FYI Resources Ltd.

Aluminum   Australia   ASX:FYI

ESG Risk Rating

21.4

Updated Sep 7, 2022

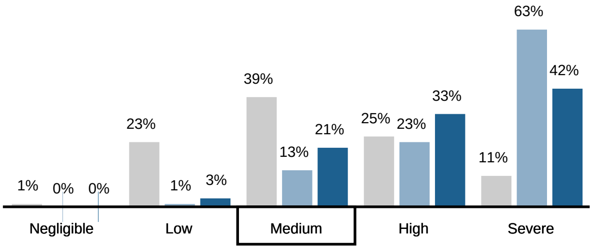
-2.4

Momentum

Medium Risk

NEGL	LOW	MED	HIGH	SEVERE
0-10	10-20	20-30	30-40	40+

ESG Risk Rating Distribution



ESG Risk Rating Ranking

UNIVERSE	RANK (1st = lowest risk)	PERCENTILE (1st = lowest risk)
Global Universe	**4282**/14618	**30th**
Diversified Metals INDUSTRY	**5**/172	**3rd**
Aluminum SUBINDUSTRY	**4**/33	**10th**

Peers Table

Peers (Market cap $0.0 - $0.2bn)	Exposure	Management	ESG Risk Rating
1. FYI Resources Ltd.	42.0 Medium	52.9 Strong	**21.4 Medium**
2. Alro SA Slatina	53.4 Medium	49.4 Average	**29.4 Medium**
3. Alumil Rom Industry SA	54.5 Medium	29.0 Average	**40.1 Severe**
4. ProfilGruppen AB	62.4 High	29.8 Average	**45.5 Severe**
5. Midas Holdings Ltd.	60.0 High	9.9 Weak	**54.5 Severe**

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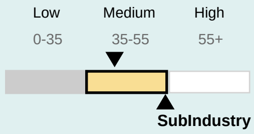
ESG Risk Analysis

Exposure refers to the extent to which a company is exposed to different material ESG Issues. The exposure score takes into consideration subindustry and company-specific factors such as its business model.

ESG Risk Exposure

42.0
Medium
Beta = 0.76

-7.7
Momentum



FYI Resources has designed and constructed a pilot plant, but it has not reached the development or production stage. Therefore, its exposure to issues like occupational health and safety and emissions, effluents and waste is lower than peers in the aluminium industry. Additionally, the company’s technology produces alumina using 40% less energy than the traditional Bayer process and emits half the amount of GHG emissions, further reducing its exposure to carbon emissions from its own operations. Conversely, companies that supply materials used in electric vehicles are increasingly scrutinized for the environmental and social impacts associated with operations. Furthermore, FYI Resources will have to develop mines to supply its plant; proposals for new mines often generate significant community scrutiny, particularly when mines and communities share limited resources, such as water.

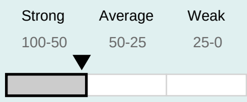
The company's overall exposure is medium and is moderately below subindustry average. Emissions, Effluents and Waste, Community Relations and Occupational Health and Safety are notable material ESG issues.

Management refers to how well a company is managing its relevant ESG issues. The management score assesses the robustness of a company's ESG programs, practices, and policies.

ESG Risk Management

52.9
Strong

-3.5
Momentum



FYI Resources’ overall ESG-related disclosure is not aligned with best practice, such as GRI reporting standards. Its disclosure on the management of future greenhouse gas emissions is relatively weak, limiting peer comparison and benchmarking of its carbon emissions. On the other hand, the company discloses that it is taking steps to improve this and its disclosure on other ESG issues that are material to its business model are stronger. The company has also improved its governance of sustainability issues, with a newly established ESG committee that reports to the board. The company has strong policies on some key ESG issues, such as bribery and corruption, Indigenous rights and the environment, and a strong closure plan in place. However, there is no evidence of strategic community development initiatives.

The company's overall management of material ESG issues is strong.

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Material ESG Issues

These are the Material ESG Issues driving the ESG Risk Rating.

Issue Name	ESG Risk Exposure Score | Category	ESG Risk Management Score | Category	ESG Risk Rating Score | Category	Contribution to ESG Risk Rating
Corporate Governance	9.0 High	49.7 Average	**4.5 Medium**	21.2%
Community Relations	6.0 Medium	48.9 Average	**3.4 Low**	15.7%
Carbon -Own Operations	3.2 Low	16.9 Weak	**2.7 Low**	12.8%
Emissions, Effluents and Waste	3.3 Low	45.6 Average	**1.9 Negligible**	9.1%
Business Ethics	3.0 Low	40.0 Average	**1.9 Negligible**	8.7%
Bribery and Corruption	5.0 Medium	68.8 Strong	**1.7 Negligible**	8.1%
Human Capital	2.5 Low	37.5 Average	**1.6 Negligible**	7.5%
Resource Use	2.2 Low	34.2 Average	**1.6 Negligible**	7.5%
Occupational Health and Safety	4.8 Medium	80.0 Strong	**1.3 Negligible**	6.3%
Land Use and Biodiversity	3.0 Low	78.3 Strong	**0.7 Negligible**	3.1%
Overall	**42.0 Medium**	**52.9 Strong**	**21.4 Medium**	**100.0%**

Events Overview

Identify events that may negatively impact stakeholders, the environment, or the company's operations.

Category (Events)

Severe (0)

High (0)

Significant (0)

Moderate (0)

Low (0)

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Events Overview

Identify events that may negatively impact stakeholders, the environment, or the company's operations.

Category (Events)

None (16)

Accounting and Taxation	Anti-Competitive Practices
Bribery and Corruption	Business Ethics
Community Relations	Emissions, Effluents and Waste
Employees - Human Rights	Energy Use and GHG Emissions
Intellectual Property	Labour Relations
Land Use and Biodiversity	Lobbying and Public Policy
Occupational Health and Safety	Sanctions
Society - Human Rights	Water Use

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Risk Decomposition

Exposure

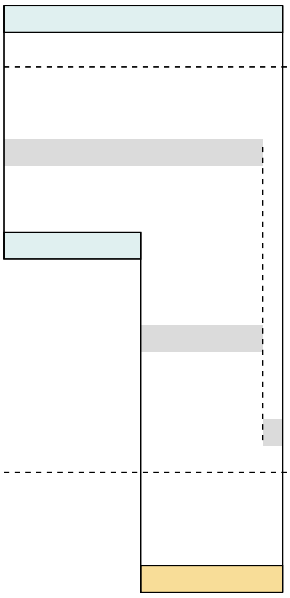
Company Exposure	42.0	The company's sensitivity or vulnerability to ESG risks.

Management

Manageable Risk	38.9	Material ESG risk that can be influenced and managed through suitable policies, programmes and initiatives.
Managed Risk	20.6	Material ESG risk that has been managed by a company through suitable policies, programmes or initiatives.
Management Gap	18.4	Measures the difference between material ESG risk that could be managed by the company and what the company is managing.
Unmanageable Risk	3.0	Material ESG risk inherent in the products or services of a company and/or the nature of a company's business, which cannot be managed by the company.

ESG Risk Rating

Overall Unmanaged Risk	21.4	Material ESG risk that has not been managed by a company, and includes two types of risk: unmanageable risk, as well as risks that could be managed by a company through suitable initiatives but which may not yet be managed.

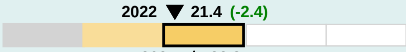


Momentum Details

Risk Rating Momentum -2.4

Negligible	Low	Medium	High	Severe
0-10	10-20	20-30	30-40	40+

2022 ▼ 21.4 (-2.4)



2021 ▲ 23.8

Exposure Momentum -7.7

Low	Medium	High
0-35	35-55	55+

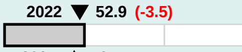
2022 ▼ 42.0 (-7.7)

2021 ▲ 49.6

Management Momentum -3.5

Strong	Average	Weak
100-50	50-25	25-0

2022 ▼ 52.9 (-3.5)



2021 ▲ 56.4

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GLOSSARY OF TERMS

Beta (Beta, β)
A factor that assesses the degree to which a company's exposure deviates from its subindustry's exposure on a material ESG issue. It is used to derive a company-specific issue exposure score for a material ESG issue. It ranges from 0 to 10, with 0 indicating no exposure, 1 indicating the subindustry average, and 10 indicating exposure that is ten times the subindustry average.

Corporate Governance Pillar
A pillar provides a signal about a company's management of a specific Corporate Governance issue.

ESG Risk Category
Companies' ESG Risk Rating scores are assigned to five ESG risk categories in the ESG Risk Rating:

- **Negligible risk**: enterprise value is considered to have a negligible risk of material financial impacts driven by ESG factors
- **Low risk**: enterprise value is considered to have a low risk of material financial impacts driven by ESG factors
- **Medium risk**: enterprise value is considered to have a medium risk of material financial impacts driven by ESG factors
- **High risk**: enterprise value is considered to have a high risk of material financial impacts driven by ESG factors
- **Severe risk**: enterprise value is considered to have a severe risk of material financial impacts driven by ESG factors

Note that because ESG risks materialize at an unknown time in the future and depend on a variety of unpredictable conditions, no predictions on financial or share price impacts, or on the time horizon of such impacts, are intended or implied by these risk categories.

ESG Risk Rating Score (Unmanaged Risk Score)
The company's final score in the ESG Risk Rating; it applies the concept of risk decomposition to derive the level of unmanaged risk for a company.

Event Category
Sustainalytics categorizes events that have resulted in negative ESG impacts into five event categories: Category 1 (low impact); Category 2 (moderate impact); Category 3 (significant impact); Category 4 (high impact); and Category 5 (severe impact).

Event Indicator
An indicator that provides a signal about a potential failure of management through involvement in controversies.

Excess Exposure
The difference between the company's exposure and its subindustry exposure.

Exposure
A company or subindustry's sensitivity or vulnerability to ESG risks.

Idiosyncratic Issue
An issue that was not deemed material at the subindustry level during the consultation process but becomes a material ESG issue for a company based on the occurrence of a Category 4 or 5 event.

Manageable Risk
Material ESG risk that can be influenced and managed through suitable policies, programmes and initiatives.

Managed Risk
Material ESG Risk that has been managed by a company through suitable policies, programmes and initiatives.

Management
A company's handling of ESG risks.

Management Gap
Refers to the difference between what a company has managed and what a company could possibly manage. It indicates how far the company's performance is from best practice.

Management Indicator
An indicator that provides a signal about a company's management of an ESG issue through policies, programmes or quantitative performance.

Material ESG Issue
A core building block of the ESG Risk Rating. An ESG issue is considered to be material within the rating if it is likely to have a significant effect on the enterprise value of a typical company within a given subindustry.

Subindustry
Subindustries are defined as part of Sustainalytics' own classification system.

Unmanageable Risk
Material ESG Risk inherent from the intrinsic nature of the products or services of a company and/or the nature of a company's business, which cannot be managed by the company if the company continues to offer the same type of products or services and remains in the same line of business.

Unmanaged Risk
Material ESG risk that has not been managed by a company, and includes two types of risk: unmanageable risk, as well as risks that could be managed by a company through suitable initiatives, but which may not yet be managed (management gap).

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DISCLAIMER