

Third-Party Opinion

This is the third year since fiscal 2022 that I have submitted a third-party opinion. Every year, the T&D Insurance Group has been enhancing its sustainability initiatives. In the fiscal year under review, the Group has made significant progress, especially in its efforts to address climate change issues. I would like to submit my third-party opinion based on the description of the Group's perspectives on sustainability and its initiatives in Sustainability Report 2024.

Climate Change Measures

In the area of climate change mitigation, the Group has advanced its target year for achieving net-zero emissions from 2050 to 2040, a decade earlier than the previous goal. This is significant progress. To achieve the CO₂ emission reduction target for investees and borrowers (Scope 3 Category 15) of net zero by fiscal 2050, the target for fiscal 2030 has been revised from a 40% reduction to a 50% reduction. This indicates the Group's active commitment to the reduction. It expanded the scope of disclosure compared to last year and disclosed the CO₂ emissions of T&D Asset Management in addition to Taiyo Life and Daido Life. The Group disclosed the CO₂ emissions related to the government bonds issued by Japanese and foreign governments, as well as stocks, bonds, and loans issued by companies listed in Japan. I continue to support steady efforts to reduce CO₂ emissions.

The financial sector plays a crucial role in the establishment of a decarbonized society in Japan. Transition finance, which provides a means of financing companies' efforts to reduce GHG emissions, is especially necessary for the gradual reduction of emissions in industries with high emissions. I believe that the Group has already been working on transition finance. I suggest that, as a responsible institutional investor, the Group consider developing and disclosing specific transition plans, investment and financing policies, and evaluation criteria.

Respect for Human Rights

The Group has also worked steadily in the field of human rights. It has included customers' rights to privacy in its checklist items, based on the T&D Insurance Group human rights risk map which the Group created in fiscal 2023. In addition, the Group's initiatives as an institutional investor have been described on the theme of respect for human rights. I noticed a change in the Group's awareness of human rights throughout the entire value chain.

In May of this year, the International Labour Organization (ILO) Office for Japan and Principles for Responsible Investment (PRI) collaborated to create "A Guide to 'Business and Human Rights' for Institutional Investors." Institutional investors are expected to help prevent or mitigate matters that may adversely impact human rights and to positively impact companies and society. In the future I expect that more specific information about human rights due diligence activities will be disclosed,

such as information about the scope of the activities and the number of items to be included, the expanded activities by using of the human rights risk map, and initiatives implemented by investees and borrowers regarding respect for human rights.

Human Capital Management

In the area of human resources, the employee engagement score, one of the non-financial KPIs, was interesting to see. An explanation of the survey methodology and targets would help us better understand the survey. I believe that the Group will develop effective human resource strategies. I would like to see more information on the connection between human resource strategies and management strategies.

Biodiversity

In the area of the environment, last year, the Group disclosed the results of a quantitative analysis of the impact of physical risks on underwriting profitability based on future projections. This year, in response to the growing importance of disclosing information regarding natural capital, the Group disclosed the results of a nature-related risk analysis that quantifies degree of dependence and impact by industry. I expect that the Group will make specific efforts based on the analysis of the survey and disclose information about these efforts.

This year's report contains more information provided by the Group as an institutional investor. I have gained a deeper understanding of the Group's specific ESG investment initiatives, particularly through the discussion of the personnel responsible for ESG investments. With over 960 billion yen invested in ESG investments, the Company's role as an institutional investor is significant. I am closely monitoring the Group's activities. I hope that as a leader in the Japanese insurance industry, you will expand your influence and enhance your initiatives to promote a more sustainable society.

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In 2011, after working for an SRI investment advisory company, Ai Aonuma began working in the area of social audits and labor environment improvement work. Later, she joined the sustainability department of a major apparel company, where she was in charge of sustainable supply chains. In 2018, she established KSI. Presently, she is engaged in social audits in Japan and overseas in various industries while also providing sustainability consulting. She also serves as a board member of WaterAid Japan.

