

## Customers and Suppliers

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Our success comes from our customers' success. By putting customers first, we benefit all our stakeholders. From product design to service policies, we listen and respond to customers' needs and concerns. Because we depend on suppliers to help us meet customer needs, we require our suppliers to meet appropriate performance standards. Our Supplier Code of Conduct extends these standards to include corporate responsibility.

### Working with customers

Our corporate values start with the command to Put Customers First. We work continuously to improve customers' experience of Pitney Bowes and to build customer satisfaction and loyalty.

### Working with suppliers

In 2008 we introduced the Pitney Bowes **Supplier Code of Conduct**. The Code establishes social, environmental and ethical and legal compliance standards and performance benchmarks.

### Supplier diversity

We seek a diverse and vibrant supplier base in keeping with our overall commitment to diversity and inclusion.

### Performance 2008

We report on the diversity of our supplier base.

## Working with Customers

Meeting the needs of our customers is our first priority. Championed by our Chairman, President and CEO, Murray Martin, we are raising our commitment to customer experience and service. In 2008 we hired a specialist to lead our first Customer Experience team and to establish a new strategy. Since then we have significantly expanded our investment in seeking customer feedback and processes to tackle customer dissatisfaction. We have set targets to improve our customer satisfaction rate and customer loyalty metrics. We will report on these in 2011.

### Steps we have already taken include:

- **Segmenting our customers** according to their mailstream business needs
- **Reorganizing our service teams** to better meet the needs of each segment
- **Increasing the number of employees** trained to improve customer service
- **Setting customer service goals** for cross-functional teams
- **Creating an internal customer service website** for employees to share issues and ideas
- **Streamlining our processes** to speed our response to customer issues.

We measure customer satisfaction on about 80 percent of our transactions. Each instance of dissatisfaction is fed back directly to the relevant business unit, and within three business days an action plan is developed to tackle the issue and its causes.

We undertake qualitative research regularly to deepen our understanding of customers' needs and concerns. In the past we have conducted surveys in the United States and parts of Europe. We intend to standardize and globalize these surveys by the end of 2009.

## Working with Suppliers

To serve our customers with the highest standards of service and product quality, we need corresponding standards in our dealings with suppliers. In addition to strict standards on the technical performance of supplier goods and services, we also seek to ensure that working conditions in our supply chain are safe, that workers are treated with respect and dignity, and that manufacturing processes are environmentally and socially responsible, and that suppliers are committed to abiding by the laws that apply to them.

### Supplier Code of Conduct

To formalize these expectations, in 2008 we introduced a **Supplier Code of Conduct**. The Code establishes critical benchmarks and examples of good management practices to help suppliers comply with the code's provisions for supplier performance in the following areas:

- Forced labor
- Wages and working hours
- Non-discrimination
- Respect and dignity
- Health and safety
- Protection of the environment
- Legal and ethical dealings

All of our key suppliers have acknowledged receipt of and support for the Code's standards and provisions. We have communicated our expectation that our key suppliers will apply the Code's standards to their extended sources of supply engaged in the production of goods and services for Pitney Bowes.

We are updating our supplier agreements to include references to the Code and are developing metrics for measuring suppliers' compliance with the Code. We encourage suppliers and Pitney Bowes employees to report violations of the Code through our confidential Ethics Help Line.

## Supplier Diversity

In keeping with our overall commitment to diversity and inclusion, we regularly pursue relationships with best-in-class diverse suppliers. We do so partly to maximize the opportunities available to diverse supplier businesses and partly to take advantage of the unique perspectives and capabilities they bring to the larger business community.

We expect all suppliers to meet our high standards of product and service quality, as well as specific objectives related to cost and delivery. To be considered for business with us, diverse businesses are encouraged to seek certification from one of the following agencies:

- National Minority Supplier Development Council (NMSDC)
- Women's Business Enterprise National Council (WBENC)
- Small Business Administration (SBA)
- Association for Service Disabled Veterans (ASDV)

Suppliers may also seek certification from state, county and city governments.

We support national diversity organizations through corporate memberships. Currently, our Vice President of Procurement sits on the Board of Directors of the Women's Business Enterprise National Council. We utilize our memberships to ensure the integrity of our supplier diversity process, benchmark best practices, educate our stakeholders, and identify world-class diverse suppliers.

We encourage certified companies to register at [www.diversitybusiness.com](http://www.diversitybusiness.com), an important resource used by our purchasing staff and other decision makers. Once registered, companies are listed in an internal Pitney Bowes database and made available to our sourcing managers, although registration as a prospective supplier does not guarantee contracting opportunities.

## Performance 2008

| Supplier diversity |      |
|--------------------|------|
| Target             | 5%   |
| 2007               | 4.9% |
| 2008               | 4.7% |

% of supplier spend with certified women- or minority-owned businesses



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