ThemisIQ

PREPARED BY THEMISIQ COMPLIANCE INC.

Transaction screening report

Sustainability-regulation screening of Tarnmoor Precision Ltd. for committee, lender and investor reporting: which disclosure regimes reach the company, which statutory size tests were applied, and what compliance is estimated to cost.

Company	Tarnmoor Precision Ltd.
Sector	Industrials & Manufacturing
Jurisdiction	UK
Deal type	M&A: Acquisition
Company annual revenue	GBP 90,000,000 (ninety million)
Deal / investment value	GBP 80,000,000 (eighty million)
EBITDA (latest financial year)	GBP 11,000,000 (eleven million)
Locations / sites	3
Report generated	October 29, 2026

This report is derived, not stored. Every finding below is computed at the moment of generation from the figures held for this transaction on October 29, 2026. It is not a snapshot of a past assessment: if those figures change, a report generated afterwards will differ.

Applicable frameworks

Determined from the company's jurisdiction, sector and, where a statute imposes one, its statutory size test. A framework listed here applies on the figures provided.

Framework	Status
SECR *Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Schedule 7, Part 7A, paras 20A to 20C (inserted by the Companies (Directors' Report) and LLP (Energy and Carbon Report) Regulations 2018): in scope unless two or more of turnover not more than GBP 36m, balance sheet total not more than GBP 18m and not more than 250 employees. SECR keeps the size thresholds that applied before 6 April 2025, so a company can be medium-sized for accounts and still be within SECR.*	APPLIES
Canada S-211 *Fighting Against Forced Labour and Child Labour in Supply Chains Act (S-211), s.2 "entity"* The company meets the size test and produces, sells or distributes goods, or imports goods into Canada, so the reporting duty applies.	APPLIES
EU Empowering Consumers Directive (ECGT) *Directive (EU) 2024/825* Applies because the company sells into the EU and reports making public environmental claims; the Empowering Consumers for the Green Transition Directive governs consumer-facing claims from 27 September 2026.	APPLIES
California AB 1305 Applies because the company operates in California and reports making public environmental claims; AB 1305 requires disclosures from companies making net-zero or carbon-neutral claims, or buying or selling offsets.	APPLIES
UK ETS Applies if the company operates covered installations or activities (e.g. combustion above 20MW thermal input, specified industrial processes, aviation, maritime).	APPLIES: VERIFY

Investor and market expectations

Not legal requirements for this company on the information provided. Investors, lenders and customers increasingly expect them.

Framework	Status
UK SRS (S1/S2) *Endorsed for voluntary use February 2026. The FCA proposes mandatory climate reporting (S2) for UK-listed companies for periods from 1 January 2027 (CP26/5).*	MARKET EXPECTATION
IFRS S2	MARKET EXPECTATION
TCFD	MARKET EXPECTATION

Near-threshold frameworks

Raised only where a **borderline figure decides the outcome**: a figure within 10% of the trigger that, if it moved, would change whether the test is met. The legal answer is unchanged: a framework that applies still applies, and one that does not still does not.

None. No figure sits within 10% of its threshold.

Size tests applied

Every limb of every statutory size test that was run, with the measure it applied. A result without its measure asserts nothing a reviewer can check. Where the figure collected stands in for a differently-defined statutory measure it is marked **PROXY**.

Framework	Figure tested	Measure required	Value applied	Threshold	Result
SECR	turnover	Turnover of more than GBP 36,000,000 (Schedule 7, para. 20B(2), first requirement). *Company annual revenue: PROXY. Turnover of the company, or for a parent company the group, on the net or gross basis (para. 20C). The figure applied is the transaction's single revenue input.*	GBP 90,000,000	GBP 36,000,000	**MET**
SECR	balance sheet total	Balance sheet total of more than GBP 18,000,000 (Schedule 7, para. 20B(2), second requirement). *Balance-sheet total: PROXY. Aggregate of amounts shown as assets in the balance sheet, before deduction of liabilities.*	GBP 45,000,000	GBP 18,000,000	**MET**
SECR	employees	More than 250 employees (Schedule 7, para. 20B(2), third requirement). *Employees (headcount): PROXY. Average number of employees over the financial year, not headcount at a point in time.*	420	250	**MET**
Canada S-211	balance sheet total	At least CAD 20,000,000 in assets, in either of the two most recent financial years. *Balance-sheet total: PROXY. Assets per consolidated financial statements. LOOKBACK NOT MODELLED: most recent year only. The figures applied are the company's global figures, not its Canadian business alone.*	CAD 84,746,955	CAD 20,000,000	**MET**

Framework	Figure tested	Measure required	Value applied	Threshold	Result
Canada S-211	turnover	At least CAD 40,000,000 in revenue, in either of the two most recent financial years. *Company annual revenue: PROXY. Revenue per consolidated financial statements. LOOKBACK NOT MODELLED: most recent year only. The figures applied are the company's global figures, not its Canadian business alone.*	CAD 169,493,911	CAD 40,000,000	**MET**
Canada S-211	employees	An average of at least 250 employees, in either of the two most recent financial years. *Employees (headcount): PROXY. The Act measures an AVERAGE number of employees over the financial year. The figure applied is the transaction's single point figure. LOOKBACK NOT MODELLED: most recent year only. The figures applied are the company's global figures, not its Canadian business alone.*	420	250	**MET**

TWO-YEAR CHECK NOT RUN: SECR

SECR applies only once its thresholds are met in two consecutive financial years, and stops applying only once they are not met in each of the last two (Schedule 7, paras 20B(1) and 20C(1); a company's first financial year is decided on that year alone). Only the most recent year is held, so a company that crossed the thresholds for the first time that year may be shown as in scope a year early, and one that dipped below them after meeting them before may be shown as out of scope while it still is.

TWO-YEAR CHECK NOT RUN: Canada S-211

Canada S-211 applies where its thresholds are met in either of the two most recent financial years (S-211, s.2 "entity", para. (b)). Only the most recent year is held, so a company that met them the year before and dipped below them that year may be shown as out of scope while it still is.

ESG risk findings

Sector-specific risks for Industrials & Manufacturing. The framework named on each finding resolves against the frameworks actually detected above, so a finding can never cite a statute this report withheld.

Severity	Risk	Framework
CRITICAL	**Scope 1 process emissions** Industrial manufacturing typically carries significant Scope 1 process emissions requiring full GHG inventory.	GHG Protocol
HIGH	**Carbon border adjustment exposure** Iron and steel, cement, aluminium, fertilisers, hydrogen and electricity carry a carbon-border cost when they enter the EU. The definitive period began 1 January 2026, with a 50-tonne annual net-mass exemption for all but electricity and hydrogen (Regulation (EU) 2023/956 as amended by (EU) 2025/2083). The company sells into or operates in the EU, so this applies to its EU activity.	EU CBAM

Severity	Risk	Framework
HIGH	**Chemical and hazardous materials** Industrial operations may carry significant environmental liability from chemical usage and historical contamination. The company sells into or operates in the EU, so this applies to its EU activity.	REACH

HIGH Environmental claims liability APPLIES

European Union: Empowering Consumers for the Green Transition Directive

Status: Applies from 27 September 2026.

Scope: Consumer-facing claims. Bans generic environmental claims, self-made sustainability labels and climate-neutral product claims based on offsets.

Maximum penalty: At least 4% of annual turnover, or EUR 2M.

Source: Directive (EU) 2024/825, eur-lex.europa.eu/eli/dir/2024/825/oj (verified 2026-09-29)

United Kingdom: Digital Markets, Competition and Consumers Act 2024

Regulator: Competition and Markets Authority (CMA)

Status: In force 6 April 2025.

Scope: Consumer-facing claims.

Maximum penalty: Up to 10% of global group turnover.

Source: Digital Markets, Competition and Consumers Act 2024, legislation.gov.uk (verified 2026-09-29)

Canada: Competition Act environmental claims provisions, as amended by Bill C-15

Regulator: Competition Bureau

Status: Bill C-15 received royal assent 26 March 2026.

Scope: Product claims need adequate and proper testing; business-activity claims need adequate and proper substantiation. Business-to-business claims are included.

Maximum penalty: The greater of CAD 10M (CAD 15M for a repeat), 3 times the benefit, or 3% of worldwide revenue.

Source: Competition Act, R.S.C. 1985, c. C-34, laws-lois.justice.gc.ca (verified 2026-09-29)

United States: FTC Act section 5, with the Green Guides (guidance, not law)

Regulator: Federal Trade Commission (FTC)

Scope: Consumer-facing claims.

Maximum penalty: Decided case by case.

Source: FTC Green Guides, 16 CFR Part 260, ftc.gov (verified 2026-09-29)

California: California AB 1305, Voluntary Carbon Market Disclosures Act

Status: Disclosures due since 1 January 2025.

Scope: Companies operating in California that make net-zero or carbon-neutral claims, or buy or sell offsets.

Maximum penalty: Up to USD 2,500 per day per violation, to a maximum of USD 500,000.

Source: AB 1305 (2023), leginfo.legislature.ca.gov (verified 2026-09-29)

Compliance cost estimate

An estimate of what it would cost to bring Tarnmoor Precision Ltd. into compliance with the regimes identified above, given as a market reference range with one priced alternative. Both figures are first-year, in USD, and neither is a quotation.

Traditional consultant, first year

USD 23k–38k

Indicative market range, scaled per obligation for this company's sector and site count. Consultant range covers GHG Inventory (Scope 1, 2 & 3) only. Forced Labour Reporting has no consultant reference.

ThemisIQ, scope-matched modules

~USD 6,049

One available route, priced for the modules this scope requires.

Disclosure: ThemisIQ Compliance Inc. prepared this report and also supplies the software priced in the second figure. The consultant range is an indicative benchmark drawn from market analysis, not a quotation obtained from any firm.

Included obligation	ThemisIQ	Consultant (reference)
GHG Inventory (Scope 1, 2 & 3) *Priced on 420 employees (Large band).*	USD 4,550	USD 23k–38k
Forced Labour Reporting (Canada S-211)	USD 1,499	No reference

Also recommended, not in the ThemisIQ total	ThemisIQ	Consultant (reference)
IFRS S2 Report *Recommended on every transaction: physical and transition exposure is a diligence question whatever the company must report, and the IFRS S2 Report covers what the IFRS S2 and TCFD market expectations ask for.*	Coming soon	USD 12k–24k

This estimate covers only the regimes established as applying above. Where a framework is shown as not assessed, no module is priced for it.

ESG value-at-risk exposure: approximately 0.20%–0.50% of deal value (GBP 160k–400k) carries ESG-related risk to assess. This is an indicative exposure, not a cost, and requires specialist confirmation.

Compliance cost as a share of EBITDA: consultant 0.16%–0.26%, ThemisIQ 0.04%. **Implied EV/EBITDA:** 7.3x. (Consultant range and ThemisIQ total converted from USD at the ECB reference rate of 2026-07-01.) Consultant range covers GHG Inventory (Scope 1, 2 & 3) only. Forced Labour Reporting has no consultant reference.

Data-room gaps

Item	Status
GHG inventory / emissions data	**MISSING: request from the company**
ESG report or sustainability disclosure	**MISSING: request from the company**
Public environmental claims and supporting evidence	**MISSING: request from the company**

FX basis for threshold tests

Revenue and balance-sheet figures are converted into each threshold's statutory currency for comparison. **The statutory figure itself is never converted**, so every citation above can be checked against the legislation verbatim.

Rates marked **transcribed** are copied verbatim from the source document and can be checked against it digit for digit. Rates marked **DERIVED** are computed by ThemisIQ from those figures and appear nowhere in the source.

Rate source	ECB euro foreign exchange reference rates, 1 July 2026 (14:15 CET daily fixing). https://www.ecb.europa.eu/stats/exchange/eurofxref/shared/pdf/2026/07/20260701.pdf
Rates as of	2026-07-01
Free of charge	The ECB publishes these rates free of charge at www.ecb.europa.eu.
Deal currency	GBP
Published rate: GBP	GBP 0.85973 per EUR, transcribed verbatim from the source above
Published rate: CAD	CAD 1.6191 per EUR, transcribed verbatim from the source above
Conversion GBP → CAD (Canada S-211)	1 GBP = 1.883266 CAD. DERIVED, not published: 1.6191 ÷ 0.85973, computed from the two transcribed figures above. Shown to 6 dp; the comparison itself uses full precision.
Size tests available	SB 253 (1 of 1) · SECR (2 of 3) · Canada S-211 (2 of 3) · CSRD (2 of 2) · CS3D (2 of 2)

Compared as entered, no conversion: SECR (GBP)

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