

SUPPLIER PRINCIPLES

For more than a century, JCPenney and its subsidiaries have built a legacy of operating in an ethical and socially responsible manner. We recognize that a critical factor in our continuing success as a leader in the retail industry is our ability to build and sustain strong relationships with our suppliers – relationships based on trust, integrity and high standards for ethical behavior and legal compliance. These Principles outline JCPenney’s expectations of all suppliers that conduct business with our Company.

We expect our suppliers to support the fulfillment of these Principles by incorporating them in their own internal business processes, which they consistently apply and communicate to their employees, their suppliers, service providers, and subcontractors.

ETHICAL BUSINESS PRACTICES

At JCPenney, we commit ourselves to the values expressed in our Statement of Business Ethics, which is derived from the belief of our founder, James Cash Penney, in doing business according to the Golden Rule: “Do unto others as you would have them do unto you.” The JCPenney Statement of Business Ethics sets out the standards by which all JCPenney associates promote a culture of integrity and legal compliance, including guidance on relations and interactions with suppliers. Suppliers who do business with JCPenney must share our values and ethical commitments. We deal openly and ethically with our suppliers and, in return, we expect our suppliers to:

- Comply with all applicable laws and regulations, including laws related to countering bribery and corruption, and JCPenney’s standards.
- Maintain independence and impartiality in all business relationships.
- Never engage in bribery or corruption, or offer anyone an improper payment or gift for the purpose of obtaining or retaining business or securing an improper advantage for JCPenney as outlined in the [Statement of Business Ethics](#)
- Never offer or give our associates anything of value.
- Ensure the security, confidentiality, and integrity of JCPenney confidential information.
- Maintain accurate books and records in accordance with laws and accepted accounting practices.
- Cooperate with legitimate government investigations.



WORKING CONDITIONS

JCPenney is committed to having a diverse and inclusive workforce where everyone is respected, valued and has a voice in contributing to our business success. We also recognize our responsibility to follow the employment and human rights laws of every country in which we operate. We ask our suppliers to adopt similar practices in their business operations and in their relations with component, raw material and service providers and expect them to:

- Maintain a safe workplace environment (and, if provided, residential facilities) and comply with all applicable laws and JCPenney’s standards regarding working conditions, including accident prevention, health and safety, fire safety, and electrical, mechanical, and structural safety.
- Implement management systems and controls that identify hazards and assess and control risks.
- Ensure employees, contractors and service providers are not subject to physical, sexual, psychological or verbal abuse, coercion or intimidation.
- Compensate employees for their standard and overtime hours in compliance with local laws.
- Comply with all applicable employment, benefits, work hours and overtime laws, including providing workers at least one in seven days off.
- Respect employees’ legal rights on freedom of association and collective bargaining.
- Prohibit the use of child labor.
- Prohibit the use of prison, indentured, bonded, slave, forced or compulsory labor, and human trafficking.
- Employ people on the principle of equal opportunities without discrimination based on age, organizational affiliation, disability, gender, marital or family status, pregnancy, national, social, or ethnic origin, race, religion, community identification, or sexual orientation.
- Ensure equal treatment of women in all aspects of employment.
- Ensure the freedom of movement of workers.



SAFE QUALITY PRODUCTS

At JCPenney, we take special care to ensure that JCPenney merchandise meets the highest quality and safety standards. We have long been a leader in consumer product safety measures to make sure all products we sell meet or exceed product safety requirements. However, JCPenney cannot meet its product safety and quality goals alone; we rely on suppliers to implement procedures to fulfill our high standards and we expect our suppliers to:

- Comply with all applicable product safety laws and regulations, including applicable state requirements.
 - Comply with applicable JCPenney's quality standards.
 - Implement and maintain processes and procedures to monitor and test the safety and quality compliance of raw materials, packaging components and final products sold to JCPenney.
 - Maintain accurate books and records related to product safety and quality compliance.
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SOCIALLY RESPONSIBLE SUPPLY CHAIN

JCPenney is dedicated to preventing the sale of products produced at the expense of communities, workers or the environment. We work with suppliers who share our commitment to a socially responsible supply chain and we expect our suppliers and their facilities to:

- Comply with all applicable laws and regulations including applicable state requirements and JCPenney's standards and sourcing policies including certification requirements.
 - Develop processes and procedures for ensuring that material, component and service providers also conduct their business operations in a socially responsible manner.
 - Comply with Conflict Minerals regulations as outlined in [JCPenney Conflict Minerals Policy](#).
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ENVIRONMENTAL IMPACT

JCPenney continually seeks to use good judgment with respect to the environmental impact of our business operations, and to develop and implement plans, programs and policies for eliminating or minimizing significant threats to the environment. We work with our suppliers to develop products, packaging and procedures that are environmentally responsible. We set ambitious goals to improve our Company's performance in this area and expect our suppliers to set similar commitments, and to:

- Understand and be aware of significant environmental impacts (negative and positive) of business operations.
- Seek to reduce negative environmental impacts including energy and carbon emissions, waste generation, water usage, and any discharges to the environment.
- Comply with all applicable environmental laws and regulations and JCPenney standards.
- Demonstrate sensitivity to environmental issues that may impact local communities.
- Comply with JCPenney's Restricted Substances List.
- Develop processes and procedures for the proper and safe handling, storage, transportation and disposal of hazardous waste in compliance with all laws and regulations.

COMMUNICATION, COOPERATION AND COMPLIANCE

JCPenney is committed to working with suppliers to encourage legal and ethical compliance and sound business practices. The relationship between JCPenney and its suppliers is based on open dialogue and joint efforts.

These Principles are an integral part of our supplier selection process. JCPenney works with suppliers, industry groups and experts to identify best practices and to develop tools for assessing, monitoring and improving suppliers' performance and compliance. We require our suppliers to cooperate with all audit assessment, investigation, and monitoring processes requested by JCPenney. We require suppliers to work with JCPenney to remediate issues that may be discovered during monitoring. If a supplier fails to meet our requirements, we will take decisive corrective action, up to and including cancellation of contracts and termination of our relationship.

Suppliers are encouraged to contact JCPenney with any questions or concerns about our expectations and are expected to report a potential ethical or legal violation involving JCPenney business which may be reported confidentially in local languages. To that end, we provide a hotline, which can be accessed via a toll-free telephone number 1-800-527-0063 or website found at www.jcpjline.com. We will never retaliate against someone for raising good faith concerns about potential violations of law, ethics, or JCPenney policy.