Calculation Method for Scope 3 (Toray Group)

Category	Calculation Method
1. Purchased goods and services	Calculated by multiplying the volume of purchased products and services (physical or monetary data) by the emission factor for each item. (Used values from the Inventory Database for Environmental Analysis (IDEA), databases based on input-output tables, or those provided by suppliers.)
2. Capital goods	Calculated by multiplying the expenditure amount for purchased capital goods (amount of capital investment) by the emission factor used to calculate GHG throughout the supply chain. (See IDEA.)
3. Fuel and energy related activities	Fuel: Calculated by multiplying the amount of purchased fuel by the emission factor for the fuel type. (See IDEA.) Electricity: Calculated by multiplying the input data of electricity procured from power companies by the average emission factor of all power sources, which is based on the emission factor used to calculate GHG throughout the supply chain. (See IDEA.) Steam (heat): Calculated by multiplying the input data of procured heat by the emission factor used to calculate GHG throughout the supply chain. (See IDEA.)
4. Upstream transportation and distribution	Raw Materials: Emissions for transportation are calculated by multiplying weight and distance by emission factors for each type of transportation. (See Shippers' Guide to Energy Conservation Promotion, 7th Edition, Ministry of Economy, Trade and Industry.) Also, emission impacts from storage and loading/unloading are minimal and therefore not included. Products: Emissions for transportation are calculated by multiplying weight, distance, and loading rate by emission factors for each type of transportation, which is based on the emission factor used to calculate GHG throughout the supply chain. (See IDEA.) Also, emission impacts from loading/unloading are minimal and therefore not included.
5. Waste generated in operations	Calculated by multiplying the amount of waste for each type of waste by the emission factor applicable to type of waste, which is based on the emission factor used to calculate GHG throughout the supply chain. (See IDEA.)
6. Business travel	Calculated by multiplying the total number of employees by the emission factor, which is based on the emission factor used to calculate GHG throughout the supply chain. (See IDEA.)
7. Employee commuting	Calculated by multiplying the total number of employees and the average number of days of operation by the emission factor, which is based on the emission factor used to calculate GHG throughout the supply chain. (See IDEA.)
8. Upstream leased assets	Calculated by multiplying floor area of relevant building by the emission factor per unit of floor area, which is based on the emission factor used to calculate GHG throughout the supply chain. (See IDEA.)
9. Transportation and delivery (downstream)	Calculated by taking the emissions related to upstream transportation and distribution (Category 4) and factoring in the emission shares based on whether Toray or a third party is the shipper. Only emissions related to transportation and distribution up to the first sales destination are included in the calculation.
10. Processing of sold products	Toray Group primarily sells a wide variety of materials and substances as intermediate goods for various applications. It is difficult for the Group to ascertain how its materials and substances are processed into final products, making it impossible to reasonably estimate the corresponding emissions. Accordingly, this category has been excluded from the Group's emissions calculations.

Category	Calculation Method
11. Use of sold products	For products that generate emissions during the direct use stage, emissions are calculated by multiplying the sales volume in the reporting year by the product's estimated lifetime emissions (estimated using a standard scenario established by Toray Group for each product concerned). The main products that generate emissions during the direct use stage include manufacturing plants, equipment, devices, and machines provided by Toray Engineering Co., Ltd., as well as dialysis-related and blood purification devices from Toray Medical Co., Ltd.
12. End-of-life treatment of sold products	Calculated by multiplying the sales volume of products sold by Toray Group to third parties by the waste emission factors associated with each product.
13. Leased assets (downstream)	Calculated by multiplying the floor area of relevant buildings by the emission factor per unit of floor area, which is based on the emission factor used to calculate GHG throughout the supply chain. (See IDEA.)
14. Franchises	Considered to be zero, as the Toray Group does not have any franchises
15. Investments	Not calculated, due to low relevance to Toray Group

Note: The number of companies included in the calculations differs by category.