

# **CK Hutchison Networks (UK) Limited**

Period Ended 31 December, 2021

## **CK Hutchison Networks (UK) Limited (the “Company” or “CKHN UK”)**

### **Statement by the Directors in performance of their statutory duties in accordance with Section 172(1) Companies Act 2006**

Section 172(1) of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members. In doing this Section 172(1) requires directors to have regard to, amongst other matters:

- the likely consequences of any decisions in the long-term;
- the interests of the company’s employees;
- the need to foster the company’s business relationships with suppliers, customers and others;
- the impact of the company’s operations on the community and environment;
- the desirability of the company maintaining a reputation for high standards of business conduct;
- and
- the need to act fairly as between members of the company.

In discharging our Section 172(1) duties we have regard to the factors set out above. In addition, we also have regard to other factors which we consider relevant to the decision being made. Those factors for example include the interests and views of members of the Group. By considering the Company’s purpose, vision and values together with its strategic priorities and having a process in place for decision making, we aim to make sure that our decisions are consistent.

We delegate authority for day-to-day management of the Company to executives and then engage management in setting, approving and overseeing execution of the business strategy and related policies. Board meetings are held periodically where the directors consider the Company’s activities and make decisions.

The business goal is to monetise the Company’s passive network assets through provision of service to Hutchison 3G UK Limited (“Three”) and UK Broadband Limited (“UKB”) for their customers. This allows Three and UKB to continue to enhance 5G experience for their customers by extending the coverage area and enhancing the network.

The Company seeks to meet its objectives through the execution of its strategic initiatives primarily focused on the network services. Views of shareholders are clearly communicated through various channels. Executive directors of CK Hutchison Holdings Limited (“CKHH”) are appointed to the board of directors (the “Board”) of the Company. The executive management team of the Company and CKHH meet regularly to discuss and review strategies, performance, business plans and budgets, and risk profiles of the Company. Whilst the Board is charged with the task of promoting the long-term success of the Company and making decisions in the best interests of the Company, the executive leadership team, along with the Board of the Company is accountable for the conduct and performance of the Company within the agreed strategies. The Board together with the executive management team instil and uphold the Company’s objectives and strategies through the day-to-day operations and management of the Company.

The purpose and strategy are communicated across the business by various means and at different levels of detail dependant on the audience and needs of an individual’s role. A decision-making framework exists which outlines which forum/board sets out the strategy and purpose, which are empowered to decide the execution of the strategy and which are informed as an outcome to delivery against the execution plan. The process is assured through the operation of a centralised governance board whose remit is to assure the collective company change plan delivers against the overall company strategy. The governance board has a view of all business and technical change.

# CK Hutchison Networks (UK) Limited

Period Ended 31 December, 2021

## Statement by the Directors in performance of their statutory duties in accordance with Section 172(1) Companies Act 2006 (continued)

The Board is made up of senior level personnel from across the key directorate groups.

For more details and principle decisions, please refer to the Review of business and future developments in the Strategic Report (page 3).

### Employees

As at the reporting date the Company has 13 employees, who's employment was transferred over from Three on 30<sup>th</sup> April 2021, as part of the Hive Down from Three and UKB.

### Suppliers

Our partners and suppliers are vital to CKHN UK's business and they help us meet the ever-changing needs of our customers. We recognise that partners contribute to our culture and work with them to include them to ensure that they feel part of CKHN UK.

Regular briefings – We hold regular briefing sessions with our partners, so they understand and embrace CKHN UK's culture and strategy and understand our objectives.

Supplier Code of Conduct – All suppliers must adhere to our Code of Conduct which governs social, ethical, environmental and legal requirements.

Macro-economic factors such as Brexit and uncertainty regarding Huawei's place in the UK's 5G supplier market, considered in the Government's Supply Chain Review, have given rise to supply-chain risks influencing business strategy. In response, the Company is working with its critical suppliers to monitor impacts and minimise delays to deliverables.

### Customers

CKHN UK has two customers, Three and UKB. The company recognises that the understanding of their objectives is crucial to our success and the Company's long-term strategies are underpinned with insight from these customers through constant communication and discussion, putting the customer at the heart of what we do.

### Regulators and government

We engage on a regular basis with government, politicians and regulators to ensure that the benefits of the network infrastructure provided by CKHN UK are understood. We also work with them to help them understand how changes to policy frameworks can help us enhance the service we provide to UK consumers and business.

Engagement includes one-on-one and industry meetings with Government Ministers, regulators, policymakers, consumer groups, Think Tanks, MPs, councillors and other political organisations and public bodies. There are also more formal interactions including information requests and responses to policy consultations. With the aim of enabling 5G rollout and enhancing connectivity in the UK, we have been engaging with government and stakeholders to change the planning process to ensure fast, effective and cost-efficient rollout of digital connectivity.

### Environment

Whilst the Company owns and manages specific passive network assets, the management of sites is

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outsourced to Three, which also manages the impact these sites have on the environment and community. The environment initiatives of Three are publicly available on [www.three.co.uk](http://www.three.co.uk) and maintained by Three. They have specific policies around waste disposal and has introduced a new cloud core which consumes much less power than traditional telco core infrastructures.

As the Board, our intention is to behave responsibly toward our stakeholders and treat them fairly and equally, so they too may benefit from the successful delivery of our plan. Also, in a responsible manner, operating within the high standards of business conduct and good governance expected for a business such as ours, and in doing so, will contribute to the delivery of our plan. The intention is to nurture our reputation, through both the construction and delivery of our plan, that reflects our responsible behaviours.

31 July 2022

**Note:** The Strategic Report and Directors' Report are contained in the Company's Annual Report and Financial Statements for the Period Ended 31 December 2021 which is available on Companies House website.