

## 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 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. In 2009 we launched a three-year initiative to increase subcontracting with diverse suppliers by 15 percent year over year through improved internal communications, enhanced procurement strategies to increase the utilization of diverse suppliers, improved metrics, and supplier development.

### Performance 2009

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 2008 we created our Customer Experience team and charged it with establishing a new strategy to improve service across every process and every point of contact. We set three-year targets to improve our customer satisfaction rate and customer loyalty metrics, and we will report on our progress in 2011. We also took organizational steps including:

- [Segmenting our customers](#) according to their 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 queries.

We measure customer satisfaction on about 80 percent of our U.S. 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.

In 2009 we surveyed customers in the United States and parts of Europe and received 150,000 responses. We received feedback on 19 processes, and in the U.S. we achieved double-digit percentage gains over our 2008 scores on 15 of them. Selected results are shown below under Performance.

## 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

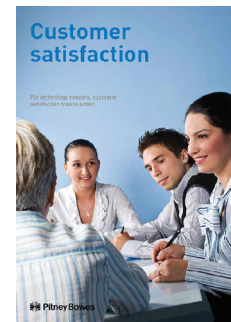
To formalize these expectations, in 2008 we introduced a [Supplier Code of Conduct](#). The Code establishes critical benchmarks and examples of good management practices to help suppliers comply with the code's provisions for supplier performance in the following areas:

- [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.

*Customer satisfaction white paper  
Pitney Bowes Document  
Messaging Technologies (DMT)  
ended 2009 with a record-high  
86 percent Very Satisfied Customer  
Satisfaction level, up from 78 percent  
in 2008. A key factor in the improve-  
ment is DMT's systematic, integrated  
approach to monitoring customer  
satisfaction, which includes monthly  
in-depth telephone surveys  
conducted by an independent  
firm. DMT also works to educate  
customers through tools such as  
this white paper on the factors that  
go into satisfaction ratings.*



## Supplier Diversity

To maximize our access to innovation and process improvement throughout the supply chain, we regularly pursue relationships with best-in-class diverse suppliers. Through such relationships, we also reinforce our overall commitment to diversity and inclusion.

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.

We support national diversity organizations through corporate memberships. Our current memberships include the National Minority Supplier Development Council, the National Veteran-Owned Business Association, and the Women's Business Enterprise National Council, which our Vice President of Indirect Procurement serves as Vice Chairman. We are also active in the regional affiliates of both the NMSDC and WBENC.

We encourage diverse suppliers to contact our Supplier Diversity Department at [www.pitneybowes.aecglobal.com](http://www.pitneybowes.aecglobal.com) to register or by email at: [supplier.diversity@pb.com](mailto:supplier.diversity@pb.com)

## DMA Green 15™ Supplier Pledge

*Our commitment to environmental responsibility includes our relationships with customers and suppliers. Recognizing our pivotal position in the direct marketing value chain, in 2009 we took the Direct Marketing Association's Green 15 Supplier Pledge. Under this voluntary program, we agreed to hold ourselves accountable both for our own environmental performance and for encouraging the adoption of green practices by our customers. Areas covered by the program include list hygiene and data management, mail design and production, paper procurement, packaging, recycling and pollution reduction.*



## Performance 2009

### *Working with Customers*

Pitney Bowes 2009 customer satisfaction survey highlights:

- 150,000 responses from customers in the United States, Canada and Europe
- Year-end Total Satisfaction scores up 46 percent from 2008
- Surveys covered 19 processes in the areas of Purchase Experience, Technical Support and Customer Support
  - U.S. scores for 15 processes had double-digit percentage improvements
  - Scores more than doubled for 5 processes
  - Dissatisfaction levels lowered in all three main areas
- Customers expressing dissatisfaction were contacted directly to resolve related issues

### *Supplier Diversity*

In 2009 Pitney Bowes contracted with a diverse business to cleanse our procurement data and properly identify suppliers according to the following categories: minority, woman, veteran, service-disabled veteran, or hubzone. We also took steps to ensure the correct categories were being accounted for in our calculations. The percentages shown below reflect these adjustments:

Percentage of supplier spend with diverse businesses:

2009: 6.0%

2008: 4.7%

2007: 4.9%