

Section 172(1) Statement

Quarto Publishing PLC (Quarto) is a subsidiary of The Quarto Group Inc. and Quarto Publishing PLC adopts the principles of The Quarto Group Inc.

The directors promote the success of the Company by giving due care and attention to the following elements:

(a) Likely consequences of decisions in the long term

The board's vision for the Group is to become the dominant publisher of illustrated print books worldwide and to expand on the use of the Group's intellectual property in as many ways as possible.

The board recognises that a coherent and viable strategy is required which (i) is nimble and responsive, (ii) is supported by a modern infrastructure, and (iii) allows the Group to grow its global reach. These are considerations which have long-term consequences, and so in executing its strategy for the Group it prioritises the greatest stability for its publishing imprints and employees with appropriate consideration for what is a challenging international marketplace.

During 2023, the Company continued to reduce its indebtedness due to the repayment of £12m (\$14m) loans including interest.

(b) Interests of the company's employees

Quarto is a publishing company and having creative and motivated employees is essential. Andy Cumming, an independent non-executive director of The Quarto Group Inc., is the designated employees' liaison.

The Company continues to offer competitive market rates of remuneration and associated employment benefits. In January 2023, a two week bonus, was awarded to all employees based on the length of service.

The Diversity Committee established in 2020 to promote workplace inclusiveness and diversity equitability continued in 2023, becoming the Diversity and Inclusion Committee.

Flexible working continues to be in place across the business.

The Company invests in its people by providing them with tools, technology and training to meet the challenges of its market and the evolving needs of its customers. Quarto also involves employees in areas of strategy where possible.

For all new starters who are registered as disabled, Quarto ensures any adjustments or arrangements are made in order to support our employees. Any processing with reference to this data received, will not be done without the employees' knowledge or consent as appropriate.

(c) Fostering the company's business relationships with suppliers, customers and others

The Company benefits from its association with Lion Rock Group Limited (the ultimate parent and controlling entity), a Hong Kong based international printing group (<https://www.lionrockgroup.hk.com/default.aspx>), which operates as one of Quarto's key suppliers enabling it to maintain a positive relationship with an essential supplier base. This connection also allows Quarto to print outside China and so provide a better service to US customers particularly sensitive to US tariffs. Major shareholder 1010 Printing Limited is a

member of the Lion Rock Group and is a print supplier to the Company (purchases are made on a job-by-job basis at arm's length, as disclosed on page 38 and note 21 to the Financial Statements).

(c) Fostering the company's business relationships with suppliers, customers and others
(continued)

The board recognises the need to offer a flexible service to its customers, be that offering them outside-China printing, or customised publishing, as well as the need to cultivate suppliers of print-on-demand in order to manage the business efficiently and still fulfill customers' orders. By exploring all the technologies available, Quarto maximises its offer to its customers. Having realised the need for more flexible production times, and considering the delays we have experienced in the global supply chain in 2022, the Company has secured additional capacity in the domestic US printing market and is negotiating with printers in continental Europe to mitigate the supply chain disruptions.

(d) Impact of the company's operations on the community and the environment

The Company seeks to minimise its impact on the environment and takes advantage of schemes that promote green energy where possible; and when refitting its offices, it accommodates energy-saving elements (e.g. LED lighting). Energy used by its IT operations has reduced as the Company has adopted cloud-based services, and new equipment is increasingly energy-efficient. At the start of 2023, we relocated our London office to a smaller office to embrace flexible working and reduce energy consumption. The Company adopts competent maintenance regimes for its office equipment so that efficient operation is maintained and energy consumption is minimised.

Quarto continues to publish socially responsible and inspiring titles such as the Little People Big Dreams series, The ABC Series, Greta and the Giants (endorsed by Greenpeace and 350.org), and This Book is Anti-Racist.

By choosing accredited production schemes like ICTI and SEDEX, which include worker welfare assessments, Quarto ensures a minimum welfare standard in its principal supplier base.

Additionally, the Company prints predominantly on paper from sustainable sources. Ivy Kids Eco, an environmentally conscious children's imprint continues to manufacture its books from recycled components and are printed in the markets in which the books are sold.

(e) Desirability of the company maintaining a reputation for high standards of business conduct

The board is confident that it has the right composition to deliver its strategy to the benefit of its employees, customers, and shareholders.

The board appraises its own performance in accordance with the Code and recognises the value of fair treatment of its suppliers, honouring its commitments, so that it can achieve a competitive, reliable and responsive supply chain that serves the needs of its customers. To this end, the board routinely assesses the performance of its supply chain partners.

The Company has an established whistle-blowing policy and anti-bribery policy.

(f) Need to act fairly as between members of the company

The Company is a wholly owned subsidiary of The Quarto Group Inc. which has a single class of common shares. 1010 Printing Limited, a company controlled by C.K. Lau, who is a director of the Company and is a controlling shareholder of The Quarto Group Inc. Quarto and controlling

shareholder parties entered into a relationship agreement to ensure that controlling shareholders do not exert improper influence over Quarto.

The Quarto Group Inc. has now de-listed from the London Stock Exchange, following a special meeting of shareholders who voted in support of de-listing. The benefits of de-listing were sent in a circular to shareholders in November 2023 and conscious that independent shareholders may not wish to remain shareholders in a private company, a Tender Offer took place in February 2024 which was well received.