

Taking it personally

“We take corporate responsibility personally at Pitney Bowes. Innovation, integrity, and service are fundamental to our success. I know they are for me.”

Oscar

Latin America & Caribbean Operations



FL Deep sea fishing
VP & General Manager
Latin America & Caribbean
Board of directors
Supports Diabetes
Research
Software





hockey fan
loves technology
enjoys heli-skiing
entrepreneur
advocate for those in need
close-knit family

Murray D. Martin
Chairman, President and
Chief Executive Officer

Letter from Murray D. Martin

In our 2010 Annual Report, we discuss how our solutions are Making It Personal: helping businesses all over the world grow by communicating more effectively. In this 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. You will see some of their achievements in this report.

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

“Strong principles are important to me. It just feels better at the end of the day when you know you’ve done your best.”

Ronnie

Customer Care, Canada



Our Business Practices

We demonstrate our commitment to corporate responsibility every day through company policies and our actions as individuals. Our values provide a framework and standards to guide our conduct and ensure that our success is built on honest and fair practices. We support this framework with robust systems to protect the company from business risks and protect employees' personal privacy.

Values and Ethics

Our values define us as individuals and as a company. We have high ethical standards, and we train our employees to help ensure that they always act in an honest and forthright manner.

Risk and Business Continuity

We believe we have a responsibility to our people and our customers to ensure the continuity of our business during times of crisis. We have robust systems in place to identify, prioritize and mitigate risk, including financial and sustainability risks.

Privacy

We are committed to protecting the privacy of personal and sensitive information. We have systems to protect privacy while ensuring information security, and to protect the confidentiality of employee communications on sensitive matters.

Values

Our approach to corporate responsibility is grounded in shared values. Our values have been a strength of our company for generations. The words have evolved, but the sentiment and meaning have remained constant.

They Are:

Put Customers First

- We focus on our customers' success
- We respond to customers quickly
- We create solutions for tomorrow

Collaborate

- We work inclusively, treating employees with dignity and respect
- We work collaboratively with each other and our customers
- We embrace diverse viewpoints
- We support our local communities

Be Passionate

- We act with a sense of urgency

- We drive for results and celebrate success
- We accelerate innovation to deliver unique value

Be Accountable

- We deliver on our promises and commitments
- We set challenging goals, measure outcomes and reward success

Act With Integrity

- We care
- We do the right thing
- We consider the consequences of our actions.

We promote our values on a global basis through a variety of internal communications.

Ethics

We all make ethical decisions every day. Our approach is to provide clear guidance about our expectations as well as practical resources to help employees gear their actions both inside and outside the workplace to reflect the policy and legal guidelines that govern Pitney Bowes. When there is a question about how to proceed, there is always someplace to go for support and assistance.

Code of Conduct

Our code of conduct, the Pitney Bowes Business Practices Guidelines describes and illustrates the ethical and compliance standards expected of our employees, in the way we treat each other, our customers, our business partners and the communities in which we live. The code is currently available in 11 languages and dialects.



Values in Action

In 2010 Pitney Bowes continued to distribute its weekly "Values in Action" program to employees all over the world through its intranet update, Inside PB.

The series highlights a variety of examples demonstrating that at Pitney Bowes, values aren't just abstractions — they're the basis for everything we do.

Training

Each year, employees are required to take training on specific company policy, practices and the law covering such topics as records retention, antitrust or anticorruption. We use a variety of analytical tools to identify areas of risk, and then design programs to mitigate the risks. We offer training through seminars, online and via webex, and through other channels for employees who do not have access to a computer.

Advice and Reporting Channels

We encourage employees to seek advice in dealing with ethical dilemmas and to report any suspected wrongdoing. Our Ethics Help Line, operated by a third party 24 hours a day, seven days a week, enables employees to report wrongdoing anonymously and in virtually any language in which Pitney Bowes does business, without fear of retaliation. A new system instituted in 2010 facilitates the process by automatically routing each call to an operator fluent in the caller's language. Employees also can contact the Global Ethics & Business Practices Department in person or anonymously through hard copy mail, telephone or email delivered to a special email address. All claims of potential violations of law or policy are reviewed and investigated as appropriate. In the event a complaint is verified, appropriate disciplinary action is taken.

Metrics

We constantly monitor the performance of our ethics and compliance programs to improve their effectiveness. Pitney Bowes is a member in good standing in the FTSE4Good Index, the responsible investment index sponsored by the FTSE Group. FTSE's review of eligible companies focuses primarily on anti-bribery/anti-corruption policies and practices.

Risk and Continuity

Risk

We have a structured, consistent and continuous risk management process in place across the organization. This Enterprise Risk Management system identifies and prioritizes potential risks to the business, including financial, environmental and societal. These risks are then assessed in terms of probability, severity and status of mitigation plans. The risks identified are reviewed by a senior management Risk Steering Committee and the Board of Directors. The risk management process is reviewed independently by the Audit Committee of the Board.

The result is a strategic approach toward risk. By focusing on those issues that can affect how well we achieve our long-term goals, management is able to balance risk and reward appropriately and holistically, strengthening and aligning the interests of management, employees and shareholders. And by integrating this understanding into the company's culture, we help transform risk management from a defensive function into a source of competitive advantage.

Business Continuity

Our business continuity program is aligned with our risk management process. The program's primary objective is to support ongoing contingency planning to evaluate the impact of events that may adversely affect customers, assets, or employees. We have established processes to support the continuity of our businesses during times of crisis. With a core staff and engagement by our business units, we are able to respond appropriately as events arise. We also train our employees, run simulation exercises and evaluate our program each year for potential improvements.

Privacy

We handle sensitive and personal data, and many of our customers use our products to manage personal information. We have formal governance, training programs, policies and compliance assessments relating to privacy and information security.

Our global policies, procedures and standards cover privacy and data protection, information security and acceptable use. Special policies apply to employees handling particularly sensitive data. Incident response procedures are in place for investigating and remediating any potential or actual departure from those policies.



In 2010 Pitney Bowes placed #470 on the Global 1000 Sustainable Performance Leaders index, up 388 places from the previous year. The index, produced by CRD Analytics and published by Justmeans, a communications firm focused on the sustainable business community, ranks public companies on full-year performance across four dimensions: financial, environmental, social and governance. Each dimension consists of five key performance indicators aligned with the The Global Reporting Initiative (GRI) Index.

Environment

"I like the fact that Pitney Bowes encourages employees to think and act green."

Brian
Asian Pacific Operations, Australia

Boating  Internal Operat
Australia Chamber Orchestra
Pushbike Cycling
Senior tennis tour
 Rugby
Social Responsibility
Mentoring



Environment

We serve 2 million customers in more than 100 countries. We are committed to reducing our environmental impact worldwide.

- We have been a leader in adopting energy-saving practices and encouraging customers and suppliers to do the same.
- We provide our customers with solutions that improve efficiency and reduce waste at every stage from market analytics to document production and delivery.

Sustainable Communications

Our business is dedicated to helping companies grow through more effective customer communications. We offer a broad array of products and services that optimize the use of mail as a communication channel, minimize undeliverable mail, reduce paper consumption, and integrate physical mail with digital media into multi-channel communication solutions. We also design our products to be energy-efficient and to have a minimal environmental impact at every stage from manufacturing and distribution to eventual return and recovery.

Energy Conservation

We work continuously to improve energy efficiency in our facilities and operations. We measure our carbon footprint and seek ways to reduce it. We promote environmentally responsible practices in paper procurement and print production.

Performance 2010

We report our carbon emissions, product stewardship and recycling tonnage.

Sustainable Communications

For 90 years Pitney Bowes has been dedicated to helping companies grow through more effective customer communications—primarily through the mail, but increasingly through multiple channels including onsite, online and mobile communications as well. In recent years environmental sustainability has emerged as an important success factor for companies everywhere, and we have helped customers meet their environmental responsibilities through a growing range of innovative products and services that optimize the use of mail and integrate it with broader communication strategies.

Our products help organizations identify their best prospects, streamline the development and production of mail pieces, increase yields, manage expenses, minimize undeliverable mail and reduce overall paper consumption. We have also pioneered the development of systems that integrate physical mail with digital media, reduce document storage requirements and enable paperless workflow in organizations of all sizes.

Our 2010 Annual Report highlighted several recently introduced products that serve business and environmental goals simultaneously. Among them:

- Our *Volly™* secure digital delivery service gives businesses and consumers a powerful tool to control their communications and build one-to-one relationships across multiple channels, eliminating unwanted or wasted communications.
- Our *PresortXtra solutions* bring the benefits of barcoding and presorting to low-volume mailers, generating postage discounts while expediting delivery and helping to minimize undeliverable mail.
- Our *Connect+ mailing systems* give envelopes more impact with customizable full-color graphics that make recipients more likely to open them, improving the efficiency of mailing campaigns.
- Our *Portrait Interaction Optimizer* is a dynamic software application that provides accurate, targeted sales, service and retention offers to each individual in a company's customer base at the specific moment of that customer's interaction, whatever the channel. As a result, customers get the information they need quickly and without irrelevant communications.

Design for Environmental Quality

Whatever the application, we design our products to have a minimal environmental impact at every stage from manufacturing and distribution to eventual return and recovery. Environmental considerations are incorporated as early as possible in the product design process under our Design for Environmental Quality (DfEQ) program, established in 1991.

Factory Certified Green Solutions



In 2010 we rebranded our remanufactured mailstream products from “Classic” to “Green” to highlight the environmental benefits of our aggressive program of recycling and reuse of office technology. Green units save money for customers, have the same warranties and maintenance contracts as new equipment, and help divert millions of pounds of waste from landfills.

Pitney Bowes helps Earthsense rank greenest states

Using analytical tools from Pitney Bowes Business Insight, Syracuse, New York-based Earthsense has established an annual ranking of the top 10 states in the United States in terms of residents' green behavior. Earthsense says its Eco-Insights Survey can help companies sharpen their focus in product development and more effectively market green products and services.

Pitney Bowes environmental innovation timeline

*1944—Asset Return Program
1991—Design for Environmental Quality
2000—Green Power Market Development Group
2007—WasteWise Hall of Fame, Carbon Disclosure Project
2008—Eco-Patent Commons, WHQ green renovation
2009—Corporate Responsibility Report & metrics
2010—Third-party validation of CO2 footprint; Coalition for Energy and Environmental Leadership in Leased Space*

Since we approached the EPA to create a new Energy Star category for Imaging Equipment in 1996, Pitney Bowes has offered a range of Energy Star-rated mailing systems. The EPA raised the standards in 2009, and we have incorporated the new requirements into new product designs including the recently launched Pitney Bowes Connect+.™ Customer Communications Series. DfEQ has also guided us in complying with other U.S. and international regulations, and in removing hazardous substances from our products. Under DfEQ, electrical components must comply with the European Union's Directives on the Restriction on Hazardous Substances (RoHS) and the Waste Electrical and Electronics Equipment (WEEE). And since 2008, we have communicated with suppliers and customers to achieve compliance with the Registration, Evaluation & Authorization of Chemicals (REACH) Directive.

Product Return and Recovery

Pitney Bowes has a long legacy of product remanufacturing and recycling. More than 95 percent of all components of our mailing equipment are designed to be recyclable, and we recover nearly all of our postage meters and approximately 85 percent of mailing products. In 2010, we recycled more than 6.5 million pounds of materials including copper, aluminum, steel, plastic, cardboard and paper through our product take-back program (U.S. and Canada). Returned equipment that cannot be reused is sent to approved recycling partners for resource recovery.

Energy Conservation

We design our products to be energy-efficient and to have a minimal environmental impact at every stage from manufacturing and distribution to eventual return and recovery. We also work continuously to improve energy efficiency in our facilities and operations. We measure our carbon footprint and seek ways to reduce it. We promote environmentally responsible practices in paper procurement and print production.

Carbon Footprint

In 2007, we established our baseline carbon footprint using the World Resources Institute standard. We publicly report our carbon footprint through the international Carbon Disclosure Project (CDP). In October 2010, a third-party consultant validated our methodology for the collection and reporting of carbon emissions following an extensive review.

Reducing Consumption

Pitney Bowes is committed to making all its operations greener and more efficient. Our cross-functional Energy Task Force has raised employee awareness about energy conservation and led to significant reductions in electricity consumption. Through the end of 2010 we reduced our electricity consumption by more than 10 million kilowatt hours from our 2007 baseline, saving \$1.8 million and reducing our carbon footprint by 6800 metric tons of CO₂. Energy-saving initiatives have included better lighting systems, improved heating, ventilation and air conditioning controls, more efficient chillers, conveyors and computer monitors, and the use of motion sensors to shut off lights in unused spaces. In 2010, these efforts focused on site consolidation as part of the company's strategic transformation initiative. With a reduced building footprint, we were able to reduce related energy consumption by more than 1.9 million kilowatt hours.

We are a founding member of the Green Power Market Development Group, an industry partnership with the U.S. Environmental Protection Agency (EPA) 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. So far, our RECs have resulted in more than 22,800 metric tons of CO₂ emission reductions. In 2010, our purchases of Green-e® certified RECs helped reduce CO₂ by 6,300 metric tons.

Waste Management and Recycling

Since 1996 Pitney Bowes has taken part in the EPA's WasteWise Initiative, a voluntary program to minimize the generation of wastes, increase recycling and promote the manufacture and purchase of products with recycled content. We now participate at all of our major sites in the U.S., our two largest sites in Canada and our main office complex in Harlow, U.K. Over the years we have received nine awards from the EPA, including designation as Program Champion and Partner of the Year. In 2008, we were named to the WasteWise Hall of Fame for our leadership in recycling. According to the EPA, our waste reduction campaign resulted in the avoidance of more than 16,635 metric tons of CO₂ in 2010 alone.

Small Steps Lead to Big Savings

When Pitney Bowes Presort Services outgrew its facility in Columbus, Ohio, it did more than move. It rethought its energy use everywhere from workstations and IT servers to conveyor systems, plant lighting and overhead doors. The result: a series of modest changes that brought electricity costs down from 24 cents per square foot per month to just 17 cents, a savings of more than 30 percent.

Coalition for Energy and Environmental Leadership in Leased Space

Early in 2010 Pitney Bowes formed a coalition with DuPont, IBM, Fluor and the Switzer Group to drive greater availability of competitively priced leased space that is also energy-efficient and environmentally appropriate. The group has established an environmental checklist and agreed to use it as a standard part of future lease and lease renewal negotiations. Collectively, coalition members account for more than 25 million square feet of commercial space in the United States alone.

Forest Products Purchasing and Sustainable Forestry

As a leader in the mail and document management industry, we are committed to using paper and cardboard responsibly and preserving the world's natural resources. 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). Internally, we have completed a baseline analysis of our use of sustainable and recycled materials and are establishing metrics to drive increased sourcing of paper and cardboard from companies committed to responsible resource stewardship. Our public literature, catalogs and direct mailings include the "Recycle Please" logo. In 2010, we purchased nearly 10,000 tons of paper, more than 58% percent of it from certified sources, and established a comprehensive baseline to simplify such calculations in the future.

Global Environment, Health and Safety Management System

We recognize that a robust Environment, Health and Safety (EHS) process requires a clearly defined policy based on our core values. In 2009, we issued a new integrated global EHS policy that strengthens accountability and moves beyond compliance to encourage leadership on EHS matters throughout the company. The policy outlines our commitment to minimizing the environmental impact of our products and actions, our expectation that all injuries are preventable, and our determination to hold each employee accountable for following appropriate health, safety and environmental practices. By the end of 2009, we had also released or updated 34 worldwide technical standards in support of the new policy. In 2010 we completed 24 EHS compliance reviews of our most significant businesses, assessing both regulatory compliance and adoption of our management systems practices. These reviews continue in 2011 and include our suppliers and recycling partners in addition to our own operations.

Environment: Performance 2010

	2008	2009	2010
Direct and Indirect Emissions of Carbon Dioxide MTCE	97,242	124,107	120,263
Direct Emissions of CO ₂ e / \$M Revenue	3.67	7.65[*1]	8.52
Indirect Emissions of CO ₂ e/\$M Revenue	11.8	14.6	13.65
GHG Emissions per Unit of Floorspace (Tons CO ₂ /ft ²)	0.01	0.02	.02
Waste Recycled/Prevented – Annual Pounds (US Only)	13,686,766	14,532,290	11,702,258
Waste Recycled/Prevented – Annual MTCE Avoided	16,147	26,938 [*2]	16,635
Waste Recycled/Prevented – Annual MTCE Avoided/\$M Revenue	2.6	4.8	3.1
Product Recycling – Cumulative Pounds (US and Canada only)	13,588,464	20,159,239	26,705,481

[*1] Improved data collection of direct and indirect emissions from international operations has expanded the carbon emissions for Pitney Bowes in 2009

[*2] Increase in MTCE avoided largely due to significant increase in paper recycled (MTCE = metric tons of carbon equivalents)

Partnerships, Recognition and Awards

Eco-Patent Commons

Carbon Disclosure Project

Greening the Mail Task Force



World Business Council for Sustainable Development



Connecticut Green Business Award

In January 2010 Connecticut Business News Journal named Pitney Bowes a Connecticut Green Business Award winner in the Corporate Achievement category, citing the company's longstanding commitment to environmental stewardship and dramatic reduction in electricity use under the guidance of its Energy Task Force.



MILJØFYRTÅRN®

Eco-Lighthouse Shines Again on Pitney Bowes Norway

Funded by the Norwegian Ministry of Environment, the Eco-Lighthouse Program is designed to help companies in Norway reduce their environmental impact, cut costs and benefit from their status as an environmentally responsible company through industry-specific certification and testing. The year 2010 was Pitney Bowes's second in a row as an Eco-Lighthouse certification winner

Diversity and Inclusion

“Put diversity and inclusion together, and the result is a powerful engine for innovation.”

Eugenia
Global Legal Services, U.S.



Diversity and Inclusion

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 business and at every level of our organization. Our program and practices continue to grow with our company's global footprint.

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.

Diversity and Inclusion

Pitney Bowes has been recognized for decades as a leader in valuing and leveraging diversity. From a heritage of respect for the individual, we have developed a culture in which the importance of diversity is embedded in our business model and employee value proposition. Our diversity helps us better understand evolving markets, connect with our global customer base, develop innovative solutions, and attract and retain outstanding talent.

As the concepts of diversity and inclusion have evolved around the world, so too has our approach. We have increasingly integrated diversity initiatives into every area of our operations, from talent management strategies to the ways we foster innovation and manage customer relationships. And as our company has grown globally, we have also become more global in our diversity and inclusion programs and practices.

In addition, we have cultivated a network of external partnerships to support our business and diversity objectives in areas such as talent acquisition and retention, supplier diversity, legislative matters, strategic philanthropy and branding. Through these partnerships, we raise our visibility among a diversified pool of top-tier candidates while providing development opportunities for employees who work with these organizations and serve on their boards. The groups we work with span the fields of engineering, information technology and business enterprise. They include Catalyst, Diversity Best Practices, Executive Leadership Council, National Black MBA Association, Society of Hispanic MBAs, National Society of Black Engineers, the Society of Women Engineers, and the Information Technology Senior Management Forum.

At a tactical level, 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 Society of Women Engineers and the National Society of Black Engineers to recruit people who will strengthen our diversity representation
- **Retention:** We offer web-based seminars, networking sessions, speaker events and conferences to help develop our diverse group of talent
- **Leadership:** We regularly incorporate senior executives into our seminar and networking programs, and we offer leadership development opportunities 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 Europe-based 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. In addition to conferences, regional briefings and training sessions throughout the company, the Council also sponsors the International Diamond Awards annually for individual and group leadership in the areas of diversity and inclusion. In 2010, Diamond Award nominees spanned 45 countries.

INROADS Internships

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.

Over the years INROADS interns at Pitney Bowes have gained access to career opportunities in finance, marketing, communications, engineering, information technology and human resources. Since 2007 more than 50 students have taken advantage of the program, and in 2010 we made full-time job offers to several of our graduating interns.

Mentoring

Launched in October 2010, this Pitney Bowes program provides an integrated company-wide framework for mentoring to support employees' career development while also advancing the company's interests in retention and diversity recruiting.

Awards and Recognition

In 2010 Pitney Bowes and its employees earned recognition from numerous external organizations for excellence in diversity and inclusion. Among them:

- **National Association of Female Executives (NAFE) Health Care Champion** – Johnna Torson, Executive Vice President and Chief Human Resources Officer
- **Women of Color in STEM & Business Award Winners:** Business Achievement—Sheryl Morrison, Director, Finance; Technology All-Stars—Jacqueline Brown, Manager, CRM Software Quality Engineering; Cecilia Fung, Director, Applications Development; Cynthia Marinelli, Senior Software Delivery Lead
- **Asia Best Employer Brand Awards:** Diversity Impact Award
- **Great Place to Work Institute:** Top 50 Companies to Work for in India
- **DiversityMBA Magazine:** 100 under 50 Diverse Executive & Emerging Leaders—Tatiana Koleva, Area Director, PBMS
- **Black Enterprise Magazine:** 40 Best Companies for Diversity
- **DiversityBusiness.com:** America’s Top Organizations for Multicultural Business Opportunities
- **Diversity/Careers in Engineering & Information Technology:** Best Diversity Company
- **DiversityMBA Magazine:** Top 50 Companies for Diverse Managers To Work
- **OutputLinks:** Women of Distinction—Jennifer Bonilla, President, PBMS, Americas
- **Woman Engineer Magazine:** Top 50 Employers
- **Diversity Journal:** 2010 Diversity Leader

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.

Speed Networking

Pitney Bowes has used speed networking events since 2004 to promote the retention, engagement and professional advancement of employees at all levels. Participants gain insights provided by senior leaders and benefit from the direct networking opportunity with peers and company management. Topics at some of the sessions have focused on specific audience groups, including women, people of color, and employees who are new to the company. The 2010 event focused on personal dimensions of the company’s ongoing strategic transformation process through sessions such as “Keeping Current” and “Managing Your Development—Be Your Brand.”

International Diamond Awards

Sometimes small actions make a big difference in creating an inclusive culture—a principle Pitney Bowes’s International Diversity and Inclusion Council recognizes each year through its coveted Diamond Awards. This year’s Diamond Awards went to individual employees in Belgium, India, Portugal and the United Kingdom as well as two five-member teams from France and Spain.

Diversity and Inclusion: Performance 2010

Diversity and Inclusion (United States only)

Percentage of workforce: minorities 42%, women 42%

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

Supplier Diversity

Percentage of supplier spend with diverse businesses:

2010: 4.7%*

2009: 6.0%

2008: 4.7%

* 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.*

50 Best Companies to Work for in India

In June 2010 Pitney Bowes Software India was named a Best Company to Work For in India by the Great Place to Work® Institute, an international organization spanning 40 countries. Companies are selected for the honor based on a culture audit featuring a "Trust Index," which gauges how employees feel about the organization. Typical of the company's proactive approach to engagement and workforce development is its annual week-long celebration of diversity and inclusion under the auspices of its newly formed Indian Diversity & Inclusion Council. The organization also won recognition as one of IDC-Dataquest's Top 20 Indian IT Best Employers and a 2010 Diversity Impact Award at the Asia Best Employer Brand Awards in Singapore.

Pitney Bowes Canada a Top Employer for New Canadians

In March 2010 Pitney Bowes Canada won recognition from two organizations for its commitment to recruiting and integrating skilled immigrants into its workforce and leadership team. Mediacorp Canada named the company one of Canada's Top 100 Employers for New Canadians, and the Toronto Region Immigrant Employment Council named Pitney Bowes winner of the RBC Immigrant Advantage Award at the council's fourth annual Immigrant Success Awards.

Our People

“Charting my own career path is so much easier with the company’s customized, online resources.”

Michelle
European Web Marketing, U.K.

Internet shopping
e-book reader

marketing
automation



badminton
player

Loves Chinese food
Professional
marketer



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 to pursue healthy lifestyles.

Engagement and Development

Building a more engaged culture is a company priority. Our employees' commitment, passion and energy drive innovation and customer value, which drive growth and financial success. 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 markets, connect with customers, develop innovative solutions and attract and retain the best talent and suppliers. We embrace diversity in every area of our business and at every level of our organization. Our program and practices continue to grow with our company's global footprint and practices.

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 2010

We report on diversity and inclusion and workplace safety.

Engagement and Development

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, including online. 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.

We leverage online forums to connect and engage our global base of employees:

- **Yammer** is a social networking platform that facilitates collaboration and enables employees to share experiences on virtually any kind of assignment. Since its launch in 2009, more than 4600 employees have contributed more than 25,000 Yammer posts.
- **IdeaNet** was also launched in 2009 as part of a comprehensive program 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 2010 IdeaNet posed 20 challenges, resulting in more than 1400 ideas from employees in 27 countries. In its two years of operation, IdeaNet has generated more than 700 ideas that have subsequently been adopted by the company either as product or process improvements or as part of new offerings under development.

INROADS Internships

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.

Over the years INROADS interns at Pitney Bowes have gained access to career opportunities in finance, marketing, communications, engineering, information technology and human resources. Since 2007 more than 50 students have taken advantage of the program, and in 2010 we made full-time job offers to several of our graduating interns.

Mentoring

Launched in October 2010, this Pitney Bowes program provides an integrated company-wide framework for mentoring to support employees' career development while also advancing the company's interests in retention and diversity recruiting.

We also solicit employee feedback through regular surveys. For years we have conducted a **global employee 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.

In 2010 we replaced the global survey with a series of shorter Pulse Surveys to provide a snapshot on engagement and keep in touch with employees throughout the company during a time of transformation. We conducted three Pulse Surveys during the year and developed action plans in response to the feedback and views shared by employees. The actions focused on reward and recognition, and proactive communications in sharing the benefits and impact of our transformation activities. The larger global survey will resume in 2011.

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, CT, was chosen for a 2009 pilot program. The response from the 140 employees who 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. The program also reduced participants' carbon footprint by eliminating an average of 77 miles of commuting per employee per week.

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, online resources and community service opportunities. 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

Pitney Bowes has been recognized for decades as a leader in valuing and leveraging diversity. From a heritage of respect for the individual, we have developed a culture in which the importance of diversity is embedded in our business model and employee value proposition. Our diversity helps us better understand evolving markets, connect with our global customer base, develop innovative solutions, and attract and retain outstanding talent.

As the concepts of diversity and inclusion have evolved around the world, so too has our approach. We have increasingly integrated diversity initiatives into every area of our operations, from talent management strategies to the ways we foster innovation and manage customer relationships. And as our company has grown globally, we have also become more global in our diversity and inclusion programs and practices.

Speed Networking

Pitney Bowes has used speed networking events since 2004 to promote the retention, engagement and professional advancement of employees at the professional, midlevel and senior ranks. Participants gain both from the insights provided by senior leaders and from personal exposure to company management. Many of these sessions focus on a specific topic or audience, such as Women, People of Color, or employees who are new to the company. The 2010 event focused on personal dimensions of the company's ongoing strategic transformation process through sessions such as "Keeping Current" and "Managing Your Development—Be Your Brand."



50 Best Companies to Work for in India

In June 2010 Pitney Bowes Software India was named a Best Company to Work For in India by the Great Place to Work® Institute, an international organization spanning 40 countries. Companies are selected for the honor based on a culture audit featuring a "Trust Index," which gauges how employees feel about the organization. Typical of the company's proactive approach to engagement and workforce development is its annual week-long celebration of diversity and inclusion under the auspices of its newly formed Indian Diversity & Inclusion Council.

In addition, we have cultivated a network of external partnerships to support our business and diversity objectives in areas such as talent acquisition and retention, supplier diversity, legislative matters, strategic philanthropy and branding. Through these partnerships, we raise our visibility among a diversified pool of top-tier candidates while providing development opportunities for employees who work with these organizations and serve on their boards. The groups we work with span the fields of engineering, information technology and business enterprise. They include Catalyst, Diversity Best Practices, Executive Leadership Council, National Black MBA Association, Society of Hispanic MBAs, National Society of Black Engineers, the Society of Women Engineers, and the Information Technology Senior Management Forum.

At a tactical level, 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 Society of Women Engineers and the National Society of Black Engineers to recruit people who will strengthen our diversity representation
- **Retention:** We offer web-based seminars, networking sessions, speaker events and conferences to help develop our diverse group of talent
- **Leadership:** We regularly incorporate senior executives into our seminar and networking programs, and we offer leadership development opportunities 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 Europe-based 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. In addition to conferences, regional briefings and training sessions throughout the company, the Council also sponsors the International Diamond Awards annually for individual and group leadership in the areas of diversity and inclusion. In 2010, Diamond Award nominees spanned 45 countries.

Awards and Recognition

In 2010 Pitney Bowes and its employees earned recognition from numerous external organizations for excellence in diversity and inclusion. Among them:

- **National Association of Female Executives (NAFE) Health Care Champion** – Johnna Torstone, Executive Vice President and Chief Human Resources Officer
- **Women of Color in STEM & Business Award Winners:** Business Achievement—Sheryl Morrison, Director, Finance; Technology All-Stars—Jacqueline Brown, Manager, CRM Software Quality Engineering; Cecilia Fung, Director, Applications Development; Cynthia Marinelli, Senior Software Delivery Lead
- **Asia Best Employer Brand Awards:** Diversity Impact Award
- **Great Place to Work Institute:** Top 50 Companies to Work for in India
- **DiversityMBA Magazine:** 100 under 50 Diverse Executive & Emerging Leaders—Tatiana Koleva, Area Director, PBMS
- **Black Enterprise Magazine:** 40 Best Companies for Diversity
- **DiversityBusiness.com:** America's Top Organizations for Multicultural Business Opportunities
- **Diversity/Careers in Engineering & Information Technology:** Best Diversity Company
- **DiversityMBA Magazine:** Top 50 Companies for Diverse Managers To Work
- **OutputLinks:** Women of Distinction—Jennifer Bonilla, President, PBMS, Americas
- **Woman Engineer Magazine:** Top 50 Employers
- **Diversity Journal:** 2010 Diversity Leader

The organization also won recognition as one of IDC-Dataquest's Top 20 Indian IT Best Employers and a 2010 Diversity Impact Award at the Asia Best Employer Brand Awards in Singapore.

Pitney Bowes Canada a Top Employer for New Canadians

In March 2010 Pitney Bowes Canada won recognition from two organizations for its commitment to recruiting and integrating skilled immigrants into its workforce and leadership team. Mediacorp Canada named the company one of Canada's Top 100 Employers for New Canadians, and the Toronto Region Immigrant Employment Council named Pitney Bowes winner of the RBC Immigrant Advantage Award at the council's fourth annual Immigrant Success Awards.

International Diamond Awards

Sometimes small actions make a big difference in creating an inclusive culture—a principle Pitney Bowes' International Diversity and Inclusion Council recognizes each year through its coveted Diamond Awards. This year's Diamond Awards went to individual employees in Belgium, India, Portugal and the United Kingdom as well as two five-member teams from France and Spain.

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. Click here to see our Global Environment Health and Safety Policy.

Our Global Environment, Health and Safety department works in partnership with operations leadership to assess workplace hazards, establish annual improvement plans and track performance. Click here[link to the CR report Our People performance section] to see how we're doing. 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. In 2009 we launched a companywide, behavior-based safety campaign, "Every BODY Can Do It." The campaign encourages employees to take personal responsibility for safety and make simple changes in everyday work behaviors to reduce risks. We expanded the campaign in 2010, distributing toolkits to all our businesses to help them minimize occurrences of slips, trips and falls through better risk assessment, prevention and control. We also produced videos on how to avoid work-related falls, sprains and strains in our services organization, and completed the training of over 40 local ergonomic Tiger Teams.

Such attentiveness is making a difference across the company. Our total U.S. Workers' Compensation claims fell from 997 in 2009 to 857 in 2010, and claims per 100 employees dropped from 3.96 to 3.51, an 11 percent reduction. For additional indicators, see the metrics at the end of this section of the Report.

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 help employees and their families adopt healthy lifestyles. The programs have repeatedly earned national recognition for excellence. 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.

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. Innovations in 2010 included the addition of strength training, Zumba and belly-dancing to our exercise programs at certain locations. We also introduced walk stations (workstations integrated with treadmills) for call-center employees.

Education and Awareness

We do our best to make it easy to learn about healthy living. Our Health Care University program expanded its reach in 2010 to include employees in Canada and the United Kingdom. Through "Learn and Earn" courses on topics such as weight management and stress management, we enable participating employees to earn cash rewards and prizes for their efforts; in 2010, 5691 employees earned the incentive of a \$100 VISA debit card. In addition, *Project: Living* communications provide up-to-date guidance on health and wellness, financial planning and work/



Hayward, California: Everyone Owns Safety at Pitney Bowes

Behavior-based safety programs work best when applied throughout an organization and coupled with incentives, so everyone owns the issue and has a stake in the outcome. At Pitney Bowes Government Services' Express and Priority Mail Supplies Center in Hayward, California, all employees from the site manager on down are charged with noting and correcting unsafe conditions wherever they find them, and those who identify and correct the most gain special recognition.



Triple Win for Ergonomic Design

For mail sorters at Pitney Bowes Presort Services, new conveyors and lower storage shelves have made a significant difference in both productivity and comfort on the job. In addition, the new equipment is quieter, easier to maintain and much more energy-efficient, saving money for the company as well. The new design standard is just one of many adjustments the organization has implemented following a comprehensive ergonomic assessment in 2008.

life balance, including how best to take advantage of company benefits in these areas. In 2010 we added a new domestic violence awareness component to our program. And we expanded our already extensive offerings to help employees and families deal with end-of-life issues.

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 2010, more than 1800 employees participated in *Change One*, our 12-week weight management program, with 678 completing the program. The average weight loss was 8 pounds, but 90 people lost more than 20 pounds. 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

Our seven onsite medical clinics in the U.S. provide free access to roughly 20% of our employees, making it easier for them to maintain primary health care. The clinics have high-level accreditation from the Accreditation Association for Ambulatory Health Care. In 2010 our clinics recorded more than 35,000 patient visits. More than 1,000 employees took advantage of screening programs on breast cancer, skin cancer, osteoporosis, vision and hearing, cholesterol, diabetes, blood pressure and BMI (Body Mass Index). We also offered Lunch-and-Learn programs on topics ranging from weight management and sleep disorders to elder-care support: 600 employees participated in these programs.

Another major innovation this past year was the launch of the Dossia Personal Health Record, an electronic platform that enables employees and their families to collect, maintain and track a variety of personal health information in a single secure, comprehensive resource. Pitney Bowes was a founding member of the consortium that created Dossia and was among the first companies to make it available to all employees.

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. For more information on our Agile Work program, see the "Engagement" section of this document.



One in a Million Day

More than 4100 people took part in 97 walking events throughout the United States, Canada and the United Kingdom at our fourth annual PB Employees are One in a Million Day on May 16, 2010 in celebration of the National Employee Health & Fitness Day. All told, they walked 48,681,772 steps, up 48% from 2009.

Project Living

Launched in 2009, Project: Living reached out to employees and families throughout 2010 through home mailings, employee emails and calendars. Project: Living offers practical tips to help employees take advantage of company programs and benefits to make healthy lifestyle decisions, become better health care consumers and learn how to balance work and life.

Our People: Performance 2010

Diversity and Inclusion (United States Only)

Percent of workforce: minorities 42 percent, women 42 percent

Percent of Board of Directors: minorities 31 percent, women 23 percent

Health and Wellness

Pitney Bowes onsite medical clinics visits: 35,319

Free flu shots given to employees and family members: onsite: 2638; other locations, 2846

Over 1800 employees participated in the nationwide (U.S.) weight management program.

Safety (Global data unless stated)	2008	2009	2010
Incident rate: Total Recordable Cases/100 Employees/Year	2.23	1.75	1.82
Days Away and Restricted Cases/ 100 Employees/Year	1.76	1.21	1.64
Lost Workday Cases/100 Employees/Year	0.76	0.75	0.76
Ergonomic Injury Cases/100 Employees/ Year (U.S. only)	2.14	1.86	1.91
Work-Related Fatalities/Year	0	0	0

Awards and Recognition

Best Employer for Healthy Lifestyles Platinum Award



In addition to national recognition for its health and wellness programs, Pitney Bowes was also honored locally in 2010. Health improvement programs manager Elysa Jacobs is shown holding a Platinum Award from the Business Council of Fairfield County (CT) under the Council's Healthy Workplace Employer Recognition Program.

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%

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.*

Community

“Volunteering is a win-win for me. It helps my community, and it’s one of the most fun things I do.”

Piyush
Engineering, India



Sudoku



embroidery



cooking

Share the Message

Read volunteer

data
development

Community

Pitney Bowes is strongly 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. Through the Pitney Bowes Foundation and corporate contributions, we provide grants and matching gifts to worthy causes. We also encourage direct employee involvement, and every year our employees donate thousands of hours in support of literacy programs and community organizations.

Literacy and Education

We provide funding to nonprofits working on literacy and education initiatives, with a special focus on programs designed to help close the achievement gap and strengthen the future workforce. Programs funded include national and regional after-school and summer reading programs, school system education investments, and mentoring and job training initiatives.

Local Community Support

We support communities where we live and work through grants from Local Community Leadership Teams driven by Pitney Bowes employee volunteers. Each team receives a budget, which they allocate in support of local community organizations. At least 70 percent of the funding supports local literacy and education programs, with the remainder available to support other priority community needs.

Employee Involvement

Our employees dedicate time and money to causes they care about. In doing so, they help transform our communities. We support their charitable efforts in several ways:

- **Matching Grants** — We conduct annual giving campaigns in the United States, the United Kingdom and Canada that permit employees to make charitable contributions via payroll deduction.
- **Volunteering** — We support employees' community service efforts through grants to the organizations where they volunteer, grants to cover the cost of materials and supplies for employee volunteer projects, and guidance on volunteering as an aspect of career development.
- **Disaster Relief** — The Pitney Bowes Relief Fund, a U.S. 501(c)(3) charity, financed by employee contributions and Foundation matching funds, helps to ensure that employees and others have access to essentials in times of critical need. Outside the U.S., we launch global employee fundraising appeals when a disaster impacts a Pitney Bowes community.

Performance 2010

We report on total giving through the Pitney Bowes Foundation and corporate contributions.

Literacy and Education

Literacy and education are essential for individual success and vital to the well-being of communities. As a global leader in helping businesses communicate more effectively, Pitney Bowes has a vital interest in literacy and education. We also believe that by supporting literacy and education programs, we can improve countless lives and strengthen the fabric of communities everywhere we are involved. Each year we grant approximately \$1.4 million to organizations conducting such programs, with a particular focus on closing the achievement gap and preparing individuals for successful employment.

Our employees are passionate about this commitment and apply their energy and experience to help children, families, schools and related charities through thousands of hours of volunteer time every year.

In the United States, we make 60-80 grants each year, focused on communities where we have a presence and where the population is underserved or at risk. Many of the programs we support focus on children aged 3-12 from the pre-kindergarten level up through elementary and middle school. We support school-year enrichment initiatives such as Head Start, mentoring and after-school homework support, as well as summer learning opportunities to help consolidate gains made during the school year and minimize losses over summer vacation. We also support programs at the high school level and beyond, including mentoring, job training, ESL and GED courses.



“Share the Message: READ!”

Pitney Bowes' long partnership with Reading Is Fundamental (RIF) continued in 2010 with a series of Family Literacy Nights in Corona, California; Atlanta, Georgia; Dallas, Texas; and Washington, D.C. More than 100 Pitney Bowes employees volunteered at these events, joining 2300 children and parents for evenings of reading, crafts, games and fun, at the end of which the Pitney Bowes Foundation donated books for the children to take home. Atlanta City Councilman Michael Julian Bond, who attended the Atlanta event, said, “To see this many parents at an event during the after-school hours is unheard-of.”

The Foundation also sponsored a communication resource guide and accompanying book collection for 50 RIF sites in Indianapolis and New York City. In 2011 the collaboration will be expanding internationally, with events in Australia, Canada, India and the United Kingdom as well as the U.S.

Our major philanthropic partnerships include:

- **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 literacy events, activity guides, lending libraries, and book distributions.

Local Community Support

In addition to making contributions at the national and regional levels, we encourage Pitney Bowes facilities to support their local communities. We provide central funding for certain local initiatives identified by employee community leadership teams in 10 U.S. states and the District of Columbia. Teams allocate at least 70 percent of their budgets to local literacy and education programs, with the remainder available to meet other community needs. In 2010 we strengthened our support of the teams by providing them with detailed toolkits and internal websites to facilitate collaboration internally and with other teams. Teams also expanded their scope of responsibility to include driving volunteer initiatives in their communities.

Employee Involvement

We know that good corporate citizenship helps us to attract and retain good employees. We also recognize that our people can develop useful skills outside the workplace. And we believe that encouraging engagement in our local communities reinforces employees' engagement in our company. For all these reasons, we encourage employees to get involved as volunteers and supporters of community organizations.

Match funding for employee contributions

We encourage employees to make charitable donations, and we support their efforts by matching their contributions to eligible charities in the United States, Canada and the United Kingdom. We conduct annual giving campaigns and allow employees to contribute through payroll deduction. We match their contributions to eligible charities 100 percent.

Global grants for volunteerism

We provide grants to nonprofit organizations in recognition of the hours individual employees contribute, and to cover the costs of supplies and materials needed for team volunteer projects. Our recognition grants start at \$125 for 25 hours of service and progress up to \$500 per year per employee for 100 hours or more of volunteering. Our team project grants support the volunteer activities of groups of three or more employees.

Volunteering that supports personal development

In keeping with our philanthropic focus, we offer employees structured volunteering opportunities linked to literacy and education initiatives. At the same time, we see volunteer service as an opportunity for employees to develop their skills, and we provide employees with guidelines that map core competencies against specific volunteer opportunities.

Nonprofit board service program

We encourage employees to serve on local committees and nonprofit boards. We work with grantee organizations and other charities whose missions support our philanthropic goals to identify volunteer leadership opportunities, and our Corporate Philanthropy and Human Resources teams work together internally to match employees' personal development goals with the opportunities available. We also recognize outstanding volunteer initiatives through our company's highest employee honor, the Pitney Bowes Impact Award.

Disaster Relief

The Pitney Bowes Relief Fund, U.S. 501(c)(3) charity, was established in 1992 to provide for colleagues and others whose lives are disrupted by natural disasters or personal misfortune.



Reading Corner at Ontario's Mississauga Waterfront Festival

For four years in a row, Pitney Bowes Canada has hosted a Reading Corner at this popular Toronto-area summer festival. A team of Pitney Bowes volunteers reads classic stories to children from the ages of two to eight. In addition, each child receives a goody bag with a gently used book, balloon, bookmark and bracelet with a message celebrating literacy.



Connecticut Science Center KidSpace Gallery

In just two years, the Connecticut Science Center in downtown Hartford has established itself as one of the state's top three tourist destinations as well as its premier institution for informal science learning. As sponsor of the Center's KidSpace Gallery, the Pitney Bowes Foundation has enabled thousands of toddlers and small children to share in the excitement with interactive exhibits including a hands-on water room, a variety of Search and Find activities and a Reading Nook.

Financed by employee contributions and a Foundation match, the Relief Fund gives recipients access to food, shelter, clothing and medical care in catastrophic situations. Pitney Bowes bears the Relief Fund's administrative costs and the Salvation Army manages its operations, ensuring that all donations directly benefit those who need assistance and leverage community-based resources. So far the Relief Fund has distributed nearly \$2.6 million in assistance.

In addition, the Pitney Bowes Foundation launches special matching appeals following natural disasters that impact Pitney Bowes employees, customers and communities. 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 earthquakes in Japan and New Zealand. As a result, \$37,000 in donations and matching funds were distributed to the Red Cross, AmeriCares, International Rescue Committee and Save the Children.

Community: Performance 2010

Total Giving (Pitney Bowes Foundation and Corporate Contributions): \$4.4 million

Literacy and Education Contributions (by Focus Area)

Achievement gap 62%
Workforce preparedness 38%

	2009	2010
Students Served	21,774	30,461
Student Hours	625,661	987,935

General Charitable Contributions

Total match of employee charitable contributions \$1.6 million

Employee Volunteerism

Employees volunteered over 70,000 hours in 2010

Aggregate value of employee volunteerism: \$1.3 million (based on combination of hands-on and skill-based volunteer activities and nonprofit board service.)



Community Leadership in Appleton, WI

Pitney Bowes was the proud sponsor of the Appleton Book Festival Children's Event held at the Appleton Public Library in April 2010. Members of the company's Appleton Community Leadership Team organized, led, and volunteered at the event in support of Pitney Bowes' philanthropic focus on literacy and education. Children's author Robert San Souci and his brother Daniel, an author and illustrator, enthralled parents and children alike with a combination of reading, drawing and storytelling. Books by the two include vividly illustrated children's stories such as Feather Top and Sootface.



Holiday Mail for Heroes

For the fourth year in a row, Pitney Bowes teamed up with the American Red Cross to deliver hundreds of thousands of holiday cards to U.S. service members and veterans in the U.S. and abroad. Pitney Bowes employee volunteers contributed more than 470 hours creating hand-crafted cards and heartfelt wishes in eight events at Pitney Bowes locations in Appleton, WI, Troy, NY, Irving, TX, and Fairfield County, CT. Meanwhile, the company contributed free screening, packaging and shipping of cards to more than 200 Red Cross locations for distribution.

Collaborating Around the World

Everywhere Pitney Bowes operates, we encourage employees at every level to contribute to the life of their communities. Here are some of their achievements in 2010.

Innovative Public Safety Program in Harlow, UK

Public safety and family entertainment coincided in a special event organized by Pitney Bowes employee volunteers in Harlow Town Centre in March 2010. The theme: "Prison No Way." Exhibits included a mock Victorian prison officer and artifacts from Victorian prisons as well as contemporary prison vans, displays from a Prison Riot Team and an exact replica of a prison cell. It was an engaging event with an education component and all proceeds were used to benefit crime victims and their communities.

Inspiring Young Entrepreneurs at BizCamps

Network For Teaching Entrepreneurship offers innovative programs that help low-income middle and high school students stay in school, recognize opportunities and plan for successful futures. NFTE's curriculum teaches the fundamentals of entrepreneurship and financial literacy in ways that are connected to core academics. Current programs span the United States, Europe, Asia, the Middle East and Africa. Helped by grants from the Pitney Bowes Foundation, NFTE has recently expanded its popular one- and two-week summer BizCamp program. In addition, many Pitney Bowes employees volunteer for NFTE as board members, guest speakers, mentors or competition judges.



From Building Skills to Building Schools

Pitney Bowes is proud to partner with buildOn, [link to www.buildon.org] a nonprofit organization that empowers urban high school students through service programs ranging from tutoring younger children to renovating community centers and serving meals at homeless shelters. buildOn also runs an ambitious international school construction program that has yielded nearly 400 new schools in developing countries over the last 20 years. Pitney Bowes volunteers have worked closely with buildOn both locally and globally. In May 2010, a team in Stamford, CT supported beautification of the local Haitian community center while also collecting school supplies for use in Haiti. Then in September, they joined forces for a back-to-school event that included a book giveaway for 150 children from local elementary schools.

PBBI Helps in Australian Flood Relief

Early in 2011, flooding in northeastern Australia devastated an area the size of France and Germany combined, causing the loss of 30 lives as well as thousands of homes and businesses. By mid-January, Pitney Bowes Business Insight had responded with an offer of technical assistance and support services at no charge to affected businesses. It also instituted a company match to employees' individual charitable contributions in support of the relief effort.



Triple Award from Pitney Bowes at World Innovation Forum

In 2010 Pitney Bowes celebrated its 90th year of innovation by renewing its sponsorship of HSM's World Innovation Forum, an internationally renowned gathering of thinkers and innovators held annually in New York City. At the Forum, the company announced that it had awarded three simultaneous \$9000 gifts to leading nonprofit organizations that foster student innovation and empower young people to make a difference; buildOn, FIRST, and the Network for Teaching Entrepreneurship. All three had originally been contenders for a single grant determined by an online vote promoted via social networking.