



2011 Corporate Responsibility Report

diversity
business practices
customers suppliers
community
our people
environment

Leading Responsibly



Murray D. Martin
Chairman, President and
Chief Executive Officer

Letter from Murray D. Martin

Every business is built on relationships. At Pitney Bowes, we recognize that relationships that endure are built on mutual understanding and open, honest communication. For more than 90 years, we have developed innovations to help *our* customers communicate with *their* customers in ways that build strong and lasting relationships.

With 29,000 employees serving two million customers in more than 100 countries, we have great responsibilities as vendor, employer, innovator and corporate citizen. In this year's Corporate Responsibility Report, people from across our company describe how they go about living up to these responsibilities on a daily basis.

It is not a simple task. It requires deep personal commitment and the ability to stay focused on the big picture while working through the countless details that bring it to life: the technical advances that open new markets, the 24/7 support systems that speed service to customers, the workplace improvements that make for healthier operations and a cleaner environment, the inclusive spirit that sparks creativity and collaboration, and the hours of volunteering that bring help to those in need and new opportunities for our communities.

Here are some of the ways Pitney Bowes and its employees did this in 2011:

- We reduced our building footprint while creating new work options for employees, 14% of whom are now agile or mobile.
- We celebrated our diversity with Culture Week events around the world.
- We returned \$1.2 million in Healthy Rewards to participating employees in our healthcare cost reduction program.
- We recovered from a catastrophic fire at our Texas processing center without injury, loss of business or interruption in service.
- We improved our customers' experience with simplified ordering, web-based training and a feedback system that now extends to 19 countries.

- We grew sales of remanufactured products by 64%, saving customers money while helping the environment.
- We reached more than 31,000 students with more than a million hours of enrichment through strategic philanthropy focused on literacy and education.
- We held our first annual Global Volunteer Month with events in 19 cities in five countries, part of a year-round effort that resulted in 76,000 hours of employee volunteering.
- We banded together to help victims of last spring's earthquakes and tsunami in Japan.

Early in 2012 we were proud to become a Museum Founder for the National September 11 Memorial & Museum in New York City. In doing so, we honor the memory of all those who died or were injured on 9/11. We are humbled by the work of the Memorial and Museum and proud to support it in memory of the four Pitney Bowes employees killed that day: Syed Abdul Fatha, Paul Lisson, Howard Reich, and David Vargas. Our commitment includes ongoing communications support to help the Museum expand its membership and donor base.

All these actions build on a long tradition of innovation and service. They are a key part of how we create and grow strong relationships both inside the company and all around us. I am honored and excited to be part of it.

We welcome your feedback both on our programs and on this Report. Please let us know what you think at www.pb.com/crsurvey.

Murray D. Martin
Chairman, President and
Chief Executive Officer



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from Murray D. Martin



values
innovation
**Business
Practices**
privacy
continuity
ethics
risk
Leading Responsibly

Our Business Practices

We demonstrate our commitment to corporate responsibility every day through the way we conduct ourselves with each other, our customers and the communities in which we do business. Employees are charged with adhering to company values and policies as well as local laws and regulations. Our success is built on honest and fair practices, and our commitment to integrity has been a hallmark of Pitney Bowes for more than 90 years.

Values and Ethics

Our values define us as individuals and as a company. We have high ethical standards, and we educate our employees in a variety of subjects to provide them with the tools they need to follow the “rules of the road” and to support their ability to put values into action.

Risk and Business Continuity

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 processes and systems to protect privacy while ensuring information security, and to protect the confidentiality of employee communications on sensitive matters.

A 2011 fire at our largest processing center in Dallas , Texas proved the merits of a systematic approach to business continuity.

Values

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

They are:

Put Customers First

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

Collaborate

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

Be Passionate

- We act with a sense of urgency
- We drive for results and celebrate success
- We accelerate innovation to deliver unique value

Be Accountable

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

Act with Integrity

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

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

Ethics

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

Code of Conduct.

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

We reinforce our commitment to ethical behavior and legal compliance through our employee engagement survey which gives employees the opportunity to share their experience and opinions about how their managers and senior managers have put our ethical standards into action.

VALUES IN ACTION

In 2011, Pitney Bowes continued to distribute its weekly "Values in Action" program to employees all over the world through its intranet update, Inside PB. The series highlights a variety of examples demonstrating that at Pitney Bowes, values aren't just abstractions — they're the basis for everything we do.



Training.

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

Advice and reporting channels.

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

Metrics.

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

Risk

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

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

Business Continuity

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

Privacy

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

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



*Scan this code to view focus on
Business Continuity video*



energy
safety: innovation
community
Environment
sustainable
communications
conservation

Leading Responsibly

Environment

We serve 2 million customers in 130 countries. We are committed to reducing our environmental impact worldwide.

- We have been a leader in adopting energy-saving practices and encouraging customers and suppliers to do the same.
- We provide our customers with solutions that improve efficiency and reduce waste at every stage, from market analytics to document production and delivery.
- We design products to minimize lifetime environmental impact and facilitate remanufacture. In 2011, our sales of remanufactured products rose 64% over 2010.

Sustainable Communications

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

Energy Conservation

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

Performance 2011

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



Marking 20 years of Design for Environmental Quality

DfEQ's impact extends through the entire product lifecycle and beyond.

Sustainable Communications

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

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

Here are a few examples of how Pitney Bowes products serve business and environmental goals simultaneously:

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

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

PITNEY BOWES ENVIRONMENTAL INNOVATION TIMELINE

1944—Asset Return Program

1991—Design for Environmental Quality

2000—Green Power Market Development Group

2007—WasteWise Hall of Fame, Carbon Disclosure Project

2008—Eco-Patent Commons, WHQ green renovation

2009—Corporate Responsibility Report & metrics

2010—Third-party validation of CO2 footprint; Coalition for Energy and Environmental Leadership in Leased Space

Product Return and Recovery

Pitney Bowes has a long legacy of product remanufacturing and recycling. We started our product take-back program 50 years ago, and since then we have recovered millions of pounds of equipment and components for reuse and recycling. Today, 95 percent of our mailing equipment parts are recyclable. We have established centers throughout the United States and Canada where customers can return products for subsequent remanufacture, harvesting of parts or recycling. Last year, our remanufactured equipment program diverted 371,127 pounds of waste from recycling to reuse.

We have also become more aggressive in marketing remanufactured products. In 2010, we rebranded our remanufactured equipment as Factory Certified Green Solutions, and in 2011, sales of these products were up 64%.

In addition to the mailing systems, toner cartridges are an important part of our focus on recycling. In the United States we recycled nearly 300,000 lbs of toner cartridges in 2011 through an outside firm which handles collection, sorting, reuse, recycling and the processing of scrap at a waste-to-energy facility.

Energy Conservation

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

Carbon Footprint

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

Reducing Consumption

Pitney Bowes is committed to making all its operations greener and more efficient. Our cross-functional Energy Task Force has raised employee awareness about energy conservation and led to significant reductions in electricity consumption. Through the end of 2011 we reduced our electricity consumption by more than 16 million kilowatt hours from our 2007 baseline, saving \$2.3 million and reducing our carbon footprint by 10,194 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 continue to focus on site consolidation as part of the company's strategic transformation initiative. With a smaller building footprint, we have been able to reduce our energy consumption by more than 6.6 million kilowatt hours. In addition, projects involving the re-lamping of some operations and the installation of an energy efficient air compressor resulted in the avoidance of an additional 200 metric tons of carbon emissions. We are a founding member of the Green Power Market Development Group, an industry partnership with the U.S. Environmental Protection Agency (EPA) to promote the development and purchase of alternative energy. Since 2003 we have purchased renewable energy credits (RECs) to support green power projects using technologies such as solar, wind and biomass. So far, our RECs have resulted in more than 30,257 metric tons of CO₂ emission reductions. In 2011, our purchases of Green-e® certified RECs helped reduce CO₂ by 7,457 metric tons.

Locavores and Greenivores Unite!

Pitney Bowes dining facilities in Fairfield County, CT are getting greener every year. Company cafeterias serve more than 1,200 employees a day with a focus on green procurement, source reduction, recycling, and effective waste disposal. Improvements span the whole "food chain," from locally sourced produce to reusable food preparation and storage containers to recycled unbleached napkins, wood stirrers, recyclable take-out containers and plentiful recycling bins. There are even discounts for those who bring their own beverage mugs. The measures are having an effect; new napkin dispensers reduced consumption by 50%.



Clean Up Australia Day Draws Teams from Perth, Brisbane and Sydney

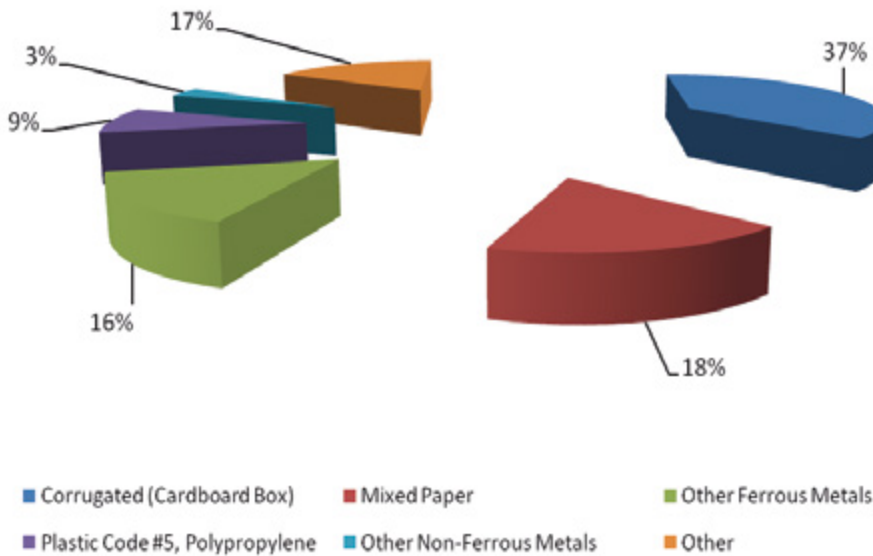
Sydney Harbor forms the backdrop for this team of Pitney Bowes employee volunteers, one of three teams that took part in last year's running of this annual nationwide event. Over the last 20 years, Clean Up Australia Day has removed more than 200,000 tons of trash from cities and towns throughout the Commonwealth.

In 2009, we instituted a well-received agile work program that contributed to a reduction of energy consumption. At the same time, agile work has enabled employees to reduce their commuting time and gain flexibility in determining where and how they work. In 2011, with 14% of our U.S. workforce agile or mobile, employees saved a total of 500,205 hours in travel time and 841,887 gallons of gasoline, reducing greenhouse gas emissions by 9.8 million pounds.

Minimizing Waste from Operations

Since 1996, Pitney Bowes has taken part in the United States Environmental Protection Agency'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. Over the years we have received nine awards from the EPA, including designation as Program Champion and Partner of the Year. In 2007, we were named to the WasteWise Hall of Fame for our leadership in recycling. Only 15 other companies share this honor.

Based on our WasteWise data, the majority of our recycling is paper and cardboard (55%), followed by metals (19%). Our U.S. waste reduction campaign resulted in the avoidance of more than 23,562 metric tons equivalent of CO₂ (MTCO₂E) in 2011. Since 2004, we have avoided 166,625 MTCO₂E, equivalent to the effect of removing approximately 30,000 cars from the road and saving approximately 17 million gallons of gasoline.



Special Attention to Electronic Waste

Waste from electronic products (e-waste) poses a global threat to soil and water quality. According to United Nations estimates, between 20 and 50 million tons of e-waste are generated worldwide each year. Within the U.S., e-waste now accounts for 80% of the country's toxic garbage and 70% of the heavy metals in landfills. To support the EPA's effort to combat the growth of e-waste, Pitney Bowes's policy is to recycle all electronics that are not remanufactured. Materials captured through recycling (plastics, steel, aluminum, copper, etc.) are then available for use in a variety of industries.

Our selection of a recycling vendor was based in part on the firm's guarantee that all e-waste would be broken down for reuse and no e-waste would be shipped overseas. We verify the firm's performance through audits and compliance checks as well as the tracking of waste quantities. In 2011, 1,952 tons of U.S. electronics waste were recycled.



E-waste processing in Indianapolis, IN





Forest Products Purchasing and Sustainable Forestry

As a leader in the management, production and delivery of business communications, we are committed to using paper and cardboard responsibly and preserving the world's natural resources. We promote sustainable forestry and certification programs, we encourage responsible practices on the part of our customers, and we recycle whenever possible. Our public literature, catalogs and direct mailings include the "Recycle Please" logo.

In purchasing, where possible we give preference to paper that originates from sustainable or recycled sources. The most comprehensive certification available globally is administered by the Forest Stewardship Council (FSC). In 2011, we used approximately 10,000 tons of paper (in the United States, Canada and Europe), of which 29% was FSC-certified.

Global Environment, Health and Safety Management System

Pitney Bowes is committed to complying with environmental, health, and safety (EHS) regulations for all operations globally. We aim to provide safe products and services and to reduce their impact on the environment, to conduct our operations in an environmentally responsible manner, and to ensure that our employees can work without injury at our facilities or other locations. Our EHS Management System helps us achieve legal compliance and ensures we have the processes needed to comply.

A total of 85 European Pitney Bowes locations operate in accordance with ISO 14001 (the international standard for environmental management systems): United Kingdom/Republic of Ireland (73 facilities), Sweden (7 facilities), Norway (3 facilities) and Denmark (2 facilities). In addition to ISO 14001, we also measure ourselves by 34 technical standards incorporated into our 2009 Global EHS Policy and environmental, health and safety management system (EMS). The EMS provides guidelines for monitoring site performance, conducting audits and management reviews, and implementing corrective/preventive actions. EMS audits are conducted by internal qualified professionals and the results are reported to senior management.

The frequency of audits is based on site complexity and past performance. We analyze instances of nonconformance to our policies and standards, take corrective action and establish preventive measures to reduce the likelihood of future nonconformance. In 2011, we conducted 26 facility audits: 20 at Pitney Bowes locations and six at third-party locations (suppliers, waste facilities and warehouse locations). These audits resulted in a total of 348 action items.



Eco-Lighthouse shines again on Pitney Bowes Norway

Funded by the Norwegian Ministry of Environment, the Eco-Lighthouse Program is designed to help companies in Norway reduce their environmental impact, cut costs and benefit from their status as an environmentally responsible company through industry-specific certification and testing. The year 2011 was Pitney Bowes's third in a row as an Eco-Lighthouse certification winner.



Moving Toward Zero-Waste

Zelia Kranich, Pitney Bowes's EHS Manager, Sustainability and Environmental Compliance, accepts the Aquarion Water Company's Environmental Champion Large Business Award from U.S. Senator Richard Blumenthal (D-CT) at a ceremony in June 2012. The award honors Pitney Bowes for its diversion of waste from recycling to reuse through its green policies and growing sales of remanufactured products.

Performance 2011

	2008	2009	2010	2011
Direct and Indirect Emissions of Carbon Dioxide MTCE	97,242	124,107	120,263	111,836
Direct Emissions of CO2e/\$M Revenue	3.67	7.65[*1]	8.52	8.14
Indirect Emissions of CO2e/\$M Revenue	11.8	14.6	13.65	13.05
GHG Emissions per Unit of Floorspace (Tons CO2/ft2)	.01	.02	.02	.02
Waste Recycled/Prevented — Annual Pounds (U.S. Only)	13,686,766	14,532,290	11,702,258	15,403,520
Waste Recycled/Prevented — Annual MTCE Avoided	16,147	26,938 [*2]	16,635	23,562
Waste Recycled/Prevented — Annual MTCE Avoided/\$M Revenue	2.6	4.8	3.1	4.46
Product Recycling — Cumulative Pounds (U.S. and Canada only)	13,588,464	20,159,239	26,705,481	31,212,668

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

[*2] increase in MTCE avoided largely due to significant increase in paper recycled

(MTCE = metric tons of carbon equivalents)

Partnerships, Recognition and Awards

- Aquarion Environmental Champions Award Eco-Patent Commons
- Carbon Disclosure Project
- Greening the Mail Task Force



World Business Council for Sustainable Development





engagement
development
wellness
Our People
diversity
innovation
inclusion
health

Leading Responsibly

Our People

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

Engagement and Development

We believe strongly in a culture of innovation, learning and engagement. Our employees' commitment, passion and energy drive innovation and customer value, which drive growth and financial success. We seek to engage employees through challenging work assignments, career development opportunities and programs that promote personal and professional growth. In 2011, we launched a new enterprise-wide learning and development organization to improve coordination and provide consistent opportunities, tools and metrics throughout the company.

Diversity and Inclusion

Diversity and inclusion are embedded in our culture. Our diversity helps us to understand markets, connect with customers, develop innovative solutions and attract and retain the best talent and suppliers. We embrace diversity in every area of our business and at every level of our organization, and we recognize that diversity itself can mean different things in different cultures. Our program and practices continue to grow with our company's global footprint and perspective.

Safety

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

Health and Wellness

We know that employees who take action to manage their health are happier and more productive and have reduced health care costs. We offer easy and affordable access to health care, and we provide a range of programs to make it easy for employees and their families to lead healthy lifestyles.

Performance 2011

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.

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

We use several online channels to promote employee engagement. A key channel in the U.S. is *PB Voice*, an intranet site that allows employees to submit questions and review answers on a variety of topics. In addition, our PB Voice Partners host local forums and short surveys for small groups of employees.

Since 2009, we have also provided two online forums to stimulate engagement and generate new ideas throughout the company:

- **Yammer** is an internal social networking platform that facilitates collaboration and enables employees to ask questions and share expertise. Since its launch in 2009, more than 6,600 employees have posted over 41,000 messages from all around the world.
- **IdeaNet** engages employees throughout the company to collaborate on innovation challenges with an overall focus on increasing organic growth and improving processes. Over the last three years, employees from 28 countries have participated in multiple languages, contributing suggestions that have led to millions of dollars in new revenue and cost savings.

We also solicit employee feedback through regular surveys. For years we have conducted a global employee survey available in 18 languages. The survey explores overall engagement, action planning and manager effectiveness and focuses on additional engagement drivers such as development, recognition, future vision and communication. In addition to multiple-choice questions, the survey gives employees an opportunity for more detailed feedback via confidential written comments. The response rate is typically between 80 and 85 percent.

PB DRIVE! Offers Hourly Workers a Path to Advancement through Certification

A new program at Pitney Bowes Management Services provides qualifying full- and part-time hourly employees with a path to certification at multiple skill levels across a range of job functions and platforms. PB Drive!, which stands for Develop, Reward, Inspire, Value, and Empower, offers certification at Bronze, Silver, Gold, and Masters levels, with each step representing a progressively broader set of required objectives and established criteria for subject matter expertise. The program spans several PBMS platforms, including Mail, Document Processing and Imaging (Enterprise Content Management), Print (Managed Output Solutions) and Litigation Document Services.

Still another engagement tool is our Workplace Agility Program, which takes advantage of mobile technologies to make it easier for employees to work effectively in multiple locations (including collaborative spaces, client sites, and their homes). Since its beginning in 2009, the program has fueled important gains in employee productivity, morale and quality of life. By engaging employees in fresh choices about where and how to work, it has not only helped them work more efficiently, but enabled many of them to recapture hours of personal time that would otherwise have been spent commuting. The environmental benefits of agile work, including a reduction in the company's real estate footprint and reduced gasoline consumption by commuters, are detailed elsewhere in this report. In 2011, 14% of all Pitney Bowes employees were agile or mobile.

Development

We focus on hiring talented people, nurturing their growth, and providing opportunities for them to make a real impact for themselves and for Pitney Bowes. We see employee development as a partnership between an employee and his/her manager, aided by strong support from our Human Resources organization.

In 2011, we supplemented this decentralized approach with a new Enterprise Learning and Development organization to drive a stronger culture of innovation, improve coordination across business units and provide consistent tools and metrics for all employees throughout the company. The new Learning and Development structure includes centers of expertise focused on leadership, professional development and technology, as well as the needs of specific core employee groups such as sales, service, operations and corporate staff.

Across this entire spectrum, our company values remain at the heart of our learning and development philosophy. We have identified fundamental behaviors for our employees based on our values.

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

Leadership development is a continuing focus. We strive to identify leaders early on and give them the knowledge and experience they need to excel. We provide a wide array of leadership, communication, and performance management learning solutions—from foundational programs to help new managers transition successfully, to advanced courses for seasoned leaders and executive education programs. We also provide targeted development for specific individuals or groups. New in 2011 was our Manager Acceleration Program, an e-learning system for managers that guides employees through a self-assessment process, then provides personalized recommendations for training to help them advance in their careers.

Early in Career Workshop

Pitney Bowes' approach to talent management starts early and continues throughout employees' careers. In 2011, we launched a new Global Early in Career Program with a workshop that brought 49 high-performers from North America, Europe, AsiaPacific and Latin America together with company leaders and managers for two days of instruction, motivation and networking. Participants gained tools and perspectives for individual and team development while forming relationships and creating new paths for collaboration across disciplines and organizations.

Diversity and Inclusion

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

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

We have also cultivated a network of external partnerships to support our business and diversity objectives in areas such as talent acquisition and retention, supplier diversity, legislative matters and branding. Through these partnerships, we raise our visibility among a diversified pool of top-tier candidates while providing development opportunities for employees who work with these organizations and serve on their boards. The groups we work with span the fields of engineering, information technology and business enterprise. They include the National Black MBA Association, National Hispanic Corporate Council, National Society of Black Engineers, National Urban League, Society of Hispanic MBAs, and the Society of Women Engineers.

At a tactical level, our approach has four dimensions:

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

In 2011, in support of Pitney Bowes's global focus on customer communications management, we took a fresh look at our diversity and inclusion value proposition to ensure its continuing alignment with our company's strategy and goals. As part of that effort, we conducted an IdeaNet Diversity and Inclusion Challenge, which drew responses from more than 130 employees.

INROADS internships

Since 1987, Pitney Bowes has worked with INROADS, Inc. to assist in meeting our talent and diversity objectives by developing high-potential minority youth and preparing them for corporate and community leadership. Students apply to INROADS between their junior year in high school and sophomore year in college, and those accepted receive career coaching, training and summer internships with a view to full-time employment upon graduation. In 2011, we hosted 20 INROADS interns in accounting, communications, engineering, human resources, marketing, product management, Latin America & Caribbean operations and corporate citizenship.

International couture and cuisines highlight Culture Week observances

A seed planted in last year's Diversity IdeaNet Challenge bore fruit all over the world as hundreds of employees from 11 countries in Europe and Asia honored their diverse origins and lifestyles during Culture Week. Food, fashion, music, poetry and visual arts all came together through the efforts of local volunteers supported by Pitney Bowes's International Diversity and Inclusion Council. Participants sampled a rich menu of varied cuisines while gaining new insights into their colleagues' backgrounds and ways of experiencing the world.



International Diversity and Inclusion Council

Formed in 2007, the Europe-based Council includes representatives from all of our businesses and geographies, who work together to create a more inclusive working environment through training, leadership example, recognition and communications. In addition to conferences, regional briefings and training sessions throughout the company, the Council also sponsors the International Diamond Awards annually for individual and group leadership in the areas of diversity and inclusion. In 2011, Diamond Award winners included three employees in Portugal and two teams in the United Kingdom.

Awards and Recognition

In 2011, Pitney Bowes and its employees continued to earn recognition from numerous external organizations for excellence in diversity and inclusion. Among the awards:

- *Asia's Best Employer Brand Awards*: Talent Management Award, Exemplary Leader Award, Continuous Innovation in HR Strategy Award
- *Diversity/Careers in Engineering & Information Technology*: 2011 Best Diversity Company
- *DiversityMBA Magazine*: 50 Out Front for Diversity Leadership: Best Places for Diverse Managers to Work (#17)
- *Hispanic Business Magazine*: 2011 Best Companies for Hispanics
- *Hispanic Engineer & Information Technology*: Top 200 Influential Hispanics in Technology—Herman Velasquez
- *NASBA Center for the Public Trust Being a Difference Award* — Robbie Narcisse
- *Profiles in Diversity Journal*: Diversity Leader Award, CEO Leadership in Action Award

Supplier Diversity

Pitney Bowes's commitment to diversity extends throughout its supply chain. For information on supplier diversity programs, including our 2012 Supplier Diversity Summit, please see the Customer and Suppliers section of this report.



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, hold all employees accountable to drive toward a goal of zero workplace injuries, and empower employees to make positive changes in their workplace to improve health and safety.

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 2011, under the banner of “EveryBODY Can Do It,” we continued to look for ways to enhance the safety of our workforce and take advantage of employees’ knowledge of workplace risks. Ergonomic assessments, control measures, training and communications all played a role in the continuing challenge of reducing or eliminating work tasks leading to sprains and strains and the risk of slips, trips and falls.

We completed an ergonomic “Kaizen” event at Pitney Bowes Presort Services to establish a new tool-cart prototype and improved practices for maintaining and repairing mail sortation equipment.

With the assistance of Strategic Safety Associates, we conducted a pilot program of MoveSMART® training for U.S.-based Global Mailstream customer service representatives. This unique training applies a combination of martial-arts techniques and ergonomic principles to enable customer service representatives to work from a position of balance, strength and control, reducing both the likelihood and potential severity of sprain- or strain-related injuries. The resulting “Train the Trainer” program allowed all service personnel to receive this customized training beginning in 2012.

We developed a video about *Avoiding Slips, Trips and Falls*. We also sent additional Find It Fix It Kits to more than 100 Pitney Bowes facilities during the year. These kits include posters, videos, training materials, worksheets and customized supervisor and employee handouts on topics such as avoiding slips, trips and falls, assessing risk and conducting thorough incident investigations.



Ergonomic Kaizen Team at Pitney Bowes Presort Services Rancho Dominguez Site



MoveSMART Training — Pitney Bowes Global Mailstream Solutions Customer Service Pilot

Recognition

In 2011, Pitney Bowes Chairman, President and CEO Murray D. Martin presented the first Chairman's Safety Excellence Award to a team from Pitney Bowes Management Services (PBMS) in Alberta, Canada. The award recognized PBMS Alberta's seven consecutive years without a single recordable work-related injury. This exceptional safety record reflects both increased employee engagement and participation in Alberta's Partnership in Injury Reduction program. In addition to fostering a safer workplace, improved job satisfaction and a better ability to respond to customer needs, the award also helps PBMS differentiate itself competitively as a company that cares about its employees.

In 2012, a second PBMS team won the award for its outstanding achievement in reducing recordable work-related injuries and associated costs by 100% between 2007 and 2011. Pitney Bowes vice president and commercial sector leader Pat Fogarty accepted the award from Mr. Martin on behalf of PBMS's 11-member Chevron Enterprise Account team.

Driver Safety

In 2011, we recognized more than 300 employees for their safe driving habits under the new Pitney Bowes Elite Driver Safety Awards Program, which tracks the performance of designated drivers and recognizes those who complete the year with no work-related incident involving injury, property damage or automobile liability while driving.

Performance

2011 showed minor gains in the total recordable injuries and normalized injury rates when compared to 2010. Work-related claims from U.S. operations were down from 2010 in both normalized rate of claims and cost of claims, resulting in a savings of \$1.3 million.



Phil Hammond and Murray Martin



Murray Martin and Pat Fogarty



Pitney Bowes Elite Driver Safety Awards Program website

Health and Wellness

We know that employees who take action to manage their health are happier, more engaged and more productive than those who do not. They also save money on health care, both for themselves and for our company. For these reasons and more, we encourage employees to take charge of their health through such simple steps as eating well, exercising, taking advantage of preventive care screenings, and working with care providers to manage health conditions that require it. We offer easy and affordable access to health care, and our wellness programs provide a range of options to help employees and their families adopt healthy lifestyles. The programs have repeatedly earned national recognition for excellence. For the last seven years, the National Business Group on Health has honored Pitney Bowes with its Best Employer for Healthy Lifestyles Award.

Our health care plans stress preventive care, management of chronic conditions and protection against the catastrophic costs of major illness. Wherever possible, we try to remove barriers that prevent employees from receiving care. We provide specialized resources such as maternity management and nurse hotlines for those enrolled in our medical plans, and free financial advice and employee assistance programs to all employees and their families.

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

Education and Awareness

We do our best to make it easy to learn about healthy living. Each of our health plans sponsors a Healthy Rewards program which gives our employees and their spouses/partners the opportunity to understand their health risks and participate in programs to help them improve their health. In 2011, employees earned \$1.2 million in such rewards. In addition, *Project: Living* communications provide up-to-date guidance on a broad range of matters including health and wellness, financial planning and work/life balance — together with information on how best to take advantage of company benefits in these areas.



One in a Million Day

At our sixth annual One in a Million Day on May 16, 2012, more than 3,000 employees (many accompanied by family members) walked a total of 44,582,153 steps (almost 23,000 miles) at 67 events in the U.S., U.K., Portugal, India and Canada in observance of National Employee Health & Fitness Day. The group above is from Danbury, CT.

Project: Living

www.pbprojectliving.com/en/

Videos, recipes, employee forums and blog posts are just a sampling of the rich content available through our web-based Project: Living program, which reaches employees and families through home mailings, employee emails and calendars. Project: Living offers practical tips to help employees take advantage of company programs and benefits to make healthy lifestyle decisions, become better health care consumers and learn how to balance work and life.

Changing Behavior

We know that small changes in health habits can yield great results in overall health, and we offer a wide range of programs to help employees learn how to make those changes. In 2011, more than 1,300 employees participated in *Change One*, our 12-week weight management program, with 556 completing the program. Other benefits include a tobacco cessation program, free financial planning for all employees, and discounts on products and services such as Weight Watchers®, gym memberships and more. We recognize that changing behavior is easier when those around you are doing the same — that's why we make many programs available to family members as well. Meanwhile, we continue to invest in workplace enhancements that support healthier lifestyles, such as last year's introduction of walk stations (workstations integrated with treadmills) for call-center employees.

Improving Access to Care

Our six onsite medical clinics in the U.S. provide free access to roughly 20% of our employees, making it easier for them to maintain primary health care. Since 2002, the clinics have maintained the highest-level accreditation from the Accreditation Association for Ambulatory Health Care. The clinics developed a quality study on "Hypertension In The Workplace: Strategies to Increase Adherence to National Guidelines" that was recognized nationally at the American Association of Occupational Health Nurses conference and regionally at the New England Association of Occupational Health Nurses. In 2011, our clinics recorded more than 36,000 patient visits. More than 2,000 employees took advantage of screening programs on breast cancer, skin cancer, osteoporosis, vision, hearing, cholesterol, diabetes, blood pressure, blood glucose and BMI (Body Mass Index). We also offered Lunch-and-Learn programs on topics ranging from weight management and sleep disorders to elder-care support. 500 employees participated in these programs.

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

Work Life Balance

We encourage flexible working arrangements to help employees manage the demands of work and home. Our SitterCity benefit helps U.S. employees locate caregivers, whether for a child, aging adult, pet or house. We also provide tools to help employees develop flexible working proposals that meet both our needs and theirs. Flexible options may include telecommuting, compressed work weeks, part-time assignments, and variable work schedules. For more information on our Agile Work program, see the "Engagement" section of this document.

Richard Simmons Day in Cedar Rapids, Iowa

Paths to health and wellness are as varied as our employees' ingenuity can make them. For this group at a Presort Services center, every day was different during a week-long exercise in healthy choices. Recess Day encouraged people to bring out their "inner child" through fun and games; Richard Simmons Day promoted dance and movement; Julia Child Day featured a guest preparing healthy snacks; and Yoda Does Yoga Day promoted low impact and flexibility.



Transition2Work program benefits employees recovering from injury and nearby nonprofits

Pitney Bowes employees recovering from job-related injuries have a program for light-duty assignments to speed the transition back to their regular jobs. Operated by a partner organization, Transition2Work enables workers to receive their full Pitney Bowes paycheck while performing light-duty functions for approved nonprofits. Begun in 2011, the program has already placed employees in organizations ranging from local museums to Habitat for Humanity.

Performance 2011

Diversity and Inclusion (United States only)

Percent of workforce: minorities 44 percent, women 43 percent

Percent of Board of Directors: minorities 25 percent, women 25 percent

Health and Wellness

Pitney Bowes onsite medical clinic visits: 36,857

More than 4,000 free flu shots given to employees and family members through onsite and coupon programs.

Company returned \$1.2 million to employees participating in the Healthy Rewards program to help offset employee health costs.

Safety

(Global data unless stated)	2008	2009	2010	2011
Incident rate: Total recordable cases/100 Employees/Year	2.23	1.75	1.82	1.80
Days Away and Restricted Cases/100 Employees/Year	1.76	1.21	1.64	1.56
Lost Workday Cases/100 Employees/Year	.76	.75	.76	.79
Ergonomic Injury Cases/100 Employees/Year (U.S. only)	2.14	1.86	1.91	2.00
Work-Related Fatalities/Year	0	0	0	0

Awards and Recognition



National Business Group on Health

2012 Award for Innovation in Reducing Health Care Disparities

Mary Bradley, director of health care planning at Pitney Bowes (center) and Dr. Jaime Gonzalez Ph.D, national director of business development at Latino Health Solutions, Inc., at United Healthcare (right), receive the award from Helen Darling, President and CEO of the National Business Group on Health (left). The award honors Pitney Bowes's partnership with Latino Health Solutions left to engage Spanish-preference employees in improving their health through targeted bilingual Web sites, kiosks and training sessions as well as the hiring of 60 bilingual customer care professionals.

Best Employer for Healthy Lifestyles Award





sustainable communications
service
business continuity
Customers & Suppliers
supplier diversity
innovation
experience

Leading Responsibly

Customers and Suppliers

Our success comes from our customers' success. By putting customers first, we benefit all our stakeholders. From product design to service policies, we listen and respond to customers' needs and concerns. Because we depend on suppliers to help us meet customer needs, we require our suppliers to meet appropriate performance standards. Our Supplier Code of Conduct extends these standards to include corporate responsibility.

Working with Customers

Our corporate values lead with the mandate to "Put Customers First." We work continuously to improve customers' experience with Pitney Bowes and to build customer satisfaction and loyalty.

Working with Suppliers

In 2008, we introduced the Pitney Bowes Supplier Code of Conduct. The Code establishes social, environmental and ethical and legal compliance standards and performance benchmarks.

Supplier Diversity

We seek to build relationships with innovative, customer-focused, diverse businesses to maximize our competitive advantage. Through our programs and policies, we create opportunities for diverse suppliers to compete for our business.

Performance 2011

We report on new customer experience initiatives and on our spending with diverse suppliers.

Working with Customers

Meeting the needs of our customers is our first priority, and every year we work to improve customers' experience at every stage of their relationship with Pitney Bowes. Here are some of the steps we took in 2011:

- We opened a new online supply store that gives customers 24/7 access to needed supplies.
- We created an online scheduling system to make onsite repairs easier to arrange.
- We expanded our customer feedback process to include 19 countries. We also passed a milestone in the use of this system, with structured feedback from more than 600,000 customers.
- We realigned our service teams to meet specialized needs in vertical markets, enterprise accounts, and accounts where customers have multiple relationships with Pitney Bowes.
- We improved the infrastructure and instituted new performance standards for call centers and other support operations. Every front-line, customer-facing employee now has responsibility for meeting specific customer satisfaction goals.
- We also reengineered the way we manage our vendors to ensure that they deliver to our customer satisfaction standards.

We continue to work to simplify our customers' experience, enhance their ability to manage their relationship with Pitney Bowes, strengthen our dialogue on product and process improvements, and align our feedback methodology and performance metrics on a global basis.

Best Practices Webinars

To help customers succeed, it's not enough simply to provide products and services to meet their needs. We also seek to actively engage them in extracting the maximum value from our technology and know-how. In addition to product training, we offer an extensive series of free webinars to help customers deal with common marketing challenges, technical issues and know-how industry trends. Recent examples include:

- *Unleashing the Power of the Intelligent Mail Barcode*
- *Attacking Return-to-Sender Mail from all Directions*
- *Results ROCK! Direct Mail Basics...Test, Test, Test*
- *Maximizing Direct Mail Communications — The Direct Mail Advantage*
- *Changes at the USPS — How to Adapt Your Mailing Strategies*
- *Break into New Markets — The Secrets to Launching a Successful Direct Mail Campaign*
- *The Importance of Disaster Recovery and Contingency Planning*

Customer Summit

Each year we invite customers to meet and share ideas with company leaders and experts at our Global Document Messaging Technologies Customer Summit. For high-volume production printers and mailers, the Summit provides a window into emerging technologies as well as a chance to hear how other customers are using Pitney Bowes products and services to open markets and solve problems. New at the 2011 Summit: the Brilliant Communication Awards honoring customer innovations across a range of categories.



In January 2012, 240 participants from around the world demoed 76 hacks at Pitney Bowes Software's sixth annual Hack Day. What's a hack? It's a mini-project created to try out or test ideas. They can be new ideas, adaptations of existing products, process improvements or a chance to learn something new. Hacks span a range of crucial software apps, from desktop to cloud-based. Some are about helping customers find the right location for a store, others focus on helping them deliver the right message to the right customer, via their preferred communications channel. Whatever the app, every hack has to be demo-ready in 72 hours, so — as the logo suggests — Hack Day always offers an exciting blend of ideas and adrenalin. Then once it's over, a panel of global judges reviews the top hacks from the Americas, EMEA (Europe Middle East Asia) and APAC (Asia Pacific). This year's honors for most prolific went to Noida, India, which delivered a stunning 48 hacks.

Dedicated Web sites for Special Interest Groups

Many customers find useful tips, case studies and peer-group perspectives at Pitney Bowes-operated special interest group websites. Our North America Mailing organization offers a variety of practical information for small businesses at www.pbmartessentials.com. For customers interested in global ecommerce opportunities, Mail Services' Ecommerce Solutions Group has a Resources Center which includes timely news items, technical and regional features and a blog, all at resources.pbcomm.com.

Disaster Recovery Seminar Draws 89 Customers in Dallas

Pitney Bowes's strong recovery from a catastrophic fire at its Texas mail processing center in February 2011 put disaster recovery front and center in many customers' minds. To assist customers with their own disaster recovery planning, Pitney Bowes Mail Services held a seminar on the subject in July 2011. The seminar combined discussion of Pitney Bowes disaster recovery policies and practices with group working sessions designed to help customers prepare for comparable circumstances in their own businesses.

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, 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

The Code is also written into all of our supplier agreements. We require our largest suppliers to acknowledge receipt of the Code and support for its standards and provisions, including our expectation that they will apply the Code's standards to their own extended sources of supply engaged in the production of goods and services for Pitney Bowes. We encourage suppliers and Pitney Bowes employees to report violations of the Code through our confidential Ethics Help Line.

Customer Communications

We also seek to educate customers more broadly about changes in the technology and practice of customer communications, and how Pitney Bowes is evolving to help them take advantage of them.



Pitney Bowes Software Announces Latest Meridian Award Winners

Each year Pitney Bowes Software recognizes outstanding customer innovation through its Meridian Awards, presented at its annual user conference. The 2012 winners include customers from the United States, Canada and Australia: Schwan's Home Service, Inc., of Marshall, MN (Organizational Impact/Spectrum Technology Platform); the City of Vancouver, Canada (Technical Achievement/2D and 3D modeling with MapInfo Professional and Autodesk); Victoria Police in Victoria, Australia (Unique and Unusual/MapInfo Professional for law enforcement and crime analysis); and Toronto Police Service in Toronto, Canada (People's Choice/spatial products based on Pitney Bowes GIS platform).

Supplier Diversity

Pitney Bowes believes a diverse supply base is important both internally and externally. Diversity and inclusion are key components of our core values, and help us to ensure that we are providing employees and customers with the best possible opportunities and solutions. By actively embracing diversity in all our operations, we maximize our access to innovation and improve our alignment with the changing demographics of our global customer base. At the same time, we recognize that customers need to know that the values they expect from Pitney Bowes itself apply equally throughout its supply chain.

For all these reasons, we regularly provide access to opportunities for diverse suppliers to compete for our business, and we work diligently to ensure a level playing field open to all qualified competitors. It is our policy that Minority, Women, Veteran, Service-Disabled Veteran, HUBZone, and other economically disadvantaged small business shall have the maximum opportunity to compete for our business. We currently have more than 800 diverse suppliers representing more than 25 product and service categories and \$63 million in annual purchases.

Our supplier diversity program focuses on:

- Integrating supplier diversity plans with sourcing process and strategies.
- Identifying potential diverse suppliers and connecting them with sourcing opportunities.
- Outreach to diverse businesses through minority development organizations and procurement events.
- Educating and training to help both internal purchase decision makers and suppliers to understand our supplier diversity strategy and commitment.
- Collaborating with prime suppliers to ensure diversity at multiple tiers within our supply chain.
- Metrics and tracking to monitor progress and ensure alignment with our overall diversity strategy.

We currently report second-tier diverse spend (i.e., spend in support of customer contracts) to over 60 customers. Where applicable, we also include supplier diversity in response to requests for proposals from current or potential customers.

Supplier qualification and certification

We expect all suppliers to meet our high standards of product and service quality, as well as specific objectives related to cost, quality and delivery. To be considered for business with us, diverse businesses are encouraged to seek certification from one of the following agencies:

- National Minority Supplier Development Council (NMSDC)
- Women's Business Enterprise National Council (WBENC)
- Small Business Administration (SBA)
- Association for Service Disabled Veterans (ASDV)

We also accept certification by local and state governments.

Our engagement with advocacy groups extends beyond membership. We actively participate in events, volunteer on committees which define and implement programs, and regularly assume leadership roles. Laura Taylor (Vice President, Enterprise Procurement) serves as the Chairman of the Board of the Women's Business Enterprise National Council, and Lawrence Wooten (Manager, Supplier Diversity) serves as the Chairman of the Board of the Greater New England Minority Supplier Development Council.

"Connect for a Cause" Honors Customers' Work for Charities

By simply adding a color logo to thousands of envelopes using a Pitney Bowes Connect+ printer, Chicago-based Unique Insurance Company will be able to contribute \$1,000 to its favorite charity. Unique was the 2011 winner of Pitney Bowes's Connect for a Cause contest, which encourages Connect+ customers to use the product's four-color printing technology in support of charitable causes.

Supplier Diversity Summit

Each year we hold a day-long Supplier Diversity Summit, where diverse suppliers can share ideas and meet with company management to gain a better understanding of Pitney Bowes procurement opportunities and processes. Representatives of about 75 diverse businesses were among the more than 150 attendees at this year's Summit at Pitney Bowes World Headquarters in Stamford, CT.



Scan this code to view the Supplier Diversity Summit

Performance 2011

Working with Customers

Steps taken across business units in 2011 to improve customers' experience with Pitney Bowes include:

- Realigned service teams to fit specialized needs in vertical markets and enterprise accounts.
- Launched new online facilities for ordering supplies and scheduling onsite service.
- Expanded standardized customer feedback system to 19 countries.
- Integrated customer satisfaction goals into job performance standards for customer-facing employees.
- Expanded free video and webinar offerings to bring customers up to speed on emerging industry trends and technical issues.
- Offered 34 Customer Innovation and Appreciation events at Mail Services' presort locations, drawing total attendance of more than 1,300 customers.

Supplier diversity

Total 2011 company spend with diverse suppliers: \$63 million.

Recognition



In February 2012, the Women's Business Enterprise National Council (WBENC) named Pitney Bowes to its 13th annual listing of America's Top Corporations for Women's Business Enterprises. This national award recognizes 29 corporations for world-class programs that level the playing field for women's business enterprises (WBEs) to compete for corporate business.

Pitney Bowes Wins 2011 and 2012 ACE (Achievement in Customer Excellence) Awards from MarketTools, Inc.



involvement
literacy
volunteer
Community
environment
innovation
education

Leading Responsibly

Community

Pitney Bowes is strongly committed to investing in the communities we serve. We believe such investment is most effective when it is aligned with our corporate mission of helping customers grow through better communications. For this reason, we focus our philanthropic giving on support for literacy and education. Through the Pitney Bowes Foundation and corporate contributions, we provide grants and matching gifts to worthy causes. We also encourage direct employee involvement, and every year our employees donate thousands of hours in support of literacy programs and community organizations.

Literacy and Education

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

Local Community Support

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

Employee Involvement

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

Matching grants—We conduct annual giving campaigns in the United States, the United Kingdom and Canada that permit employees to make charitable contributions via payroll deduction. This program is currently expanding to countries in the Asia Pacific region.

Volunteering—We support employees' community service efforts through grants to the organizations where they volunteer, grants to cover the cost of materials and supplies for team volunteer projects, and guidance on volunteering as an aspect of career development.

Disaster relief—The Pitney Bowes Relief Fund, a U.S. 501(c)(3) charity financed by employee contributions and Foundation matching funds, helps to ensure that employees and others have access to essentials in times of critical need. We also launch global team fundraising appeals and contribute a Foundation match when a disaster affects a Pitney Bowes community outside the U.S.

Performance 2011

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

Literacy and Education

All children deserve the chance to grow into healthy, educated and productive members of society no matter where or when they are born. But with almost half of the world's youth not completing or having access to secondary education and only 4.5 percent of world GDP dedicated to education, opportunities abound to develop educational capacity and programs around the world.

As a global leader in helping businesses communicate more effectively, Pitney Bowes has a vital interest in literacy and education. We also believe that by supporting literacy and education programs, we can improve countless lives, strengthen the fabric of our communities and help build a strong competitive workforce for the future.

While the challenges facing education today are complex, Pitney Bowes and other leading companies, in partnership with outstanding nonprofits at the local, national and global levels, are making a very real difference for the benefit of our communities, our young people and our workforce.

Each year, Pitney Bowes grants approximately \$1.4 million to literacy and education organizations, with a particular focus on improving access to books, closing the achievement gap and preparing people for successful employment.

Pitney Bowes Global Volunteer Program

Pitney Bowes's long partnership with Reading Is Fundamental (RIF) continues to grow. In 2011, our first joint Global Volunteer Program yielded 18 "Share the Message: READ!" events spanning 14 cities in Australia, Canada, India, the United Kingdom and the United States. More than 200 Pitney Bowes employee volunteers provided reading enrichment activities to more than 2,300 children, with additional support from the Pitney Bowes Foundation and RIF — all with the common purpose of motivating children to experience the pleasures and satisfaction of reading, both inside and outside the classroom. The events also provided a dramatic kickoff to Pitney Bowes's first annual Global Volunteer Month, a unified company-wide initiative in support of literacy and education around the world.



Pitney Bowes Volunteers at the Share the Message: READ! Family Literacy Night at Stepping Stones Museum, Norwalk, CT.



Adults and children share the joy of reading as Pitney Bowes volunteers host a spectacular Family Literacy Night at the Stepping Stones Museum for Children in Norwalk, CT. The event presented an opportunity to showcase the new Pitney Bowes Foundation-sponsored Family and Teacher Resource Room at the museum.

Scan this code to view the Share the Message: READ! Family Literacy Night video

Last year, we made literacy and education grants to 55 organizations in the United States. Our grants typically focus on communities where we have a presence and where the population is underserved or at risk. Many of the programs we support focus on children aged 3–12 from the pre-kindergarten level up through elementary and middle school. We support school-year enrichment initiatives such as Head Start, mentoring and after-school homework support, as well as summer learning opportunities to help consolidate gains made during the school year and minimize losses over summer vacation. We also support programs at the high school level and beyond, including mentoring, job training, ESL and GED courses.

Employees also invest their skills and expertise through hands-on volunteerism, tutoring and mentoring activities, special projects, and strategic nonprofit board involvement. Employees at every level of the company are passionate about this commitment and apply their energy and experience to help children, families, schools and related charities through thousands of hours of volunteer time each year.

Our major philanthropic partnerships include:

- Everybody Wins! USA — Project LEAP (Literacy Enhancement Action Plan), supporting local and regional affiliates as well as national mentoring programs for low-income elementary students.
- National Center for Family Literacy — programs that help parents and children learn together.
- National Literacy Trust (U.K.) — receives funding raised through the Pitney Bowes Pushing the Envelope Campaign, an annual auction of artwork designed by celebrities and executed on envelopes.
- National Urban League — youth education programs.
- Network For Teaching Entrepreneurship — middle school summer camps and a high school competition to help young people from low-income communities build entrepreneurial skills and launch businesses.
- Reading Is Fundamental — early literacy support for children and caregivers through family literacy events, activity guides, lending libraries, and book distribution.

Pushing the Envelope Pulls High Bids to Support Literacy Programs

Celebrity-designed envelope artworks hit the auction block every spring at Pushing the Envelope, a fundraiser run by Pitney Bowes for the United Kingdom's National Literacy Trust. In the last seven years the event has raised more than £95,000 to help transform lives through literacy.



Pitney Bowes Volunteers Doing Their Part in Detroit, Dallas and Spokane

Adina Ba is a Pitney Bowes senior analyst for corporate citizenship and philanthropy. In May 2012 she posted a video on the company blog highlighting the work of three local "Share the Message: READ!" initiatives and the leadership teams and partner organizations that made them happen. The Detroit, Dallas and Spokane events were part of a global program that reached 3,500 students with the help of 830 volunteer hours.



Pitney Bowes Spokane Community Leadership Team brings a day of Share the Message READ! to MLK community in Spokane, WA.



Pitney Bowes Volunteers at Voyageur Academy in Detroit, MI, after reading to 120 students.

One Mentor, One Child, One Book at a Time

Most Tuesdays from September to June, you'll find Pitney Bowes employee volunteers in Troy, NY, enjoying a Power Lunch along with members of half a dozen other business and community organizations. But it's not about gaining new business—it's about providing reading and mentoring for low-income kids who deserve a break. The Troy group, organized by the Literacy Volunteers of Rensselaer County, is part of Everybody Wins! USA's nationwide Power Lunch program, which matches at-risk children with adult volunteers for 30-40 minute sessions of one-on-one reading and conversation. After two years, the group now spans four schools, with two more planned for next year. In the words of one volunteer from Pitney Bowes Software, "It seems like a huge commitment but it's not, because what you get in return is priceless."

Pitney Bowes Signs Up for A Billion + Change

A Billion + Change is a Washington, DC-based national campaign to mobilize billions of dollars of pro bono and skills-based service to address core issues faced by communities across the country and around the world. Its purpose is to encourage businesses to engage, inspire and mobilize their employees' professional talents to better make a lasting impact on society. In 2011, Pitney Bowes joined the roster of A Billion + Change Pledge Companies by pledging its commitment to skill-based volunteerism and recognizing the many Pitney Bowes employees who regularly donate professional services to educational and charitable organizations.

Local Community Support

In addition to making contributions at the national and regional levels, we encourage Pitney Bowes facilities to support their local communities. The Pitney Bowes Foundation provides funding for certain local initiatives identified by 14 Local Community Leadership Teams across the United States. Teams allocate at least 70 percent of their budgets to local literacy and education programs, with the remainder available to meet other community needs.

A few of last year's achievements by local Leadership Teams:

- A team in Atlanta, GA, worked with First Step Staffing, contributing 5,600 hours to help homeless people gain jobs, housing and self-sufficiency through coaching, transportation and encouragement.
- A team in Dallas, TX, provided 4,600 learning hours of reading, writing, homework help, tutoring and games for young people through Project Learn, in cooperation with the Dallas Boys & Girls Clubs.
- A Washington, DC, team contributed 10,000 learning hours through the Urban Alliance's High School Internship program, which focuses on vulnerable youth with college potential. Program participants have proven to be six times more likely to graduate from college than their DC peers.



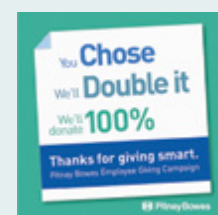
LIFE Tutoring program graduation: PB'er Sam Roberts and Alex, student.

LIFE Tutoring Program Celebrates 20 Years

Learning Is For Everyone: It's a valuable message for kids in elementary school—and the rest of us, too. It's also the name of a weekly tutoring program that brings children from Springdale Elementary School to Pitney Bowes's headquarters in Stamford, CT, for one-on-one homework and coaching sessions with employee volunteers. Last fall the LIFE Tutoring Program marked its 20th anniversary. During that time, more than 600 pupils in Stamford's South End have been mentored and tutored through homework help, reading and educational games.

Employees Use Social Media to "Give Smart"

A one-hour "Yam-Jam" on the Pitney Bowes Yammer social networking platform yielded 164 posts and more than 40 threads, as a company-wide online conversation helped spark an increase in contributions to United Way and other charities. The use of social media adds a powerful dimension to charitable fundraising, bringing employees together to celebrate the importance of supporting charities such as the United Way and the Pitney Bowes Relief Fund.



Employee Involvement

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

Matching of 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, and have recently added the Asia Pacific region. We conduct annual giving campaigns and allow employees to contribute through payroll deduction. We match their contributions to eligible charities 100 percent and cover all program administrative costs.

Global Grants for Volunteerism

Each year, we provide grants to nonprofit organizations where our employees volunteer through our individual recognition grant program (with grants ranging from \$125 for 25 hours of service to \$500 for 100 hours). We also cover the costs of supplies and materials needed for employee team volunteer efforts through our competitive team project grant program.

Volunteering that Supports Personal Development

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

Nonprofit Board Service Program

We encourage employees to serve on local committees and nonprofit boards and provide them with resources to find opportunities in their communities. We also work with grantee organizations and other charities whose missions support our philanthropic goals to identify volunteer leadership opportunities. Our Corporate Philanthropy and Strategic Talent teams work together to match employees' passions and development goals with the opportunities available. We also recognize outstanding volunteer initiatives through our company's highest employee honor, the Pitney Bowes Impact Award.

Holiday Mail for Heroes brings greetings to more than a million

Once again Pitney Bowes and the American Red Cross combined forces to bring holiday greetings from people all over the United States to military personnel, veterans and their families around the world. The 2011 outpouring of 1.2 million cards through the Holiday Mail for Heroes program was one of the largest in the five-year partnership. A new option allowed people to purchase specially designed cards online, resulting in an extra \$4,000 in donations to the American Red Cross. Since the program's inception in 2007, the public has sent more than 4.7 million cards to hospitals and military installations around the world, including those in Afghanistan, Germany, Japan and Kuwait.



“One rupee a day” from PB India employees adds up for local orphanage

A group at PB India found a painless way to collect funds for children from poor families. The opportunity to make a difference by donating “just one rupee a day” has proved to be a hit throughout the office. So far, they’ve raised more than 90,000 Indian rupees in support of a local orphanage.

AsiaPacific Employees Respond to a Year of Natural Disasters

From the earthquakes in Japan and New Zealand to the floods in eastern Australia, several disasters wrought havoc across vast areas and populations in 2011. Pitney Bowes Software employees pitched in with software, services, cleanup crews and a variety of related volunteer activity.



In the hard-hit areas of Ishinomaki and Gamaro Tohoku, Japan, 69 Pitney Bowes Japan employees joined volunteer parties working both weekdays and weekends through the spring and early summer of 2011. A second cleanup round in May 2012 also drew more than 60 employee volunteers.



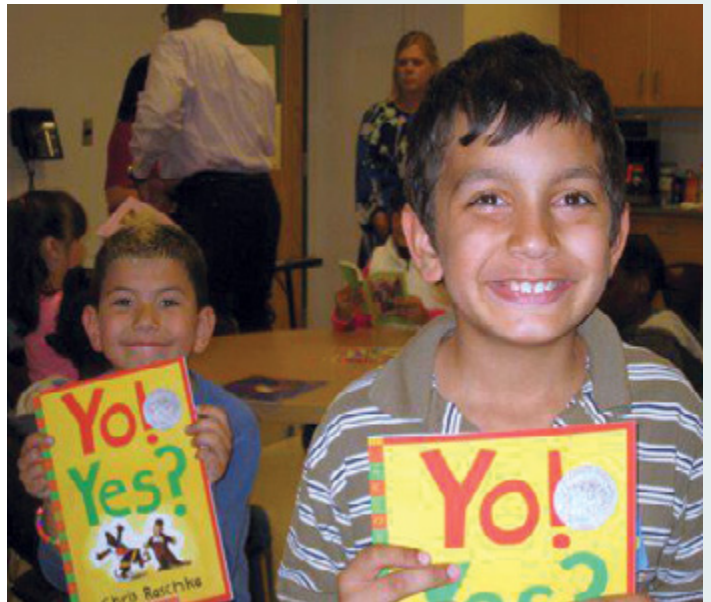
Friends of Thai Daughters Reaches Around the World to Stop Human Trafficking

Eric Yves Mahe, President, Growth Markets, based in Singapore, has been involved for two years in the fight against human trafficking in the Mekong region. As part of this effort, he recently joined the board of Friends of Thai Daughters, a U.S.-based nonprofit working to prevent trafficking by providing children in northern Thailand with a safe place to live and a quality education. Recently, Pitney Bowes awarded a grant to Friends of Thai Daughters in recognition of Eric's leadership. The funds will support the building of the organization's first school and its first year of operation.

Disaster relief

The Pitney Bowes Relief Fund, a U.S. 501(c)(3) charity, was established in 1992 to provide for colleagues and others whose lives are disrupted by natural disasters or personal misfortune. Financed by employee contributions and a Foundation match, the Relief Fund gives recipients access to food, shelter, clothing and medical care in catastrophic situations. Pitney Bowes bears the Relief Fund's administrative costs, ensuring that all donations directly benefit those who need assistance. The Salvation Army manages the Relief Fund's grants and refers employees to community-based resources where appropriate. Since its inception, the Relief Fund has distributed more than \$2.7 million in assistance.

In addition, the Pitney Bowes Foundation launches special matching appeals following natural disasters that impact Pitney Bowes employees, customers and communities outside the U.S. In 2011, appeals conducted following the earthquakes in Japan and New Zealand resulted in \$37,000 in donations and matching funds to the Red Cross, AmeriCares, the International Rescue Committee and Save the Children.



Performance 2011

- Total Giving (Pitney Bowes Foundation and Corporate Contributions): \$4.8 million

Literacy and education contributions (by focus area)

- Achievement gap: 55%
- Workforce preparedness: 45%

	2009	2010	2011
Students served	21,774	30,461	31,669
Student hours	625,661	987,935	1,332,617

General charitable contributions

- Total match of employee charitable contributions: \$2 million
(Includes U.S., Canada, UK and Republic of Ireland)

Employee volunteerism

- Employees volunteered over 76,000 hours in 2011
- Aggregate value of employee volunteerism: nearly \$1.6 million*
(based on combination of hands-on and skill-based volunteer activities and nonprofit board service)

Every connection is a new opportunity™

