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Target Readers:

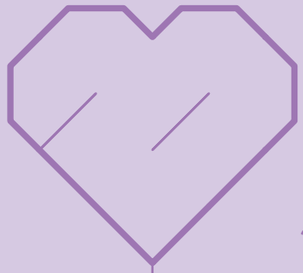
- ■ Employee / Labor Union
- ■ Business Partner (Supplier / Contractor)
- ■ Direct Customer
- ■ External Audit Agency
- ☐ Government
- ■ Shareholder / Investor / Financial Institution

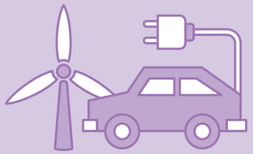
2022 Highlight

Green Product Revenues
NT$45.976 Billion
20% Growth

Developing **Energy and Carbon Reducing** PET Shrinkable Film and Nylon 56 Tire Cord Fabric

Recognition for Resource Recycling in the First Industry Review for Regulated Recyclable Waste Treatment





Polyester Applications in **EV** and **Green Energy** Industry Chains

Digital Applications
Building **VR Factoryscape Service Platform**

Technological Breakthrough
Nylon 66 Solution Dye Filament
Shipment Doubled

Ocean Recycled Anti-Bursting Jerseys
2022 FIFA World Cup Champion Team Uniform (See Special Report 1)

891 Patent Approvals

First in Taiwan with Ministry of Health and Welfare Approval to Produce rPET Food Container

Supplying rPET to Brand Customers in 2023 to Introduce the First Water Bottle in **Taiwan** Made of **100% rPET**
(See Special Report 1)

Supplying rPET to Brand Customers to Introduce the First **Soft Drink Bottles** in **Vietnam Made of 100% rPET**
(See Special Report 1)

FIGP **Largest Single Bid** in **Japanese History** for PET Bales
(See Special Report 1)

Target and Progress

	Introducing Innovative Production	Growth in Green Product Revenue	Obtaining Product Certifications	Improving Customer Satisfaction
2030 Target	Establishing a smart demonstration plant	**100% growth**	Meeting the latest international product standards with customer certification	Implementing **3** customer satisfaction initiatives yearly
2025 Target	Introducing **5** innovative production processes each year	**80% growth**	Meeting the latest international product standards with customer certification	Implementing **3** customer satisfaction initiatives yearly
2023 Target	Introducing **5** innovative production processes each year	**70% growth**	Meeting the latest international product standards with customer certification	Implementing **3** customer satisfaction initiatives yearly
2022 Target	Introducing **5** innovative production processes each year	**65% growth**	Meeting the latest international product standards with customer certification	Implementing **3** customer satisfaction initiatives yearly
2022 Progress	Completed. Please refer to 2.1 Instigating Production and Product Innovation.	Completed. **NT$ 45.976 billion**, **111% growth**	Completed. Please refer to 2.2 Developing Green Products, 2.3 Honing Product Management.	Completed. Host 2022 product showcase. Collaborate with customers on product development.
Action Plan	• Continue incorporating AI and Industry 4.0 applications. • Develop low-carbon production.	• Accelerate research and development of green products. • Expand production capacity. • Enhance sales to customers.	• Enhance production and provide quality products. • Align with international certification standards.	• Gain insights into customer needs through meetings and plant visits. • Respond to customer requests on a timely manner and conduct review and improvements based on customer feedbacks.

Note: Growth in Green Product is set with 2015 as the base year.

Material Topics

Instigate Production and Product Innovation

Significance and Purpose of Management for FENC

Innovation is the core value that has been guiding FENC. With tremendous R&D momentum, we develop forward-looking products and transition into smart production and product services, making sustainability a reality through innovation, and generating green opportunities with circular economy.

Management Approaches and Effectiveness Evaluation Mechanisms

- Establish R&D Center and continue to infuse resources into the research and development of innovative products and production.
- Generate business opportunities through differentiation, value-adding and advantage in green products.

Authority

- Production Units
- R&D Center

Develop Green Products

Significance and Purpose of Management for FENC

To respond to the risks and opportunities posed by climate change while helping brand customers fulfill their green commitments, a total green transformation has begun at FENC. The Company revolutionized the product lineups with climate-mitigating features as in the eco-friendly series to foster sustainable development.

Management Approaches and Effectiveness Evaluation Mechanisms

- Focus on recycle, replace and reduce as well as develop eco-friendly products.
- Obtain green product labels and certifications.

Authority

- Petrochemical Business
- Polyester Business
- Textile Business

Hone Product Management

Significance and Purpose of Management for FENC

FENC supplies to major international brands worldwide. With multiple production sites offering a wide spectrum of products, FENC satisfies customers with products of the highest quality.

Management Approaches and Effectiveness Evaluation Mechanisms

- Ensure product certification and compliance with international standards.
- Conduct life cycle assessments to understand potential environmental impacts posed by FENC products and mitigate such impacts through improvement measures.
- Establish a management mechanism governing materials and applicable issues to ensure full product compliance.

Authority

- Petrochemical Business
- Polyester Business
- Textile Business

Build Customer Rapport

Significance and Purpose of Management for FENC

We establish committed dialogues with customers to help them achieve sustainability goals, and maintain rapport by providing diverse and innovative products with quality and the best after-sales service, building the reputation as a corporation that fosters both revenues and sustainability.

Management Approaches and Effectiveness Evaluation Mechanisms

- Establish Regulations Governing Customer Relationship Management as the principle guiding customer relations.
- Participate in industry expos to showcase the latest products and document progress, including customer information gathered, orders received and new business developed.
- Managers of business units are to monitor the interaction between sales and customers and conduct customer satisfaction surveys to maintain customer orders.

Authority

- Petrochemical Business
- Polyester Business
- Textile Business

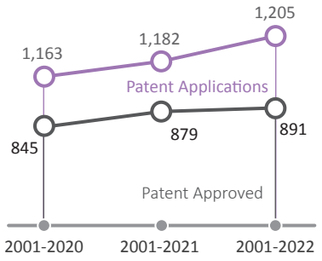
2.1 Instigating Production and Product Innovation

FENC is driven by the urge to develop next-generation sustainable materials, integrating and focusing internal R&D resources on green and highly functional products. The Company hones its digital competitive edge by incorporating AI into production and management and building smart platforms, solidifying its status as the leader in the global polyester industry.

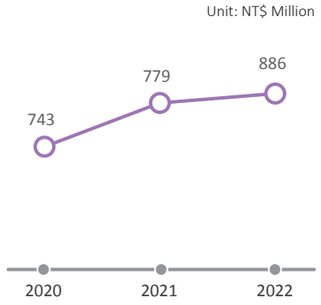
Diverse Innovative Momentum

1. Dedicated R&D units: Far Eastern Group R&D Center (R&D Center) in Taiwan and Sharon Center in the U.S. are dedicated to product research and development. Synergizing their resources and expertise, the two entities focus on the development of highly specialized products as well as the advancement and applications of recycling technologies. Product categories span high-functional polyester, environmental protection and recycling, health and medical services, automotive materials as well as functional apparels. R&D Center, being the largest research center in Taiwan for polyester materials, has been an endless source of innovations for FENC.
2. Product development departments within each business unit: With a diverse product lineup, FENC established product development departments under each business unit to accelerate customer engagement and product launch. The Company also founded Innovation Direct to Market (IDM) and a cross-industry technological platform to align with the R&D resources from brand customers and fast-track the commercialization of innovative products.

◉ Performance in R&D and Innovation



◉ Funds for R&D and Innovation



Note:
1. R&D Center was founded in 2001.
2. FENC acquired Sharon Center in the U.S. in 2018, and the transfer of patent ownership has been ongoing. Sharon Center received approval on 559 patents. As of the end of December 2022, ownership for 483 of them has been transferred.

Nylon 66 Solution Dye Filament, a Technological Breakthrough Doubling Product Shipment

During the production of Nylon 66 Solution Dye Filament, the conventional dyeing process, which requires water, is replaced by adding color masterbatches during spinning. This water- and energy-efficient breakthrough echoes the environmental trend by reducing the consumption of dyes and chemicals, thus minimizing pollution. Compared with the more matured dope-dyed technology, color options for the masterbatches of nylon 66 filament are limited. Technological thresholds for this product are also higher than those for polyester filaments. Additional challenges for the production include a higher purity in terms of raw materials and highly detailed color specifications from brand customers. The slightest defects may affect production efficiency and tarnish product quality.

FEFC works with prominent international material manufacturers on the development of color masterbatches for nylon 66 filament with specifications that match the color, intensity and shade required by customers. The plant pushed through production bottlenecks with exceptional spinning technology. While meeting customers' quality standards, the plant has acquired the technological know-how for mass production during the process. Shipment for this product doubled in 2022.

Accelerating Digital Transformation

To facilitate industry transformation and evolution, FENC is weaving a comprehensive net of AI technology to cover all aspects of its operation and improve production and management efficiency. Smart applications incorporated include robotics, automated production, integrated perception smart system and cloud applications for the big data platform. Completed projects include a product quality forecast model, smart electricity management system, intelligence management bulletin board, VR training and cloud coordination operation. FENC is also developing additional forward-looking technologies such as data visualization, big data analysis platform as well as IIoT edge computing.

Additionally, to enhance employee awareness and digital transformation skills, the Company optimized the existing information management platforms in 2022 with additional applications and functions. Microsoft's SharePoint, for instance, offers information search and sharing among employees with more speed and precision. The collaborative editing function is added to boost efficiency. A digital transformation portal is also added to the information management platform for employees to share the latest updates and collaborate on promoting digital transformation.

VR Factoryscape Service Platform at Hsinpu Chemical Fiber Plant

Hsinpu Chemical Fiber Plant constructed the VR factoryscape service platform in 2022. The platform contains images filmed throughout the plant premise, including the factory exterior, equipment, conduits, roads and workstations. The images were enhanced through calibration and removal of background noises and uploaded to the digital platform to be integrated into the various functions and components of the platform. The platform helps new recruits familiarize themselves with the plant environment and equipment. It also reinforces their skills and safety awareness, which reduces occupational hazards. The visualization element is a great tool for providing instructions and demonstrations, which is useful for facilitating efficient and effective communication during meetings. The platform is also integrated with other digital applications, such as the virtual bulletin board, which displays the current inventory status of raw materials and helps decision-making during production scheduling and material procurement. Another application involves the integration with the surveillance system, which monitors plant-wide conditions in real time, optimizing the efficiency of digital operation and management.

2.2 Developing Green Products

To embrace the risks and opportunities brought by climate change and help global brands fulfill their green commitments, FENC has focused its core strengths on green innovations and initiated a full-fledged green transformation. The Company is cultivating green competitiveness with 3R – recycle, replace and reduce as product strategies, developing eco-friendly products while safeguarding environmental sustainability.

Climate Mitigation Series

Product development focuses on the mitigation of climate change with replace, recycle and reduce at its core.

1. Replace fossil fuels: FENC devotes long-term research and development efforts to biomass as a replacement for fossil fuels to minimize their environmental impacts. Products that are most representative of the fruit of this effort are bio PET, which is made of biomass materials, and FENC®TOPGREEN®Bio3 PET Filament, which is made of recycled waste gas.
2. Recycle waste materials: FENC leads the global rPET industry with multiple innovations, including rPET resins made of recycled PET bottles. While rPET itself is value-adding, the production process reduces GHG emissions by 63% compared with that of virgin PET. Applications of rPET are wide-ranging, including food and non-food packaging, functional apparels, footwear and automotive materials as well as household goods. In recent years, the Company went on to develop textile recycling and chemical recycling technologies for polyester to expand the materials that can be recycled.
3. Reduce energy and resource consumption: FENC improves the energy and resource efficiency of the entire value chain. The Company reduces energy consumption during production, processing, delivery and usage to minimize GHG emissions associated with its products, which range from fast reheat PET resin, light-weight PET preform, refillable resin and dope-dyed filament.

Developing Nylon 56 Tire Cord Fabric with Innovative Green Materials

Tire cords are an integral part of a tire and account for over 30% of its production costs. Their quality has a direct effect on the tire performance. With the demand for green materials rising among global tire manufacturers, OTIZ has also been focusing on developing green materials. Its innovation, nylon 56, is made of fermented bio-materials. As a replacement for nylon 66 for the tire cord fabric, OTIZ is alleviating the world from its reliance on fossil fuels. As a replacement for nylon 66, nylon 56 further reduces the world's reliance on fossil fuels. Nylon 56 has higher moisture regain, environmental sensitivity and thickening rate compared with nylon 66, making it difficult to stabilize the spinning process. Without any prior examples as guidance, OTIZ collaborated with R&D Center for the material testing. By applying its technological know-how and calibrating production parameters, OTIZ was able to identify the most ideal manufacturing conditions to deliver nylon 56 with consistent quality that exceeds customer demands. The production process costs less and emits 30% less GHG emissions than that of nylon 66, making nylon 56 an environmentally sustainable material.

Energy and Carbon Reducing PET Shrinkable Film

The production of conventional PVC shrinkable film has lower thresholds for glass transition temperature and equipment requirements. The unique shrinkability and flexible processing options also make replacing PVC outright very difficult. However, environmental awareness is on the rise. In light of the harmful environmental and health effects caused by PVC, the international community is tightening restrictions on the use of this material for packaging.

By capitalizing on its research on differences in material qualities, the vertically integrated industry chain as well as the repolymerization and shrinkable film production technologies, FENC has created such replacement – PET shrinkable film. The Company overcame several obstacles during production. It is challenging to cool and transport high-temperature plastic materials and to maintain a consistent process during which melted high-temperature PET materials must be cooled and stabilized to be pressed and extended into shrinkable films. The PET shrinkable film is highly shrinkable under low temperatures with good aging resistance, making it an ideal substitute for PVC shrinkable film. The product has been certified by the Association of Plastic Recyclers, and sales and revenues from this product grew exponentially in 2022. A larger market share means that more PVC films will be replaced and that FENC is making significant contribution to environmental sustainability.

Eco-Friendly Series

FENC has developed an impressive lineup of eco-friendly products. By using organic raw materials as well as toxin-free auxiliary materials, catalysts and additives, the Company aims to reduce pollutants derived from production and minimize negative environmental impacts. Featured products in this series include TOPGREEN®Sb free PET, FENC®TopClean and PFC Free Nylon 66 Filament.

Green Product Revenues

FENC's green products generated NT$46 billion in revenues in 2022, a 20% jump from the previous year and a record high. The progress fueled growth momentum for the Company.

Green Product Revenues

Unit: NT$ Million

Green Products

Green Product Certification

- Global Recycled Standard (GRS) Version 4.0
- SCS Recycled Content Certification Version 7.0
- Recycled Claim Standard (RCS) Version 2.0
- The Association of Plastic Recyclers (APR)
- Carbon Footprint of Products ISO 14067:2018 Based on Life Cycle Assessment ISO 14060:2006 ISO 14044:2006
- Water Footprint of Products ISO 14046:2014 Based on Life Cycle Assessment ISO 14060:2006 ISO 14044:2006
- Taiwan Green Mark
- bluesign® Standard
- OEKO-TEX® Standard 100 Tested for Harmful Substances
- Registration, Evaluation, Authorization and restriction of Chemicals (REACH)
- Global Organic Textile Standard (GOTS-NL) Version 6.0
- Organic Content Standard (OCS) Version 3.0

Green Initiatives

We are seeking a balanced approach in economic and environmental development with active participation in green initiatives. By engaging in conferences and forums, we communicate with our customers, building consensus in the development goals for the future. The following is a list of the green initiatives that the Company has taken part in:

- Taiwan Circular Economy 100 (TCE100)
- Packaging Recycling Organization Vietnam (PRO-Vietnam)
- The National Association for PET Container Resources (NAPCOR)
- The Association of Plastic Recyclers (APR)
- Zero Discharge of Hazardous Chemicals (ZDHC)
- Textile Exchange (TE)

Resource Recycling Label for OGM During the First Regulated Recyclable Waste Industry Review

On November 16, 2022, the Environmental Protection Administration (EPA) held an award ceremony to honor excellence in resource recycling. This is the first review EPA conducted over the recyclable waste treatment industry targeting regulated waste. The review covers the entire waste treatment sector and qualified recycling businesses. Exemplary practices were recognized during the ceremony as a model of best practice for the industry.

With over three decades of waste treatment experience, OGM has a notable track record in developing the circular economy. The plant has obtained multiple certifications, among which are ISO 9001/14001/45001, Global Recycle Standard (GRS), Halal certification as well as international certifications from Coca-Cola, Pepsi and Suntory. OGM has also completed ISO 14064 for quantifying and reporting GHG emissions. Such exceptional performance in resource recycling was recognized by the EPA.

OGM also recycles and reuses the waste generated on site and invested NT$180 million in the construction of heat recovery boilers. Once completed, thermal energy generated from burning waste such as used labels and organic sludge will be captured to replace that generated from natural gas. Operation of the heat recovery boilers is scheduled to begin in 2023, turning waste into energy and reducing approximately NT$5 million in monthly waste treatment fees.

2.3 Honing Product Management

FENC has a diverse product structure that caters to leading international brands in the food, household goods, apparel and automobile industries. With worldwide market distribution, FENC must supply quality and competitive products that are tailored to customers' high standards while complying with local regulations. FENC believes there is always room for improvement, never ceasing to optimize production and product quality and seeking to strengthen product management by integrating digital technology.

Conducting Life Cycle Assessment with PEF

The Product Environmental Footprint (PEF), which is introduced by the European Union, is a quantitative assessment of the environmental impacts from a product throughout the entire life cycle stages. PEF is consistent with the principles of the ISO 14040 and 14044 life cycle assessment. In 2022, Plant 2 of OPTC collaborated with the Green Energy and Environment Research Laboratories of the Industrial Technology Research Institute (ITRI) on quantifying the environmental impacts of PTA products, including depletion of water resources and fossil fuels, carbon footprints and particulate matter/respiratory Inorganics. The results serve as the basis for formulating strategies to mitigate PTA-related environmental impacts, such as using reclaimed water for domestic consumption to reduce impacts from depletion of water resources. The study also evaluates the installation of reverse osmosis devices at the cooling tower and reduction of natural gas consumption through energy-conserving measures; explores the feasibility of hydrogen fuel production and applications; examines the control and optimization of operational parameters for AI in the reactor to reduce energy consumption during production.

Life Cycle Assessment

To comprehend the degree of potential environmental impacts caused by raw materials, FENC conducts life cycle assessments in accordance with the ISO 14040 and 14044 standards or Product Environmental Footprint (PEF), quantifying environmental impacts caused by raw materials, energy, resources and GHG emissions during the product life cycle with systematic approaches. Among FENC products covered in the life cycle assessment, the boundary for PTA, polyester filament, recycled polyester filament, bio PET filament, dope dyed filament and polyester tire cord fabric is cradle-to-gate, including processes such as raw material acquisition and production. The boundary for PET and rPET is extended to delivery. The assessment covers processes from raw material acquisition through the end of delivery. The result indicates lower environmental impacts from rPET and rPET filament, which are made of recycled PET bottles, in comparison with petroleum-based virgin PET.

In the future, the Company will gradually expand the product life cycle assessment process to more products and broaden the boundaries. A clear assessment of the scale and significance of potential environmental impacts from FENC products will help the Company tackle these impacts from product management, R&D and design.

Life Cycle Assessment

Business	Product	Boundary
Petrochemical Business	PTA	Raw material acquisition, manufacturing
Polyester Business	Solid state polymer: PET, rPET	Raw material acquisition, manufacturing, distribution
	Fiber: polyester filament, recycled PET filament, bio PET filament, dope dyed filament	Raw material acquisition, manufacturing
Textile Business	Industrial fiber: polyester tire cord fabric	Raw material acquisition, manufacturing

Product Quality and Safety Certification

- **ISO 9001** Quality Management System
- **IATF 16949** Automotive Quality Management Systems
- **Halal Certification**
- **ISO 22000** Food Safety Management System
- **HACCP** Hazard Analysis and Critical Control Points
- **FSSC 22000** Food Safety System Certification

Concerned Substance and Issue Management

1. Products, raw materials and production processes at FENC do not involve (not applicable) genetic engineering, nanotechnology, stem cell research, conflict minerals, animal testing or endangered species.
2. Safety Data Sheet (SDS) is provided for all FENC products in compliance with regulatory requirements, and managed and updated by designated personnel. Hazard assessment is conducted through the requirements listed on SDS, which cover risk identification, implement, required documentation, information provision and communication. The assessment ensures the safety of product usage, storage, delivery and disposal.
3. None of the products produced by Polyester and Textile Businesses are under hazard categories 1 and 2 of Globally Harmonized System of Classification and Labeling of Chemicals (GHS). PTA, a product under Petrochemical Business, is classified under health hazard category 2 (serious damage / Category 2B of eye irritation: the effects are fully reversible within 7 days of observation; Category 2 for reproductive toxicity: suspected human reproductive toxicant.)
4. During the reporting period, there were no incidences or disputes involving inappropriate usage, storage, transport or waste disposal regarding Company products.

FIGP Joining the Traceability and Visualization Project for Plastic Bottle Recycling Chain

Asahi Kasei, a Japanese chemical company, developed the BLUE Plastics project, which is a data visualization platform for the plastic recycling chain. By leveraging blockchain technology, the project prevents falsification and ensures the traceability of data collected from the recycling chain. Being the largest rPET supplier in Japan and already equipped with remarkable product traceability and recycling capabilities, FIGP has been chosen by Asahi Kasei as the partner to recycle and turn PET bottles into rPET.

The demonstration trial was conducted between September and November 2022 at FamilyMart stores in Katsushika City of Tokyo, Japan. After consumers deposit cleaned waste PET bottles into the recycling bin at the convenience stores, they can scan the QR codes from the bin with smartphones to document the quantity of bottles, trace at which recycling stages the recycled bottles are and carbon emissions they help avoid. The project boosts consumers' desire to recycle and forms a more robust product traceability system.

Presentation on Total Quality Assurance System Implementation at Hsinpu Chemical Fiber Plant

Hsinpu Chemical Fiber Plant held the presentation on Total Quality Assurance System Implementation on September 14, 2022. The event featured quality improvement projects that had been implemented to help participants understand best practices in total quality assurance and develop analytical thinking as well as problem-solving skills. Recognitions were given to outstanding projects.

The presentation covers four categories - Continuous Process Improvement, Digital SOP Application, Quality Data Visualization and Creative Quality Slogan. Among the 205 entries, 180 are submitted under the Creative Quality Slogan category and High Distinction Awards and Excellence Awards were presented. A total of twenty-five entries were submitted under the remaining three categories. Three Excellence Awards and three Honorable Mentions were presented. Winning entries include projects for equipment inspection and maintenance; digitization of equipment replacement SOP; reduction of packaging and waste treatment fees.

The event enhanced the awareness of and skills in quality management among employees and gave them the opportunity to learn from one another. Participating teams also demonstrated their ability to improve quality performance through digital management. Future presentations will be expanded to facilitate exchanges among FENC sites worldwide to maximize the synergistic effect of these exemplary projects.

2.4 Building Customer Rapport

FENC is a multinational conglomerate that spans the petrochemical, polyester and textile industries with a vertically-integrated production and sales framework that allows it to adapt to market changes swiftly. Such agility is reflected in FENC's R&D strategies and powered by multitudes of customer engagement channels, including physical and virtual meetings, correspondence, product launch meetings and corporate visits. FENC is also a regular invitee to vendor's meetings held by major international brands, during which FENC assesses customer needs and strengthens partnerships.

For a clear assessment of customer satisfaction towards its products and services, FENC conducts one to two customer satisfaction surveys yearly. The survey mechanism is designed and implemented by the production and sales departments. All customer feedbacks are examined during internal review meetings with follow-ups on improvements.

FENC's Customer Relations

1 Identify Customers
- Formulate sales strategy
- Observe industry condition
- Increase product visibility

2 Sell Products
- Share industry trends
- Offer product innovation
- Establish long-term relationship

3 Provide After Sales Service
- Administer satisfaction survey
- Deliver customize service
- Optimize product value

Compliance with Customer Requirements

We have signed agreements with brand customers, and abide by the ethical, safety and procurement rules set forth while aspiring for further self-improvement.

- Ethics provisions from brand customers and SEDEX Members Ethical Trade Audits (SMETA)
- Fair Trade Certified USA (FTC USA)
- Social & Labor Convergence Program (SLCP)
- Safety compliance standards of brand customers
- Green supply chain management

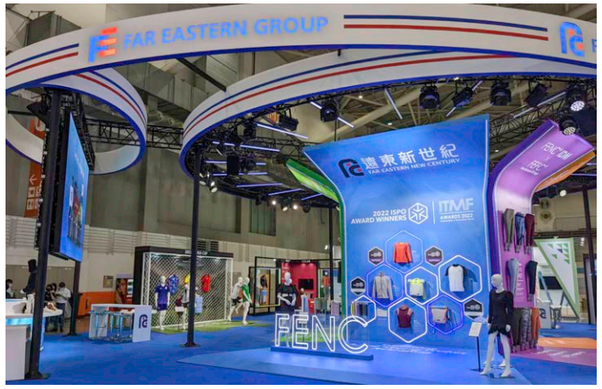
Content

Introducing FENC's One-Stop Green Solution at TITAS 2022

The 2022 Taipei Innovative Textile Application Show (TITAS) was held between October 12 and 14 in Taipei Nangang Exhibition Center with a total of 367 suppliers from ten countries in attendance, drawing approximately 33,000 buyers to the event.

FENC is joining the global march towards net zero emissions. With sustainability and carbon reduction as the main themes for 2022, the exhibition floor was divided into six subareas – Spun Yarn, Filament, ISPO Award, IDM x FEFC, Knitting & Dyeing as well as Research & Development. FENC took the opportunity to present to the world its vertically integrated industry chain and green innovations. Among them is a breakthrough in textile recycling, FENC®TOPGREEN®rTEX Filament, which involves a technology that creates natural-looking mélange fabric without the dyeing process. FENC also featured 100% recycled spun yarn converted from 100% polyester and 100% cotton, which was accomplished through mechanical recycling and without any chemicals.

During the event, FENC also debuted the first ever ocean recycled anti-bursting jersey to the world. Made of recycled PET bottles from the ocean, the jersey was chosen as the uniform by multiple national teams during the 2022 FIFA World Cup. Also featured were FENC's green solutions to air pollution, including yarns made of recycled waste gas. The product, paired with FEFC's nylon 66 dope dyed technology, has won multiple international awards.



Chartering Polyester Frontiers into EV and Green Energy Chains

The electric vehicle (EV) industry is gaining growth momentum and OTIZ has been partnering with Autoliv, a major Swedish auto safety system manufacturer, in the development of polyester yarns for airbags, which is now part of the Tesla supply chain. The product is used in the airbags of Tesla's Model Y series, helping the U.S. EV maker reduce carbon emissions through weight reduction. This lightweight polyester yarn is the fruit of repeated communications and testing. It helps extend the vehicle's mileage performance. It also lays the groundwork for future EV applications. Meanwhile, FEIS collaborates with Gurit, a global supplier for advanced composite materials, to develop PET foam boards installed on the blades of wind turbines. Replacing PVC with recyclable PET is an environmental move that also enhances the physical property of this wind power application. Product shipments continue to increase. FENC has formed alliances with customers in the EV and green energy industries. As the Company marches towards the net zero vision, it will continue to expand polyester applications with quality green products and forge the polyester industry into an integral link of the green industry chain.