

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)



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