

Customers and Suppliers

“The most important thing I do every day is to put our customers first.”

Yuling

Computer Science, U.S.



Parks
World travel
loves creative cooking
innovation
new business
development
emerging technologies



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 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 lead with the mandate to "Put Customers First." We work continuously to improve customers' experience with 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 to build relationships with innovative, customer-focused diverse businesses to maximize our competitive advantage.

Performance 2010

We report on our customer survey and on our percentage of supplier spend with diverse businesses.

Working With Customers

Meeting the needs of our customers is our first priority. In 2010 we expanded our Customer Experience strategy in Canada and major countries in Europe. We aligned our feedback methodology and performance metrics on a global basis and increased our overall governance of our customers' experience with Pitney Bowes. Critical to our progress has been our focus on:

- Providing customer feedback to front-line organizations such as call centers and our selling channels, to enable continuous improvement at the individual level.
- Collecting and acting on 360-degree feedback to new product introductions, so that customer inputs are rotated into product lifecycles.
- Segmenting our customers according to their business and support needs.
- Setting "First Call Resolution" goals to meet customer preferences.
- Collecting customer ideas for improving our products and processes.
- Fortifying our processes for responding to customers with issues.

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

Pitney Bowes Wins 2010 Supplier Excellence Award from Eastman Chemical

For the second consecutive year, Pitney Bowes Management Services (PBMS) has won Eastman Chemical Company's annual Supplier Excellence Award. In 2010 PBMS achieved a service delivery level of 99 percent while delivering more than \$720,000 in cost savings and process improvements. Pitney Bowes provides a range of print, mail and document management services to Eastman Chemical.

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

Pitney Bowes believes a diverse supply base is important both internally and externally, to ensure that we are providing employees and customers with the best possible opportunities and solutions. To maximize our access to innovation and process improvement throughout the supply chain—and to reinforce our overall commitment to diversity and inclusion—we regularly pursue relationships with best-in-class diverse suppliers.

We expect all suppliers to meet our high standards of product and service quality, as well as specific objectives related to cost, quality 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)**

We also accept certification by local and state governments.

In 2010 the Pitney Bowes Enterprise Procurement Department was actively engaged in the strategic transformation process implemented across the company. A component of this process was the reduction and consolidation of the supplier base, which impacted the opportunity to engage diverse suppliers. As a result, the 2010 percentage of subcontracting with diverse suppliers was 4.7%, versus 6.0% in 2009. Included in this percentage were successful contract awards to diverse businesses in the areas of staffing, janitorial services and products, courier services, security, manufacturing and logistics.

The company remains committed to building relationships with diverse suppliers on both the first and second tiers. The number of diverse suppliers participating in the Request for Proposal (RFP) process increased from 2009 to 2010, indicating their growing understanding of the process and requirements for successfully competing for contract awards. Additional successes in 2010 included working with two diverse suppliers on product and process improvements under the auspices of the Small Business Administration and the Senior Corps Of Retired Executives (SCORE) organization; sponsoring the attendance by the president of IBIS Communications (a minority women-owned business) at Dartmouth's Tuck School of Executive Management; and service by Pitney Bowes Chairman and CEO Murray Martin as Honorary Chairman and keynote speaker for the Greater New England Minority Supplier Development Councils Business Opportunity Fair.

Customers and Suppliers: Performance 2010

Working With Customers

Pitney Bowes 2010 customer satisfaction highlights from our business units:

- We mobilized cross-functional teams to address over 100 million customer transactions each year, striving to make these processes as effective as possible.
- We launched product councils, engaging strategic customers in product and requirement discussions, to contribute to customer loyalty.
- We developed an improved renewal process which includes training for front-line employees and a tracking system with real time feedback.
- We reached a milestone of customer engagement with a cumulative total of 500,000 customers who have offered structured feedback and ideas for improvement.

Supplier Diversity

Percentage of supplier spend with diverse businesses:

2010: 4.7%*

2009: 6.0%

2008: 4.7%

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