

CA Transparency in Supply Chains Act Statement

Pitney Bowes Inc. Statement of Compliance with California Transparency in Supply Chains Act (SB 567)

Pitney Bowes Inc. (“Pitney Bowes” or “we”) fully supports California’s efforts to protect human rights and enforce ethical labor practices under the California Transparency in Supply Chains Act of 2010 (SB 657) (“Act”).¹ Pitney Bowes is proud of its reputation and record for integrity and respect in dealing with our own employees, and expects nothing less of our suppliers in their dealings with their workforce. Pitney Bowes has adopted a [Supplier Code of Conduct](#) (“Supplier Code”) which requires, among other things, that our direct suppliers (“suppliers”) ensure that they do not engage in or support forced labor or unlawful child labor. As stated in our Supplier Code, we are committed to “ensuring 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.” Additionally, we expect our suppliers to adopt and maintain terms of employment for their employees that comply with local law and the requirements of our Supplier Code.

Evaluation and Verification of Supply Chain. Pitney Bowes’ Supply Chain and Procurement functions engage in supplier evaluations and verifications to address risks of human trafficking and slavery in the supplier’s operations, in addition to assessing the supplier’s quality, environmental, human resources and security standards. These evaluations and verifications are conducted in connection with Pitney Bowes’ pre-contract due diligence and evaluation process as further detailed in the section below on “Risk-based assessments and audits.” Once approved, the supplier must contractually commit to meeting the standards set by Pitney Bowes or be subject to restrictions or termination of their contractual relationship with us. Pitney Bowes also includes provisions in its contractual agreements mandating that suppliers comply with the Supplier Code and disclose any non-compliance with the Supplier Code. As stated in our Supplier Code, we require that as a condition of doing business with us, suppliers:

- agree not to engage in any form of human trafficking or slavery. We describe examples of good management practices for evaluating and addressing risks of human trafficking in their own supply chain, including not using forced or involuntary labor of any type (e.g., forced, bonded, indentured, involuntary prison labor) or illegal child labor. “The [Code] bans forced or illegal child labor in any form by suppliers. All employment must be voluntary and legal. Suppliers must comply with all applicable child labor laws, including those relating to minimum age limits, limitations of hours worked, and prohibitions against certain types of work.” (Code, page 4.)
- “at a minimum, comply with all applicable wage and hour laws and regulations, including those relating to minimum wages, overtime hours, piece rates and other elements of compensation, and provide legally mandated benefits.” (Code, page 5.)
- will treat all employees with respect and will not use corporal punishment, threats of violence or other forms of physical coercion or harassment. Supplier should have a policy that prohibits inappropriate conduct and a process for employees to report such conduct for Supplier’s investigation and resolution.” (Code, page 7.)

¹ Pitney Bowes’ subsidiary, Pitney Bowes Limited (UK), has adopted a similar statement as required by the UK Modern Day Slavery Act.

Key suppliers are also subject, through contractual provisions preserving audit rights for Pitney Bowes and any third party reviewer retained by Pitney Bowes, to a review of their facilities. We currently do not conduct any verification regarding whether our suppliers use labor brokers.

Risk-based assessments and audits: Pitney Bowes, in its discretion, expressly reserves the right to verify a supplier's compliance with the Supplier Code through audits or on-site inspections, including interviews of the supplier's employees in order to evaluate supplier's compliance with our standards for trafficking and slavery in supply chains and other Pitney Bowes supplier standards. Such audits or inspections can be carried out by Pitney Bowes or by a third party at our request. From time to time Pitney Bowes has conducted, or has retained third-party auditors to conduct, audits of our key Tier 1 suppliers' (which accounts for over 90% of our annual procurement spend) operations and facilities for a broad range of standards including, but not limited to, quality, environmental, human resources and security standards and operations. These audits are arranged in advance with the cooperation of the supplier and usually consist of interviews with supplier management and facility inspections. Our future plans include implementation of a program, based on a geographical risk assessment, to determine status and risk in our supplier base and a review of slavery and human trafficking as a topic in regular Supplier Business Reviews.

Certification of Suppliers and Materials. Pitney Bowes requires that our suppliers agree to comply with our Supplier Code, and that each supplier "apply the Code to all of its extended sources of supply that are engaged in the production of goods and services for PBI." In addition, our purchase orders and purchasing agreements contain provisions requiring direct suppliers to comply with all applicable law, including those addressing forced labor and human trafficking. In this way, our suppliers certify that materials incorporated into Pitney Bowes products comply with all laws, including laws regarding slavery and human trafficking, of the country or countries in which the supplier is doing business. We require our key Tier 1 suppliers to annually re-certify that they are in compliance with all applicable laws and regulations including relevant slavery and human trafficking laws and labor laws.

A supplier's failure to comply with our Supplier Code may impact the supplier's ability to continue to do business with us, depending on the nature and severity of the non-compliance. Suppliers are contractually obligated to immediately notify Pitney Bowes of any non-compliance with the Supplier Code, and must cure such non-compliance within 90 days of that notice. Pitney Bowes has the right to verify supplier's compliance after the cure period. If the supplier continues to be non-compliant with our standards or the corrective action plan, that supplier may be removed from our supply chain. Any instance of substantial or serious non-compliance with the Supplier Code will be grounds for immediate termination from the supply chain. A supplier's use of slave labor or engagement in human trafficking will be considered serious non-compliance.

Internal Accountability Standards: Our internal accountability standards for employees are found in our Business Practices Guidelines (our employee code of conduct), our human resources policies and local rule of law. Our employee code of conduct provides that "Pitney Bowes opposes the use of forced labor or the unlawful employment of children in any place where we do business, or by any contractor, agent or supplier with whom we do business." Pitney Bowes' corporate Global Human Rights Policy, based on the core standards of the International Labour Organization (ILO), provides that Pitney Bowes "supports (to the full

extent permitted by law), conduct that is consistent with the four core principles of the ILO Declaration on Fundamental Principles and Rights at Work.” Subject to the provisions or requirements of local law, and after due diligence and full and fair investigation, any Pitney Bowes employee found to have engaged in slave labor or human trafficking will be subject to immediate termination of employment.

Company Employee and Management Training: All Pitney Bowes employees receive training on our Business Practices Guidelines, which requires employee compliance with law and Company policy, on a periodic basis. Both management and non-management employees in our Supply Chain and Procurement functions receive training on human trafficking and slavery risk mitigation and avoidance.

Pitney Bowes is committed to the highest standards of conduct throughout our supply chain. On a regular basis, we review and update our policies and procedures to ensure that our high standards are upheld and to guard against the mistreatment of anyone in our supply chain.

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