

# Compliance

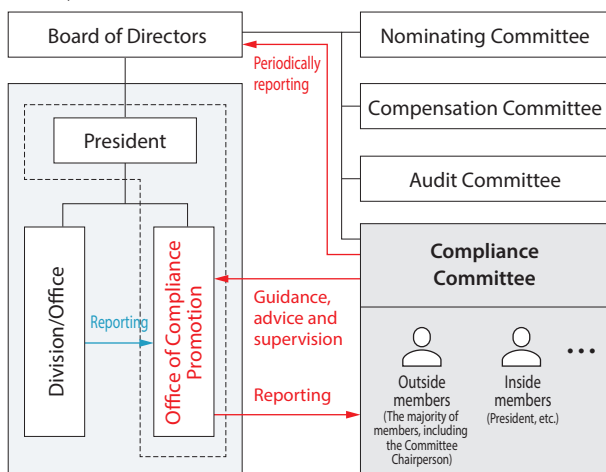
## Compliance system

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 69.)

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.



<Reference> Compliance Committee meetings held in fiscal 2020

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 2020, a total of nine 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 2021, we selected "Raising awareness through basic policy penetration for compliance promotion," "Promoting utilization of the Compliance Hotline," and "Group-wide application of the said two points" as priority compliance promotion themes that the entire Group should recognize and work on. With these priority themes at the core, we are striving to cultivate awareness of compliance for all Group employees.

### Compliance Promotion Plan for fiscal 2021

#### 1. Actively raising awareness of compliance

In addition to continuing integrity approach training\* to "think about the strong points of the Kansai Electric Power Group," which has been held since last year at each workplace, we will provide integrity approach-based training to all employees including to our group companies to promote penetration of the purpose of our basic compliance promotion policy. We will also develop and utilize educational tools, and further enrich and improve the content of e-mail newsletters, promotion websites, etc. to help compliance become more familiar to employees.

Additionally, in the wake of the issue of receiving cash and gifts, in December 2019, we established and brought into operation "Rules on Gifts, Reception and Entertainment" based on the idea that we must not receive gifts or entertainment. In April 2021, the Rules were revised to add new provisions for offering gifts and entertainment. We will make continuous efforts to thoroughly communicate the purpose of these rules.

\* Integrity approach training: Training to raise awareness toward better behavior.

#### 2. Promoting utilization of the Compliance Hotline

<Creating an environment for using the Compliance Hotline>  
We will continue to inform employees that confidentiality is securely protected and that any detrimental treatment is strictly prohibited, and will consider and implement measures to develop an environment that facilitates the use of our whistleblowing system by sending messages and creating tools.

<Compliance Hotline staff training>

We will provide training on compliance consultation for the Compliance Hotline staff at our group companies.

#### 3. Communication inside and outside the Company

<Communication between outside members of the Compliance Committee and employees>

Last year, the Nuclear Power Division held dialogues between outside members of the Compliance Committee and employees.

This year as well, we will set up opportunities for direct dialogue with outside Committee members to raise employee awareness of compliance.

## Compliance

<Communication between the Office of Compliance Promotion and each division/group company>

In addition to holding information liaison meetings between the Office of Compliance Promotion and each division and group company, the Office of Compliance Promotion visits each division and group company to exchange opinions and support provision of training.

### 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 CSR/executed November 2020)

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

Yes 96.8%

#### 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. Last year, as support for compliance-related awareness-raising activities across our Group, we asked for submissions of catchphrases from all Group employees, received a large number of applications, and adopted many of them. 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

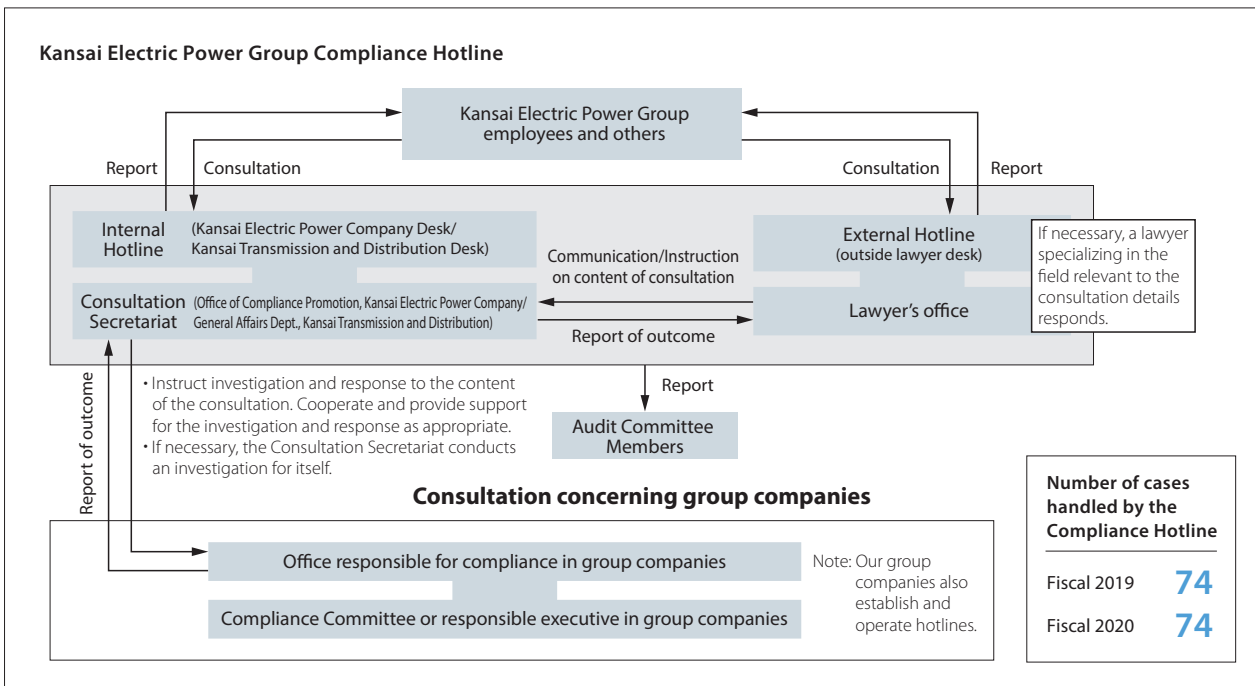
The Kansai Electric Power Group Code of Conduct stipulates how to report to and consult with the hotline when feeling doubt or discomfort related to compliance.

Our Compliance Hotline is for consultation when people have doubts related to compliance in their workplaces, including various legal violations and improper work conduct. This hotline is available not only to employees of our group companies but also to our contractors, and 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 posters and various educational tools, we are continuously informing and encouraging each of our divisions and group companies to use the hotline.

Last year, a consultation with an outside organization (a lawyer’s office) revealed the fact the Company and its group companies had received cash and gifts. Based on the advice and guidance of the Compliance Committee, we conducted an objective and thorough investigation using an outside lawyer, and announced the investigation results.



## 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 preventive measures, and if necessary, report to the relevant administrative agency and announce the issue to the news media.

The Compliance Hotline 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 Hotline can be used to discuss necessary measures with relevant divisions as well as other related divisions.

## Regarding compliance-related risk assessment

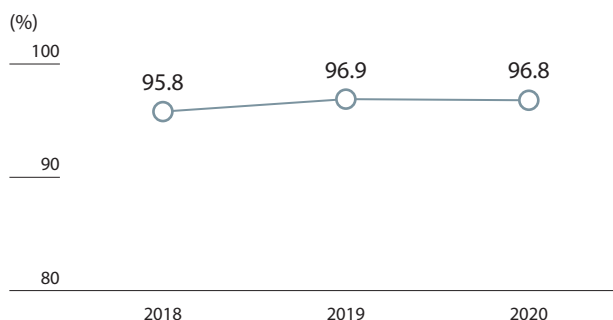
Each year the Kansai Electric Power Group assesses compliance-related risks, including anti-corruption, and selects compliance risk items to be addressed. We formulate and implement concrete preventive measures against these risks.

## Compliance

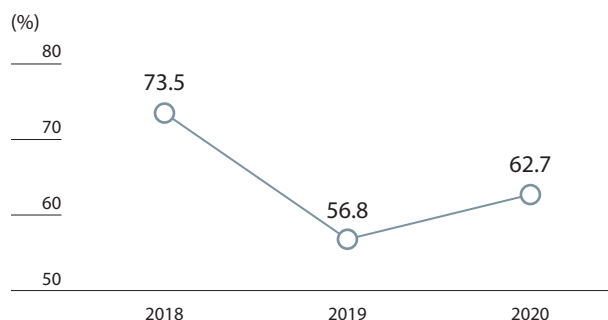
### Results of a questionnaire for all employees regarding compliance awareness, etc.

The Company and Kansai Transmission and Distribution, Inc. conduct a “CSR-related 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.

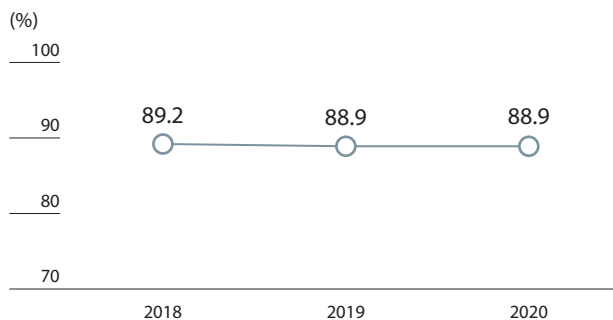
**Q** You always act with an awareness of compliance.



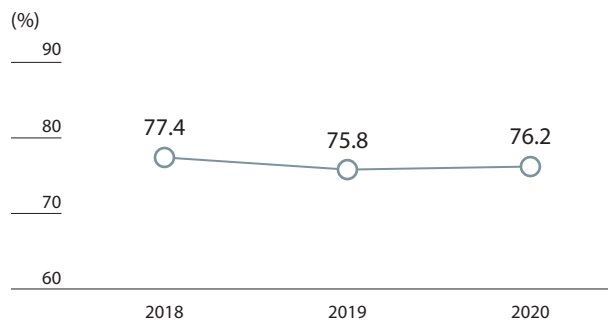
**Q** You feel that the management has a strong sense of integrity and is taking the lead in reform of your company.



**Q** You are doing your job with a sense of mission.



**Q** You find your job rewarding and are proud of it.



Survey period: November 4 to 25, 2020  
 Respondents: All employees of the Kansai Electric Power Co., Inc. and Kansai Transmission and Distribution, Inc.  
 Number of respondents: 16,667 [Response rate: 87.4%]

[How to read charts]  
 The graph of secular change shows the transition of the total value of the percentages of “Strongly agree” and “Moderately agree” in all responses.  
 The survey was conducted in January for 2019, and in November for other years.