

What does it mean to be a responsible company today?



At Pitney Bowes, it means:

Conducting our business in accordance with our values

Treating our stakeholders, communities and environment with respect

Dedicating ourselves to innovation and excellence

Engaging with others to create the best possible future

Letter from Murray D. Martin

This Corporate Responsibility Report builds on a long tradition of good governance and proud citizenship at Pitney Bowes. At the same time, it offers proof of a new level of commitment and capability as we face today's evolving markets and escalating environmental challenges.

We've always been a company of strong values and high expectations. From our early commitment to a diverse workforce to recent innovations in product recycling, family wellness and community service, we have consistently sought to do the right thing for customers, employees and the world around us. I am particularly proud of what we achieved in 2008, growing our business in a turbulent economy while simultaneously:

- Publicly reporting our carbon footprint through the international Carbon Disclosure Project
- Developing a new service, *ecowise*sm, to help customers reduce the carbon impact of their print-to-mail operations
- Being recognized for the third consecutive year as one of the World's Most Ethical Companies by The Ethisphere Institute, a research group promoting best practices in ethics, compliance and corporate governance
- Earning a place on *Black Enterprise* magazine's list of the Top 40 Best Companies for Diversity for the fifth year in a row
- Improving workplace safety, reducing lost workday injury cases per 100 employees by 23 percent from 2007 levels
- Boosting enrollment by 79 percent in our *Fit 'n' Fun* family wellness program
- Supporting education initiatives that help reduce the achievement gap and strengthen workforce preparedness
- Making a difference in our communities through employee volunteerism and giving programs.

As always, we continue to seek new ways to improve our performance. Current areas of focus include strengthening managerial ranks through diversity and inclusion and working with customers and suppliers to reduce carbon impact throughout the mailstream. In coming years, our intent is to issue corporate responsibility reports annually. In the meantime, we welcome your feedback at community at: corporate.responsibility@pb.com.

To all of our employees—my sincere thanks for your hard work and commitment to responsible operations worldwide. To our other stakeholders—let us continue to work together on the urgent business before us.

Murray D. Martin
Chairman, President & CEO



Murray D. Martin
Chairman, President & CEO

Our Business Practices

We demonstrate our commitment to corporate responsibility every day.



Our Business Practices

We demonstrate our commitment to corporate responsibility every day through our policies and actions. 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 our company from business risks and protect the personal privacy of our employees.

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 and Ethics

Values

Our approach to corporate responsibility is grounded in shared values. Our values have been a strength of the company for generations, though how we describe them has evolved. In 2007/8, under the stewardship of our Chairman, President and CEO, Murray Martin, we surveyed our employees and used their feedback to redefine our values in a clear, concise and current manner. 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 have been promoting our restated values through a variety of internal communications, including talks by senior management as well as print and online media. This will continue.

“Organizations that support and communicate company values have much higher employee engagement. We need this to meet all our other business goals. We want to provide employees with an easy, memorable filter for decision-making and standard-setting.”

Murray Martin

“Values need to be a lot more than words, they need to be something that people are accountable for each and every day.”

Employee responding to survey

Ethics

We all make ethical decisions every day. Our approach is to be clear with our employees about our expectations of them, and to provide the practical resources they can use to learn about their obligations and get guidance on how they can gear their actions both inside and outside the workplace to reflect the policy and legal guidelines that govern Pitney Bowes.

Code of Conduct

Our code of conduct, the Pitney Bowes Business Practices Guidelines, describes and illustrates ethical and compliance issues that impact our employees, our customers, our business partners and the communities in which we live. To reinforce our commitment to ethical behavior and legal compliance, we have linked our standards on ethical behavior to annual employee performance evaluation and compensation. As part of their annual performance evaluations, employees are rated on how well they demonstrate ethical leadership. Additionally, employees are given the opportunity to voice their opinions on the ethics demonstrated by their managers and senior management in our annual employee engagement survey.

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. Training will be offered through seminars, online and through 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, without fear of retaliation. 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 are constantly monitoring and analyzing various measurements of the performance of our ethics and compliance efforts to improve the effectiveness of programs. Pitney Bowes has been 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 towards risk. By focusing on those issues that can impact how well we achieve our long-term goals, management is able to balance risk and reward appropriately and holistically. The interests of management, employees and shareholders are further strengthened and aligned. Communication and understanding of risk becomes part of the company's culture, serving a proactive function and not merely a defensive one.

Continuity of business

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.

In addition, through our Management Services unit, we offer our customers business recovery services to help them manage their continuity risk.

We have a free personal assistance crisis line available to employees internationally and in multiple languages.

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.

Environment

Pitney Bowes is dedicated to reducing our environmental impact.



Environment

Pitney Bowes is committed to reducing the environmental impact of our operations, products and services. We are also taking a leading role within our industry to enhance the effectiveness of mail as a communication channel and correct widespread misperceptions about the environmental impact of mail, particularly in comparison with the impact of other consumer activities.

Our industry

We have a history of environmental leadership in our industry. We work with other companies, industry organizations and postal services to advance environmental research and establish and promote best practices.

Our products

We design our products to have a minimal environmental impact at every stage from manufacturing and distribution to eventual return and recovery. We provide innovative mailstream solutions to help our customers reduce their environmental impact as well.

Our operations

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

Performance 2008

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

Our Industry

We have a history of environmental leadership in the mail industry. We work with other companies, industry organizations and postal services to advance environmental research and establish and promote best practices.

Our leadership focuses on building awareness of our industry's contributions, addressing misperceptions on the environmental impact of mail and how mail compares to other consumer activities. We publish research and collaborate with industry associations such as the Direct Marketing Association and Envelope Manufacturers Association as well as U.S. and international postal organizations.

Our publications include *The Truth About Green*, a survey report highlighting ways mailers can protect the environment and their industry; *The Environmental Impact of Mail: A Baseline*; and *Mail, E-mail and the Environment – a Pitney Bowes Perspective*. We have also played a leading role in recent industry activities, including the USPS Greening of the Mail Task Force, Direct Marketing Association Committee for Environment and Social Responsibility, mail forums and postal customer councils.

Case Study

Pitney Bowes establishes Eco-Patent Commons with IBM, Nokia, Sony and the World Business Council for Sustainable Development. Pitney Bowes became a founding member of the Eco-Patent Commons in 2008. This initiative was created to encourage businesses to develop environmentally responsible products and services, building upon previously patented technologies that have been donated to the public domain. Xerox, DuPont and Bosch have since joined the Commons.

Case Study

In 2008, we helped organize "Make Mail Greener: A World Environment Center Roundtable" at the National Press Club in Washington, D.C. The event brought together leaders from industry, trade associations, government and environmental non-profits for a spirited discussion about environmental misperceptions and challenges for the mailing industry.

Our Products

We design our products to have a minimal environmental impact at every stage from manufacturing and distribution to eventual return and recovery. We provide innovative mailstream solutions to help our customers reduce their environmental impact as well.

Design for Environmental Quality

Environmental considerations are incorporated as early as possible in the product design process under our Design for Environmental Quality (DfEQ) program, established in 1991. Our goal is to minimize environmental impacts at each stage of the life cycle, from material input to energy consumption in manufacturing and use to ease of disassembly and recycling.

Our latest line of inserters consumes 10 to 14 percent less energy per cycle than previous models. In 1996, we approached the EPA to create a new category of Imaging Equipment in its Energy Star program. Since then we have offered a range of Energy Star-rated mailing systems. The EPA raised the standards in 2009, and we are now incorporating these new requirements into future product designs.

DfEQ has also guided us in complying with other U.S. and international regulations, and in removing hazardous substances such as mercury, chlorinated solvents and ozone-depleting 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 in 2008, we 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. Over 95 percent of all components of our mailing equipment are designed to be recyclable, and we recover nearly all of our postal meters and approximately 85% of mailing products. In 2008, we processed nearly 8 million pounds of product including copper, aluminum, steel, plastic, cardboard and paper through our return programs. Returned equipment that cannot be reused is sent to approved recycling partners for resource recovery.

Product Environmental Profiles

To help customers understand the environmental impact of our mailstream optimization solutions, we have developed a standardized product environmental profile and are working to assess new and existing products to this standard. Each product's profile offers information in six areas: energy efficiency, process efficiency, material optimization, durability, recyclability, and use of sustainable manufacturing and supply chain practices.

Case Study

Pitney Bowes' ecowisesm service helps customers understand and reduce the carbon footprint of their mailstream activities. The analysis is completed using our proprietary ecowisesm Carbon Calculator. The calculator breaks down the life cycle of a single mail piece into 18 stages and calculates the CO₂ emissions associated with each stage of the mail application.

Green product and service solutions

Our **ecowisesm** service, introduced in 2008, helps customers quantify the carbon footprint of their mailstream operations, identify and implement opportunities to reduce it, and communicate their success. Through the **ecowisesm** process, customers can:

- **Eliminate undeliverable mail** through real-time data quality and postal presorting software
- **Reduce, reuse, recycle** through recycled papers, ink and toner cartridge recycling and software to reduce hard copy creation and storage
- **Consolidate mailings** by unifying data on household members, improving list management and focusing on the highest-potential prospects
- **Achieve more with transactional mail**, taking advantage of the high readership of transactional documents by integrating customized promotional messages and eliminating inserts
- **Save on transportation** through more efficient routing and selection of carriers.

Case Study

The U.S. Postal Service returns five billion mail pieces as undeliverable each year. According to a General Accounting Office report, undelivered-as-addressed mail cost the USPS more than \$1.8 billion in 2004. Pitney Bowes' VeriMove and other mailing efficiency solutions reliably eliminate the vast majority of misdirected mail, cutting down on wasted paper, energy, labor and postage costs. All told, our change-of-address products process approximately 1.8 billion address records per year and make approximately 72 million corrections, eliminating the need for the USPS to return, correct or dispose of improperly addressed mail.

Our Operations

We work continuously to improve energy efficiency in all our 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).

Energy

Pitney Bowes is committed to energy conservation. Our energy conservation projects help reduce costs, shrink our carbon footprint, and demonstrate our commitment to environmental stewardship.

Our cross-functional energy task force raises employee awareness about energy conservation. Through the end of 2008 we reduced our electricity consumption by more than 3 million kilowatt hours, saving \$873,000 and reducing our carbon footprint by 2,602 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.

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 over 17,000 metric tons of CO₂ emission reductions. In 2008, our purchases of Green-e® certified RECs helped reduce CO₂ by 2,331 metric tons.

Waste Management & 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.

Case Study

Pitney Bowes Norway replaces leased vehicles with greener models. In 2007 Pitney Bowes Norway launched a program to replace automobiles coming off their leases with low-emission models, allowing employees a choice of electric, hydrogen or bio-fuel models. By the end of 2008, one in four leased vehicles had been replaced with cars at least 40 percent lower in emissions. The remainder of the fleet will be replaced as leases expire over the next three years. As a result of these efforts, Pitney Bowes Norway was named Oslo's greenest company in 2008.

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 are focused on establishing metrics for our paper and cardboard procurement and sourcing from companies committed to responsible resource stewardship. Our public literature, catalogs and direct mailings include the "Recycle Please" logo.

Global Environmental, 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. Our new 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.

Case Study

Our 2008 WasteWise recycling program diverted 7,523 tons of materials from landfills or incineration, including large quantities of plastic machine-covers, cardboard, foam and film packaging, wooden pallets, steel, aluminum, copper and electronics. Our recycling efforts are now moving beyond their original focus on manufacturing, assembly and disassembly operations to encourage greater participation in non-manufacturing facilities.

Case Study

Procurement personnel from the United States, Canada and the United Kingdom came together at Pitney Bowes' 2008 paper summit to review our Paper/Cardboard Procurement and Sustainable Forestry Standard. In addition to sharing best practices, participants began the process of collecting data on purchases of paper with recycled content or from certified sustainable forestry sources. We will build on this summit by establishing specific objectives and reporting on our progress.

Environment: Performance 2008

| | 2007 | 2008 |
|---|------------|------------|
| Direct and Indirect Emissions of Carbon Dioxide MTCE | 101,792 | 97,242 |
| Direct Emissions of CO ₂ e / \$M Revenue | 4.56 | 3.67 |
| Indirect Emissions of CO ₂ e/\$M Revenue | 12.12 | 11.8 |
| GHG Emissions per Unit of Floorspace (Tons CO ₂ /ft ²) | 0.01 | 0.01 |
| Waste Recycled / Prevented - Cumulative Pounds | 33,205,227 | 48,252,767 |
| Waste Recycled/Prevented - Cumulative MTCE Avoided | 12,608 | 17,022 |
| Waste Recycled/Prevented - MTCE Avoided/\$M Revenue | 0.62 | 0.70 |
| Product Recycling - Cumulative Pounds (US and Canada only) | 5,741,312 | 13,588,464 |
| Customer Service Initiatives - Cumulative MTCE Avoided (US only) | 8,211 | 18,500 |

(MTCE = metric tons of carbon equivalents)

(CO₂e = carbon dioxide equivalents)

Our People

We value our employees and know that our success depends on their commitment to Pitney Bowes.



Our People

We value our employees and know that our success depends on their commitment to Pitney Bowes. We are committed to help them develop, whatever their background or experience. We strive to provide a safe workplace and actively help our employees pursue a healthy lifestyle.

Engagement and development

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

Diversity and Inclusion

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

Safety

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

Health and Wellness

We know that healthier employees are more productive and reduce our healthcare costs. We offer easy and affordable access to healthcare, and we provide a range of attractive programs to encourage employees and their families to adopt healthy lifestyles.

Performance 2008

We report on diversity and inclusion and workplace safety.

Engagement

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

We seek to engage employees through challenging work assignments, career development opportunities and programs that promote personal and professional growth. We encourage dialogue, solicit feedback and measure engagement through a range of mechanisms, both online and off.

One key online channel for these initiatives 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 particular groups of employees. Other online channels include social networking and forums for employees to share their thoughts and experiences.

The Pitney Bowes **annual global employee survey** is available in 18 languages and is confidential. The survey explores overall engagement, action planning and manager effectiveness and focuses on development, recognition, future vision and communication. In addition to multiple-choice questions, it provides employees with an opportunity for more detailed feedback via confidential written comments. The response rate is typically between 80 and 85 percent.

We use information from surveys to develop new tools and create action plans to address issues raised. Innovations driven by survey results include weekly global communications from senior leaders, process improvements related to performance management and succession planning, and numerous training programs.

We recognize managers and teams that demonstrate high engagement by showcasing their practice in our internal magazine, at group meetings, and by asking them to lead engagement and communication training.

Case Study

Employee survey results indicated that employees wanted more information on how their work connected with overall company goals. In response, we began requiring that all action plans include steps to show the connection. We also changed the performance management process to include company goals at every level, and we focused on this issue in new management communications. Between 2006 and 2008, favorable responses to the item "I can see a clear link between my work and the goals of Pitney Bowes" increased by 19 percent.

Development

We focus on hiring talented people, nurturing their growth, and providing them with opportunities to make a real impact for themselves and for Pitney Bowes. We see employee development as a partnership between an employee and his or her manager, with 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. We also have a leadership capability model that defines expected leadership actions for our managers and senior staff.

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

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

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.

Case Study

In 2008, we launched “License to Lead,” a three-day foundational leadership training workshop developed by American Management Association® specifically for new Pitney Bowes managers. The workshop provides tactical skills and a framework for attracting talent, managing through others to accomplish goals, and developing employees to foster high engagement and retention.

Case Study

Early in 2009, we launched a new executive education program, developed in conjunction with the Darden School of Business in Virginia. Program participants learn from world-class faculty, interact with company executives, and develop lasting relationships with Pitney Bowes colleagues from around the world.

Case Study

Based on employee input, our Customer Care team implemented a Home Agent pilot program in 2008 to increase flexibility for employees at U.S. customer care locations. The Home Agents continue to meet or exceed expected metrics while having a more satisfying work experience.

Diversity and Inclusion

Our commitment to diversity and inclusion dates back to a time long before it was required, popular or politically correct. In 1942, our then-Chairman Walter H. Wheeler boycotted a hotel when it refused to register an African-American Pitney Bowes salesman for a recognition event. The chairman became a role model for racial inclusion. Since then, the company has been recognized consistently for its strong commitment to a diverse workforce and culture of inclusion.

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

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

Our approach has four dimensions:

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

Case Study

In 2008 we held a company-wide Women's Leadership Conference to empower, inspire and recognize women throughout Pitney Bowes as architects of change and key contributors to our success.

Case Study

In 2007 a Pitney Bowes team in the United Kingdom won the "Employer of the Year" award from the organization Tomorrow's People. Tomorrow's People is a UK charity with a 20-year record of helping people emerge from unemployment, homelessness and dependence into jobs and self-sufficiency. Supported by our client, Citigroup, the team worked with numerous charities and succeeded in placing as much as 30% of current staff from these organizations' referrals.

Diversity and Inclusion Council

Pitney Bowes established the International Diversity and Inclusion Council in 2007 to build awareness about diversity in the many countries where we operate. Since then, the Council has:

- Reviewed diversity practices in other leading companies to identify potential ways in which we can improve
- Started a “speed networking” program and hosted events to broaden employees’ networking opportunities
- Reviewed workplace flexibility practices to identify the needs across countries
- Developed diversity training programs in France and the United Kingdom, to be rolled out to more countries in 2009
- Created communications on the theme, “PB lets me be me”
- Launched a Diamond Awards program to recognize international employees for leadership in diversity and inclusion. This year there were five winners from France and the U.K., out of 62 nominees across numerous countries.

External recognition

- Our approach has won us external recognition, including in the US:
- *Black Enterprise*, Top 40 Best Companies for Diversity (2008, 2007, 2006, 2005)
- *Hispanic Enterprise*, Top 50 Corporations for Supplier Diversity (2008)
- *DiversityMBA Magazine*, Top 50 Companies for Diverse Managers to Work (2008)
- *Diversity/Careers in Engineering & IT*, Best Diversity Company (2008).

Case Study

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Case Study

In 2007 a Pitney Bowes team in the United Kingdom won the “Employer of the Year” award from the organization Tomorrow’s People. Tomorrow’s People is a UK charity with a 20-year record of helping people emerge from unemployment, homelessness and dependence into jobs and self-sufficiency. Supported by our client, Citigroup, the team worked with numerous charities and succeeded in placing as much as 30% of current staff from these organizations’ referrals.

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, and we hold all employees accountable to drive toward a goal of zero workplace injuries.

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

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

In 2008, we tailored our safety programs to address the most frequent work place injuries, sprains and strains caused by manual material handling, repetitive work tasks or awkward postures and positions. A special emphasis is being driven through our "Every BODY Can Do It" safety campaign. We are expanding ergonomic training and assessments and driving improvement with Safety Tiger Teams.

Case Study

At the Pitney Bowes Government Services facility in Plainfield, Indiana, employees have developed a comprehensive approach to safety. On a daily basis, employees walk through a visual "Safety Highway" on their way in and out of their facility, reminding them to work safely. Training and communication efforts were expanded, job tasks assessed and modifications made to reduce the potential for injury. The results have been outstanding with a seven-fold improvement in the facility's injury rate.

Health and Wellness

We know that healthier employees are more productive and reduce our healthcare costs as well as their own. We offer easy and affordable access to healthcare, and our HealthCare University program provides a range of options to encourage employees and their families to adopt healthy lifestyles.

Our healthcare 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 a strong assistance program for all employees.

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

Education and awareness

We do our best to make it easy to learn about healthy living. Our 'Learn and Earn' program offers short courses on topics such as weight management and stress management. Participating employees are rewarded for their efforts by earning cash and winning prizes.

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 make those changes. Examples include a 12-week weight management course, a tobacco cessation program and discounts at Weight Watchers and local gyms. We recognize that changing behavior is easier when those around you are doing the same—that's why we offer many programs to family members as well.

Improving access to care

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

Case Study

Fit 'n' Fun is a six-week family health and fitness program we began in 2007. The program guides employees and their families through a variety of fitness activities as well as lessons in healthy cooking. In 2008 enrollment in the program nearly doubled, from 188 families to 336. We surveyed participants at the beginning and end of the program. At the beginning, 42 percent said they were exercising regularly; by the end, the figure was 59 percent. Overall, 94 percent said Fit 'n' Fun improved their family's health habits.

Performance 2008

Diversity & inclusion (United States only)

2008

% of workforce: minorities 42%, women 43%

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

Safety (Global data unless stated)

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

Customers and Suppliers

Our success comes from our customers' success.



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 start with the command to Put Customers First. We work continuously to improve customers' experience of 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 a diverse and vibrant supplier base in keeping with our overall commitment to diversity and inclusion.

Performance 2008

We report on the diversity of our supplier base.

Working with Customers

Meeting the needs of our customers is our first priority. Championed by our Chairman, President and CEO, Murray Martin, we are raising our commitment to customer experience and service. In 2008 we hired a specialist to lead our first Customer Experience team and to establish a new strategy. Since then we have significantly expanded our investment in seeking customer feedback and processes to tackle customer dissatisfaction. We have set targets to improve our customer satisfaction rate and customer loyalty metrics. We will report on these in 2011.

Steps we have already taken include:

- **Segmenting our customers** according to their mailstream business needs
- **Reorganizing our service teams** to better meet the needs of each segment
- **Increasing the number of employees** trained to improve customer service
- **Setting customer service goals** for cross-functional teams
- **Creating an internal customer service website** for employees to share issues and ideas
- **Streamlining our processes** to speed our response to customer issues.

We measure customer satisfaction on about 80 percent of our transactions. Each instance of dissatisfaction is fed back directly to the relevant business unit, and within three business days an action plan is developed to tackle the issue and its causes.

We undertake qualitative research regularly to deepen our understanding of customers' needs and concerns. In the past we have conducted surveys in the United States and parts of Europe. We intend to standardize and globalize these surveys by the end of 2009.

Working with Suppliers

To serve our customers with the highest standards of service and product quality, we need corresponding standards in our dealings with suppliers. In addition to strict standards on the technical performance of supplier goods and services, we also seek to ensure that working conditions in our supply chain are safe, that workers are treated with respect and dignity, and that manufacturing processes are environmentally and socially responsible, and that suppliers are committed to abiding by the laws that apply to them.

Supplier Code of Conduct

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

- Forced labor
- Wages and working hours
- Non-discrimination
- Respect and dignity
- Health and safety
- Protection of the environment
- Legal and ethical dealings

All of our key suppliers have acknowledged receipt of and support for the Code's standards and provisions. We have communicated our expectation that our key suppliers will apply the Code's standards to their extended sources of supply engaged in the production of goods and services for Pitney Bowes.

We are updating our supplier agreements to include references to the Code and are developing metrics for measuring suppliers' compliance with the Code. We encourage suppliers and Pitney Bowes employees to report violations of the Code through our confidential Ethics Help Line.

Supplier Diversity

In keeping with our overall commitment to diversity and inclusion, we regularly pursue relationships with best-in-class diverse suppliers. We do so partly to maximize the opportunities available to diverse supplier businesses and partly to take advantage of the unique perspectives and capabilities they bring to the larger business community.

We expect all suppliers to meet our high standards of product and service quality, as well as specific objectives related to cost 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)

Suppliers may also seek certification from state, county and city governments.

We support national diversity organizations through corporate memberships. Currently, our Vice President of Procurement sits on the Board of Directors of the Women's Business Enterprise National Council. We utilize our memberships to ensure the integrity of our supplier diversity process, benchmark best practices, educate our stakeholders, and identify world-class diverse suppliers.

We encourage certified companies to register at www.diversitybusiness.com, an important resource used by our purchasing staff and other decision makers. Once registered, companies are listed in an internal Pitney Bowes database and made available to our sourcing managers, although registration as a prospective supplier does not guarantee contracting opportunities.

Performance 2008

| Supplier diversity | |
|--------------------|------|
| Target | 5% |
| 2007 | 4.9% |
| 2008 | 4.7% |

% of supplier spend with certified women- or minority-owned businesses

Community

Pitney Bowes is dedicated to investing in the communities we serve.



Community

Pitney Bowes is dedicated to investing in the communities we serve. Through the Pitney Bowes Foundation and corporate contributions, we provide grants and matching gifts to worthy causes. We align our philanthropic giving with our corporate mission, with a focus on supporting literacy and education. We encourage employee involvement, and our employees donate thousands of hours each year in support of literacy programs and other community initiatives.

Literacy and Education

We provide funding to non-profits working on literacy and education. Our special focus is on programs designed to help close the achievement gap and strengthen the future workforce. Programs include after-school and summer reading programs, mentoring and job training.

Employee Involvement

Our employees dedicate time and money to support causes they care about and 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' volunteer efforts through grants to the organizations where they volunteer, and through grants to volunteer project teams to cover materials and supplies.
- *Local community support*—We support our communities where we live and work through grants made by teams of Pitney Bowes employee volunteers.
- *Disaster relief*—The Pitney Bowes Relief Fund, financed by employee contributions and company matching funds, helps to ensure that employees have access to essentials in times of catastrophic need.

Performance 2008

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

Literacy and Education

Literacy and education are essential for everyone's success and vital to the economic well-being of communities. Having built a global business on improving the effectiveness of written communication, 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 \$1.4 million to organizations working on these issues, with a particular focus on programs aimed at closing the achievement gap and preparing the workforce of tomorrow.

Our employees are equally 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 from the pre-kindergarten level (about age three) up through elementary and middle school (about age twelve). 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 the summer vacation. We also support programs at the high school level and beyond, including mentoring, job training and GED courses.

Some of the organizations and programs we support:

- **Reading Is Fundamental** — Care to Read, book distributions programs and help for young children and their caregivers.
- **Network For Teaching Entrepreneurship** — Summer Biz Camps, global organization that helps young people from low-income communities build skills and unlock their entrepreneurial creativity.
- **National Urban League** — youth education programs
- **ProLiteracy**— initiative to build workforce readiness
- **National Literacy Trust (U.K.)** — Pushing the Envelope initiative
- **Everybody Wins! USA** — Power Lunch literacy and mentoring program

Case Study

Reading is Fundamental (RIF) helps motivate young children to read by working with children, their parents, caregivers and community members to make reading a fun and beneficial part of everyday life. For several years we have supported RIF in a number of ways, from having one of our senior managers serve on its Executive Committee to funding and volunteering. From 2006 through 2008, the Pitney Bowes Foundation provided support for Care to Read "train the trainer" programs in five states, reaching 290 childcare employees. We have also supported RIF book collections for kindergarten classrooms and reading programs to support summer learning.

Case Study

NFTE provides entrepreneurship education to young people from low-income communities to enhance their business, academic and life skills. Pitney Bowes has supported the NFTE since 2004 by helping to fund Entrepreneurship Clubs in Connecticut, Greater Boston and Washington, D.C. Entrepreneurship Clubs provide a strong enrichment curriculum taught by NFTE-certified teachers with support from business volunteer coaches and mentors. Participants create businesses, apply for bank accounts, develop products and marketing strategies and learn about business licensing and recordkeeping

Employee Involvement

We know that responsible 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 greater 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. In fact, in a recent employee survey, 89% of respondents indicated that it is important to them that Pitney Bowes supports employees' charitable giving and volunteer interests.

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.

Grants for volunteerism

We provide grants to non-profit 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 strategic 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. We encourage employees to serve on local committees and non-profit boards, and our community investment and Human Resources teams work together to match employees' personal development goals with available volunteer opportunities. We also honor employees who contribute to volunteering through our employee recognition program, the Pitney Bowes Impact Awards. In 2009 we will introduce new online resources to improve access to volunteer opportunities.

Local community support

In addition to making contributions at the national level, we encourage individual Pitney Bowes facilities to contribute at their local level. In the United States, we also provide central funding for certain local initiatives selected by employee volunteer committees. Typically, these committees allocate 70 percent of the available funds to local literacy and education programs, with the remainder used to meet other community needs.

Case Study

In 2008 Pitney Bowes teamed up with the Women's National Basketball Association (WNBA) to raise awareness and funding for literacy across the United States. Six WNBA teams—the Chicago Sky, Connecticut Sun, Los Angeles Sparks, New York Liberty, Seattle Storm and Washington Mystics—participated in the season-long initiative to engage fans through special seating at designated games and one-on-one "Reading Time Outs" with players and volunteers. The program reached over 1500 children at 30 events with the help of 108 Pitney Bowes employee volunteers

Case Study

Pitney Bowes' annual Pushing the Envelope charity auction raises funds for the UK's National Literacy Trust in 2008. Now in its fifth year, the event auctions on eBay envelopes designed by some of the world's top artists, writers, illustrators, musicians and personalities.

Disaster relief

The **Pitney Bowes Relief Fund** was established in 1992 to provide for colleagues and others whose lives are disrupted by natural disasters or personal misfortune. Financed by employee contributions and a dollar-for-dollar company match, the fund gives recipients access to food, shelter, clothing and medical care in catastrophic situations. Pitney Bowes bears the fund's administrative costs and the Salvation Army manages its operations, ensuring that all donations directly benefit those who need assistance and that it is distributed as efficiently as possible. So far the Relief Fund has distributed more than \$1.8 million in assistance, including help for 330 families in the wake of Hurricane Katrina and more than 100 following Hurricane Gustav.

This Disaster Matching Program provided support following an earthquake in the Sichuan province of China in May 2008. The Foundation provided grants to the Red Cross, Mercy Corps and World Vision to help clear debris and reconstruct homes for more than five million people displaced by the quake.

Case Study

For nearly 20 years, employees at our headquarters in Stamford, Connecticut have tutored local neighborhood students in the third through fifth grades. Once a week, children arrive by school bus and are met by Pitney Bowes volunteers who bring them to our cafeteria for a snack and who then work with the students on homework assignments.

Case Study

More than 1.4 million holiday cards were received for members of the U.S. armed services, veterans and military families last year through Holiday Mail for Heroes, a joint initiative of Pitney Bowes and the American Red Cross. Messages of thanks, support and holiday cheer from all over the United States were collected, sorted and sent to service men and women at more than 300 locations around the world. The year's total of 1.4 million cards was more than double that of 2007.

Performance 2008

Total Giving (Pitney Bowes Foundation & Corporate Contributions) : \$4.3 million

| Literacy & Education (by focus area) | |
|--------------------------------------|-----|
| Achievement Gap | 47% |
| Workforce Preparedness | 38% |
| Other | 15% |

Employee Volunteerism

Employees volunteered over 50,000 hours in 2008.

Case Study

In March 2009, 40 headquarters employees volunteered for Junior Achievement's Job Shadow Day, an event designed to help students make a stronger connection between the workplace and their schoolwork. Each student shadowed an employee in a chosen work area, discovering what the job was actually like, what the employee had studied in school and how it had helped. Students also received educational recommendations based on their current interests. A study by the Kravis Leadership Institute in Southern California shows that students who job-shadow are more likely to finish high school and obtain a four-year degree.

Additional Case Studies

FireLocator

Through innovation and living our values of integrity – ‘doing the right thing’ – and Collaboration, Pitney Bowes Advanced Concepts & Technology group in Canada and Pitney Bowes Business Insights in Australia have made a web-based wildfire tracking application available, free of charge, to communities faced with environmental and personal disaster.

After the tragic 2007 fire season in California, PB AC&T analysis identified an opportunity to use our technology and expertise to help save lives. The resulting application, FireLocator, uses Location Intelligence to provide a complete picture of wildfire activity, combining live video and audio feeds with dynamic tracking of each fire’s footprint.

A new opportunity to apply this technology arose in early 2009 as wildfires swept through the Australian bush over a weekend, cascading through the treetops and causing fatalities as people scrambled to escape without knowing which routes were safe. On the following Monday, PB AC&T in Toronto joined forces with our Business Insights group in Sydney to make FireLocator available in Australia at no charge. Having the system in place promises to make future emergencies less costly in lives and property – while boosting the profile of Pitney Bowes technology throughout Australia.

2008 Impact Award

Shelton, Connecticut employee Seema Winsor was the 2008 winner of the Pitney Bowes Impact Award, in part for her work in the community. Seema, who works on new product development, sits on the Board of the Stamford Public Education Fund (SPEF) and is also a longtime volunteer with the FIRST Lego League, helping local girls’ teams competes in this largely male science and technology competition. Two years ago she brought the two organizations together, setting up a Junior FIRST Lego League with SPEF funding and enlisting additional support from community centers, the local YMCA and the boys and girls club. In 2009, 22 teams and 120 children participated in the Junior expo. Pitney Bowes has supported Seema’s efforts through match-funding of her volunteer hours, team grants and contributions to SPEF.

Local grants

In Chesapeake, Virginia, Pitney Bowes provided a grant to the Great Bridge Primary School in 2008 to fund a Lucky Learner Club for first and second grade students who are not making satisfactory progress in reading and comprehension skills. The Club meets four times a week to provide extra help before and after school.

In Shelton, Connecticut, we supported the United Way of Eastern Fairfield County to develop its iMentor Program. The program provides in-person and online mentoring to help students improve their relationship-building skills and academic performance and thereby encourage college enrollment.

Flood relief

In 2007, an unusually heavy rainstorm flooded a Pitney Bowes employee's home in Stamford, Connecticut, damaging the house and destroying most of the family's furniture, appliances, electronics and personal belongings. When the homeowner's insurance carrier refused to cover the flood loss, Pitney Bowes came through.

"We were devastated. A generous check from the PB Relief Fund allowed me to pay two months of my mortgage. We were struggling to take on the expense of repairing our house and replacing all our possessions. I can't tell you how grateful I am to all the PB employees who contributed to this fund. It made all the difference in the world to us."



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