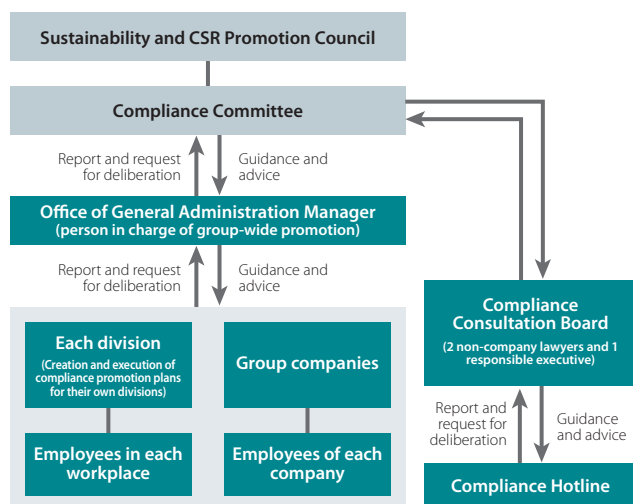
Promoting compliance activities with the entire group

Promoting compliance activities

In our corporate group, the Office of General Administration (legal), acting as our compliance headquarters, oversees compliance promotion for the entire group with guidance from the Compliance Committee, which is chaired by our company president.

All divisions in our company and all of our group companies are promoting self-driven compliance, with their individual “compliance promotion plans” established by themselves according to the characteristics of their own businesses and work duties, utilizing the PDCA cycles under the leadership of their division heads, company presidents and others.

Kansai Electric Power Group Compliance System

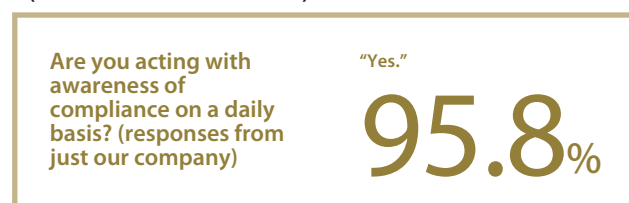


Efforts to promote compliance

For fiscal 2019, we have set “promoting compliance responding to risk posed by the expansion of the business domain and changes in the business environment” and “self-driven compliance by thinking and acting for ourselves regardless of previous examples” as the fundamental policies in promoting compliance. Additionally, the following four items have been selected as major themes in promoting compliance that the entire group should recognize and tackle: “Strict compliance with competition rules,” “Improvement in risk sensitivity corresponding to changes in business,” “Prevention of inappropriate events that occurred by following previous examples” and “Being thorough about acting with basic decency.”

Keeping in mind these fundamental policies and major themes, as a group-wide efforts, we will keep expressing our attitude toward thoroughness in compliance by messages from our top management, as well as conducting lectures related to the major themes, continuous information distribution via e-mail magazines and others. Through such efforts, we will cultivate the awareness of all group employees continuously.

Results of questionnaire given to all employees on CSR (executed November 2018)



6 Strict Enforcement of Compliance

Promoting self-driven compliance according to the characteristics of each division and 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 independently promoting compliance based on the characteristics and sizes of their businesses, as well as other real conditions.

Supporting the efforts of each division and group company

In addition to leading the promotion efforts of the group as a whole, our compliance headquarters is supporting the efforts of each division and group company. For example, through the Compliance Manual, the headquarters specifically explains 18 types of compliance guidelines formulated in accordance with laws, in-house rules, corporate ethics and other factors which all executives and employees of our corporate group must comply with or exercise caution about.

In addition, with a focus on content related to major themes, the manual enhances educational discussion materials to contribute to the activities of every division and group company and also provides training related to compliance.



Lectures based on collaborative relationships by professionals

Global compliance efforts

The Kansai Electric Power Group will expand its business globally in Asia, North America, Europe and many other regions.

Against this background, the Group considers it necessary to further ensure compliance by observing local ordinances and rules and meet social demands overseas as well. One of our compliance guidelines clearly stipulates “Compliance with international rules, and ordinances etc. in the partners’ countries.” It keeps executives and employees of the Group informed that tightened bribery control is the global trend and that understanding and abundance of caution are required for risks posed by bribery when operating business globally. Specifically, we will keep our minds on achieving thorough compliance as we continue striving to expand our businesses overseas. For example, we are clarifying matters to be observed strictly and prohibited acts, including exchanges of gifts and business entertainment conducted with improper intentions, by establishing in-house rules related to preventing the bribery of foreign official servants and others. We are also undertaking training, awareness-raising and other efforts with the theme of preventing foreign corruption in our divisions and group companies that conduct business overseas and other international transactions.

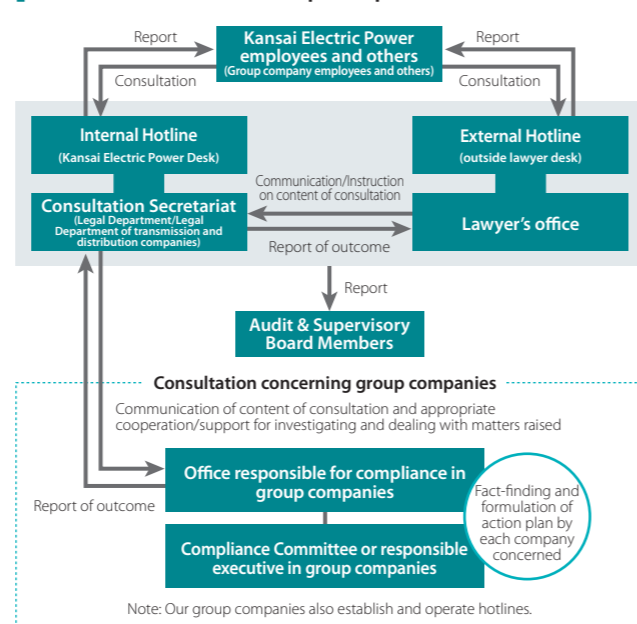
Compliance Hotline

The Compliance Hotline established by our company receives consultations when people have doubts related to compliance about their workplaces or work tasks, including various types of legal violations and improper work conduct at its workplace. This hotline is available not only to employees of our group companies but also to our contractors. This system enables us to collect a wider range of risk information. We are working to create an improved environment offering a more approachable service that can accept anonymous consultations and that allocates female consultants, for example. In addition, the Hotline provides compliance consultations to handle problems after investigating the facts, if necessary.

No serious violations have been confirmed from consultations with the Compliance Hotline.



Kansai Electric Power Group Compliance Hotline



Information security initiatives

Policies

We believe that one duty of our company is to steadily advance information security efforts to ensure the safe and stable supply of power and to protect the customer information that we possess. While further strengthening countermeasures against cyber attacks, which have been growing as a threat to important infrastructures that support the society, we will continue promoting information security management based on relevant laws, regulations and guidelines for cyber security management along with in-house rules and others.

Information security promotion system for the entire group

In our corporate information security promotion system, we have a Chief Information Security Officer (CISO) [director in charge of the IT division] and deploy Information Security Managers to promote specific efforts in each workplace. Additionally, while each engineering division is also working voluntarily to improve security measures, the CISO presents a security level to be attained and provides them with technical assistance.

In addition, our group companies are undertaking independent efforts based on the information security guidelines for the entire group. With this and other guidance and support from our company, we are raising the security level of the entire group.

Initiatives for protecting personal information

We are strictly following internal rules related to personal information protection that we prepared based on the Personal Information Protection Law and various other laws and guidelines. Following the scatter of documents for disposal that occurred during transportation in May 2018, we will review the management of documents for disposal and conduct strict information management to prevent the occurrence of similar accidents.

Efforts for cyber security measures

With the concept of defense in depth, we are mounting efforts for early detection and minimization of damages while undertaking a variety of security measures. More specifically, we are continuing with efforts to prepare for the occurrence of cyber attacks, including the introduction and strengthening of monitoring and the operation of new technological countermeasures, development of an emergency response system and training and practice with targeted threat emails for employees. Especially in fiscal 2018, assuming that we are under a hypothetical large-scale cyber attack, we implemented company-wide training led by the president, extracted issues to address and are working to improve security measures.

Given the ever-evolving cyber attack techniques, we are gathering information about cyber attacks that occur outside our company and the latest security information through, for example, the activities of the Japan Electricity Information Sharing and Analysis Center (JE-ISAC), which is an organization that undertakes the sharing and analysis of cyber attack information among electric power businesses. Moreover, countermeasures are reviewed as needed.

Participation rate of information security training (conducted February–March 2019)

95.9% (17,404 participants)



Company-wide training to respond to cyber attacks

Future plans

The Kansai Electric Power Group’s Medium-term Management Plan (2019-2021) has “maintain safety as the top priority” and “fulfill corporate social responsibilities” as a main axis of corporate management, which is a principle that leads to being trusted and chosen by customers and communities. One of the key efforts is “promoting self-driven compliance.” Each one of us in the Group must be keenly aware of being the one who “earns trust” and keep acting in such a way to earn trust. Each division and group company will plan, implement and evaluate themselves in light of risks to be careful about, etc. thereby promoting self-driven compliance. We will also increase the effectiveness of promoting activities in each division and group company through assistance, such as by sharing compliance-related information and exchange of opinions, to ensure thoroughgoing compliance in the entire group.



Koichi Nagata
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The Kansai Electric Power Company