

Third-Party Opinion

It was extremely fascinating to read this report—which started with President Uehara’s powerful message concerning the Group’s efforts to resolve social issues through its business and *sow happiness in the world by creating shared value*—and covered the Group’s progress on various activities. I fully expect even more effective efforts by the Group and have provided my third-party opinion below.

1 Promoting SDGs management and creation of value

The Group’s Sustainability Advisory Committee was established in fiscal 2021. The Group receives expert proposals from and engages in dialogues with this committee, thereby demonstrating the Group’s actions and commitment, and the committee seems highly effective in terms of working towards *SDGs management and creation of value*, a goal set forth under the Group Long-Term Vision (Try & Discover 2025).

The specific proposals from these experts on *working towards decarbonization*, *the Sustainability Statement*, *ESG investment*, and *support for SMEs* are also addressed by follow-up topics, which shows that the Group takes proposals from the committee seriously and acts accordingly. Going forward, I expect the Group to make specific progress and further expand its information disclosure.

2 Initiatives on respect for human rights

This year, the Group published information on *identified human rights risks*, and, under its items for priority confirmation, it disclosed research results concerning *harassment* and *excessive working hours*.

In terms of the Group’s future initiatives, I expect the Group to delve deeper into its report that it has *confirmed that no serious human rights issues requiring correction have arisen in the Group’s business activities*, such as by describing the specific kinds of human rights due diligence the Group implements and disclosing the methods and specific results. Regarding *step 4: human rights risk mitigation measures and remedial measures*, I also expect the Group to make progress on specific actions to mitigate risks in particular.

In addition, the current trend is for people around the world to demand that the influence of human rights due diligence extend over the entire value chain, including business partners, customers, and investment and loan recipients. As a leader in Japan’s insurance industry, I expect the Group to expand the range of such activities, thereby increasing value.

3 Climate change measures

I feel like the Group has taken a major step forward by disclosing climate-related financial information based on the TCFD recommendations, publishing the future-prediction-based *results of quantitatively analyzing* the effects of *physical risks* on underwriting profitability, publishing information on the CO₂ emissions of investment and loan recipients, and disclosing the following information: *CO₂ emissions of 1.989 million tons as of the end of fiscal 2022 based on the investment and loan recipient portfolio* and achieving a *33.3% reduction compared to 2020*.

I suspect that the above is a result of the Group, which is an institutional investor, requesting that its investment and loan recipients *implement comprehensive information disclosure, including publishing emission reduction goals and a roadmap for achieving them*, in the interest of addressing climate change to achieve net zero emissions, while also engaging in constructive dialogues with such recipients.

Currently, the Group’s investment and loan recipients subject to disclosure consist of *stocks, bonds, and loans issued by Japanese listed companies and included in the assets owned by Taiyo Life or Daido Life*, but I feel like—if the Group starts disclosing information on a wider range of initiatives covering not only Japanese listed companies but also other investment and loan recipients throughout the Group’s portfolio as a whole—the Group will gain the deeper understanding of its stakeholders.

Starting at the end of March 2023, it became a requirement to disclose information on human capital, resulting in a need to promote human capital management. The subject of *Group Employee Dialogue*, which are actively being held in new areas, also came up in this report. The Group has established a goal of reaching a 30% ratio of female managers by 2030, but the Group is also tackling a wide range of other items, including human resource development, engagement, fluidity, diversity, health and safety, labor practices, compliance, and ethics. Thanks to the Group’s comprehensive medium- to long-term vision and goal setting, I expect it to achieve even more successful participation by wonderful human resources.

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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.

