

Pitney Bowes Limited S172 Statement- 2019

The Directors of Pitney Bowes Limited (the “Company”) provide the following statement pursuant to the Companies Act 2006 (as amended by Companies (Miscellaneous Reporting) Regulations 2018) (the “Act”) to describe how they have acted in accordance with their duty under s.172 of the Act to promote the success of the Company for the benefit of its member(s) as a whole, and in so doing, how they have had regard to those factors set out in 172 (1) (a) to (f) of the Act during the financial year.

Section 172 (1) (a) to (f) of the Act requires a Director to have regard to the following matters, among others, when discharging their duty: the likely consequences of any decision in the long term; the interests of the Company’s employees; the need to foster the Company’s business relationships with suppliers, clients and others; the impact of the Company’s operations on the community and the environment; the desirability of the Company maintaining a reputation for high standards of business conduct; and the need to act fairly with members of the Company.

The Company is part of the Pitney Bowes Group and follows a range of group-wide policies in place to protect employees and provide a safe working environment, to ensure compliance with all regulatory requirements and adherence to the highest professional and ethical standards in dealing with clients, suppliers and colleagues, and to ensure that it continues to operate in a socially responsible and compliant manner, and manages environmental sustainability.

The Directors engage directly with stakeholders wherever appropriate however the size of the Pitney Bowes Group means that stakeholder engagement often takes place at an operational or group level. This allows for greater efficiency and facilitates a greater positive impact on environmental, social and other issues.

The Pitney Bowes Annual Report 2019 and Pitney Bowes Corporate Responsibility Report 2019 contain detailed information on stakeholder activities and considerations undertaken within the Pitney Bowes Group. In addition, the Company’s Strategic Report and Directors Report for the Year Ended 2019 contains further information on 2019 considerations in addition to the effect of the Covid 19 Pandemic during 2020.

High standards of business conduct:

Our core value statement, “We do the right thing, the right way,” sets the tone for how we interact with our stakeholders. We are committed to treating our clients, business partners, co-workers and communities where we live and work with fairness, honesty, respect and integrity. Our culture of integrity is fundamental to our success and has been throughout our history. We hold employees responsible for adhering to company policies and values as well as local laws and regulations.

In addition to the values of Pitney Bowes, the Company is regulated by the Financial Conduct Authority and the Board take seriously the conduct and compliance of the

Company and its employees in accordance with the regulations imposed on it and any connected policies and procedures.

Community:

Pitney Bowes has been committed to our communities throughout our company's history. In the Company's early days, Chairman and CEO Walter Wheeler established the ideals of fairness, partnership and community service as core values in our culture.

Today we bring that same spirit of optimism, integrity and empathy to our communities through the work of the Pitney Bowes Foundation and with the generous participation of employees at every level.

We focus our philanthropy efforts on literacy and education, supporting innovative and effective programs in deprived areas that are often forced to deal with social and economic inequality. Through philanthropy, partnership and volunteering, we work to help ensure that all students have a better opportunity to grow to their full potential.

Community Activities during 2019.

In partnerships with United Way UK:

- 20 employee volunteers from our Hatfield office assembled a virtual rainbow of 437 literacy kits containing new books, pencils, notepads, stickers and other materials to engage students in reading and learning. The kits were then delivered to students at Howe Dell Primary School, a frequent partner for the Hatfield site's volunteer efforts.
- Employee volunteers from our Harlow office created literacy kits for students at the Cooks Spinney Primary Academy, a government funded school that serves students from age 3 to 11. The kits included three brand-new, age-appropriate books along with a personalized note for each student encouraging them to read. These literacy kits will benefit 150 children across the school in grades 1-6.
- 40 UK employees volunteered at Harlow Council to help maintain woodlands as part of National Tree Week. Employees planted 200 trees and carried out essential coppicing work (removing old and diseased trees) in a biodiverse woodland area more than a thousand years old. Maintenance also requires leaving some dead wood behind to provide habitat for birds, bats, insects and other wildlife. The woodlands also help protect nearby counties from flooding.
- UK employees volunteered at Watling View School in St. Albans to help in clearing and repairing the gardens and grounds of the school. Watling View caters to pupils with a wide range of learning challenges including severe autism, complex medical conditions, physical and mobility difficulties, and developmental delays. Employees cleared outdoor spaces at the school in preparation for the creation of a sensory garden, and also built a storage shed from foundation through to felting the roof

The Environment:

Pitney Bowes has long been recognised for our commitment to protecting the environment.

The Company is conscious of the need to consider the environmental aspects and impacts of its operations. Pitney Bowes is certified to ISO 14001:2015, the international standard for environmental management systems. The Company is committed to the waste management hierarchy of prevention, re-use, recycle and recovery in preference to final disposal. Internally this has manifested itself in the installation of multifunction devices capable of duplexing, and defaulting all printing to use this facility, thereby reducing paper usage. Other major activities include the remanufacture of both full products and components and, only in the event that this is not possible, or there being no demand, is equipment disassembled for recycling where practical, or appropriate disposal as a final option, ensuring compliance with Waste Electrical and Electronic Equipment legislation.

We welcome opportunities to work with our clients and partners, to share our knowledge of mailing and shipping, and help them to minimise the environmental impacts of what they send, at the same time as maximising the effectiveness.

Specifically, during 2019 we implemented our used Ink Cartridge Return scheme for UK clients where cartridge will be disposed of in an environmentally friendly way

Our People:

Our people are the heart of our business. They serve our clients, create value for our shareholders, deliver solutions to our markets, and help build stronger communities. Through generations of leadership and continuing changes in our business, we've sought to deliver our best to our stakeholders by creating a diverse and inclusive culture—one in which all employees have the opportunity to be respected, have their voices heard, grow their skills and engage in meaningful work. We are proud of our long history of intentional diversity and inclusion, and we know that providing opportunity and equity for our diverse workforce will help us create an even better future. Management regularly communicate with employees on the performance and operation of the business.

Employment of disabled persons.

The Company has always endeavored to give full and fair consideration to applications for employment by disabled persons with due regard for their particular aptitudes and abilities. Training has been given, wherever possible, to enable existing employees who have become disabled to continue their employment. The Company's policy is and has been to encourage the training, career development and promotion of disabled persons.

Employee involvement.

The Company has an established tradition of good management/employee relations based upon the exchange of information, ideas, viewpoints and observations by open communication and discussion through various forums and employee engagement surveys

whereby employees can exchange views, share ideas and discuss changes in the organisation that are of mutual concern and interest to all employees. This also provides a formal communication channel for informing and consulting employees about the performance of the line of business and any substantial changes in the organisation that will have an impact on employees as a result.

During 2019 the Company engaged with its employees with an Employee Engagement Survey where all results are reviewed and analysed, with action plans put out in place by management. As a result of the feedback given by our employees, we implemented very successful Vision & Strategy Roadshows in order to help our employees better understand the Company's vision and strategy.

2019 Awards and Recognition.

- Shortlisted in the Working Mums Awards for Best Innovation in Flexible Working.
- Awarded the People's Choice Award for Flexibility from Flex is Best.

Clients and Suppliers:

Doing the right thing the right way applies across everything we do, from our focus on our clients, product design, manufacturing, marketing, sales and support to the ways we manage our supply chain and other external relationships.

We regularly engage with our clients with measuring and monitoring of customer experience against key customer principles and metrics and are proud of our 2019 "Excellent" rating on Trustpilot, the popular online review platform.

We require all suppliers to meet high standards of product and service quality, as well as specific objectives related to cost, quality, and delivery. To be considered to do business with Pitney Bowes, diverse businesses are encouraged to register on the supplier diversity portal. For UK suppliers, we encourage them to seek certification from the following Minority Supplier Development-UK (MSDUK).

Shareholders:

The Company is a wholly owned member of the Pitney Bowes Group and operates as part of the Pitney Bowes Group in delivering its strategic objectives, in line with local Company policies and Pitney Bowes group-wide processes, initiatives (for other stakeholders, including employees and clients), governance and culture with alignment with group-wide risk, governance, compliance and financial priorities.

Key Decisions Made in the Financial Year:

- The Directors approved the Environmental Health & Safety policies and objectives for the year, which included the Ink Cartridge Return scheme which was successfully implemented.

- The Directors regularly meet to discuss the regulatory requirement of the Financial Conduct Authority and in 2019 particular focus was on the implementation and requirements of the Financial Conduct Authority's Senior Managers and Certification Regime, including identification of individuals effected.
- The Directors approved the 2019 Modern Slavery Statement.
- Early in 2019 the Company sold its subsidiaries in Norway, Sweden, Denmark and Finland as part of the Pitney Bowes Group strategy to focus on core markets. The new owner of those subsidiaries became a Pitney Bowes dealer in those countries.