

Corporate Responsibility at Pitney Bowes 2010 Executive Summary

Letter from Murray D. Martin

Our 2010 Annual Report described how Pitney Bowes solutions are *Making It Personal*: helping businesses all over the world grow by communicating more effectively. In our Corporate Responsibility Report, we offer a vision of corporate citizenship that is equally global and equally personal. Our company's commitment to innovation, integrity and service is a daily force in the lives of Pitney Bowes employees. It is also a strategic imperative, leading us to better processes, stronger relationships and new paths to growth.

Over the last two years our company has worked hard to transform itself into a leaner, more nimble organization focused on the key emerging opportunities our customers face. Yet throughout this process, we have remained committed to the values that have defined us for more than 90 years.

We have also kept our focus on performance for our customers, our employees, our communities, and the world we all share. In 2010 we delivered innovative technologies that enable companies to communicate with their customers through connections that are personal, relevant and effective. At the same time, we added new metrics to improve accountability and disclosure in areas as diverse as paper purchasing and the value of employee volunteerism. We continued to lead in diversity and inclusion, winning international recognition as one of the Top Employers for New Canadians and one of the 50 Best Companies To Work For in India. We continued to create new resources to help every employee in every country grow both personally and professionally.

Our commitment to community service is evident throughout our company. Last year, our employees contributed more than 70,000 hours to the causes of literacy and education and the well-being of their communities.

Every year we build on a great tradition at Pitney Bowes. But we also start fresh, through new insights and new ideas. It is amazing what 30,000 people can accomplish when they put their hearts and minds to it. That is the real source of corporate responsibility: taking it personally. It is the story of our success today, and the cornerstone of our future.

We welcome your feedback both on our programs and on this Report.
Please let us know what you think at www.pb.com/crsurvey



Murray D. Martin
Chairman, President and
Chief Executive Officer

Our Business Practices

Environment

Diversity

Our People

Customers and Suppliers

Community

Pitney Bowes at a Glance

Principal business: Customer communications management solutions

Revenues (2010): \$5.4 billion

Customers: More than 2 million

Employees: More than 30,000

Locations: More than 100 countries

Headquarters: Stamford, Connecticut USA

Common Stock (NYSE): PBI

Governance, Values and Business Practices

We have built a global business by helping customers succeed and staying true to our values:

- *Put customers first*
- *Collaborate*
- *Be passionate*
- *Be accountable*
- *Act with integrity*

Our code of conduct is contained in the Pitney Bowes Business Practices Guidelines. Compliance with the Guidelines is linked to every employee's annual performance evaluation and compensation.

Ethics Help Line: our 24/7 toll-free service, operated by an outside third party, allows employees to make ethics inquiries and report suspected violations in virtually any language in which Pitney Bowes does business, without fear of retaliation. A new system instituted in 2010 automatically routes each call to an operator fluent in the caller's language.

Our People

We value our employees and know that our success depends on their talents, skills and commitment to Pitney Bowes. We are committed to help them develop, whatever their background or experience. We strive to provide a safe workplace and actively help our employees to pursue healthy lifestyles.

- ***Diversity and inclusion*** are embedded in our culture. Our diversity helps us to understand markets, connect with customers, develop innovative solutions and attract and retain the best talent and suppliers. We embrace diversity in every area of our operations, from talent management strategies to the ways we foster innovation and manage customer relationships. We also maintain external partnerships to support our business and diversity objectives, raise our visibility among top-tier candidates and provide development opportunities for employees who work with these organizations and serve on their boards.
- ***Engagement***: Building a more engaged culture is a company priority. We seek to engage employees through challenging work assignments, career development opportunities and programs that promote personal and professional growth. We measure engagement through a range of mechanisms, and we recognize managers and teams that demonstrate high engagement. We also promote engagement through online channels including PB Voice, an intranet site; Yammer, a social networking platform; and IdeaNet, an innovation forum.
- ***Development***: From their first day on the job through their entire career, Pitney Bowes employees are encouraged to own their career development and take advantage of learning and development programs. Employee development takes many forms, including on-the-job training, rotational assignments, coaching and employee mentoring, internal learning programs and online resources. We also offer tuition reimbursement for job-related higher education, as well as targeted development for specific individuals or groups, such as early-in-career high performers and diversity talent.
- ***Safety***: We value the safety of our employees and have a passion for an injury-free workplace. We train our employees to work safely, empower employees to make changes that improve health and safety, and reward outstanding safety performance. We tailor our safety programs to address the most frequent workplace injuries, using Tiger Team projects to demonstrate how much can be achieved with simple changes. In 2010 we completed the training of over 40 local ergonomic Tiger Teams. Since 2008, total U.S. Workers' Compensation claims have declined by 32.2%, with cost per claim down by 30.1%.
- ***Health and wellness***: Employees who take action to manage their health are happier, more engaged and more productive. They also save money on health care, both for themselves and for our company. We encourage employees to take charge of their health, and we offer easy and affordable access to care, including seven free, fully accredited on-site medical clinics in the U.S. covering about 20% of our employees. We also provide wellness programs to help employees and their families adopt healthy lifestyles.

Our *Project: Living* series offers guidance on health and wellness, financial planning and work/life balance, including how best to take advantage of company benefits in these areas. For the last six years, the National Business Group on Health has honored Pitney Bowes at the highest Platinum Level with its Best Employer for Healthy Lifestyles Award.

Customers and Suppliers

Our success comes from our customers' success. By putting customers first, we benefit all our stakeholders. From product design to service policies, we solicit, collect and act on customer feedback to enable continuous improvement. In 2010 our customer satisfaction ratings rose more than 10% for the second year in a row.

Because we depend on suppliers to help us meet customer needs, we require our suppliers to meet appropriate performance standards, including standards for corporate responsibility. Our goal is to ensure safe working conditions, respectful treatment of workers, environmentally responsible manufacturing processes and full legal and regulatory compliance throughout our supply chain.

- Our *Supplier Code of Conduct* establishes benchmarks and practices to help suppliers meet our standards. We encourage suppliers and Pitney Bowes employees to report violations of the Code through our confidential Ethics Help Line.
- We also seek to strengthen our supply chain through relationships with best-in-class diverse suppliers. We accept diversity certification from a variety of industry organizations as well as local and state governments, and we support national diversity organizations through corporate memberships.
- Since 2009 we have subscribed to the Direct Marketing Association's *Green 15 Supplier Pledge*, holding ourselves accountable both for our own environmental performance and for encouraging green practices among our customers.

Environment

We are committed to reducing the environmental impact of our products, services and operations worldwide.

- Our business is dedicated to helping companies grow through more effective customer communications. Our products and services help customers streamline document production, minimize undeliverable mail, reduce paper consumption and document storage requirements, and integrate physical mail with digital media into multi-channel communication solutions.
- We work to minimize the environmental impact of our products at every stage from manufacturing and distribution to eventual return and recovery. Over 95 percent of all components of our mailing equipment are designed to be recyclable. In 2010, we recycled 6.5 million pounds of materials including copper, aluminum, steel, plastic, cardboard and paper through our product take-back program (U.S. and Canada), resulting in the avoidance of 16,635 metric tons of CO₂.
- We are committed to making all our operations greener and more efficient. Guided by a cross-functional Energy Task Force, through the end of 2010 we reduced our electricity consumption by more than 10 million kilowatt hours from our 2007 baseline, reducing our carbon footprint by 6800 metric tons of CO₂.
- We are a founding member of the Green Power Market Development Group, an industry partnership with the U.S. Environmental Protection Agency to promote the development and purchase of alternative energy. Since 2003 we have purchased renewable energy credits (RECs) to support green power projects using technologies such as solar, wind and biomass. To date, our RECs have resulted in 22,800 metric tons of CO₂ emission reductions. In 2010, our purchases of Green-e® certified RECs helped reduce CO₂ by 6300 metric tons.
- We promote sustainable forestry and certification programs such as those of the Forest Stewardship Council (FSC), Sustainable Forestry Institute (SFI), Canadian Standards Association and Programme for the Endorsement of Forest Certification (PEFC). Our public literature, catalogs and direct mailings include the "Recycle Please" logo. In 2010, we purchased nearly 10,000 tons of paper, more than 76% percent of it from certified sources, and established a comprehensive baseline to simplify such calculations in the future.
- Our integrated global Environment, Health and Safety (EHS) policy, released in 2009, strengthens accountability and encourages leadership on EHS matters throughout the company.

Community

We are committed to investing in the communities we serve. We believe such investment is most effective when it is aligned with our corporate mission of helping customers grow through better communications. For this reason, we focus our philanthropic giving on support for literacy and education, providing grants and matching gifts through the Pitney Bowes Foundation and corporate contributions. In 2010 our philanthropic giving totaled \$4.4 million. We also encourage direct employee involvement, and in 2010 our employees donated more than 70,000 hours in support of literacy programs and other community initiatives.

Literacy and Education: We support a variety of programs that focus on communities where we have a presence and where the population is underserved or at risk. Key programs include:

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- **Everybody Wins! USA** — Project LEAP (Literacy Enhancement Action Plan), supporting local and regional affiliates as well as national mentoring programs for low-income elementary students.
 - **National Center for Family Literacy** — programs that help parents and children learn together.
 - **National Literacy Trust (U.K.)** — the Pitney Bowes Pushing the Envelope Campaign, an annual auction of artwork designed by celebrities and executed on envelopes.
 - **National Urban League** — youth education programs.
 - **Network For Teaching Entrepreneurship** — middle school summer camps and a high school competition to help young people from low-income communities build skills and launch businesses.
 - **Reading Is Fundamental** — early literacy support for children and caregivers through family events, activity guides and book distribution.
 - **Employee Involvement:** We encourage employees to get involved as volunteers and supporters of community organizations.
 - We encourage employees to make charitable donations, and we support them by matching contributions to eligible charities in the United States, Canada and the United Kingdom.
 - In addition to contributing at the headquarters level, we encourage Pitney Bowes facilities to contribute locally. In 2010, local leadership teams expanded their scope of responsibility to include driving volunteerism in their communities. These teams also have their own websites to facilitate collaboration, both internally and with each other.
 - We provide grants to non-profit organizations in recognition of the hours our employees contribute, and to cover supplies and materials for team volunteer projects.
 - We offer employees structured volunteering opportunities linked to literacy and education initiatives.
 - **Disaster Relief:** The Pitney Bowes Disaster Relief Fund provides employees and others with access to food, shelter, clothing and medical care in catastrophic situations. In 2010 these efforts led to contributions of nearly \$70,000 following the January earthquake in Haiti. In 2011 we launched a similar effort in the wake of the earthquake and tsunami in Japan.