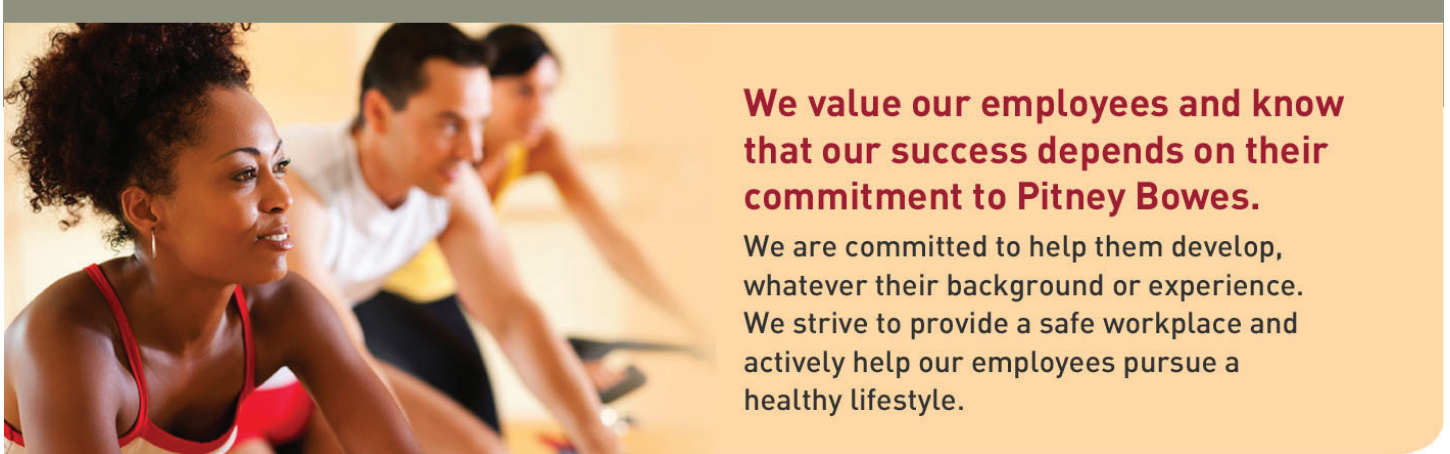


Our People



We value our employees and know that our success depends on their 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 pursue a healthy lifestyle.

Engagement and Development

Highly engaged employees are crucial to our company's success, and increasing employee engagement is a top priority. We seek to engage employees through challenging work assignments, career development opportunities and programs that promote personal and professional growth.

Diversity and Inclusion

Diversity and inclusion are embedded in our culture. Our diversity helps us to understand evolving markets, connect with our global customer base, develop innovative solutions and attract and retain the best talent and suppliers.

Safety

We value the safety of our employees, and we have a passion for an injury-free workplace. We work continuously to control and eliminate hazards, and we hold employees accountable for following safety rules.

Health and Wellness

We know that employees who take action to manage their health are happier and more productive and have reduced health care costs. We offer easy and affordable access to health care, and we provide a range of programs to make it easy for employees and their families to lead healthy lifestyles.

Performance 2009

We report on diversity and inclusion and workplace safety.

Engagement

Highly engaged employees are crucial to our company's success. Engaged employees enjoy going to work. They radiate optimism, achieve or exceed their objectives, have lower absenteeism and suffer fewer injuries than others. Our Chairman, President and CEO, Murray Martin, has made the building of an engaged workforce one of the company's top priorities.

We seek to engage employees through challenging work assignments, career development opportunities, and programs that promote personal and professional growth. We encourage dialogue, solicit feedback and measure engagement through a range of mechanisms, both online and off. We also recognize managers and teams that demonstrate high engagement by showcasing their practices in our internal magazine, at group meetings, and by asking them to lead engagement and communication training.

One key online channel for promoting engagement in the U.S. is PB Voice, an intranet site that allows employees to submit questions and review answers on a variety of topics. In addition, our PB Voice Partners host local forums and short surveys for small groups of employees.

In 2009, we introduced two additional online forums with global reach:

- **Yammer** is a wide-ranging, free-form social networking platform that facilitates collaboration and enables employees to share experiences on virtually any kind of assignment. In its first year, 1,500 employees contributed more than 10,000 Yammer posts.
- **IdeaNet** was launched in early 2009 as part of a new Employee Innovation Program designed to foster a culture of innovation through company-wide engagement. IdeaNet Challenges stimulate new ideas and result in actions designed to create organic growth. In 2009 32 IdeaNet challenges were launched. They resulted in more than 1,800 ideas from employees in 23 countries. More than 500 of these ideas have since been adopted by the company either as product or process improvements or as part of new offerings under development.

We also solicit employee feedback through the **Pitney Bowes global employee survey**, a confidential survey available in 18 languages. The survey explores overall engagement, action planning and manager effectiveness and focuses on additional engagement drivers such as development, recognition, future vision and communication. In addition to multiple-choice questions, the survey gives employees an opportunity for more detailed feedback via confidential written comments. The response rate is typically between 80 and 85 percent.

We use the information from our surveys to develop new tools and create action plans to address any issues that arise. Past innovations that were driven by survey results include weekly global communications from senior leaders, process improvements related to performance management and succession planning, and numerous training programs.

Still another engagement tool is our **Agile Work program**, designed to take advantage of mobile technologies, make it easier for employees to work effectively in multiple locations (including collaborative spaces, client sites, airports and their homes), and reduce global real estate costs. The 2008 renovation of our Connecticut headquarters replaced traditional cubicle layouts with more collaborative spaces. As a result, Fairfield County, Connecticut, was chosen for our 2009 pilot program. Key considerations in designing the program were the nature of the mobile tools required, the potential impacts on business processes, infrastructure and HR policies, and the management of related cultural change across the organization.

High Engager/ Triple Crown winners

Each year we evaluate managers against three key metrics for fostering greater engagement among employees. Those who place in the top quartile on all three measures are recognized as a High Engager/Triple Crown winner. Triple crowns are celebrated and leveraged to help other managers. A recent podcast series offered best practices based on interviews with high engagers who talked about why they are so successful. These metrics and tools are also useful in identifying and helping managers of less engaged workgroups.

Software development teams at Pitney Bowes Business Insight have a new resource in their innovation arsenal: Scrum. Scrum is an iterative, incremental framework that brings teams together for short, concentrated time periods designed to break challenges into small chunks that can be acted on quickly, with progress shown to customers as the work is built. Enthusiasm for scrum has spread rapidly. In December 2009 the organization held its first global PBBi Scrum Gathering to share knowledge and build an internal support network of scrum enthusiasts.

The response from the 140 employees that participated in the pilot program was positive. More than 80 percent of participants felt that the program made them more productive, while managers saw no adverse impact on productivity. In addition, 89 percent of participants reported that it made them feel more positive about the company, and 98 percent reported that it improved their work/life balance. The program also reduced participants' carbon footprint by eliminating an average of 77 miles of commuting per employee per week. Based on the success of the pilot, we expect to expand the Agile Work program in 2010.

Development

We focus on hiring talented people, nurturing their growth, and providing opportunities for them to make a real impact for themselves and for Pitney Bowes. We see employee development as a partnership between an employee and his/her manager, aided by strong support from our Human Resources organization.

Our company values are at the heart of our learning and development philosophy. We have identified fundamental behaviors for our employees based on our values.

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. Each year, employees work with their managers to set performance goals and objectives, identify strengths and development needs, and build a developmental plan to broaden current skill sets and acquire new ones. Employee development takes many forms, including on-the-job training and rotational assignments, coaching and employee mentoring, internal learning programs and online resources. We also offer tuition reimbursement for job-related higher education.

Leadership development is a continuing focus. We strive to identify leaders early on and give them the knowledge and experience they need to excel. We provide a wide array of leadership, communication, and performance management learning solutions – from foundational programs to help new managers transition successfully, to advanced courses for seasoned leaders and executive education programs. We also provide targeted development for specific individuals or groups, such as early-in-career high performers and diversity talent.

Diversity and Inclusion

At Pitney Bowes, diversity encompasses all the ways in which we differ. Inclusion helps us benefit from diversity by creating an environment of involvement, respect and connection, so that the full range of ideas and experiences are used to create business value. Our diversity equips us to better understand evolving markets, connect with our global customer base, develop innovative solutions and attract and retain outstanding talent.

We have a strategic approach to managing diversity, with overall accountability at the board and CEO level. Business unit presidents and their senior reports are accountable for the success of diversity initiatives within their businesses. Each business develops its own plans and objectives for valuing and leveraging diversity. In turn, these plans are linked to performance standards that determine business unit ratings reviewed by the CEO and board of directors. Compensation for senior management is tied to success in meeting diversity objectives.

In February 2010, Training magazine named Pitney Bowes to its "Training Top 125" list for the second consecutive year. We were #42 on the list, up from 82 a year earlier. The annual list recognizes U.S.-based organizations that excel in employee training and development.



UK National Training Award

Pitney Bowes Limited of Harlow, Essex, was named a 2009 UK National Training Award (NTA) winner for the East of England region. The NTA is the most prestigious award for training in the UK. The 2009 award recognized the success of a sales training program on Mail Creation Accreditation.

INROADS Talent Pipeline

Since 1987, Pitney Bowes has worked with INROADS, Inc. to assist in meeting our talent and diversity objectives by developing high-potential minority youth and preparing them for corporate and community leadership. Students apply to INROADS between their junior year in high school and sophomore year in college, and those accepted receive career coaching, training and summer internships with a view to full-time employment upon graduation.

The INROADS program at Pitney Bowes has provided career opportunities to interns in the areas of Finance, Marketing, Communications, Engineering, Information Technology and Human Resources. In the last three years, Pitney Bowes has sponsored more than 50 college students. In 2010 we expect to convert more than half of our summer interns into full-time hires.

Our approach has four dimensions:

- **Representation:** We monitor the composition of our workforce and seek to reflect the diversity of available talent at company locations
- **Recruitment:** We work with external partners such as the Women Engineers and the Black Engineers Associations to recruit people who will strengthen our diversity
- **Retention:** We offer web-based seminars, networking sessions, speaker events and conferences to help develop a diverse group of talent
- **Leadership:** Our senior executives play an active role in our seminar and networking programs. We have a diversity leadership development program for key women and people of color to help them grow their skills, obtain cross-functional experience and gain senior-level visibility.

International Diversity and Inclusion Council

Formed in 2007, the Council includes representatives from all our businesses and geographies, who work together to create a more inclusive working environment through training, leadership example, recognition and communications.

Events organized by the Diversity and Inclusion Council in 2009 included:

- A women's conference focusing on the "double bind" of simultaneous performance expectations at work and at home. Presenters and attendees included senior female leaders of Pitney Bowes, women executives from across Europe and representatives from Catalyst Organisation
- Theatre-style diversity training for 536 participants in Harlow, UK, with a post-training diversity survey, all modeled on a successful program launched in France in 2008
- International Diamond Awards recognizing leadership in diversity and inclusion. This year there were 6 winners from 3 countries, out of 45 nominees from 10 countries. The council also reviewed a dozen international PB Impact Award 2009 nominations for diversity and inclusion-related achievements
- Regional briefings for business heads on D&I-related employee engagement survey results, showing how other regions and businesses compare in responding to D&I challenges
- A series of employee forums on D&I issues in the Nordic region

Awards and Recognition

In 2009 Pitney Bowes and its employees earned recognition from numerous external organizations for excellence in diversity and inclusion. Among them:

- Best of the Best, Black EOE Journal, Professional Woman's Magazine and Hispanic Network Magazine
- Top 50 Employers for People with Disabilities, Careers & the disABLED Magazine
- Top 50 Companies for Diverse Managers to Work, DiversityMBA Magazine
- Top 40 Best Companies for Diversity, Black Enterprise
- Top 100 Companies to Work For, Savoy Professional
- Best Diversity Company, Diversity/Careers in Engineering & Information Technology
- Excellence in Innovation, Profiles in Diversity Journal
- In addition, five Pitney Bowes employees won individual recognition from the Hispanic National Bar Association, National Urban Fellows, DiversityMBA and Women of Color magazines, and the Hispanic Association of Corporate Responsibility

Women's Leadership Conference Webinars

Building on our company-wide Women's Leadership Conference in 2008, we conducted a series of three webinars throughout 2009 featuring women executives both at Pitney Bowes and across a spectrum of external partner organizations. Each 60-minute session provided opportunities for employees across the enterprise to take part in group discussions, build their professional networks and explore avenues for career development. Total attendance in 2009 was more than 800.

PB Lets Me Be Me Wins FAN Award

Our PB Lets Me Be Me program won recognition as "Best HR and Sustainable Development Programme" at the FAN 2009 exhibition in Paris. FAN (Forums des Acteurs du Numérique) is a leading international trade show for document management professionals. PB Lets Me Be Me, launched in 2007, is a global diversity awareness program run by our International Diversity and Inclusion Council.

Safety

We value the safety of our employees and have a passion for an injury-free workplace. We establish projects and processes to control and eliminate hazards, we hold all employees accountable to drive toward a goal of zero workplace injuries, and we empower employees to make positive changes in their workplace to improve health and safety.

Our Global Environment, Health and Safety department works in partnership with operations leadership to assess workplace hazards, establish annual improvement plans and track performance. Management has clearly defined responsibilities and objectives for safety and health. Business units have committees or safety champions to coordinate activities.

We recognize and reward outstanding safety performance. We train our employees to do their assigned jobs safely and make it clear that sticking to our safety rules is a condition of employment.

In recent years, we have tailored our safety programs to address the most frequent work place injuries. Sprains and strains account for more than half of all employee injuries. They are usually caused by manual material handling, repetitive work tasks or awkward postures and positions. To increase awareness, we launched a safety campaign, "Every BODY Can Do It," and released a "Quick Stretch" video containing simple exercises. We also charged Safety Tiger Teams to make ergonomic assessments, conduct training and drive improvement.

In 2009, two Tiger Teams completed projects that demonstrate how much can be achieved with simple changes. In Clearwater, Florida, a team from Sure Feed Engineering replaced rolling carts used in inkjet assembly with new ones selected specifically for the assembly task. As a result, they not only reduced bending and twisting injuries but enabled faster cycle times for the same function. They also obtained similar benefits of both safety and speed at a welding station by installing a power lift to move large assemblies to and from welding tables. Another team at Presort Services in Rancho Dominguez, California, instituted changes in the design of sorting stations that have improved access for employees, reduced above-the-shoulder repetitive motion, and speeded up operations by reducing congestion.

Such attentiveness is making a difference across the company. Our total U.S. Workers' Compensation claims fell from 1198 in 2008 to 964 in 2009, and our total incurred cost of claims dropped by \$2.1 million, with the cost per claim down by 21 percent. For additional indicators, see the metrics at the end of this section of the Report.

Safety Tiger Teams

These teams from Clearwater, FL and Rancho Dominguez, CA were just two of more than 26 teams throughout Pitney Bowes locations that conducted safety evaluations and training in 2009.

Health and Wellness

We know that employees who take action to manage their health are happier, more engaged and more productive than those who do not. They also save money on health care, both for themselves and for our company. For all these reasons, we encourage employees to take charge of their health through such simple steps as eating well, exercising, taking advantage of preventive care screenings, and working with care providers to manage health conditions that require it. We offer easy and affordable access to health care, and our wellness programs provide a range of options to encourage employees and their families to adopt healthy lifestyles.

Our health care plans stress preventive care, management of chronic conditions and protection against the catastrophic costs of major illness. Wherever possible, we try to remove barriers that prevent employees from receiving care. We provide specialized resources such as maternity management, Nurse Hotlines, free financial advice and employee assistance programs to all employees and their families.

Our wellness program spans the full range of physical, mental and financial health concerns, with a focus on education and awareness, changing behavior and improving access to care.

Education and Awareness

We do our best to make it easy to learn about healthy living. Our “Learn and Earn” program offers short courses on topics such as weight management and stress management. Participating employees are rewarded for their efforts by earning cash rewards and chances to win prizes. In addition, *Project: Living* communications provide up-to-date guidance on health and wellness, financial planning and work/life balance, including how best to take advantage of company benefits in these areas.

Changing Behavior

We know that small changes in health habits can yield great results in overall health, and we offer a wide range of programs to help employees learn how to make those changes. In 2009, more than 2000 employees participated in *Change One*, our 12-week weight management program. Other benefits include a tobacco cessation program, free financial planning for all employees, and discounts on products and services such as Weight Watchers, gym memberships and more. In addition, through *Project: Living*, we regularly discuss the cost of health care and the impact behavioral changes can make on employees’ own health costs as well as the company’s. We recognize that changing behavior is easier when those around you are doing the same – that’s why we make many programs available to family members as well.

Improving Access to Care

We have seven on-site medical clinics in the U.S. providing free access to roughly 20% of our employees, making it easier for them to maintain primary health care. The onsite clinics have maintained the high-level accreditation from the Accreditation Association for Ambulatory Health Care. Additionally, for the last four years, our medical and wellness programs have earned the highest Platinum Level as a Best Employer for Healthy Lifestyles Award from the National Business Group on Health.

Work/Life Balance

We encourage flexible working arrangements to help employees manage the demands of work and home. We provide tools to help employees develop flexible working proposals that meet both our needs and theirs. Flexible options may include telecommuting, compressed work weeks, part-time assignments, and variable work schedules. In 2009 we formalized some of these options under the Agile Work program (as described in the “Engagement” section of this document).

One in a Million Day

Armed with pedometers, more than 3600 people took part in 103 walking events throughout the United States and Canada at our third annual PB Employees are One in a Million Day on May 20, 2009 in celebration of the National Employee Health & Fitness Day. All told, they walked 33,019,485 steps, nearly three times the previous year’s total. Before the event, fewer than half of the participants described themselves as consistently physically active; afterwards, 95 percent said they intended to maintain or increase their level of activity.



Project: Living

“Plan for tomorrow, live for today,” counsels Project: Living, the health & wellness brand launched in 2009. Monthly newsletters offer a range of practical tips to help employees take advantage of company programs and benefits to make healthy lifestyle decisions, manage cost, become better health care consumers and learn how to balance work and life. We have free resources available through the Achieve Solutions program from Value Options.

Performance 2009

We report on diversity and inclusion and workplace safety.

Diversity and Inclusion (United States only)

2009

% of workforce: minorities 43%, women 43%

% of Board of Directors: minorities 31%, women 23%

Safety (Global data unless stated)

	2007	2008	2009
Incident rate: Total Recordable Cases/ 100 Employees/Year	2.54	2.23	1.75
Days Away and Restricted Cases/100 Employees/ Year	2.04	1.76	1.21
Lost Workday Cases/ 100 Employees/Year	0.99	0.76	0.75
Ergonomic Injury cases/ 100 employees/year (U.S. only)	2.16	2.14	1.86
Work-Related Fatalities/Year	1	0	0

Awards and Recognition

Best Employer for Healthy Lifestyles
Platinum Award

