

# Human Capital Strategy

We use the term human capital to signify that we cherish each and every employee, and that they form part of the Group's capital, seeking to develop an environment in which our employees can maximize their abilities and qualities to play an active role more than ever, through strategies specially formulated for those ends.

## Respect for human rights

### Policies

As part of its CSR Action Principles, our Group has established conduct standards regarding human rights, upholding "Respect for Human Rights and Development of Favorable Work Environment by Taking Advantage of Diversity." We recognize human rights as a common and universal value of a global society, and we are committed to compliance with the laws and regulations of each country or region in which we operate. With the upmost respect given to international norms to protect human rights, we are promoting respect for human rights throughout the supply chain.

With the Promotion Committee for Human Rights Education established at the respective head offices and business activity bases in each region, our Company and Kansai Transmission and Distribution, Inc. formulate basic plans for human rights education for the year to come, as well as confirming how human rights awareness raising efforts and training programs are being implemented. In addition, we share information on various human rights issues and promote initiatives for respecting human rights across the Group.

<Examples of specific efforts>

- Case-based workplace discussions
- Implementation of Human Rights Information Exchange Meetings for group companies

## Human resources development

### Development measures for "human capital" innovation

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 prevailing in a severe competitive environment" along with our Group philosophy of "management that values people."

### Our training and development systems

|                                   | Responsible persons   |                   |                    |     | Managers   |           |    |     |           |
|-----------------------------------|---|-------------------|--------------------|-----|--|-----------|----|-----|-----------|
|                                   | Base level  | Application level | Advanced level     |     |  |           |    |     |           |
| Stratified training               | New employee training   | I                 | II                 | III | I  | Follow-up | II | III | Follow-up |
| Elective training                 | Training is focused on active learning so employees can play their expected roles and exert expected abilities.             |                   | Elective trainings |     | Optional training is provided to complement each individual's strength and necessary training for early personnel development. |           |    |     |           |
| Training for executive candidates |   |                   | I                  |     | II   | III       | IV |     |           |
| Specialist training               | Division-specific training (skill training / work knowledge training / expert theory training)                              |                   |                    |     |  |           |    |     |           |
| Support for growth                | Internal certification tests, certification bonuses, challenge training, outside correspondence education, e-learning, etc. |                   |                    |     |  |           |    |     |           |

Training is provided to strengthen management skills to increase organizational performance.

Hundreds of specialized training sessions are provided so the expertise and skills will be improved and handed down. Each trainee's target and acquisition status of professional skills is clarified for their training in a planned manner.

### Personnel development policies

At the Kansai Electric Power Group Academy, we implement capability development measures to empower each employee to be dynamic in their work by willingly taking on challenges to grow, so we can achieve high productivity and growth.

Specifically, we will provide training to foster awareness and change behavior in giving top priority to safety and fulfilling our corporate social responsibility (CSR). Along with that, a system is in place to enhance individual employees' strengths and improve or overcome challenges that require deeper understanding. Furthermore, we will implement personnel development measures to ensure that expertise is handed down to the next generation, as well as improving productivity and creating added value driven by digital technology.

### 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 Group.



### Our training and development systems

As part of the personnel development measures through the Kansai Electric Power Group Academy, we support our employees who are looking to improve their abilities and advance in their careers by providing stratified training, specialized training to enhance their business expertise, as well as an executive candidate development program. Moreover, with the introduction of the personnel appraisal system and the in-house open system, our employees will have more willingness to grow and feel more motivated and rewarded.

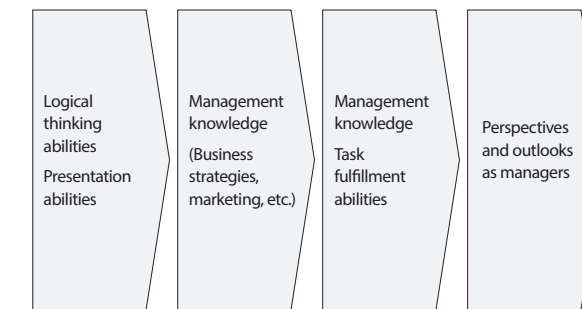
### Support for self-growth

A variety of systems, such as a certification bonus system and education programs for external correspondence, have been put in place as an opportunity to motivate each employee to develop his/her ability and to challenge themselves to grow.

### 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.



### 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.

### 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                       |

### Personnel appraisal system

We have put in place a mechanism to carefully assess each employee's "abilities" and "level of contribution" to our company's performance and reflect those in their salaries, etc., so our employees will have more willingness to grow and feel even more motivated and rewarded.

Furthermore, we grasp (discover) each individual employee's abilities and qualities through a series of processes that comprise of training, reassignment and appraisal, so that all the employees can perform at their full potential in various fields.

## Diversity promotion

### Efforts toward achieving our diversity goals

#### Our diversity goals

We established an exclusive organization in 2011 intended for all employees with the goal of raising awareness and promoting behavioral changes in order to promote the advantages of individual differences as one of our strengths. We are promoting initiatives such as workplace training and the periodic release of information intended to forge the power of the individual as an organizational strength.

#### Kansai Electric Power Group Diversity Promotion Policy

1. By respecting the "differences" of each individual and making diverse senses of value and ways of thinking into sources of strength for the organization, we will realize a competitive corporate group that creates new value.
2. We seek to realize workstyles and to cultivate workplace environments that enable everyone to exercise their abilities to their maximum extents, regardless of their personal attributes, including gender and age, or experienced life events.

### Promotion of employment of persons with disabilities

In 1993 we established Kanden L-Heart Co., Inc. as a special affiliate company, and together with Kansai Transmission and Distribution, Inc.\* (which was split off in April 2020) these organizations encourage employment of people with disabilities. As a result, our employment ratio of workers with disabilities reached 2.6% (as of June 1, 2020), having continuously achieved the legally required ratio (2.2%). In addition, we are opening up a diverse range of job positions where people with disabilities can play an active role, such as office assistant, while bolstering support for those with mental disabilities.

\* Kansai Transmission and Distribution, Inc. has been certified as a special affiliate (as our Group) and therefore is included in the calculation of our employment ratio of persons with disabilities.

### Initiatives to encourage the further success of female employees

In addition to encouraging continuous contributions to the organization by developing abilities and growing independently through work, we are striving to make environments where people can continue to work enthusiastically even when their lifestyles change. Our Company supports and has signed the Women's Empowerment Principles, which were created by UN Women and the United Nations Global Compact. We received the "Kurumin" certification in accordance with the Act on Advancement of Measures to Support Raising Next-Generation Children and the highest "Eruboshi" certification (third level) in

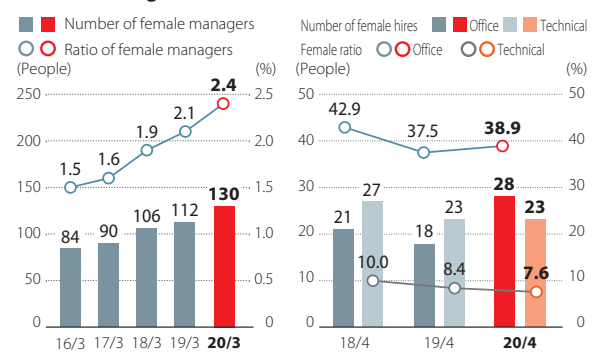
accordance with the Act on Promotion of Women's Participation and Advancement in the Workplace. In addition, we were recognized as a "Leading company for female activity in Osaka City." Moreover, in the selection of "Nadeshiko Brands" instituted jointly by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange, we were selected as a "Semi-Nadeshiko Brand."



**Targets for promotion of female employees**

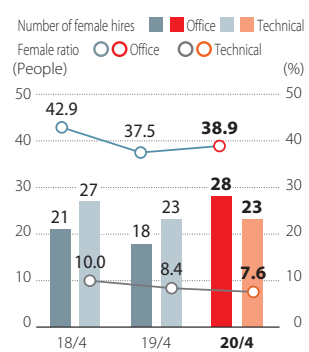
|  |   |
|--|---|
| <b>Appointment to managerial positions</b> | By the end of FY 2030, increase the ratio and the number of female managers to more than threefold those of FY 2018.  |
| <b>Recruitment</b>                         | Achieve ratios of 40% or more for women employed in office jobs and 10% or more for women employed in technical jobs. |

**Number and ratio of female managers \***



(Figures from fiscal year ends)  
 \* Excludes medical staff and transportation staff  
 \* Managerial positions refer to those equivalent to chief clerk and higher.

**Number and ratio of female hires**



(Based on fixed term employment for each fiscal year)

**Promoting the participation of male employees in childrearing and housework**

With the aim of increasing male participation in childrearing and housework, we are encouraging male employees and their superiors to take childrearing leave. When the period of childrearing leave begins, the provision allows for seven days of paid leave.



**Promotion of workstyle innovation, health and productivity management**

**Efforts in workstyle innovation, health and productivity management**

**Establishment of a Health and Productivity Management Declaration**  
 The Company has established a Health and Productivity

Management Declaration with the aim of expressing our unwavering commitment to step up efforts in health management. As part of our Medium-term Management Plan, we are accelerating our efforts in setting goals that each one of our employees shall aim to "master using time well" and "master maintaining good health". Going forward, we will remain oriented toward a workstyle that places weight on value creation whilst enhancing flexibility when it comes to time and place of work, as well as how employees choose to rest, so that they can benefit from self-improvement. Additionally, we will proactively support the physical and mental health enhancement of employees as well as aim to improve the quality of life of each employee and their families.

**Health and Productivity Management Declaration (established in January 2018)**

The Kansai Electric Power Company, in order to fulfill our mission, "continuing to serve our customers and communities," will promote the maintenance and enhancement of our employees' physical and mental health as well as the improvement of the quality of their lives by making employees' health one of the pillars on our corporate management. We will also implement working practices which place an emphasis more on value creation than the amount of work time, boost productivity, eliminate longer working hours, promote workplace diversity, and realize dynamic innovation through human-capacity reform to further improve effectiveness of our health management. Based on our belief that we value people, we will continue to promote the advancement of employees' health and contribute to "the realization of a bright and affluent future."

**Developing comfortable workplaces**

On the premise that working hours are managed appropriately, a flexible work system is being put in place to clearly delineate efficient working time ("on") from effective rest time ("off"); to this end, we are expanding flextime with no core time across the company, in principle, enhancing a telecommuting system that allows for more flexibility when it comes to times/places of work and encouraging employees to take leave in a planned and meaningful manner.

**Certified as a Health & Productivity Management Outstanding Organization 2020 (White 500)**

Having been recognized for our philosophy of "Management that values people" and health measures for employees, our Company has been certified as a Health & Productivity Management Outstanding Organization (White 500) for the fourth consecutive year since 2017.



**Sustaining stable labor-management relations**

We have concluded a union shop agreement with the Kansai Electric Power Labor Union, and have set "company productivity increases accompanied by improved labor conditions" as a shared labor-management goal. Based on strong relationships of trust that we have constructed over our many years of history, we are building good labor-management relations. To keep up these relations, we continue to strive for mutual understanding by holding management panel discussions between labor and management as we operate business.

**Major opportunities for labor-management communication**

|                                     |   |
|-------------------------------------|---|
| <b>Management panel discussions</b> | Labor and management promote communication in the corporate management plan, etc. (held annually) |
| <b>Management Council</b>           | Labor and management discuss important matters, such as reorganization (as needed)                |

**Tackling the novel coronavirus**

In order to prevent the spread of the novel coronavirus, the Group has changed its work system so that all employees, in principle, can use staggered working hours, telecommute, or work from satellite offices. We have also introduced IT tools for teleworkers and are facilitating further utilization of telecommuting.

When going to work, we are strictly observing infection prevention protocols such as mask wearing whilst implementing measures to avoid the "Three Cs" – closed spaces, crowded places, and close-contact settings – such as keeping enough space between desks in the office environment.

Since it is expected to take time until the number of infections starts to die down and assuming a transition to society where we coexist with coronavirus, we will strive to achieve both infection prevention and sustainable business activities by considering an internet-driven transformation of how we work.

**Efforts to eliminate industrial accidents**

**About the Kansai Electric Power Group Safe Action Charter**

Based on the President's Declaration: "Ensuring safety is my mission, and the mission of the Company" and applying the lessons learned from the Mihama Nuclear Power Station Unit 3 accident, we are continuing with the implementation of safety efforts that put preserving the safety of every person involved in our Group's business activities first.

Inherent in the beliefs expressed in this declaration, safety first is set as a management criterion in our Management Philosophy. Under the Kansai Electric Power Group Safe Action Charter, we share "our beliefs about safety" as an everlasting group-wide principle to raise awareness of safety. Additionally, by practicing safe actions based on the Safe Action Declaration, we will steadily accumulate achievements in safety and cultivate an unwavering culture of safety.

**PDCA of safety activities**

To ensure safety for everyone related with our Company and achieve our unchanged goal, or "zero accidents," we are working to maintain safe working environments and prevent accidents from occurring and reoccurring through activities that mobilize the capacities of our organization with the full participation of employees. Concretely, as steps to prevent recurrence of accidents we had in the past, we analyze and evaluate the details of accidents that occur each year, have discussions among relevant internal departments including the management, and prioritize items to address on a group-wide basis. We will seek continuous improvement by running the PDCA cycle of safety activities in each fiscal year. We will also share prioritized items to address with our group companies, thereby further enhancing the effectiveness of safety activities.

<Prioritized items in safety activities for fiscal 2020>

- ① Create a safe and secure working environment at each business site.
- ② Make it a habit to think safety and act safely based on danger prediction.
- ③ Promote safety activities based on bilateral communication with subcontractors, etc.
- ④ Practice safe driving behavior by all drivers and passengers as a unified effort of the workplace.

**Specific safety efforts**

**Efforts in safety education and acquisition of knowledge from outside the company**

To raise awareness of our employees and protect the colleagues of subcontractors and others, we provide education for each employee to practice autonomous safety activities. In addition, we learn new things throughout our group companies in lectures and in training programs on safety led by external experts, thereby increasing the level of our Group's safety activities.

As a result of these efforts, our accident frequency rate is lower than the national average.

**Bilateral communication with subcontractors and others**

When the opportunity presents itself, our employees visit equipment construction/maintenance sites and are active in creating and enhancing opportunities to communicate with subcontractors, etc. so that we can deepen mutual understanding and promote safety activities together. By proactively facilitating bilateral communication, we are striving to raise safety awareness and reduce the risk of accidents.