

Witness Name: William Paul Patterson (on behalf of Fujitsu Services Limited)

Statement No.: WITN06650500

Dated: 23 September 2024

## POST OFFICE HORIZON IT INQUIRY

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### FIFTH CORPORATE STATEMENT OF FUJITSU SERVICES LIMITED

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I, *MR WILLIAM PAUL PATTERSON* (known as Paul Patterson), will say as follows:

#### **INTRODUCTION**

1. I am a director of Fujitsu Services Limited ("**Fujitsu**") and am duly authorised to make this statement on its behalf. I make this statement in response to the Inquiry's Rule 9 Request, dated 1 August 2024, for a corporate statement addressing issues relevant to Phase 7 of the Inquiry (the "**Request**"). In particular, the Request relates to changes to Fujitsu policies, processes and practices that have occurred as a result of concerns raised by Lord Justice Fraser (as he is now known) in the Bates & Ors v Post Office Limited ("**POL**") Group Litigation (the "**Group Litigation**"), the Court of Appeal's overturning of criminal convictions, or arising from evidence heard by the Inquiry (the "**Concerns**").
2. This is Fujitsu's Fifth Corporate Statement in the Inquiry. Fujitsu's previous corporate statements are dated 28 September 2022, 29 December 2022, 14

September 2023 and 8 August 2024 (collectively the “**Previous Corporate Statements**”, individually the “**First/Second/Third/Fourth Corporate Statement**”, respectively). Whilst I have oversight of the changes and programmes described in this Fifth Corporate Statement, I do not necessarily have detailed knowledge of all the matters set out in this statement. For this reason, I wish to reiterate at the outset how the information in this statement has been compiled. This Fifth Corporate Statement has been prepared using documentary sources and discussions with relevant colleagues within Fujitsu. For the purposes of preparing this statement, I have been assisted by a team of individuals within Fujitsu and Morrison Foerster. This team has provided me with the documents which are referenced in this statement and exhibited in accordance with the index at the back of this statement.

3. As is made clear throughout this statement, Fujitsu’s work to change and improve its business practices and culture is ongoing. With the development and introduction of new technologies in both new and evolving industries, Fujitsu continues to need to learn lessons and apply them to its future practices. Specifically, Fujitsu recognises that its change and remediation initiatives do not come to an end with the conclusion of this Inquiry, that current initiatives must embed and be tested, that there will be ongoing business change with new actions anticipated, and that there is still much work to be done.
4. Fujitsu notes that not all of the changes outlined in this statement have been prompted by the Concerns described in the Request. A number of the practices set out in this statement have occurred as Fujitsu’s business has changed and

evolved over time. Some of these practices have been prompted by, (i) the global strategic direction and leadership of the Fujitsu Group (as defined in paragraph 7 below), (ii) industry change, (iii) customer demands and changing customer expectations (such demands and expectations not being limited only to POL), (iv) legislative or regulatory changes, (v) changing risk landscapes resulting from advancements in technology, and (vi) the Fujitsu Group's ambition to be a Global Responsible business. In this statement, Fujitsu has sought to make clear those changes and practices that have been prompted by the Concerns.

5. In light of this context, this statement contains three broad sections:

5.1 Fujitsu Today: This section provides a high-level description of the structure of Fujitsu today. This includes detail relating to Fujitsu's (i) global delivery and assurance framework, (ii) processes and procedures relating to raising concerns and whistleblowing, and (iii) current reporting lines and leadership structure. The majority of the structures and processes described in this section of the statement have changed and evolved over time and have not been prompted by the Concerns. The content of this section nevertheless provides context regarding how Fujitsu's business operates today and, as a result, how certain of the Concerns would be identified and mitigated should they arise again.

5.2 Fujitsu's Response to the Concerns: This section describes the steps that Fujitsu has taken as a result of the Concerns, including steps taken to, (i) make targeted cultural changes across Fujitsu's business, (ii) make

operational changes both within the Post Office Account and across its business, and (iii) cease supporting POL to pursue enforcement action against postmasters and other post office workers using Horizon data and witnesses from Fujitsu.

5.3 Fujitsu's Ongoing Work and Next Steps: This section acknowledges that Fujitsu's remediation work is ongoing and provides a high-level description of the work still being undertaken.

6. In this statement, references to "**Horizon**" or the "**Horizon system**" are to the version of the Horizon IT System currently installed across the POL network, unless otherwise stated.

### **FUJITSU TODAY – FUJITSU AS A GLOBAL BUSINESS**

7. Fujitsu is part of a global business, operating in over 35 countries across Japan, Europe, Asia Pacific and the Americas, employing more than 120,000 individuals worldwide<sup>1</sup> (the "**Fujitsu Group**"). The Fujitsu Group seeks to operate as a global business, including in the areas of oversight and standards.

8. In order to achieve this, the Fujitsu Group uses global business standards. These global business standards provide a common set of guidelines across the Fujitsu Group and which are implemented regionally so that its business operations follow national requirements, appropriate industry standards, and reflect the common global values and behaviours of the Fujitsu Group (as described in more detail at paragraphs 14 to 26 below).

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<sup>1</sup> As of 31 March 2024

9. In this regard, Fujitsu Group entities operating in Europe (“**Fujitsu Europe**”) have implemented the European Business Management System (“**EBMS**”), which is then managed at a country level (including by Fujitsu in the UK). In relation to the Post Office Account, the EBMS was introduced after the implementation of Horizon. Fujitsu service lines and functions that provide or support the delivery of services to POL do so in accordance with the EBMS. This is complemented with local/specific standards/requirements, procedures and work instructions relevant to the Post Office Account. Work continues to ensure full and ongoing alignment of processes and procedures, including where there are agreed exceptions to POL or to Fujitsu or both.
10. The EBMS consists of policies, processes and guidance, which are designed to ensure that Fujitsu Europe’s business complies with relevant legislation, regulations and international and industry standards. Demonstrating adherence to the EBMS is necessary for Fujitsu Europe to hold and maintain certifications and registrations to the standards required by Fujitsu Europe’s customers. The EBMS is managed by Fujitsu Europe’s governance and assurance teams, with internal and external audits conducted to ensure the EBMS maintains compliance and upholds Fujitsu Europe’s certifications and registrations.
11. Key documents within the EBMS include ‘master policies’, which are statements of principles by Fujitsu Europe’s management that set the intention and direction of the organisation cross regionally and in-country. By way of example, these master policies cover compliance, procurement, project and program management, account management, security, design and quality.

12. Adherence to all master policies is compulsory and knowledge of them is driven by online training courses undertaken by employees as part of their induction and available annually thereafter. Adherence is tested by a system of internal quality management, operated by the internal audit teams, based in the UK and Europe. Where non-conformities are identified (either by internal audit or through external audits undertaken), corrective action plans are formulated and deployed with the assistance of the policy and process owner.
13. The EBMS also aligns with the Customer Solution Lifecycle (“**CSLC**”). The CSLC is a framework used in Fujitsu Europe that defines and controls the attainment and delivery of business in a standardised way.<sup>2</sup>

#### **CULTURE AND THE FUJITSU WAY**

14. As a result of the Concerns, Fujitsu accepts that there have been failures to meet the standards expected. It is for this reason that Fujitsu is committed on an ongoing basis to revisit, test and strengthen its culture, and continue to implement business-wide cultural changes.
15. In this section, Fujitsu provides some background as to, (i) the Fujitsu Way, (ii) processes and procedures relating to raising concerns and whistleblowing, and (iii) its current reporting and governance structure. The changes that have resulted in the processes and structures outlined in this section were not prompted by the Concerns and are instead changes that have been made over time.

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<sup>2</sup> FUJ00243269

16. The actions that Fujitsu has taken in response to the Concerns are set out in paragraphs 27 to 71 below.

The Fujitsu Way

17. The 'Fujitsu Way' was first introduced in 2002 as a basic set of principles for anyone working in the Fujitsu Group globally to work towards. Most recently in 2020, the Fujitsu Way was updated to define the Fujitsu Group's global purpose, values and code of conduct.

18. The Fujitsu Way now in place comprises three parts:

18.1 Purpose: *"Our purpose is to make the world more sustainable by building trust in society through innovation."*<sup>3</sup>

18.2 Values: In order to realise the purpose outlined above, Fujitsu applies a critical action cycle consisting of three core values, 'Aspiration', 'Trust', and 'Empathy'.<sup>4</sup>

18.3 Code of Conduct:<sup>5</sup> This provides rules and guidelines to be followed by everyone globally in the Fujitsu Group and adhered to in any business and societal dealings or actions. The Code of Conduct is further developed in the global business standards described above.<sup>6</sup>

19. The leaders of business within the regions and countries of the Fujitsu Group are responsible for promoting the Fujitsu Way and ensuring the business and

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<sup>3</sup> RLIT0000350

<sup>4</sup> RLIT0000350

<sup>5</sup> RLIT0000351

<sup>6</sup> RLIT0000352



its strategies aligns with the Fujitsu Way. Managers are then responsible for ensuring that their teams work in line with Fujitsu's values and behaviours in accordance with the Code of Conduct, and addressing colleagues who do not comply.

Raising concerns and whistleblowing

20. Fujitsu is committed to ensuring that anyone raising concerns can do so in good faith and without fear of retaliation. There are multiple routes employees can take to raise concerns about behaviours or actions. These include:
  - 20.1 Using an informal route to speak up, such as talking to a colleague or line manager or directly to members of Fujitsu's leadership team;
  - 20.2 Raising a formal grievance;
  - 20.3 Raising appropriate issues directly with members of the Legal and Commercial, HR or Internal Audit departments, as relevant;
  - 20.4 Raising issues through the mailboxes introduced in response to the Concerns and described in more detail at paragraph 43 below; and
  - 20.5 Using Fujitsu Alert, the Fujitsu Group's confidential and globally consistent whistleblowing route. Fujitsu Alert is an external online portal where whistleblower reports can be raised and followed-up anonymously by the Fujitsu Group in writing. Fujitsu Alert is also available via a phonenumber which can be used 24 hours a day, 7 days a week.



21. This information is available to all Fujitsu Group employees through the Fujitsu Group's intranet site, Compass. Details are also set out in Fujitsu Europe's 'Europe Compliance Sub-Master Policy on Whistleblowing' and the Fujitsu HR Handbook.<sup>7</sup>

Reporting Lines and Leadership

22. Fujitsu has undergone a process of reviewing the Fujitsu leadership's oversight of delivery to customers, with a focus on quality assurance. By way of context, Fujitsu's customer accounts generally sit within one of three sectors or business units, (i) Private Sector, (ii) Public Sector, and (iii) Defence and National Security. Within each of those sectors are then a number of industry-based sub-sectors, for example Retail and Hospitality are sub-sectors of the Private Sector.<sup>8</sup>

23. Fujitsu conducts business reviews for each of the sectors on a monthly basis.<sup>9</sup> These monthly business reviews report on, (i) financial performance and forecast, (ii) sales performance and sales pipeline, (iii) delivery performance, (iv) customer satisfaction, (v) human resources, and (vi) risk management, and consist of the following stages:

23.1 each customer account leader reports to the relevant sub-sector leader;

23.2 the sub-sector leader then reports to the sector leaders;

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<sup>7</sup> FUJ00243273; FUJ00243272

<sup>8</sup> FUJ00243274

<sup>9</sup> FUJ00243270

- 23.3 the sector leaders and their team then present to the Fujitsu leadership team (including Fujitsu's Head of UK, Anwen Owen, and Head of Delivery for the UK, Carla Hall) on behalf of their sector; and
- 23.4 Fujitsu's Head of UK and leadership team then reports to the Head of Fujitsu Europe and its leadership team.
24. In addition to this monthly business review process, Fujitsu's Head of Delivery for the UK also conducts a monthly review of the delivery elements of the UK business, reporting separately to the Fujitsu Head of UK on a monthly basis. The combination of these reporting processes is intended to give improved independent scrutiny and reduce the risk of internal silos.
25. Separate to the monthly business review process, Fujitsu's leadership team also conducts bi-annual reviews of strategic customer accounts.<sup>10</sup>
26. Fujitsu notes that, from approximately 2019, the Post Office Account has reported directly into Fujitsu leadership. Accordingly, the Post Office Account is currently reviewed by the Fujitsu UK leadership team, including the Head of Delivery for the UK, on a monthly basis as part of the business review process described above.

### **FUJITSU'S RESPONSE TO THE CONCERNS – CULTURAL CHANGES**

27. Within this context, Fujitsu committed fully to the Inquiry process in order to understand what went wrong and to learn from it. Fujitsu has not wanted to preempt the Inquiry's findings but in any case has taken a number of steps in

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<sup>10</sup> FUJ00243271

specific areas of focus. Fujitsu acknowledges that more should and could have been done sooner.

28. In this regard, and in addition to the expectations of the Fujitsu Way, Fujitsu understands the importance of continually reviewing its ethical compliance processes in the UK. In 2023, Fujitsu partnered with Ethisphere LLC ("**Ethisphere**") to help it better understand how its ethical culture could be improved. Ethisphere is a business ethics consultancy that assists global businesses to achieve best in class corporate ethical standards, promote best practices in corporate ethics, and provide a globally recognised standard for companies that excel. Ethisphere benchmarks leading corporates to provide extensive data on market practice and is providing Fujitsu with consultancy services over a period of 3 years on ethical culture and compliance.
29. Ethisphere's Business Ethics Leadership Alliance ("**BELA**") is a global community of over 380 leading organisations interested in improving business integrity practices in governance, risk management, compliance and ethics. This global group of BELA members, which now includes Fujitsu, recognises the inherent value of promoting ethical leadership and compliance cultures. It collaborates on best practices in order to shape the ethics, compliance, and ESG landscape with tools, data and resources. BELA is a platform for employee discussions and benchmarking regarding key topics such as remuneration/incentive systems and speak up programs.
30. Through Fujitsu's collaboration with Ethisphere, the following have been introduced:

- 30.1 UK-wide workforce research conducted through interviews and surveys to help Fujitsu assess its internal ethical culture and identify gaps or areas for improvement.
  - 30.2 In-person targeted workshops with Fujitsu leadership and Fujitsu's Legal and Commercial team and senior management.
  - 30.3 Newly designed mandatory values and ethics training for all Fujitsu employees.
  - 30.4 Measures to encourage a speak-up, ethical culture.
31. More detail in respect of each of these measures is provided below.

*The Ethisphere Research*

32. During October 2023, Ethisphere undertook research, launched by Fujitsu's Head of UK to examine more deeply its ethical culture, feelings about decision making, and the ability of employees to speak-up. This included interviews and an ethical culture survey over approximately 7,000 Fujitsu employees in the UK, receiving approximately 1,000 responses (the "**Ethisphere Research**"). The Ethisphere Research was commissioned to help Fujitsu understand its business today and how all colleagues feel about working at Fujitsu in the UK.
33. The questions posed to employees focussed on the following eight key pillars of ethical culture to provide quantitative measurements as to employees' awareness of where to go with concerns, the level of comfort in speaking up,

and to what extent employees felt supported throughout the organisation.

These eight key pillars were as follows:

- 33.1 Awareness of program and resources: Familiarity with the assets and efforts of the compliance and ethics function;
- 33.2 Perceptions of the function: Perceptions of the assets and efforts of the compliance and ethics function;
- 33.3 Observing and reporting misconduct: Comfort in reporting misconduct, the reason for doing so, and potential reporting barriers;
- 33.4 Pressure: Strength and source of pressure experienced where standards may be compromised to hit goals;
- 33.5 Organisational justice: Whether the company holds wrongdoers accountable and the awareness of discipline;
- 33.6 Perceptions of supervisors: For example, the comfort of employees to approach supervisors with concerns;
- 33.7 Perceptions of leadership: Perceptions of the conduct, values, and communications of senior leadership; and
- 33.8 Perceptions of peers and environment: Whether employees felt personally responsible for Fujitsu's ethics.

34. The findings of the Ethisphere Research were shared with the Fujitsu leadership team on 14 November 2023<sup>11</sup> and shared with employees in local briefings from January 2024 onwards.<sup>12</sup> In summary, the results were sobering and show that Fujitsu has more work to do. Approximately 25% of the Fujitsu employees who partook in the Ethisphere Research were not aware of the routes to speak up about any concerns they may have, and 15% were not comfortable in speaking up if they witnessed activity that was not in accordance with the Fujitsu Way.<sup>13</sup>
35. To ensure that Fujitsu employees feel able to speak up about concerns, ideas, questions and suggestions, and be taken seriously, Fujitsu has implemented a programme of activity detailed below, which includes the all-employee training as detailed at paragraphs 38 to 40 below. Additional resources, support and time to engage have also been made available to managers and leaders to support a speak-up culture.

#### Workshops

36. Between 28 and 30 November 2023, leaders from across the Fujitsu business, including members of the Legal team, attended workshops conducted by Ethisphere designed to highlight and learn from failings in the governance and oversight of the Post Office Account over time.

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<sup>11</sup> FUJ00243277

<sup>12</sup> FUJ00243289

<sup>13</sup> FUJ00243277

37. The workshops included sessions on (i) ethical business, (ii) stakeholder impact activity, (iii) professional standards training, (iv) Inquiry case studies, (v) lessons learned, and (vi) ethical principles. Copies of the materials used to conduct these workshops are exhibited to this statement.<sup>14</sup>

### Training

38. On 30 January 2024, following discussion and refinement at the workshops described in paragraphs 36 and 37 above, a mandatory online training session on the Fujitsu Way was launched for all Fujitsu employees.<sup>15</sup> The training was developed by Fujitsu with assistance from Ethisphere and Ethena, Inc (“**Ethena**”) and was titled ‘Living the Fujitsu Way’. Ethena is an agile training provider that develops and deploys customised training aimed at helping companies create more inclusive work cultures. This training was created following results in the Ethisphere Research that demonstrated only 73% of those who participated noted ‘yes’ when asked whether they believe Fujitsu visibly lives the Fujitsu Way in the UK.<sup>16</sup>

39. The training was launched by Fujitsu’s Head of UK. It builds on the feedback shared in the Ethisphere Research and aims to ensure everyone in Fujitsu:

39.1 understands the Fujitsu Way as a framework of practice to guide ethical decision making and their responsibility for upholding it;

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<sup>14</sup> FUJ00243285; FUJ00243286; FUJ00243282; FUJ00243281; FUJ00243283; FUJ00243284; FUJ00243278; FUJ00243279; FUJ00243280; FUJ00243287; FUJ00243275; FUJ00243276

<sup>15</sup> FUJ00243291

<sup>16</sup> FUJ00243291



- 39.2 knows what is required to put Fujitsu Way principles into practice;
  - 39.3 is able to identify unacceptable behaviours and practices;
  - 39.4 knows the steps to take if unacceptable behaviour is encountered (either directly or as an active bystander);
  - 39.5 knows how to speak up and the speak-up routes available, and feels willing to speak up;
  - 39.6 understands what retaliation is and what to do if retaliation is encountered (either directly or as active bystander); and
  - 39.7 knows that Fujitsu has a zero-tolerance approach to retaliation and other unacceptable behaviours.
40. This training has now been rolled out globally. Further phases of work are being identified and will be undertaken. This includes the development and release of a practical ethics handbook and a repeat of the Ethisphere Research described above.

*“Speak Up, Listen Up, Follow Up”*

41. Following the results of the Ethisphere Research it was clear that more needed to be done to ensure that Fujitsu employees (i) understood the routes available for them to report concerns, (ii) felt supported when reporting concerns, and (iii) understood the Fujitsu leadership’s commitment to promoting a speak-up culture. This commitment was first communicated by Fujitsu’s Head of UK, in December 2023 in the following terms: (when you) Speak Up; (we will) Listen

Up; (and we will) Follow Up. This is now described as the “Speak Up > Listen Up > Follow Up” promise.<sup>17</sup>

42. Fujitsu’s Head of UK and the Fujitsu leadership team host regular calls open to all Fujitsu employees, where employees can raise concerns, ideas and questions. All calls are recorded and made available to all Fujitsu employees on Compass. All questions raised in calls and written responses provided are also stored on Compass.
43. This was supported by the introduction of a “Fujitsu Way” mailbox in December 2023, allowing Fujitsu employees to raise questions or concerns about the company’s compliance with the Fujitsu Way. The mailbox is managed by the Rebuilding Trust Programme, as described at paragraphs 45 to 55 below, monitored by a team who coordinate responses to resolve these queries and ensure where appropriate their direct visibility to Fujitsu’s leadership.
44. In order to further encourage employees to speak up and ensure that those who do are appropriately supported, in May 2024, the Fujitsu HR team introduced speak-up feedback, whereby colleagues who have been through a grievance process are invited to, (i) share their experience, (ii) discuss whether this mirrored the “Speak Up > Listen Up > Follow Up” promise, and (iii) suggest changes and improvements.

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<sup>17</sup> FUJ00243290

**FUJITSU'S RESPONSE TO THE CONCERNS – THE REBUILDING TRUST PROGRAMME**

45. Fujitsu has established a remediation programme known as the Rebuilding Trust Programme (“**Rebuilding Trust Programme**”). The Rebuilding Trust Programme, which commenced in earnest in April 2024, brought together existing projects, improvement activities and initiatives, as well as defining new ones, and seeks to direct change in three broad areas: (i) people, (ii) process and governance, and (iii) technology.
46. The Rebuilding Trust Programme was established as a result of the (i) Concerns, (ii) results of the Ethisphere Research, and (iii) technical standards and guidance review commenced in 2023, which identified the need for a review of defect management policies, the amendment of release management policies and a review of privileged access management, to strengthen the delivery of Fujitsu’s services.
47. The Rebuilding Trust Programme consists of three phases: (i) Discovery, (ii) Implementation, and (iii) Monitoring and Improvement. Within each of these phases, there are three workstreams, (i) people, culture and ethics, (ii) governance and oversight, and (iii) technology remediation.
48. The Discovery Phase is not yet complete but brings together various remedial activities, including the following:
- 48.1 People, culture and ethics: consisting primarily of, (i) the Ethisphere Research and resulting activities described at paragraphs 32 to 34

above, and (ii) the Ethena training provided to all employees described at paragraphs 38 to 40 above;

48.2 Process and governance: consisting of the process and governance reviews described at paragraph 55 below; and

48.3 Technology remediation: consisting of (i) the Systems Audit described at paragraphs 53 to 54 below, and (ii) with the assistance of PricewaterhouseCoopers (“**PwC**”), an assessment of the remediation activity undertaken on the Post Office Account to date to address the Concerns, and to identify areas of further improvement to address the Concerns. This work is ongoing.

49. Work to determine the scope, structure and format of the second phase of the Rebuilding Trust Programme, the Implementation Phase, is currently underway. This phase will focus on the implementation of recommendations from the Discovery Phase across all three workstreams.

#### *Governance of the Rebuilding Trust Programme*

50. The Rebuilding Trust Programme is run on a day-to-day basis by Christian Benson (Head of Growth, UK leadership team) and the Nerve Centre. The Nerve Centre was developed with assistance from McKinsey and is the operational hub of the Rebuilding Trust Programme responsible for, (i) defining the Rebuilding Trust Programme’s approach, objectives, KPIs, and status, (ii) management of the Rebuilding Trust Programme workstreams, (iii) co-ordination of communications with external experts and the wider Fujitsu Group,

(iv) tracking events, (v) handling internal and external enquiries, and (vi) reporting on KPIs.

51. The Rebuilding Trust Programme in turn reports to a Steering Committee, comprising members of the Fujitsu leadership team and chaired by Fujitsu's Head of UK. The Steering Committee meets with the Rebuilding Trust Programme fortnightly to:

51.1 review all delivery performance across the Rebuilding Trust Programme;

51.2 manage escalation within the Rebuilding Trust Programme; and

51.3 approve progress throughout the Rebuilding Trust Programme on completion of deliverables.

52. In order to measure the progress and success of changes made pursuant to the Rebuilding Trust Programme, KPIs have been developed for each workstream. These KPIs in turn determine how frequently the relevant teams need to report to Fujitsu's Head of Growth on changes. Progress is subsequently monitored by the Nerve Centre.

### Systems Audit

53. The Rebuilding Trust Programme has also comprised an exercise of auditing its UK service systems (the "**Systems Audit**") against the Concerns. 115 systems were identified in this regard. The Systems Audit seeks to query the systems' teams on the risks and risk management processes of the relevant

systems. The audit process is undertaken through a series of interviews, where responses are sought to around 270 questions.<sup>18</sup>

54. As of the date of this Fifth Corporate Statement, audits of all 115 in-scope systems have been completed. The Systems Audit has identified a number of both serious and minor issues that are currently in the process of being reviewed with relevant stakeholders. In some instances, remediation is already underway. In others, further triaging and analysis is required. The Rebuilding Trust Programme will monitor this process.

#### Process and governance reviews

55. The technical standards and guidance review described above in paragraph 46 has been incorporated into the Discovery Phase of the Rebuilding Trust Programme. Such reviews are being conducted with the assistance of Fujitsu's delivery organisation and the Fujitsu Group's global quality team, who are in any event responsible for overseeing general changes and improvements to process, standards and guidance. Work is being done to define how Fujitsu's solution design, development and delivery processes can be strengthened. For example, Fujitsu is looking at how it can improve Release Management, Integrated Risk Management, Testing and Validation processes.

#### **FUJITSU'S RESPONSE TO THE CONCERNS – TECHNICAL CHANGES**

56. A number of the Concerns relate to technical matters surrounding Horizon, including (i) the identification, rectification and communication of bugs, errors

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<sup>18</sup> FUJ00243293

and defects (“**BEDs**”), and (ii) the use and communication of access by Fujitsu employees to remedy errors in transaction data and branch accounts (“**Privileged Access**”).

57. The changes made by the Post Office Account team in relation to (i) how it manages BEDs in Horizon, other network or system failures, and the impact of these on branch accounts (“**Incident Management**”),<sup>19</sup> (ii) Privileged Access,<sup>20</sup> and (iii) internal and external measures to monitor its compliance with contractual obligations relating to Incident Management and Privileged Access are set out in the Fourth Corporate Statement.
58. The status of technical remediation, and specifically, changes undertaken by Fujitsu in relation to Incident Management and Privileged Access in the Post Office Account, are also considered in the following contexts:
- 58.1 When audited against international industry standards, in particular ISAE 3402, which is assessed annually by external auditors;
- 58.2 In relation to the work being undertaken with PwC; and
- 58.3 Through audits and reports where Fujitsu’s input has been requested by POL.<sup>21</sup>
59. Fujitsu continues to seek to address issues identified through the work described in paragraph 58 above.

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<sup>19</sup> WITN06650400, Fourth Corporate Statement, §§156 to 170

<sup>20</sup> WITN06650400, Fourth Corporate Statement, §§199 to 207

<sup>21</sup> See for example, the documents referenced at §222 of the Fourth Corporate Statement, and FUJ00243292



## **FUJITSU'S RESPONSE TO THE CONCERNS – PROSECUTION SUPPORT**

60. Throughout the life of the Horizon IT System, the Horizon Contract has contained provisions requiring the delivery of a “prosecution support” service by Fujitsu (defined in the Horizon Contract since 2014 as ‘Court Case Support Services’). Whilst the scope and formulation of this service has changed over time, it has generally included the provision of Horizon IT System data and / or witness evidence by Fujitsu to POL in support of proceedings brought by POL against postmasters.
61. In a letter to the Business, Energy and Industrial Strategy Committee dated 16 June 2020 (the “**BEIS Letter**”), Fujitsu explained:
- 61.1 *“Fujitsu has not provided any new witness evidence since the [Horizon Issues Judgment]”;*
- 61.2 *“Fujitsu will not provide any witness evidence in the future to support Post Office led prosecutions of sub-postmasters”;* and
- 61.3 *“We will provide information if requested by the Police or an appropriate judicial authority but only after such request has been fully considered, and with the approval of a UK board director”.*<sup>22</sup>
62. While it remains the case that Fujitsu has not issued any new witness statements for prosecutions relating to Horizon shortfalls or discrepancies, a corrective witness statement was issued by Andrew Dunks on 11 June 2020. This was in response to a request from Greater Manchester Police regarding

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<sup>22</sup> POL00112955

an ongoing case which pre-dated December 2019.<sup>23</sup> Mr Dunks' corrective statement amended a typographical error in a date contained in his original statement.<sup>24</sup>

63. Although the positions set out in the BEIS Letter have not been formalised into amended policies and procedures, they have created a heightened awareness within Fujitsu surrounding these issues and they have since guided the approach taken by, (i) individuals working on the Post Office Account, and (ii) Fujitsu's legal team, to requests from POL for witness statements and/or data.

*Recent requests for witness statements for use in relation to legal proceedings*

64. Between February and July 2024, Fujitsu received requests from four separate police forces for witness statements regarding the reliability of the Horizon system currently in place. The statements were for use in ongoing investigations into four unconnected cases which Fujitsu understands were reported to the relevant police forces by POL (together, the "**Police Requests**").
65. In relation to the Police Requests:
- 65.1 Fujitsu has informed the relevant police forces and POL that, whilst Fujitsu is willing to cooperate with the investigations through the provision of documentary records, Fujitsu is not in a position to provide the witness statements requested. Fujitsu is of the view that such witness statements would amount to expert opinion evidence, which

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<sup>23</sup> FUJ00243259

<sup>24</sup> FUJ00243260

Fujitsu cannot provide on the basis that Fujitsu is not independent (amongst other reasons).<sup>25</sup> Fujitsu has made clear to POL that discussions regarding these investigations are confidential as between Fujitsu and relevant police forces.<sup>26</sup>

65.2 It became apparent to Fujitsu through the Police Requests that the views of POL and Fujitsu with respect to the use of Horizon data in enforcement action against postmasters and branch staff are fundamentally different. Accordingly, between 17 May 2024 and 26 July 2024, I exchanged correspondence with the CEO (Nick Read) and subsequently the acting CEO (Owen Woodley) of POL.<sup>27</sup> This correspondence set out Fujitsu's concerns surrounding POL's continued pursuit of enforcement action against postmasters<sup>28</sup> and culminated in a meeting on 18 July 2024 (the "**18 July Meeting**").<sup>29</sup> My last letter to Mr Woodley was sent on 26 July 2024. Copies of these letters<sup>30</sup> and my notes of the meeting are exhibited to this statement.<sup>31</sup>

*Provision of Horizon data for use in relation to legal proceedings*

66. Fujitsu continues to provide POL with Horizon data, including ARQ data, when requested as part of its provision of services related to the Horizon system.

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<sup>25</sup> See, for example, FUJ00243303

<sup>26</sup> FUJ00243157

<sup>27</sup> FUJ00243199; FUJ00243201; FUJ00243204; FUJ00243205; FUJ00243209; FUJ00243211; FUJ00243206; FUJ00243211

<sup>28</sup> FUJ00243199

<sup>29</sup> FUJ00243201; FUJ00243204

<sup>30</sup> FUJ00243199; FUJ00243201; FUJ00243204; FUJ00243205; FUJ00243209; FUJ00243211; FUJ00243206; FUJ00243211

<sup>31</sup> FUJ00243206

While Fujitsu has informed POL that it will not provide support for enforcement actions taken against postmasters, whether civil or criminal, Fujitsu has struggled to verify the purpose to which POL intends to put this data, or what the data is in fact used for.<sup>32</sup>

67. Fujitsu has sought to put in place processes to ensure that any ARQ data it provides to POL is not to be used in enforcement action against postmasters.

In particular:

67.1 Fujitsu has removed from the ARQ request form options to request services which are no longer provided, such as witness statements.<sup>33</sup>

“Audit Extraction – Local Work Instruction” dated 10 April 2024 (SVM/SEC/WKI/4517, version 1.0) states that Fujitsu does not provide witness statements with ARQ data.<sup>34</sup>

67.2 Fujitsu sought to require POL to confirm whether, using a change to the ARQ request form, an ARQ request relates to (i) redress, or (ii) an investigation into or action against a postmaster or member of branch staff.<sup>35</sup>

68. At the date of this statement, POL has not accepted the proposed changes.<sup>36</sup>

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<sup>32</sup> FUJ00243199

<sup>33</sup> FUJ00243213

<sup>34</sup> FUJ00243297

<sup>35</sup> FUJ00243233; FUJ00243295; FUJ00243296; FUJ00243227; FUJ00243199

<sup>36</sup> FUJ00243237; FUJ00243236; FUJ00243317

69. In the meantime, Fujitsu continues to provide ARQ data to POL using the existing process on the understanding that failure to do so would delay the provision of data required by postmasters for the purposes of redress.<sup>37</sup>
70. Fujitsu is currently making arrangements for the Horizon audit archive, from which ARQ data is extracted, to be transferred to POL. Fujitsu's involvement in the provision of ARQ data will cease when this transfer is complete. This is currently anticipated to occur in early 2025.
71. Fujitsu also provides call logs and other contemporaneous documents to POL and its legal advisors, when requested, on the understanding that this information is to be made available to postmasters who are seeking to overturn their convictions or achieve appropriate redress. As a matter of course, Fujitsu seeks confirmation from POL of the purpose to which this data is intended to be put before it is provided. However, as noted above, Fujitsu is not able to verify the accuracy of the information provided by POL in response.

### **FUJITSU'S ONGOING WORK AND NEXT STEPS**

72. Fujitsu recognises that realising change in a large international organisation takes time, and many of the change and remediation initiatives described in this statement are only in their infancy. Fujitsu also recognises that the need for change and improvement does not come to an end with the conclusion of this Inquiry. There is still substantial work to be done.

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<sup>37</sup> FUJ00243233

73. In this regard, Fujitsu notes that there are a number of contexts in which recommendations for further change will likely be made in the foreseeable future. These include:

73.1 as a result of the activities currently being pursued with PwC;

73.2 as part of Fujitsu's Rebuilding Trust Programme;

73.3 through Fujitsu's routine audit and assurance programmes;

73.4 as part of Sir Wyn's final report in this Inquiry; and

73.5 Through the existing supplier governance structure and measures with the Cabinet Office in relation to scrutiny of Fujitsu's status as a strategic supplier to the UK Government.

74. Upon receipt of these further recommendations, Fujitsu will need to take appropriate actions to address the matters raised.

*The continuance of the Horizon Contract*

75. The Horizon Contract is currently due to end on 31 March 2025. Fujitsu understands that POL's programme to introduce a replacement system to Horizon is substantially delayed.

76. In around November 2023, POL requested discussions with Fujitsu concerning a potential extension of the Horizon Contract to March 2030. However, there are several challenges to the feasibility of the continued delivery of the Horizon

system and its associated services. These challenges are outlined in a letter from Fujitsu to POL dated 15 December 2023,<sup>38</sup> and include the following:

- 76.1 The risks associated with the continued provision of Horizon (including the audit archive) on an 'End-of-Service-Life' ("EOSL") IT infrastructure. POL's focus has historically been on implementing alternative solutions to Horizon, rather than investing in the existing infrastructure. Due to the age and EOSL status of the existing Horizon infrastructure, there is an increasing risk of the infrastructure failing, which could adversely impact the delivery of services to the public.
- 76.2 The technical complexity and risk associated with (i) updating the existing infrastructure, which is now at varying states of obsolescence and compatibility, and (ii) delivering new system requirements. The risks and technical challenges associated with these two activities are also increasing with the continued provision of Horizon on an EOSL IT infrastructure.
- 76.3 The need to (i) extend the leases for, and (ii) upgrade the facilities for the Datacentre that hosts Horizon.
- 76.4 The need to retain highly specialised staff who, in some cases, have been working on Horizon for many years and have a deep knowledge of the underpinning business logic, bespoke application and aged infrastructure environment.

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<sup>38</sup> FUJ00243299



76.5 The challenges of recruiting staff to work on Horizon with the requisite knowledge in aged infrastructure and bespoke applications, and in light of public scrutiny concerning the system itself.

77. As noted above, the Horizon Contract is due to end on 31 March 2025.<sup>39</sup> However, in the event that this is not possible, Fujitsu is currently discussing with POL (at its request) the potential for a short-term extension (which POL envisages to be approximately two years) to facilitate an orderly exit and transition to occur. In light of the evidence that has emerged in the Inquiry in relation to POL's conduct and culture, and the challenges that Fujitsu has faced with regards to visibility over POL's use of Horizon data and/or records, Fujitsu's position will be that any extension to the Horizon Contract should necessarily see the removal of the Court Case Support Services provisions.

*The January 2024 Statement*

78. The Inquiry has referred Fujitsu to a BBC News article dated 11 February 2024 (the "**BBC News Article**")<sup>40</sup> and the following statement set out at the end of the article:

*"Based on the findings of the Inquiry, we will also be working with the UK government on the appropriate actions, including contribution to compensation.*

*The Fujitsu Group hopes for a swift resolution that ensures a just outcome for the victims."*

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<sup>39</sup> FUJ00243301; FUJ00243300

<sup>40</sup> RLIT0000276

79. As I explained to, (i) the Business and Trade Committee when I gave oral evidence on 16 January 2024 and, (ii) the Inquiry when I gave oral evidence on 19 January 2024, Fujitsu will engage with Government on appropriate contribution to redress at the conclusion of the Inquiry. This view was reiterated in a statement by Fujitsu Limited in Japan on behalf of the Fujitsu Group on 18 January 2024 (the “**January 2024 Statement**”), which stated:<sup>41</sup>

*“The Fujitsu Group regards this matter with the utmost seriousness and offers its deepest apologies to the sub-postmasters and their families.*

*The UK statutory public Inquiry, to which our UK subsidiary is providing full cooperation, is examining complex events that have unfolded over many years, and we remain steadfast in our commitment to this cooperation. Based on the findings of the Inquiry, we will also be working with the UK government on the appropriate actions, including contribution to compensation.*

*The Fujitsu Group hopes for a swift resolution that ensures a just outcome for the victims.”*

80. The BBC News Article reflects exactly the words used in the January 2024 Statement, the contents of which remain unchanged today.

81. Fujitsu takes Lord Justice Fraser’s criticisms in the Horizon Issues Judgment very seriously. In its letter to Darren Jones MP, then Chair of the Business, Energy and Industrial Strategy Committee dated 12 June 2020, Fujitsu committed to helping with all inquiries, including the Government Review

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<sup>41</sup> RLIT0000353

announced on 10 June 2020 (which later became a Statutory Inquiry on 1 June 2021).

82. During a virtual meeting with Sir Wyn Williams on 19 November 2020, I conveyed that Fujitsu welcomed the opportunity to be heard and would cooperate fully with his Inquiry. Fujitsu believes that providing the Inquiry with its full support presents the best possibility of ensuring a just outcome for the victims.

83. Fujitsu believes that POL continues to have significant cultural issues. Fujitsu considers that direct engagement with government, if conducted in a constructive manner and in light of the findings of this Inquiry, is the most appropriate way of resolving this matter to the satisfaction of all relevant stakeholders.

84. In the meantime, Fujitsu remains committed to providing every possible assistance to the Inquiry.

**Statement of Truth**

I believe the content of this statement to be true.

**GRO**

Signed:

Dated: 23 September 2024

**INDEX TO THE FIFTH CORPORATE STATEMENT OF  
FUJITSU SERVICES LIMITED**

<b>Exhibit No.</b>	<b>Document description</b>	<b>Control No.</b>	<b>URN</b>
1.	European Services Assurance Handbook dated 18 July 2024	POINQ0249310F	FUJ00243269
2.	Copy of "Fujitsu Way" webpage on Fujitsu website	RLIT0000350	RLIT0000350
3.	Copy of "Code of Conduct" webpage on Fujitsu website	RLIT0000351	RLIT0000351
4.	Fujitsu Global Business Standards dated December 2012	RLIT0000352	RLIT0000352
5.	Europe Compliance Sub-Master Policy on Whistleblowing dated 12 December 2023	POINQ0249314F	FUJ00243273
6.	Fujitsu UK HR handbook dated 15 July 2024	POINQ0249313F	FUJ00243272
7.	Organisation chart for Fujitsu UK & Ireland Leadership Team dated September 2024	POINQ0249315F	FUJ00243274
8.	Management Business Review Terms of Reference dated 15 October 2021	POINQ0249311F	FUJ00243270
9.	Strategic Account Review Terms of Reference dated 8 February 2023	POINQ0249312F	FUJ00243271
10.	Ethisphere Ethical Culture Assessment dated 14 November 2023	POINQ0249318F	FUJ00243277
11.	Briefing shared with Fujitsu employees following findings of Ethisphere survey dated December 2023	POINQ0249330F	FUJ00243289

<b>Exhibit No.</b>	<b>Document description</b>	<b>Control No.</b>	<b>URN</b>
12.	Fujitsu UK and Ireland Leadership Workshop agenda and materials dated 28-29 November 2023	POINQ0249326F	FUJ00243285
13.	Fujitsu Legal Workshop agenda and materials dated 30 November 2023	POINQ0249327F	FUJ00243286
14.	Fujitsu UK and Ireland Leadership Workshop agenda dated 28-29 November 2023	POINQ0249323F	FUJ00243282
15.	Fujitsu Legal Workshop agenda dated 30 November 2023	POINQ0249322F	FUJ00243281
16.	Fujitsu UK and Ireland Leadership Workshop presentation dated 28-29 November 2023	POINQ0249324F	FUJ00243283
17.	Fujitsu Legal Workshop presentation dated 30 November 2023	POINQ0249325F	FUJ00243284
18.	Fujitsu Ethics and Values workshop case study 1	POINQ0249319F	FUJ00243278
19.	Fujitsu Ethics and Values workshop case study 2	POINQ0249320F	FUJ00243279
20.	Fujitsu Ethics and Values workshop case study 3	POINQ0249321F	FUJ00243280
21.	Fujitsu Ethics and Values workshop case study 1	POINQ0249328F	FUJ00243287
22.	Fujitsu Ethics and Values workshop case study 2	POINQ0249316F	FUJ00243275
23.	Fujitsu Ethics and Values workshop case study 3	POINQ0249317F	FUJ00243276
24.	Living the Fujitsu Way training presentation talking notes	POINQ0249332F	FUJ00243291

<b>Exhibit No.</b>	<b>Document description</b>	<b>Control No.</b>	<b>URN</b>
25.	Communication from Anwen Owen to all Fujitsu UK and Ireland dated 12 December 2023	POINQ0249331F	FUJ00243290
26.	Rebuilding Trust Tech Survey Interview Questions Master	POINQ0249334F	FUJ00243293
27.	Fourth Corporate Statement of Fujitsu Services Limited dated 8 August 2024	WITN06650400	WITN06650400
28.	PAM RAM Assurance Report dated 20 April 2023	POINQ0249333F	FUJ00243292
29.	Letter from Rob Putland to Darren Jones MP dated 16 June 2020	POL-0110351	POL00112955
30.	Email chain between FSL and Greater Manchester Police last dated 11 June 2020	POINQ0249284F	FUJ00243259
31.	Amended witness statement of Andy Dunks dated 8 August 2020	POINQ0249285F	FUJ00243260
32.	Letter from Paul Patterson to Nick Read dated 17 May 2024	POINQ0249224F	FUJ00243199
33.	Letter from Chris Breen to City of London Police dated 23 August 2024	POINQ0249295F	FUJ00243303
34.	Letter from Paul Patterson to Nick Read dated 8 July 2024	POINQ0249229F	FUJ00243204
35.	Email chain between Chris Breen and John Bartlett last dated 1 May 2024	POINQ0249182F	FUJ00243157
36.	Letter from Nick Read to Paul Patterson dated 30 May 2024	POINQ0249226F	FUJ00243201
37.	Email from Paul Patterson to Nick Read dated 16 July 2024	POINQ0249230F	FUJ00243205
38.	Letter from Owen Woodley to Paul Patterson dated 23 July 2024	POINQ0249234F	FUJ00243209



<b>Exhibit No.</b>	<b>Document description</b>	<b>Control No.</b>	<b>URN</b>
39.	Letter from Paul Patterson to Owen Woodley dated 26 July 2024	POINQ0249236F	FUJ00243211
40.	Email from Paul Patterson to Chris Breen, Daniel Walton, Rob Putland, Rachel Roberts and Carla Hall dated 19 July 2024	POINQ0249231F	FUJ00243206
41.	Letter from Paul Patterson to Owen Woodley dated 26 July 2024	POINQ0249236F	FUJ00243211
42.	Audit Record Query Request form dated 4 March 2024	POINQ0249238F	FUJ00243213
43.	Audit Extraction – Local Work Instruction SVM/SEC/WKI/4517 version 1.0 dated 10 April 2024	POINQ0249338F	FUJ00243297
44.	Email chain between POL Remediation Team and FSL CSPOA last dated 21 June 2024	POINQ0249258F	FUJ00243233
45.	Email from Daniel Walton to Rajivsinh Rathod and Neeraj Mittra dated 9 July 2024	POINQ0249336F	FUJ00243295
46.	Credit note memo from FSL to POL dated 28 June 2024	POINQ0249337F	FUJ00243296
47.	Audit Record Query Request form dated 22 May 2024	POINQ0249252F	FUJ00243227
48.	Email chain between Simon Oldnall and Daniel Walton last dated 21 June 2024	POINQ0249262F	FUJ00243237
49.	Email chain between Rajivsinh Rathod and Daniel Walton last dated 19 July 2024	POINQ0249261F	FUJ00243236
50.	Email chain between Simon Oldnall and Daniel Walton last dated 4 September 2024	POINQ0249309F	FUJ00243317



<b>Exhibit No.</b>	<b>Document description</b>	<b>Control No.</b>	<b>URN</b>
51.	Email from Daniel Walton to Chris Brocklesby and Dionne Harvey dated 15 December 2023	POINQ0249339F	FUJ00243298
52.	Copy of "A Fujitsu statement of Post Office Horizon IT" webpage on Fujitsu website dated 18 January 2024	RLIT0000353	RLIT0000353
53.	Letter from FSL to POL dated 15 December 2023	POINQ0249340F	FUJ00243299
54.	Letter from Daniel Walton to Simon Oldnall dated 3 July 2024	POINQ0249342F	FUJ00243301
55.	Email from Daneil Walton to Simon Oldnall dated 3 July 2024	POINQ0249341F	FUJ00243300
56.	BBC article dated 11 February 2024	RLIT0000276	RLIT0000276