

## FYI Resources Ltd.

Aluminum Australia ASX:FYI

## ESG Risk Rating

**23.8**

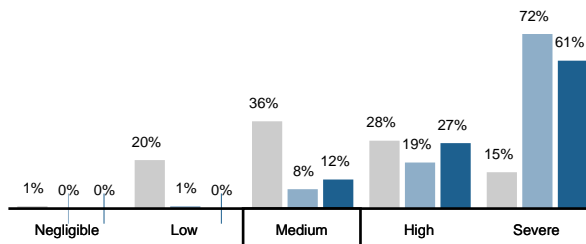
Updated Jun 24, 2021

**Not available**

Momentum

**Medium Risk**

## ESG Risk Rating Distribution



## ESG Risk Rating Ranking

UNIVERSE	RANK (1 <sup>st</sup> = lowest risk)	PERCENTILE (1 <sup>st</sup> = lowest risk)
Global Universe	4827/14143	35th
Diversified Metals INDUSTRY	4/156	3rd
Aluminum SUBINDUSTRY	2/33	4th

## Peers Table

Peers (Market cap \$0.0 - \$0.0bn)

Peers (Market cap \$0.0 - \$0.0bn)	Exposure	Management	ESG Risk Rating
1. FYI Resources Ltd.	49.6 Medium	56.4 Strong	<b>23.8 Medium</b>
2. En+ Group International PJSC	68.9 High	48.5 Average	<b>38.5 High</b>
3. JW Aluminum Continuous Cast Co.	61.0 High	10.9 Weak	<b>55.0 Severe</b>
4. Groupe Ecore Holding SAS	61.0 High	9.1 Weak	<b>55.9 Severe</b>
5. PT Indonesia Asahan Aluminium (Persero)	75.6 High	19.9 Weak	<b>61.9 Severe</b>

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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

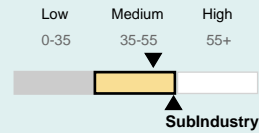
**49.6**

Not available

**Medium**

Momentum

Beta = 0.90



As of FY2020, FYI designed and constructed one purpose-built pilot plant to replicate its HPA process. Aluminium plants present dangers associated with exposure to heavy machinery, heat, noise and chemicals. Fatalities can result in operational inefficiencies, as operations tend to shut down temporarily to allow for investigations. Although FYI is developing an innovative process for producing high quality HPA from kaolin as an alternative aluminum refining, it may face financial and operational risks associated with air and noise pollution and also effluent and discharges. Furthermore, to extract kaolin for its HPA production in Western Australia, FYI will have to develop mines, which generates significant community scrutiny. Mines located near Aboriginal or indigenous communities face the added challenge of working with stakeholders who have a unique, spiritual connection to the land.

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.

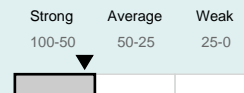
### ESG Risk Management

**56.4**

Not available

**Strong**

Momentum



FYI's overall ESG-related disclosure is weak and not in accordance with GRI reporting standards, signalling inadequate accountability to investors and the public. The company has a board committee overseeing governance issues, but not environmental and social ones, suggesting that these are not integrated in core business strategy.

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	ESG Risk Management	ESG Risk Rating	Contribution to ESG Risk Rating
	Score   Category	Score   Category	Score   Category	
Corporate Governance	9.0 High	46.9 Average	<b>4.8 Medium</b>	20.1%
Human Capital	5.0 Medium	37.5 Average	<b>3.2 Low</b>	13.5%
Emissions, Effluents and Waste	4.8 Medium	46.7 Average	<b>2.8 Low</b>	11.7%
Community Relations	5.0 Medium	51.9 Strong	<b>2.7 Low</b>	11.2%
Resource Use	4.0 Medium	42.4 Average	<b>2.6 Low</b>	11.1%
Occupational Health and Safety	8.0 High	80.0 Strong	<b>2.2 Low</b>	9.4%
Carbon -Own Operations	2.8 Low	36.3 Average	<b>2.0 Negligible</b>	8.4%
Bribery and Corruption	5.0 Medium	73.8 Strong	<b>1.5 Negligible</b>	6.3%
Business Ethics	3.0 Low	60.0 Strong	<b>1.3 Negligible</b>	5.4%
Land Use and Biodiversity	3.0 Low	78.3 Strong	<b>0.7 Negligible</b>	2.7%
<b>Overall</b>	<b>49.6 Medium</b>	<b>56.4 Strong</b>	<b>23.8 Medium</b>	<b>100.0%</b>

## 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

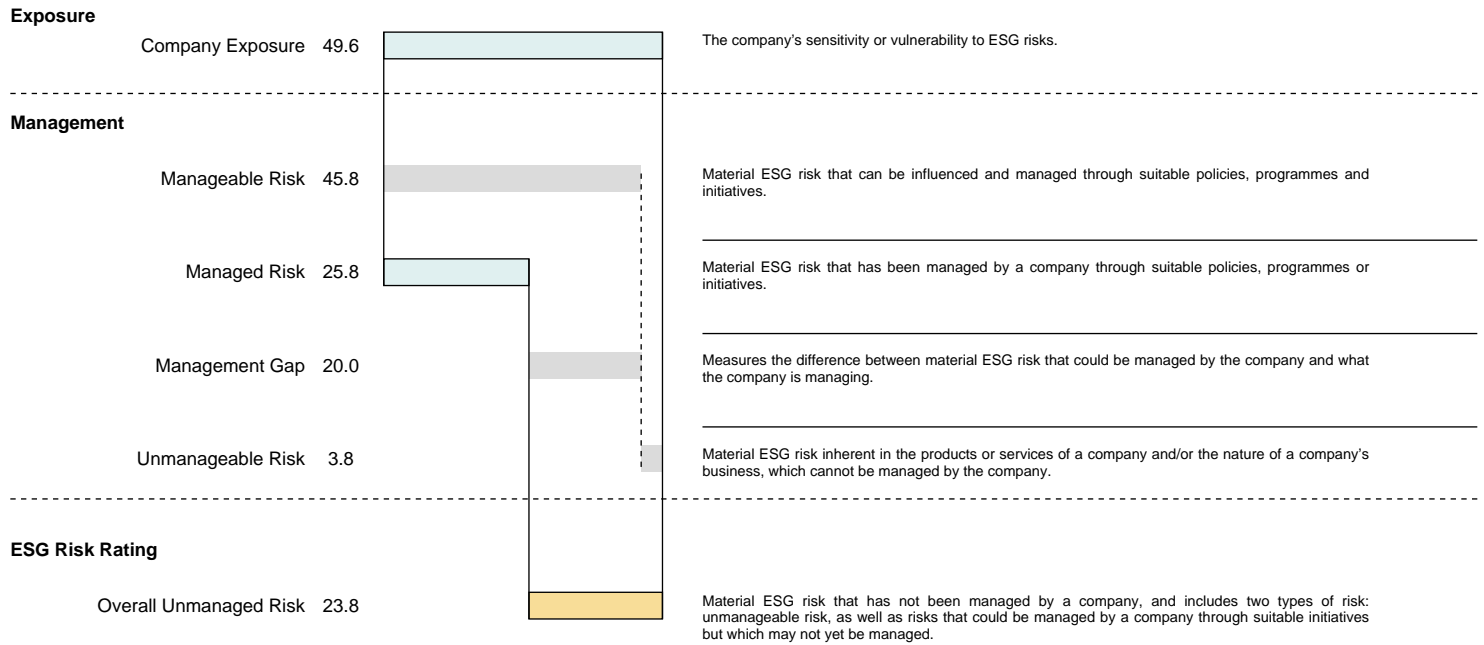
Society - Human Rights

Water Use

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## Risk Decomposition



## Momentum Details

Not available due to a lack of comparable historical information.

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## GLOSSARY OF TERMS

### Beta (Beta, $\beta$ )






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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