Environmental Health & Safety

progress report
2001

Business value created through excellence in environmental, health & safety programs
Message to our Stakeholders:

Pitney Bowes is proud to present the fourth edition of our Environment, Health and Safety (EHS) Report. This report provides an opportunity for us to communicate to our stakeholders the exceptional achievements and cutting-edge programs we have implemented throughout our operations. These programs provide clear business value to the company, while helping to reduce our environmental impact and attempting to improve the quality of life in the communities in which we operate. Our actions are driven by a commitment to the long-term sustainability.
of our business, along with the acknowledgement that our continued growth is dependent on the availability of our natural resources and the ecosystems that sustain us. By recognizing the interdependence of our environmental, social and economic performance, we will achieve our mission of providing shareholder and customer value into the 21st century and beyond.

As in the past, this report highlights the innovative programs that set our company apart from the mainstream, based on EHS initiatives that improve product innovation and help us to identify and respond to the trends that impact our business. In addition, we have incorporated EHS metrics that our stakeholders may utilize to measure our improvements.

Strong EHS management is an essential aspect of Pitney Bowes’ business proposition. It is an indicator of good business management and contributes to our long-term value to the global community in which we operate. We invite your honest evaluation of our results and your suggestions for improvements.

Michael J. Critelli
Chairman & Chief Executive Officer

Joseph J. Shimsky
Executive Director, Corporate Safety & Environmental Affairs
Pitney Bowes is a $4 billion global provider of integrated mail and document management solutions headquartered in Stamford, Connecticut. The company serves over 2 million businesses of all sizes through dealer and direct operations. Additional information on the corporation can be found in our Annual Report at http://www.pb.com.
Corporate EHS Management

Through the establishment of stretch objectives and a focus on continuous improvement, Pitney Bowes has realized some remarkable EHS achievements over the years. At the core of our achievements is our steady compliance with state and federal regulations, in many cases far surpassing minimum requirements. Our employees have set the benchmark within our industry for environmental protection and worker safety. A preview of some of the results is included below:

- 97% decline in reportable Toxic Release Inventory (TRI) air emissions (1990 baseline)
- 33% drop in claim costs from Cumulative Trauma Disorders (CTD) 2000-2001
- 14% reduction in energy cost and consumption between 1997-2000
- 23% decrease in Total Recordable Injury Rate (TRIR) since 1996, remaining consistently below the industry average year after year

We will continue improvements where possible and apply a broader vision of our future, particularly as it applies to the principles of Sustainable Development. We will also demonstrate the innovative ideas necessary to enhance the safety and health of employees, be a responsible environmental steward and contribute positively to the company’s profitability. Examples of this are the involvement of our Corporate Safety and Environmental Affairs (CSEA) staff in new business opportunity development and the Workflow Solutions business (described on pg. 21) that began with the Occupational Safety & Health group. In every case, EHS brings a new perspective to the idea generation phase and helps identify what would previously have been lost opportunities.

At Pitney Bowes, CSEA has always operated with an eye toward value-added programs in support of the business objectives, as integrated within the supply chain. The remaining sections of the report detail our progress toward achieving these goals.
Business Value

EHS initiatives must provide business value in order to be accepted and implemented throughout an organization. Our health and safety programs utilize a continuous improvement philosophy to maximize productivity in a work environment that is free of recognized hazards. While the OSHA regulatory compliance standards direct one portion of our safety program, Pitney Bowes safety initiatives go beyond basic compliance through a strategic integration process that enhances operational efficiencies and reduces overhead costs. They add business value by directing efforts at initiatives that manage our workers’ compensation costs, enhance productivity, and contribute to the well being of our employees.

Our environmental programs incorporate an identification of the aspects of our operations that have an environmental impact. From that, targets and objectives for reducing those impacts are developed. Where clear business value results from the target or objective (e.g., solid waste reduction reduces disposal costs), EHS staff initiatives are fully supported. Where the environmental impact/cost of the operation is felt external of the company’s balance sheet, to take on the cost of reducing or eliminating that impact could place a company at a competitive disadvantage. Pitney Bowes has adopted a practice for dealing with the environmental externalities of our business that includes two alternatives. We first attempt to coordinate industry cooperation on voluntary initiatives to reduce the environmental impact. If that is not feasible, but the impact is significant, Pitney Bowes advocates regulatory oversight. In these ways, the externalities are born by all, effectively “leveling the playing field.”

Pitney Bowes has developed environmental, health and safety strategies with the stated goal of “providing a framework to insure that Pitney Bowes can meet the needs of the enterprise and its stakeholders today while protecting, sustaining and enhancing the human and natural resources that will be needed in the future.” The strategies are based on the identification of our primary environmental impacts, as well as safety and health issues, focus on the next five years, and forms the basis for achievable objectives for our business units. Each element of the strategy has a demonstrable business value and contributes to the company’s profitability. The elements of the strategy are:

- Continuously improve the ecological performance of all product supply activities including: product and facility design; materials selection, sourcing, extraction, transportation, and processing.
- Reduce the environmental impacts of paper use by Pitney Bowes and its customers.
- Design products and conduct company operations in a manner that will continuously and measurably reduce the load on natural systems’ carrying capacities.
- Design processes and products that neither make waste nor commend any residues as emissions to the Earth’s crust, air or waters.
- Minimize or eliminate the use of targeted toxic materials in the manufacture and design of Pitney Bowes’ products and operations.
- Facilitate the provision of carbon-neutral commerce, products and services.
- Establish in all manufacturing and assembly operations, certifiable Environmental Management Systems (EMS) that provide the framework to integrate environmental factors into strategic business decisions and daily operations.
- Promote fair and efficient use of earth’s natural capital for the purpose of meeting human needs globally.
- Advance an eco-literacy initiative to facilitate stakeholders’ understanding of the business value of ecologically sustainable operations.
- Implement measures to insure that Pitney Bowes’ risk of liability for environmental matters is minimized.
To insure that trends having the potential to impact Pitney Bowes’ future business operations are identified and integrated in business unit strategy development, we have established a Futures Strategy Team. The team examines a broad range of issues, including those that will impact the business in the near term and those with longer term impacts. Through this process, Pitney Bowes positions itself to respond to and, to the extent possible, take advantage of the opportunities presented by future environmental trends. EHS staff members participate on the Futures Strategy Team and provide input on global EHS trends that may impact our business. We believe the following issues to be relevant to our business and we are researching and responding to them in the ways described:

**Paper Sourcing and Pricing** – Concerns about the need for sustainable forest practices to be implemented by the producers of paper products led to Pitney Bowes’ position on no old-growth fiber in our paper products (see pg. 28). We believe that the pressures on paper producers to sustainably manage the forest resources on which they depend will only increase with time and will ultimately impact the price of paper. We are researching the issues carefully with the intent of developing a broader forest products procurement and use strategy that will address recycled content, volume reduction strategies, and support environmental research on forest management practices.

**Environmentally Preferable Purchasing** – National and local governments, as well as many large commercial customers throughout the world are implementing requirements for procurement of “environmentally preferable products.” Through Pitney Bowes’ Design for Environmental Quality program (see pg. 9), we are designing and producing products that are energy efficient, have recycled content, are recyclable, and are free of targeted toxic materials. These attributes will give our products a measurable competitive advantage with those customers seeking environmentally preferable products.

**Energy Pricing and Reliability** – The deregulation of electricity markets in states throughout the US brings with it concerns about price, reliability and quality of power supply. Through our Energy Management program (see pg. 7), Pitney Bowes is managing its energy use to reduce our overall consumption and is evaluating various risk management alternatives to address the reliability issues. Included in our evaluation are the alternatives of producing some of our own power for primary or backup purposes, purchasing “green” power, aggregating our employees and/or facilities to obtain better supply rates, and various means of insuring against loss of business. Additionally, we actively participate in the legislative process to shape the deregulation framework in key states.

**Electronic vs. Paper** – Many of Pitney Bowes’ new products and services assist customers with a migration from paper-based documents to electronic ones. We believe that there are potential environmental benefits associated with this migration, but want to conduct the research necessary to make this assertion. We are working with a recognized research organization to finalize the protocol for such research, which we hope to conduct during 2002.

**Global Warming** – Whether through the Kyoto Protocol or some yet-to-be developed global agreement on climate change, we believe that reduction strategies for carbon emissions believed to contribute to global warming are necessary and will be required at some point. We further believe that this may be accomplished through the use of emissions trading programs. While we are proactively reducing these emissions from Pitney Bowes operations through our energy management program, we are also evaluating whether there is a business opportunity in providing products or services to assist customers with determining and/or documenting emissions reductions potentially achieved through better mail and document management.
Everyone – institutions, corporations and individuals alike – relies on the earth’s natural capital, that is, its natural resources and ecological systems, for survival. Read how Pitney Bowes works to conserve and reinvest in the natural capital necessary for our long-term sustainability.

$4,840,597

Energy Management program

in 2000 dollars

net present value
Energy Management

Energy management at Pitney Bowes has evolved from basic conservation measures into an operating system combining resource utilization and risk management tools. The main drivers for this evolution have been the deregulation of energy markets, our constant desire to reduce resource costs, and our corporate objective to conserve the natural capital that is our dominant energy source.

Best practices for energy management are shared across the corporation through our Energy Management Team. Formed in 1998, the team consists of members of Facilities Management, Real Estate, Corporate Safety & Environmental Affairs, and Corporate Purchasing. By working together as a team, successful projects and practices are leveraged over numerous facilities, thereby sharing knowledge and lowering costs.

Our energy management program still has a strong focus on conservation and load management. As a result, our energy consumption is down nearly 17% since 1997. Conservation projects include everything from retrofitting lights, upgrading motors, reconfiguring compressed air systems, boiler optimization, upgrading office systems, co-generating (both heat and electricity), and flexible facility management. For example, in our office environments, we have configured employee workstations to maximize their energy-saving features.

Another cornerstone of our energy management program has been employee involvement and education. Energy conservation specialists educate our employees about residential energy conservation programs and products. Employees are also educated on how to reduce energy consumption at work, with suggestions ranging from turning off inactive office and manufacturing equipment, to dressing for comfort.

An internet-based tracking system records energy consumption at major facilities on 15-minute intervals. This system is also used to record and analyze utility bills. Centralizing all this information provides us with real time data on our energy use characteristics and helps us structure the most beneficial way to fulfill our energy requirements.

The next stage in Pitney Bowes’ energy management plan will be to move beyond energy management at our facilities, and look at the energy-use characteristics of the services we offer. For example, if we can provide the same functionality for our customers as a service offering, we can greatly improve the energy consumption practices of our customers, while providing superior value. This transformation is in alignment with our corporate migration to being a solution provider.
Pitney Bowes is a founding member of the Green Power Market Development Group (GPMDG). The group is comprised of leading multinational corporations that have joined with the World Resources Institute (WRI), and Business for Social Responsibility (BSR), to develop a market for 1,000 megawatts of cost-competitive, new “green” energy capacity over the next ten years. GPMDG aims to transform energy markets by reducing market barriers faced by green power suppliers. The group, working with companies taking a leadership role in our clean energy future, will achieve this goal by:

- Engaging suppliers, purchasers, and other stakeholders in a collaborative green power market-change strategy
- Developing and implementing long-term plans to buy competitively priced green power and/or develop on-site renewable generation capacity
- Developing tools for renewable power purchases
- Creating replicable models for purchase or on-site generation that are economically, technically, financially and legally feasible
- Publicizing activities and purchase agreements via conferences, publications, and the internet to encourage broader acceptance of green power technologies by other companies

Pitney Bowes is also leading an effort to develop a similar group at a state level in Connecticut, where most of our home-office facilities are located. Working with other like-minded companies, the Connecticut Department of Environmental Protection, the Connecticut Clean Energy Fund, and various energy marketers within Connecticut, we hope to facilitate the development of new green energy sources with which to supply our facilities. We believe that through constructively engaging the market, we can improve the environment in an economically and environmentally sustainable manner.

### Water Conservation

Data from US Home-Office and Manufacturing, UK Manufacturing

(all figures in Millions of gallons)

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103,000.00 gallons of water saved
75% Energy Star® certified
Pitney Bowes believes that taking responsibility for our actions goes far beyond what is simply required by government regulations. This commitment is manifested in Extended Producer Responsibility (EPR), a more recent concept in product stewardship, which places responsibility on manufacturers for the environmental impact of their products from the time they are designed through the time they reach the end of their useful life. Fundamentally, EPR is the basis for many of our environmental initiatives. Read about the innovative and award-winning programs, described below, that set our company apart from the more traditional, regulatory focus on basic compliance management.

Design for Environmental Quality

Following several years of successful pollution prevention initiatives in the late 80’s and early 90’s, Pitney Bowes realized that to continue achieving environmental improvements, we would need to reach beyond our manufacturing processes to reduce the environmental impacts of the products throughout their life cycle. In 1991 we launched our Design for Environmental Quality program to provide a focus for reducing environmental impacts during the product design phase. In 1994, a multifunctional team developed our Design Guidelines for Product Environmental Quality, Disassembly, and Recyclability. The Guidelines address the following:

- Reducing the quantity and/or toxicity of materials used in the product
- Reducing the energy consumption of the product
- Improving the reusability, recyclability and ease of disassembly
- Reducing product packaging
- Incorporating recycled materials into the product

Furthermore, in the 1995 revisions to our corporate policy on Environmental Protection, our commitment to “incorporate environmental protection goals in the design of new products and materials specifications, and new manufacturing and assembly processes” was made clear.

Some examples of DFEQ achievements include:

- Energy Star® certification for 75% of newly manufactured mailing machines
- 80% reduction in the use of chrome electroplated parts in our U570 Mailing System
- 90% reduction in the use of lead in our Paragon II Mail Processor
- Transition from metal parts to engineered plastic (reduces chemical and energy use during manufacturing and reduces product weight, resulting in less transport-related fuel consumption)
- Replacement of certain plating processes by the use of painted parts, using low-solvent, water-based paints or powder coating whenever possible
- Use of ISO symbols on internal plastic components to identify the type of plastic, better enabling recycling

Pitney Bowes continues to strive for a better environmental future by setting aggressive targets for this program. Our Design for Environmental Quality goals for the program during 2001-2002 include:

- Elimination of trace amounts of mercury from three mailing machine displays
- Energy Star® certification for 100% of newly manufactured mailing machines
- Incorporation of post-consumer recycled resins into product design
- Minimization of the use of lead and PVC in our products
**Product Environmental Profiles**

Many Pitney Bowes customers request information on the environmental performance and attributes of our products. To communicate this information to those that are interested, Pitney Bowes has put together Product Environmental Profiles for several of our products. These profiles contain product-specific environmental information, as well as information on corporate environmental achievements. By addressing environmental issues in each phase of a product’s life cycle during the product development process, Pitney Bowes has achieved several environmental design improvements:

- reduced electricity consumption during product operation
- reduced material volume used in product manufacture
- improved ability to disassemble and remanufacture used product
- incorporation of recycled materials into product lines

These profiles can be found on the Pitney Bowes website (http://www.pb.com/ehs) and are provided to sales representatives for distribution to customers. We welcome comments on the profiles and are interested to know which attributes are important to our customers and what their suggestions are for future product environmental improvements.

**$242,386,500 net present value**

Asset Recovery operations, sales revenue in 2000 dollars

**Asset Recovery**

Pitney Bowes has continued to explore and implement improvements to our industry-leading Asset Recovery operations. In the United States at this time 85% of the product that Pitney Bowes markets is captured with our takeback program. 30-50% of each of our mailing product lines is then remanufactured. The product that is not remanufactured is either sent for parts harvesting or material recycling. 30% of the components used in the servicing of Pitney Bowes mailing products are now directly obtained through asset recovery and parts harvesting. Similar highly successful programs exist in Pitney Bowes’ Canadian and European operations.

The significant cost savings coupled with the reductions in environmental impact realized through each program are very exciting. The year 2001 is targeted for aggressive expansion of these programs. Work is underway to see not only expansion of the existing applications, but also to develop new opportunities for the assets being returned. And as the program has clearly demonstrated, this means equally strong gains for the environment.

If a product is not to be remanufactured, Pitney Bowes recycles the product on a regional basis in order to minimize environmental impact of product transportation. A critical element in selecting regional partners to disassemble and recycle materials from our products is ensuring that the partner has a fully qualified environmental program. Pitney Bowes has communicated to each partner the opportunities and the importance it places on realizing these cost reductions and environmental benefits. We believe that through the combined efforts of Pitney Bowes and our partners, we will be able to achieve a significant improvement in the amount of materials and components that are recycled.
Supply Chain Environmental Management

Pitney Bowes is dedicated to expanding our commitment to environmental stewardship and sustainable development beyond the boundaries of our own facilities. We realize that for our products to reflect our dedication to proactive social and environmental sustainability, we must insure that all the goods, products, and services provided to us by our supply chain partners likewise exhibit the same level of ecological commitment. We believe there should be no difference between the ecological commitment and performance of Pitney Bowes and that of the organizations that help us achieve our company mission.

Pitney Bowes began the “greening” of its supply chain five years ago with the inauguration of our “Certificate of Compliance.” In what has become a living document – ever growing with new company environmental policies, regulatory programs, and global directives – all our suppliers must demonstrate via this system that their products, processes and packaging meet Pitney Bowes environmental program standards. All potential suppliers are expected to meet these stringent performance and environmental criteria in order to establish an ongoing business relationship with Pitney Bowes.

The company is furthering its effort to green its supply chain, thereby reducing costs and liabilities and adding value to our products, in a pilot program begun this year. Pitney Bowes is providing on-site technical assistance to a supplier facility in order to reduce their environmental and energy impacts, and costs. By reducing supplier energy consumption and environmental liabilities, the organization will realize savings and gain further incentive to continue proactive sustainability efforts. While this initial year of our supply chain environmental management program includes only one supplier, its success promises that an ever-expanding program will continue in successive years.

85% product captured takeback program
www.pb.com/ehs
certificate of compliance

Green Product Innovation

At Pitney Bowes we believe that our desire to reduce the environmental impact of the products and services we offer enhances our ability to innovate. Our Advanced Concepts & Technology group has used environmental improvements to catalyze development of new product concepts in a one-day workshop. By broadening their focus to include a consideration of legal and regulatory requirements that could affect the marketability of our products, we expect to gain the benefits of reducing the environmental footprint of the company and reducing the costs of compliance, while continuing to deliver on performance and customer satisfaction.
Risk is the possibility of loss or injury and can arise from a multitude of activities. A successful organization will analyze and manage the risks inherent in its operations and determine how to best handle such exposure. Our EHS programs are designed to manage historical exposure, as well as to anticipate, evaluate, and minimize potential future EHS risks.
Managing our risks
improving practices

Auditing and Compliance

Pitney Bowes facilities are regularly audited to ensure compliance with Environment, Health, and Safety (EHS) regulatory requirements, as well as with corporate best practices. Major US and international facilities are audited on a schedule that reflects their potential impact, generally every one to two years. The auditing program is designed to catch problems before they become significant, as well as identify potential oversights of our management systems.

The current environmental audit rates a facility's performance as measured against corporate operating standards. It also measures the degree to which the facility has integrated environmental management into its business processes. The audit is designed to identify underlying causes for areas of concern so that solutions can be implemented at the management level to improve performance. The audits also identify change factors (such as facility and process modifications, materials used, and business acquisitions) that may have an environmental impact.

The safety and health audit consists of a regularly scheduled review of programs, progress on objectives, training requirements, responsibilities, recordkeeping, air quality review, noise management, and ergonomics. The audit findings are communicated to management and to the Safety & Environment Committee so that appropriate actions can be taken.

While improving management practices is more involved and time consuming than creating a “quick fix” of a given situation, this kind of structural diligence at the management level prevents problems from recurring. The dynamic nature of our businesses and operations requires that our ongoing audit program must constantly evolve in order to guarantee optimal environmental, health and safety performance.

Environmental Site Assessment

Pitney Bowes performs environmental assessments of properties that are being sold as part of a divestiture or in those instances where they have been declared surplus. Assessments are also performed at properties at the end of long-term leases. If there is any indication of potential contamination, the sites are further investigated to determine the nature and extent of contamination. Any site found to be contaminated is remediated to applicable standards. By conducting these thorough investigations and cleanups prior to transfer, Pitney Bowes insures that the company remains in compliance with all applicable property transfer requirements and minimizes all related liabilities.

In order to limit Pitney Bowes’ risk of future environmental liability, all business acquisitions that involve real estate transactions undergo environmental due diligence. Pitney Bowes initiates an environmental site assessment on property that is bought or leased and an evaluation of the risk of environmental contamination is made. This procedure minimizes our legal and financial environmental liabilities. By diligently managing and reducing these past and potential future liabilities, the company helps to insure a sound financial status.
Superfund Involvement

Currently, Pitney Bowes is involved in 31 state or federal Superfund sites as a Potentially Responsible Party (PRP), or as a third party defendant in PRP lawsuits. In many cases, our liability results from the improper activities of our waste transporters or disposers. We work within the PRP Groups to ensure responsible and effective remediation at these sites, thereby mitigating the environmental risks and Pitney Bowes’ financial risk to the degree possible.

Previous EHS and Annual Reports described Pitney Bowes’ involvement at the Sarney Farm Superfund site. At the time of this report, all investigation and remediation required by the EPA Administrative Order has been completed and the final report submitted to the agency. The past response-cost action has been settled with EPA and negotiations with other PRPs for their share of the remediation costs are ongoing.

Reducing our footprint

Much as an impression is left in the sand when a person walks on the beach, our human activities have a measurable impact on our environment. Pitney Bowes’ environmental initiatives are focused on evaluating and minimizing our corporate footprint on the ecological landscape. Read on to see our progress.

97% less toxic air emissions  compliance  73% less hazardous waste

Hazardous Waste

A bold and challenging goal of completely eliminating the generation of hazardous emissions to air, water and land from our operations was established in 1989. Significant results and achievements have been realized since then through our “Zero Discharge” program.

To date, the results of this program have improved the workplace for our employees and the general environment for the communities in which we operate. We have successfully reduced the potential for employee exposure to hazardous materials and also have improved process efficiencies, lowered our regulatory and insurance risk profiles, and enhanced profitability for the corporate balance sheet. To date, we have achieved a remarkable 97% reduction in reportable Toxic Release Inventory (TRI) air emissions, a 73% reduction in total hazardous waste generated, and an 87% reduction in treated wastewater discharges (compared to 1990 baseline figures).
A direct result of our Zero Discharge program has been a significant reduction in total Toxic Release Inventory (TRI) emissions. The annual reported amounts for our US operations are summarized in the table below.

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<td>26,969</td>
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<tr>
<td>Nickel</td>
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<tr>
<td>Nitric Acid</td>
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<tr>
<td>Ammonia</td>
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<tr>
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<tr>
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<tr>
<td>Total</td>
<td>601</td>
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<td>2,716</td>
<td>3,470</td>
<td></td>
<td>6,787</td>
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</table>

Opportunities are continuously sought that will further reduce and eliminate hazardous materials and processes from our manufacturing and assembly operations. Since 1989 we have designed and implemented more than 30 capital investment projects supporting waste minimization efforts toward the goal of zero discharge. These projects were defined within a financial constraint whereby the return on investment provided a simple payback within a mandatory 3-year timeframe.
**Non-Hazardous Waste**

Throughout the entire corporation, a network of formal and independent initiatives and committees has been formed to seek solutions that will reduce the volume of non-hazardous solid wastes generated at our facilities. The results of these various programs have capitalized on the resourcefulness of employees working together in teams. In 1996 we began to address solid waste reduction programs more comprehensively and aggressively when we became participants in the US EPA WasteWise Program, a national initiative designed to reduce the generation of solid waste.

Forming a cross-functional team to share best practices and to design and implement projects requiring commitments from multiple sites, our own WasteWise Initiative focused on three core areas: *waste prevention; collection of recyclables; and purchasing or manufacturing recycled products*. The US EPA has recognized our extraordinary efforts in solid waste reduction in 1998, 1999 and 2000 with the **WasteWise Program Champion Award** and in 2001 with the **WasteWise Program Partner of the Year Award**. The scope of our program has grown to include 23 facilities in the US, across 5 Divisions (Corporate, Management Services, Global Mailing Systems, Office Systems, Production Mail).

Several of our successes are highlighted in the table contained in the section “Waste Elimination Efforts.” In 2000, our WasteWise Initiative efforts at 23 US facilities resulted in the recycling of 5,816 tons of solid waste; at an overall recycling rate of 75%. This is a remarkable statistic in light of the national rate of recycling, according to the US EPA, to be about 27%.

In total, our continuing efforts in solid waste reduction represent cost savings and cost avoidance totaling $890,000 for 2000.

Communications materials (in electronic and print formats) stress the slogan “Sort at the Source” to encourage proactive employee participation. Ideas and suggestions are solicited from employees to help reduce the volume of solid waste generation as well as ways to re-use valuable resources.

| 5,816 tons | 75% | sort at the source |
| solid waste recycled | overall recycling rate |
### Waste Elimination Efforts

**Highlights of the Pitney Bowes WasteWise Initiative**

<table>
<thead>
<tr>
<th>Project</th>
<th>Description</th>
<th>Benefits</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cardboard Elimination</strong></td>
<td>Conversion of cardboard boxes to plastic totes for inter-facility transport of manufactured plastic components</td>
<td>Plastic totes are reused 350 times whereas cardboard boxes can only be reused up to 6 times</td>
<td>Eliminated the disposal of approximately 12,000 boxes per year</td>
</tr>
<tr>
<td><strong>Postage Meter Carrying Case Recycling</strong></td>
<td>Recycling initiative for returned postage meter carrying cases</td>
<td>Reduction in waste production and transportation costs</td>
<td>Recycled 322 tons in 2000; ground plastic is sold as a raw material</td>
</tr>
<tr>
<td><strong>Alternatives to Styrofoam Packaging Peanuts</strong></td>
<td>Replaced Styrofoam peanuts by a recyclable #2 High Density Polyethylene film that heat seals to itself, forming an air pillow</td>
<td>Better delivery system for the packaging line for out-bound products</td>
<td>Improved operational efficiency and significant reduction of waste for customers</td>
</tr>
<tr>
<td><strong>Plastics Components Recycling</strong></td>
<td>Recycling plastic components of returned equipment</td>
<td>Waste reduction</td>
<td>Recycled 477 tons in 2000 that were made into other new plastics-containing products</td>
</tr>
<tr>
<td><strong>Plastic Components Scrap Recycling</strong></td>
<td>Regrinding post-production plastic scrap for reintroduction to the manufacturing process</td>
<td>Reduction in virgin material use</td>
<td>Recycled 71 tons of scrap material; Components contain an average 5%-10% recycled plastic material</td>
</tr>
<tr>
<td><strong>Wood Pallet Recycling</strong></td>
<td>Recycling excess wood pallets</td>
<td>Waste Reduction</td>
<td>Recycled 345 tons in 2000 that were converted into gardener’s potting medium</td>
</tr>
<tr>
<td><strong>Reuse of Cardboard as a packaging medium</strong></td>
<td>Inbound cardboard shred into a packaging medium for outbound shipment of product to customers</td>
<td>Waste Reduction</td>
<td>Reused 52 tons of cardboard in outbound shipments of spare parts to customers</td>
</tr>
<tr>
<td><strong>Styrofoam (#6 Plastic) Food Serviceware Recycling</strong></td>
<td>Recycling #6 plastics used in food service</td>
<td>Waste Reduction</td>
<td>Recycled nearly 1 ton of Styrofoam food serviceware at two facilities (four additional sites are due to acquire this recycling equipment in 2001). Material becomes a feedstock for other plastic-containing materials</td>
</tr>
<tr>
<td><strong>Recycle of Styrofoam Packaging</strong></td>
<td>Collected block Styrofoam from inbound shipments</td>
<td>Waste Reduction</td>
<td>Recycled 2 tons of block Styrofoam into a stuffing material by a toy manufacturer</td>
</tr>
<tr>
<td><strong>Reusable Absorbents</strong></td>
<td>Program reuses oil-absorbing carpet materials around machinery</td>
<td>Waste Reduction</td>
<td>Waste material avoidance of nearly 42 tons annually</td>
</tr>
</tbody>
</table>

$890,000 saved in 2000 solid waste reduction efforts
40% of employees with the company 10 years or more

4,200 people assessed and trained in office ergonomics
Office Ergonomics – A Team Effort

As a leading provider of Mailing Equipment and related services, Pitney Bowes is continually seeking innovative ways to enhance the value and ease-of-use of our products to our customers. Our continued success has led to significant growth and expansion of internal sales, service and administrative-related tasks. Employees perform these tasks for long periods of time using computers and talking to customers on phones.

Recognizing that this growth could have a negative impact on our soft tissue injury claims, our management team made a decision to address our loss prevention strategies. Our goal was to deliver the workstation enhancements and training necessary to assist our employees and minimize the potential for fatigue or injury, while maximizing productivity in the workplace.

Pitney Bowes Office Ergonomics Program was created in 1996 as a natural companion to an already successful ergonomics program for our manufacturing and assembly operations. Our program has since expanded into a team effort involving our medical personnel, facility managers, line supervisors, select division heads, line employees, and safety & occupational health experts, all working together to address employee office ergonomic concerns.

An Advisory Council was formed consisting of representatives from Safety & Health, Facilities, Purchasing, Real Estate and Medical. They devised a five part plan for office ergonomics:

- **Standard Office Design** – A standard workstation footprint for office furniture, accessories and setup for the purpose of achieving highest value for the dollar.
- **Employee Training & Awareness** – Provide classroom, one-on-one, and intranet-based training.
- **Self-Assessment** – An intranet-based program which provides information on chairs, monitor placement, lighting and work surfaces, and then administers a self assessment test to point out potential problem areas.
- **Expert Intervention** – One-on-one consultation with a safety and health professional trained to recognize stressors that can lead to the aches and pains an employee may be experiencing.
- **Monitoring** – Establish a baseline from which we could measure our continuous improvement goals. Provide improvement based on feedback from employees and new information from published sources.

Since 1996, we have provided hands-on workstation assessment assistance to over 1,200 people in our corporate offices and training to over 3,000 in our field sales, service and support operations.
Manufacturing Ergonomics

Ergonomics training, design and employee work groups were in full operation at Pitney Bowes in the early 1990’s. With the majority of work-related health risks faced by our employees being musculoskeletal injuries, the process of ergonomics became an integral part of our new, world-class manufacturing effort. Our safety engineers worked closely with manufacturing to evaluate each assembly line using a continuous improvement process based on employee feedback to initiate a process change or modification.

As our new workspace improvements progressed, a reduction in space requirements, efficiency of material handling and potential for decreased worker soft tissue injuries were realized. This process of continuous improvement has resulted in the standardization of workstations which is now applied throughout our United States and Canada operations.

The results of our safety efforts have produced an ergonomics program capable of reducing the average cost of an injury by 33%. Medical intervention has played an important role in setting this trend. Employees are reporting injuries sooner, given treatment, and return to work without extended periods of lost time or restricted activity. Any incident of cumulative trauma injury triggers a workstation assessment and modification, where warranted, while in-house physical therapy and medical treatment is credited with eliminating the symptoms associated with the original complaint.

The application of good ergonomic principals has produced favorable results in the manufacturing environment. However, like any successful program, it requires continuous monitoring to address changes in production requirements. An ergonomic committee, consisting of supervisors, maintenance, production specialists, medical and assembly operations personnel, was formed to provide a means of addressing ongoing issues. The committee meets on a monthly basis to review injuries, assess workstations, perform audits and coordinate any major changes to the work areas. This team recognized the need to revise our standard accident reporting form to one that specifically addresses cumulative trauma injuries. They also strongly backed the implementation of a stretch break program that had been implemented by our medical department’s physical therapists.
Stretch Break Program

Good ergonomic principals combined with administrative procedures, a process which rotates employees away from the more difficult jobs, has helped reduce the potential for injuries associated with the repetitive assembly processes. However, many of the workstations use very similar movements and muscles to produce an assembled product. Simply rotating the employees would not address the ergonomic issue.

In response, CS&H in partnership with the medical department identified the need for a program that would facilitate some basic light exercise routines for our production employees. A stretch break was suggested to accomplish this goal. Employees utilize team motivated stretches at regular intervals throughout the workday. Employee response has been favorable and the impact has been substantial. The assembly lines actively involved in stretches have shown an 83% drop in the number of reported Cumulative Trauma Disorders.

Back Injury Prevention

As is the case with the majority of US manufacturing and service organizations, back injuries remain a primary source of concern for Pitney Bowes. Our loss prevention efforts continue to focus on redesign of the workplace; re-thinking the manual material handling needs of specific tasks, enhancing the use of material handling aids, the use of stretching exercises and on-site physical therapy in select areas, and education designed to maintain back injury prevention awareness.

In 2000, we developed our first “Managers Guide to Back Injury Prevention” video and CD, with distribution to all manufacturing and field service management. It is designed to educate our employees on the value of converting to the “curved back” lifting technique and eliminating the use of the straight back lift we have all been taught to use. In addition, the video covers five key elements known to cause back injury and offers practical solutions and considerations for our managers and employees to consider.

Workflow Solutions

Workflow Solutions had its genesis in the Corporate Safety and Environmental Affairs department, utilizing a team of engineers to integrate ergonomic workplace solutions into Pitney Bowes’ manufacturing organization. By optimizing the interrelations of people, processes and equipment, work processes could be performed more efficiently and with less stress to the employee. It became apparent that these skills, combined with Pitney Bowes’ extensive mailroom management expertise, could be leveraged to provide a new service to Pitney Bowes customers. The group split from the corporate organization, forming a completely separate unit within Pitney Bowes to provide workflow solutions to major corporate mailroom installations throughout the United States.

Workflow Solutions is an example of Pitney Bowes’ ability to leverage internal EHS expertise to create greater shareholder and customer value. Recently, Workflow Solutions merged into the Pitney Bowes Document Messaging Technologies organization, providing an important link to support customer business and enterprise-wide messaging goals.
management tools

maintaining lines of open communication
Management Reports

An important objective for the corporate safety and health (CS&H) staff is to integrate EHS programs with the company’s overall business strategies and objectives. The communication tool used for accomplishing this objective is the annual “Safety Management Progress Report to Senior Management.” This is an in-depth, division-specific report summarizing activity on new regulations, loss control programs, compliance training, beyond compliance initiatives and opportunities, loss trends, accident costs and the general status of safety and health program commitments.

The report also allows CS&H to provide discussion focus in areas which need senior management support. Examples include capital funding and resources required for specialized training, indoor air quality assessments, occupational health training, and safe operating procedures for specific equipment or processes. These reports have facilitated improved internal communications and teamwork by providing objectives for managing risk in the workplace. They also facilitate the integration of environment, health and safety programs within the company’s overall business strategy.

Best Business Practices

In 2000, Pitney Bowes launched a new approach toward managing safety in our workplace. A Best Business Practice (BBP) guideline in binder form, CD ROM, and on the corporate intranet is now available for use by management and line employees. With a variety of different operations, each business unit requires their own unique approach to safety and health. The BBP provides a comprehensive menu of programs to meet those requirements while providing a standard approach to all. In addition to the usual compliance programs, the guideline covers topics such as executive management support, policy statements, safety & health committee functions, achievement awards, employee involvement, financial analysis and impact of accidents, training guidelines, and state-specific requirements.

Accident Prevention Conferences

The corporate safety and health staff recognizes that one of the best ways to enlist employee support in our accident prevention programs is to constantly maintain lines of open communication with all employees on safety-related issues in an ongoing effort to effect real safety solutions and workplace improvements.

To achieve this, we developed a new service offering entitled “Accident Prevention Conferences” designed to provide hands-on training for our front-line managers and supervisors on key safety compliance and strategic loss-prevention issues for each of our business units. After extensive training, we qualify our participants as Safety Coordinators and provide a “Certificate of Achievement” as recognition of their participation in the conference and hands-on workshops. This new service offering began in 2000 with our Management Services business unit and has now expanded to Mailing Systems, Document Services, Pitney Bowes Canada and Office Systems.

We have provided training and certification to over 200 front-line managers and supervisors. Sample topics covered include loss trend analysis; regulatory compliance; safety; health & loss prevention best business practices; ergonomics; back injury prevention; occupational health; indoor air quality; motor vehicle safety; accident reporting; hazard analysis; self-inspection tools; hands-on workshops.
Financial Accountability for Managing Safety Programs

In 1998 the Corporate Risk Management Department implemented a cost-allocation system that charges workers’ compensation claim costs to the business units where they occur. This change was accompanied by the implementation of a new claims management process for business units, stepped-up auditing of the workers’ compensation carrier and training of Pitney Bowes’ operational managers.

The objective was to motivate operational management to maximize their involvement in the accident review and claims process. It was also designed to encourage business units to accommodate injured workers during their recovery. This is proven to stimulate the healing process and shorten the average length of disability. After three years, expected claim costs have decreased 18% from the baseline year.

Safety Metrics

- Total Recordable Incident Rate
  - Pitney Bowes USA
  - Industry SIC Code 3579

- Lost Time Accident Rate
  - Pitney Bowes USA
  - Industry Average

- Workers Compensation Costs
  - Pitney Bowes USA
  - Industry Average
Risk Classification System

All programs at Pitney Bowes are subject to continuous improvement and the safety program is no exception. In order to meet this objective, Pitney Bowes CS&H has recently developed and begun implementation of the Risk Classification System, an innovative approach with the goal of bringing the Pitney Bowes safety program to the next level of performance.

The design of the Risk Classification System enables Pitney Bowes to:

- Identify levels of hazard and their associated risks
- Determine resources required to maintain EHS regulatory requirements
- Determine financial base required to operate the risk thereby impacting pricing requirements
- Identify key members required to assess the risks
- Identify actions and resources necessary to maintain control of identified risks

The Risk Classification System involves a cross-functional approach where sales, contracts, CS&H, management and service all have defined roles and responsibilities in relation to the program.

Some of the benefits of the Risk Classification system include:

- Thorough evaluation of hazards and controls
- Tighter control of operational hazards, employee exposures and regulatory requirements
- Improved delivery of internal support
- Customer image of EH&S that meets or exceeds customer expectations
- Lower potential for losses and increased profitability

In general, ranking ranges from 1 to 5 with 1 being a low risk and 5 being a high hazard and high risk. Based on this ranking and the associated hazards identified, Pitney Bowes Senior Management has the tools they need to determine if the business opportunity identified should be pursued.
Pitney Bowes is proud to be the founding sponsor of the nonprofit GreenBiz.com, an acclaimed website that provides businesses of all sizes and sectors with free news, tools, best management practices, and a wealth of other resources to help them align environmental and business success. The site receives more than 30,000 visits each month and has been named one of the top websites on environmental business information by several leading publications.
Awards and Recognition since the 1998 EHS Report

1999
- EPA WasteWise Program Champion
- CT DEP Green Circle Award
- EPA Energy Star® Honorable Mention Award in the category of Partner of the Year for Equipment Manufacturers

2000
- EPA WasteWise Program Champion
- EPA Green Lights Partner of the Year
- CT DEP Green Circle Award
- CT Recyclers Coalition Connecticut Green Business Award
- ACOEM Corporate Health Achievement Award - Model Practice
- Risk Management Magazine - Article on office ergonomics, Ergonomically Correct
- National Ergonomics Conference - Presentation on ergonomics, A Team Approach to Office Ergonomics
- 2000 Innovest Eco 21 Rating - A
- British Safety Council Annual Award

2001
- EPA WasteWise Partner of the Year Award in the Large Business category
- CT DEP Green Circle Award
- Occupational Health & Safety Magazine - Article on office ergonomics, The T3 Approach
- Inclusion in the Dow Jones Sustainability Index

EHS stakeholder involvement

SoundWaters Center for Environmental Education

SoundWaters is a local, non-profit education organization located in Stamford, CT, the same community in which Pitney Bowes operates its main manufacturing facility and corporate headquarters. SoundWaters’ primary purpose is the education of students of all ages from kindergarten to seniors in topics related to science, Long Island Sound and the environment. Programs are offered aboard the organization’s schooner SoundWaters, at the new SoundWaters Community Center for Environmental Education, and at classrooms and field sites throughout the area.

The SoundWaters Community Center for Environmental Education represents a collaboration between SoundWaters and the City of Stamford. SoundWaters restored the Holly House, a mansion owned by the City and located in Cove Island Park in Stamford. The Holly House, listed on the National Register of Historic Places, was originally built in 1791 with a beautiful Federalist-style addition in 1835. Funding from Pitney Bowes, as well as many other corporate and private sponsors supported this $2 million renovation. The Center features evening programs, weekend activities, and a wide variety of courses, seminars, and activities for organizations, schools, and corporations. Since its opening in September 2000, the Center has attracted over 25,000 visitors.

In December 2000, Pitney Bowes Inc. opened a temporary exhibit at the Center. The exhibit featured a 5-minute DVD presentation on the environmental attributes of Pitney Bowes products and an interactive environmental computer game that attracted hundreds of adults and children during the course of the exhibit. This is just one example of the company’s outreach to environmental activities within the local community.
In 1997 the National Environmental Education & Training Foundation (NEETF) created the Institute for Corporate Environmental Mentoring (now the Green Business Network) in response to the emerging environmental needs of small and medium-sized businesses. Located in Washington, D.C., the Green Business Network explores ways to transfer the expertise of corporate environmental leaders to small and medium-sized businesses interested in improved environmental performance through business-to-business mentoring, either within their supply chain, customer base, industry sector, or community. Pitney Bowes has supported the Green Business Network since 1999.

**Forest Products Procurement**

Pitney Bowes believes that one way to protect the overall environment is through the responsible use of natural resources. Specifically, we request our suppliers certify in writing that no forest products provided to Pitney Bowes contain fiber derived from the harvesting of old-growth forests. In addition, we are committed to purchasing paper products, whenever technically and economically feasible, that include high post-consumer recycled content (up to 30%) and/or fiber originating from sustainably managed second-growth forests. During 2000, 12% of the paper we purchased contained recycled fiber. Our goal is to increase that percentage.

We continue to review our forest products procurement practices and will evaluate inclusion of such issues as forest certification requirements and protection of high-conservation value forests in the upcoming year.

**The Keystone Science School**

The Keystone Science School in Keystone, Colorado has three main programs that carry out their mission of science education: C.A.S.E. (Classroom Access to Science Education) which has student programs from August through June, Professional Development Programs for teachers, and Summer Youth Programs.

Pitney Bowes proudly supports the school through the program titled “Key Issues: Bringing Environmental Issues to the Classroom,” a week-long summer training program for middle school teachers. Key Issues curriculum is a framework enabling teachers to lead their students through an analysis of environmental issues in their hometowns. Teachers, and ultimately their students, learn how to analyze all sides of an issue and form consensus using scientific facts and social data collection as a basis for decision-making. Each year since 1996, Pitney Bowes has sent middle school teachers from Fairfield County, Connecticut to attend the training with the goal of extending this valuable environmental knowledge to tomorrow’s leaders.

For more information on The Keystone Science School, go to [http://www.keystone.org/Science_School/science_school.html](http://www.keystone.org/Science_School/science_school.html).

**Business Ethics 100 Best Corporate Citizens**

In its second annual listing of the “100 Best Corporate Citizens,” the Minneapolis-based publication *Business Ethics* released a ranking of public companies based on a quantitative measure of corporate service to various stakeholder groups, including employees, customers, the community, stockholders, the environment and overseas stakeholders. And for the second time in two years, Pitney Bowes ranked in the top 25 of these prestigious companies.
While our consistently strong diversity, community service, and employee programs, as well as our shareholder return placed us solidly in the 100 best companies, it was our impressive environmental score that launched us into the top tier. Our innovative and award-winning environmental programs earned Pitney Bowes the second highest score for environmental concerns.

In addition to the environmental programs highlighted in this report, there are many other initiatives that led to our high ranking. Pitney Bowes remains a key partner in the revitalization of the South End neighborhood of Stamford, Connecticut. Rather than fleeing an inner-city area that has seen little outside investment over several decades, Pitney Bowes has exhibited a long-term commitment to the neighborhood’s economic development, infrastructure enhancements and quality of life improvements.

Within and beyond the South End, the company’s community support and involvement programs are focused on the following issues:

- Economic development, including community renewal, environmental education, affordable housing, small business support, and entrepreneurial programs
- Adult and continuing education, job training, and retraining
- Diversity in the workplace and business relationships
- Youth initiatives, including mentoring

Pitney Bowes’ investments in the broad arena of social responsibility have resulted in long-term dividends for the corporation, the environment and for the communities in which we operate.

**Strategic Environmental Management Workshop**

Pitney Bowes, along with several other corporations, is a sponsor of The Strategic Environmental Management Workshop, developed by NEETF. The workshop introduces small to medium-sized businesses to the use of environmental management as a tool to gain a competitive advantage, enhance process efficiencies, and reduce operating costs. The workshop provides attendees with strategic tools to manage environmental risk, design more efficient products and production processes, work more effectively with suppliers, and quantify financial gains. The workshop is presented at various community colleges and universities; Pitney Bowes encourages our suppliers to send employees to the workshop as part of our Supply Chain Environmental Management program (see pg. 11). For more information on NEETF, go to [http://www.neetf.org](http://www.neetf.org).

**The Housatonic Valley Association**

The Housatonic Valley Association (HVA) was founded in 1941 and is an effective force in the protection of farmland, open space, rivers, and drinking water. From the Massachusetts Berkshires to Long Island Sound, HVA works to protect the environment for the people in the Housatonic River watershed. Pitney Bowes is proud to support the HVA as we work jointly in preserving our natural resource treasures. For more information on HVA, go to their website at [http://www.hvathewatershedgroup.org](http://www.hvathewatershedgroup.org) or at 1-860-672-6678.
Printed 100% recycled paper.
100% post-consumer waste.
100% process chlorine bleach free.
100% vegetable-based inks.
Not intended for consumption.