

JCPenney

Statement of Business Ethics

2023



Focus & Commit to **High Standards**

Associates,

At JCPenney we're fortunate to be a part of a great tradition founded on the Golden Rule – “Do unto others as you would have them do unto you.” Integrity is a part of who we are as a Company and it is everyone's responsibility to uphold JCPenney's legacy by performing our jobs honestly and ethically.

Our Statement of Business Ethics encourages ethical conduct and integrity and rejects all forms of discrimination and harassment. We each must strive to make sound, ethical choices that serve our customers, improve our communities and inspire our fellow associates.

Each year, JCPenney asks associates to re-affirm their commitment to following these high ethical and business standards by reviewing and acknowledging the Statement of Business Ethics. When we take the time to do what is right, we renew our commitment to acting ethically and building trust to make JCPenney stronger.

Thank you for your continued dedication to JCPenney and our culture of integrity.



Marc Rosen
Chief Executive Officer



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Our Commitment

Ethical behavior is a vital part of JCPenney's values and our way of doing business. How we conduct ourselves each day with each other, our customers, our owners, our vendors and our community partners forms the basis of our reputation. Our customers and other stakeholders expect us to focus on and commit to the highest ethical standards and to act with honesty and integrity.

As an Associate you play a key role in honoring this commitment and are expected to:

- Read and be familiar with the information in the Statement of Business Ethics, (the "SBE")
- Certify that you have acted, and will continue to act, in accordance with the SBE
- Act in an ethical manner consistent with applicable laws, regulations and JCPenney values
- Raise questions and concerns if you become aware of possible violations of laws, regulations, or the SBE
- Cooperate fully when responding to an investigation or audit

Managers also play an important role and should demonstrate commitment in the following manner:

- Be a positive role model and support your team
- Create an environment that is respectful and inclusive
- Encourage associates to speak up
- Listen, respond and act upon concerns when they are raised, in a timely manner
- Do your part to make sure no one experiences retaliation for speaking up or cooperating in an investigation
- Be consistent when enforcing our requirements and holding associates accountable for their behavior at work



Getting Help – Raising Concerns

As a JCPenney associate, you are expected to exercise good judgment at all times. This begins with fostering a culture of open communication. Honest and ethical workplaces are built by dedicated associates who are willing to speak out against unethical or illegal behavior. Sometimes it may seem easier to stay quiet or look the other way when someone violates our policies, but doing nothing can result in serious consequences to you, your fellow associates and the Company. All associates have a duty to report any known or suspected violations of our SBE, JCPenney policies and the law. Associates with questions about the applicability or interpretation of any law or regulation should contact the Legal Department.

The SBE is not intended to be a comprehensive rulebook and cannot address every situation you may face. If you are unsure about how to handle a situation or have any doubts about whether it is consistent with the Company's ethical standards, ask. You may raise a concern at any level but starting with your manager is probably the best first step. If your manager cannot answer your question, or if you do not feel comfortable contacting your manager, depending on the topic, you can reach out to [JCPLine](#), [Human Resources](#), [Asset Protection](#), ethics@jcp.com, [Internal Audit](#), or [Legal](#).

JCPLine

JCPLine is available around the clock as a resource you can use to raise concerns, including issues involving ethics, legal compliance, employee relations, accounting, asset protection, safety and environmental practices. JCPLine is operated by an organization independent from JCPenney.

You may contact JCPLine toll-free at 1-800-527-0063, or you may visit www.JCPLine.com. Associates and others outside the United States may call a local international number. A directory of numbers by country is available at www.JCPLine.com. JCPLine has interpreter services that can translate multiple languages.

If you choose to raise a concern, the more information you provide, the better the Company will be able to investigate and take appropriate action. If you choose, you may remain anonymous when you contact JCPLine.

Question: What happens when a call is placed to JCPLine?

Answer: JCPLine is answered by an organization independent from JCPenney. A live operator will ask you a series of questions to gather information about your concern and you will be given a case number if you want to follow-up. If you choose, you may remain anonymous when you contact JCPLine and still follow-up using the provided case number. The information you provide will be forwarded to the appropriate JCPenney department for review and action. Your concerns will be investigated promptly and treated in as confidential a manner as possible.



Point your smartphone camera at this QR code, then tap the pop-up notification to go to the JCPLine website.



No Retaliation For Raising Good Faith Concerns

JCPenney has a strict policy against retaliation, so do not hesitate to raise an issue regarding possible legal, ethical or JCPenney policy violations. Associates who have made a good faith report will not be subject to any adverse action or consequences. Retaliation is not tolerated.

Question: What does reporting a concern in good faith mean?

Answer: Good faith means sharing a concern where you honestly believe there may be a violation of our SBE, our policies or the law.

Question: I saw a fellow associate doing something that seemed unethical, but I'm afraid to report the suspected violation. Should I be concerned about getting myself or this associate in trouble or harming either of our reputations?

Answer: No. You should report any suspected violation in good faith. JCPenney will not retaliate against anyone who raises concerns in good faith. Your concerns will be investigated promptly and treated in as confidential a manner as possible and if the associate is found to have acted inappropriately, that misconduct will be addressed. We are all expected to perform our duties with integrity and are accountable for our own actions when conducting business for JCPenney.



We Are Committed to Diversity, Inclusion and Equal Opportunity

Everyone at JCPenney should and must be treated equally with courtesy, dignity and respect. We are committed to diversity and inclusion, and at our core is the existence of a workplace where all associates feel empowered, valued and accepted. We do not compromise on these principles and do not tolerate any form of discrimination, harassment or retaliation. JCPenney is committed to providing current associates and potential candidates equal employment opportunities. This means employment decisions are made without regard to race, color, religion, ethnicity, national origin, sex, sexual orientation, gender identity and expression, marital status, family status, active military or veteran status, age, citizenship, immigration status, disability, pregnancy, genetic information, or any other status protected by law.

Question: What is harassment?

Answer: Harassment is unwelcome conduct, verbal or non-verbal, that is based on a person's race, color, religion, ethnicity, national origin, sex, sexual orientation, gender identity and expression, marital status, family status, veteran or active military status, age, citizenship, immigration status, disability, pregnancy, genetic information, or any other characteristic protected by law. While some harassment may or may not be illegal, depending on the severity and offensiveness of the conduct, JCPenney forbids all forms of harassment and bullying behavior, even if the conduct is not severe enough to be considered unlawful.

Question: What is discrimination?

Answer: To “discriminate” against someone means to treat that person differently, or less favorably, because of their race, color, religion, ethnicity, national origin, sex, sexual orientation, gender identity and expression, marital status, family status, veteran or active military status, age, citizenship, immigration status, disability, pregnancy, genetic information, or any other characteristic protected by law. JCPenney is an equal opportunity employer and forbids discrimination against applicants and associates with regard to the terms and conditions of their employment, which includes but is not limited to recruiting, hiring, compensation and benefits, promotions, transfers, training and access to facilities as well as the enforcement of its policies, including its disciplinary policies.

Question: I feel that I’m being discriminated against by my manager. What do I do?

Answer: All JCPenney associates should have a work environment free from discrimination, harassment and retaliation from anyone. If you feel you’re being discriminated against, and you are uncomfortable speaking directly to your manager, you should speak to your manager’s manager or your Human Resources representative. You can also contact JCPLine.

Working Remotely

Some JCPenney associates spend some or all of their time working remotely. Remote work can create unique ethical and compliance challenges. For example, JCPenney must comply with all state and local laws and regulations, as well as tax laws, in the locations in which our associates work, including whenever they are working remotely. To ensure JCPenney complies with all legal requirements, you must inform your manager of your work location when working remotely. Attempting to conceal your location, such as through the use of an anonymous virtual private network (VPN), is unacceptable and prevents JCPenney from complying with all applicable laws. Also, when working remotely, associates must be as communicative and responsive, and as able to accomplish their assigned tasks, as they would be if they were working in person. Remote associates should also take special precautions, if necessary, to make sure sensitive and confidential JCPenney information remains confidential.



Conflicts of Interest

Every single day, JCPenney relies on its associates, at all levels, to uphold its ethical principles, including avoiding conflicts of interest or the appearance of a conflict of interest. This means being aware of potential conflicts of interest, where your personal life (activities, relationships, or financial affairs) could inappropriately influence, or appear to inappropriately influence, your judgment in performing your responsibilities at JCPenney. A conflict of interest exists when your personal interests interfere with the best interests of JCPenney.

You should tell your manager and then make a full and prompt disclosure through the Associate Kiosk of the facts regarding actual or potential

conflicts, even if you are in doubt about whether a conflict exists. The determination of whether there is a conflict, or appearance of a conflict, will be made by the Company, and not by the associate(s) involved. You must receive approval from the Ethics and Compliance Office before you take any further action. For further guidance on how to make a disclosure, [click here](#).

Question: Can I work for JCPenney's photo studio (Lifetouch) or JCPenney Optical (U.S. Vision) and at a JCPenney store?

Answer: No. You would not be able to work at one of JCPenney's photo studios or the Optical store as it would create a conflict of interest being co-employed at the same location as well as raise labor and employment concerns. For other JCPenney vendors, associates should make a disclosure prior to starting the second job so that a determination can be made as to whether there is a conflict of interest. Generally, there would be no conflict when a non-management JCPenney associate takes a non-management position with a JCPenney vendor that does not involve decision making on JCPenney matters.

Question: May I serve on the board of directors of an outside enterprise or organization?

Answer: If you plan to serve on a board, you must obtain approval from your manager, make a full and prompt disclosure through the Associate Kiosk and wait for a response before accepting the position.

Question: I would like to work part time on the weekends at a local department store to make extra money for the holidays. Is this a conflict?

Answer: It depends. Before starting a second job, you should tell your manager, make a full and prompt disclosure through the Associate Kiosk about the second job and wait for a response before starting the second job.

Question: I am a full-time Home Office associate who frequently works remotely. I would like to work a second job, do I need to get approval from my manager before beginning to work for another employer?

Answer: Yes, you should tell your manager, make a disclosure through the Associate Kiosk, and obtain approval before beginning to work a second job. As a full-time associate, it may be a conflict of interest to take on employment that would prevent you from performing your expected duties. Requests to work a second job are handled on a case-by-case basis, but it may be a conflict to work for a competitor, and is never appropriate to rely on confidential JCPenney information in your second job. This requirement to disclose and get approval for second jobs applies whether you are working remotely, working a hybrid job or working in-person. Additionally, whenever working remotely, you are expected to be as responsive and communicative as associates who work in-person.

Relatives

The possibility of a conflict of interest is at its peak when a relative is involved. You must not use your position at JCPenney to influence your relative's position at JCPenney; nor should you be in a position to make or

influence a decision relating to another company in which both JCPenney and a relative have an interest or could benefit. The same goes for decisions involving organizations where your relative has a business or personal relationship. If you are concerned about a perceived conflict, it is your responsibility to disclose such relationships. No relative of a JCPenney associate in a leadership position will be permitted to call on JCPenney as a representative selling or seeking to sell goods or services unless the matter has been disclosed and approved in advance by the Ethics and Compliance Office. For more information, please review the Company's [Employment of Relatives Policy](#).

Question: May my sister apply for a job opening in my unit?

Answer: Yes. Your sister may apply as long as neither of you would have a reporting relationship with each other, neither would have any Manager on Duty responsibilities, business influence or oversight authority over the other (such as in Asset Protection or Human Resources) and you do not influence the hiring or career decisions. You should tell your manager about the situation and make a full and prompt [disclosure](#) through the Associate Kiosk.

Gifts, Meals and Entertainment

Good business relationships are built through trust and integrity, not through the exchange of gifts and other favors. You should avoid the acceptance of gifts or other favors that might create a conflict of interest or the appearance of a conflict of interest. Except as expressly permitted below, associates may not give, solicit, accept, or receive gifts, meals or entertainment. This applies to anything given or received as the result of an actual or potential business relationship.

Some exceptions:

- Nominal gifts: Modest gifts such as t-shirts, inexpensive pens, mugs, calendars, note pads, charging devices or other promotional gifts (typically with a supplier logo) may be accepted, as long as the value of the gift does not exceed \$25. This applies to gifts awarded through random drawings or raffles conducted by suppliers.
- Non-cash, perishable gifts: As long as you share them with your department, you are allowed to accept gift items such as gift baskets, cookies, chocolates, or flowers.
- Business meals:
 - ◇ Not at a JCPenney facility: It is preferable that associates pay for their own meals when dining with suppliers. However, as long as they are infrequent and not extravagant and there is the opportunity for reciprocity, meals outside a JCPenney facility that serve a business purpose are not considered gifts or entertainment and may be accepted. It is critical that any business meal not create a sense of obligation or result in favored treatment of a supplier or business partner. When judging whether a meal is extravagant, consider the applicable individual per diem for the city where the meal occurs.

- ◊ At a JCPenney facility: If a supplier brings a meal or food into a JCPenney facility, it must first be approved by your [designated approver](#).
- [General/Industry events](#): Events such as receptions or dinners where multiple clients or potential clients are invited may be accepted.
- [Entertainment](#): It is preferable that associates pay for their own entertainment. However, as long as it is infrequent and not extravagant, you may accept an invitation from a supplier to a sporting, concert, theater or similar event in which the supplier is also attending and where business will be discussed. Before accepting, you must obtain prior written approval from your [designated approver](#).
- [Third-party training, conferences or business-related travel](#): It is preferable that associates use company funds for training, conferences or business-related travel. However, some training or conferences funded and conducted by third parties may be accepted if they serve a business purpose and with prior written approval from your designated approver. Similarly, supplier-paid travel for a business meeting may be accepted with prior written approval from your [designated approver](#).

JCPenney associates should **not** accept the following:

- Cash, cash equivalents, or gift cards, regardless of value
- Gifts of alcohol, such as bottles of wine or liquor, or tobacco
- Tickets to events where the supplier is not present
- Gifts that are more than \$25 in value
- Leisure travel (that is, travel that is not primarily for a business purpose)

Additionally, JCPenney associates should never request or solicit any gifts, meals, entertainment or travel from a supplier.

Gifts, meals, entertainment and travel should never influence your judgment or another's judgment. If accepting any of the above – no matter what value – would influence your business judgment, you should not accept it.

If you receive an unsolicited gift, reach out to the [designated approver](#) on your team. They may have ways to avoid a conflict of interest, such as using the gift in a department-wide raffle. Advise the supplier that Company policy prohibits acceptance of such gifts and that the gift has been donated. If you are a store associate, give the gift to your General Manager. Remember, you must follow all other Company policies, including the [Travel and Expense Policy](#). Your unit or department may have additional requirements about reporting and receiving approval.

Associates in locations outside of the U.S. and U.S.-based associates who travel or work internationally must follow the guidelines established by the [International Gifts Policy](#).

Question: A supplier offered me and another JCPenney associate two tickets to our local sports team's next game. The supplier cannot attend; my fellow associate and I thought we would just go by ourselves. Should we accept the tickets?

Answer: No. Because the supplier will not be with you at the game, there is no business purpose for this outing. Even if the supplier would be in attendance, you should seek prior approval from your [designated approver](#).

Question: A supplier invited me to a business trip with him and offered to pay for the trip (airfare and hotel stay). May I accept the supplier's offer?

Answer: Not without the prior approval of your [designated approver](#). If this is a business trip for a legitimate business purpose and the travel expenses are reasonable, then it may be permissible under the SBE. It is up to the designated approver to decide whether it's in JCPenney's best interest for you to go on the trip at the supplier's expense.

Interest in Competitors

You have a duty of loyalty to JCPenney, so you should never have any direct or indirect interest in, or involvement with, any JCPenney competitor if it might interfere with, influence or appear to influence you in the performance of your Company duties. This specifically includes management associates who would like to work for a competitor while also working for JCPenney. Ownership of stock in a competitor will not be considered a conflict of interest if both of the following conditions exist: (1) the stock is publicly traded and (2) the amount owned by you does not exceed one tenth of 1% of the competitor's outstanding shares.

Relations with Suppliers

Our Company selects suppliers on the basis of price, quality and performance. You must avoid personal, financial, or other involvement with a supplier with whom you do, or are likely to do, business on behalf of JCPenney. Additionally, you should never – for your own or anyone else's personal use, interest, or financial gain – purchase products directly from suppliers doing business with JCPenney, or with whom JCPenney is negotiating to do business, unless the supplier has its own retail or service operations and then only at prices available to the general public. JCPenney may negotiate special discounts on supplier merchandise or services available to all associates. Any other discounts that are not part of our benefits programs must receive prior written approval from the [Ethics and Compliance Office](#).

You are prohibited from using your employment status at JCPenney to request or influence any JCPenney associate, supplier, or potential supplier to provide you or anyone else with anything of value (including any preferential treatment or favorable pricing) for your or anyone else's personal use, interest or financial gain. You should never solicit suppliers to engage in activities outside of their business relationship with JCPenney, including voluntary charitable contributions. If you have questions, please contact philanthropy-sm@jcp.com.

Former Associates

Many talented people have worked for JCPenney in the past. While we

appreciate their contribution and wish them success, we must avoid making any Company decisions based upon our personal relationships with those former associates. Former JCPenney associates who leave JCPenney may not call on JCPenney as a representative of a supplier selling or seeking to sell goods or services until at least **one year** has elapsed since the former associate left JCPenney.

Taking a Corporate Opportunity

You should never take for yourself, nor divert to anyone else, a business or financial opportunity that JCPenney may have an interest in pursuing.

Question: I have a store front on eBay to earn extra money. Am I doing anything wrong?

Answer: Possibly. You would not be allowed to take JCPenney business by purchasing merchandise from JCPenney for the purpose of reselling these items on your eBay store front. You should tell your manager and make a full and prompt disclosure through the Associate Kiosk about this activity.



We Operate Ethically Where We Do Business

Not only do we comply with JCPenney policy, but we also respect and follow the laws of the countries and jurisdictions in which we do business. We are residents and citizens of the communities and countries in which we operate and absolutely must ensure all applicable laws are followed. No officer, associate, or director of the Company has authority to engage in conduct that violates applicable laws and regulations of the United States or other lands where we do business, or to authorize or direct such conduct by others. Violation of laws can result in corporate and personal criminal and financial liability and penalties, as well as damage to our Company's reputation.

We also require our suppliers to comply with all laws and our business ethics principles. For further information, see [JCPenney's Supplier Principles](#).



Financial Integrity

The integrity of JCPenney's financial records and reports is essential. JCPenney associates, owners, regulatory agencies, lending institutions and others depend on the accuracy of such information. JCPenney strives to fully, accurately, timely and fairly report all financial transactions in its accounting records.

JCPenney relies on its associates, no matter their position, to process and maintain JCPenney's business and financial records accurately and honestly, including but not limited to timesheet records, payroll, point of sale, inventory and shrink.

We must maintain books, records and accounts that, in reasonable detail, accurately and fairly reflect JCPenney's business transactions. False, inaccurate, or misleading entries and inappropriate omissions are prohibited. You should not participate in or ask anyone else to participate in such activities. No JCPenney fund, asset or account may be established or acquired for any purpose unless that fund, asset or account is accurately reflected in JCPenney's books and records.

JCPenney has established complaint procedures for the confidential and anonymous submission of information by associates and other persons to report questionable accounting, internal accounting controls or auditing matters. Reports may be made through JCPLine at 1-800-527-0063 or www.JCPLine.com.

Question: My manager wants me to submit an invoice for \$20,000, but she only has approval authority up to half that amount. Can I divide the invoice into two payments of \$10,000 so that I won't have to get approval from someone with greater authority?

Answer: No. You need to first obtain the appropriate approval. If you are uncomfortable challenging your manager in a professional manner, report the incident to your manager's manager, Human Resources or JCPLine.

Question: I am slipping behind on my bills and need to get some money out of my 401(k) funds. I've heard I can apply for a "hardship withdrawal" from my 401(k) if I have an eviction notice from my landlord, but I don't want to wait until my financial situation is that desperate. Can I or another associate create a "mock" eviction notice to support my application for a "hardship withdrawal"? After all, the money in that fund is my money.

Answer: No. The "hardship withdrawal" process requires that you provide an actual eviction notice from your current landlord. Creating a fictitious eviction notice to support your application for a "hardship withdrawal" would not only violate that process, it would put your employment at risk. JCPenney's SBE and Performance Improvement and Corrective Action Policy provide that falsification of any Company document or other record used by the Company is grounds for immediate termination of employment.



Antitrust

Our Company believes in free and fair competition and obeys all antitrust laws, also known as competition laws. These laws protect consumers by promoting competition in areas such as pricing, service, merchandise selection, quality and innovation. JCPenney does not act in ways that suppress competition, such as price fixing, allocation of markets or allocation of suppliers. Price fixing occurs when two or more competitors agree to set a price. Allocation of markets or suppliers occurs when competitors agree to split up suppliers, products or customers (for example, by geography), to avoid competing against each other in those areas or markets. You must avoid agreements with competitors or suppliers that would have any of these or other anticompetitive effects. When participating

in industry or benchmarking groups, you should avoid sharing information or making agreements that would limit competition. Violations can lead to serious consequences for both JCPenney and the individuals involved.

Antitrust laws also prohibit companies from agreeing not to hire each other's employees ("no-poach" agreements) or coordinating to set compensation at particular levels ("wage fixing").

Question: I have been invited to attend the annual meeting of an industry "working group," which includes representatives from competing retailers. The purpose of the meeting is to discuss best practices and industry standards in our field. The event organizers told me there will be breakout sessions when participants will be able to discuss our companies' current practices, such as the prices we charge suppliers. Are there special issues involved when attending an event like this?

Answer: Absolutely. Although participation in "working groups" may be in the Company's interest, it can raise sensitive issues, so you should contact the [Legal Department](#) before you participate. Some of the activities that you described would violate JCPenney policy and could even be an antitrust violation. You must not disclose JCPenney proprietary information to other participants in the group. Further, any discussion of Company-specific pricing or promotional information is strictly prohibited. In addition, you must not agree with any other members to work with, or to refuse to work with, suppliers or take punitive action against specific retailers or suppliers for any reason. If issues such as these are raised, you should contact the [Legal Department](#). Sidebar conversations between attendees on these sensitive issues should be avoided. If any matters related to the working group involve recommendations for government engagement, please notify and consult with JCPenney Government Relations before confirming the Company's position.

Question: JCPenney is having difficulty hiring and retaining qualified IT associates. We've considered reaching out to our IT vendor, who also has a large office in the area, to propose an agreement asking them not to hire any of our associates if we agree not to hire any of theirs. At a minimum, we might agree not to have our recruiters contact anyone currently working for the other company. Is this okay?

Answer: No. These types of arrangements, even if they're not part of a written agreement would be considered a "no-poach" agreement and could violate antitrust laws, subjecting the Company to hefty civil, and even criminal, penalties.

Question: I'm concerned about the rapid rise of labor costs in my market and how it might impact the Company's bottom line. Is it okay for me to contact my friends at other retailers and find out what they are paying their employees? I'd also like to suggest that we keep wages steady in my market and not offer any increases for now.

Answer: Even discussing wages with competitors puts the Company at risk of running afoul of antitrust laws and the potential for wage fixing, and such discussions should be avoided. JCPenney should never suggest or discuss coordinating limits on wages, benefits, or any other terms of employment.



Bribery & Anti-Corruption Prohibitions

We do not tolerate bribery or corruption, regardless of where we are located or where we do business. Never pay, promise or offer, directly or indirectly, money or anything of value to a government official or political party for the purpose of influencing, retaining or directing an official act or decision in order to obtain or retain business or secure an improper advantage.

Always comply fully with the anti-bribery and anti-corruption laws of the countries in which we do business, including the [Foreign Corrupt Practices Act \(FCPA\)](#). No business or partnership is exempt from these restrictions. There are limited legal exceptions to these principles that require prior approval from the [Legal Department](#). This prohibition also includes food and beverages for foreign officials.

Bribery of Public Officials

No JCPenney assets or any other funds may be used to bribe or influence any decision by an employee of any government department or agency, government-owned entity, international organization, political party or candidate for political office. The FCPA and laws of other countries strictly prohibit giving, promising or offering money or anything of value, directly or indirectly, to such persons in order to obtain or retain business or to gain any improper business advantage. Not all bribery takes the form of cash payments. It can take the form of gifts, travel, entertainment, employment, sporting events, merchandise samples, anything of value or benefit or any unfair advantage. While token hospitality gifts or entertainment may be appropriate in a particular situation, extravagant gifts or entertainment of government officials is never appropriate. Cash is never an acceptable gift and giving or receiving cash may be viewed as a bribe or kickback and is against JCPenney policy and violates US and International law.

You may not give, promise, offer or authorize, directly or indirectly, any payments to government officials of any country. Even relatively nominal gifts, services to and/or improper entertainment of government personnel or their family members are prohibited because they may be viewed as attempts to influence government decisions in matters affecting JCPenney. This prohibition applies to any payments or thing of value received through consultants, suppliers or other third parties on JCPenney's behalf.

Question: Who is considered a government official?

Answer: A government official is any official or employee of a government or public international organization (including departments or agencies of those governments or organizations) or any person acting in an official capacity. Also included are employees of a state-run or state-owned business, such as a public utility.

Question: I was told I have to pay extra to a customs official to clear our products through customs. Can I do this?



Answer:

No. Laws of most countries prohibit such payments under any circumstance and the Company prohibits making such payments in any country. In addition, payments should never be made to an individual. This is a very complicated area and the penalties for violating the laws are severe. There are limited exceptions to this prohibition that require approval in advance from the [Legal Department](#) before making any payment to a customs or other government agency and proper record of the payment must be maintained.

Commercial Bribery

You are strictly prohibited from paying a bribe or giving anything of value or benefit or giving any unfair advantage intended to influence the judgment or business conduct of a person in a position of authority. Similarly, you may never accept or solicit bribes, kickbacks, payoffs or other types of payments from any organization or individual seeking to do business with, doing business with or competing with JCPenney.

Political Activities

You should feel free to become involved in political affairs and the political process if you are interested, but please do not bring your activities to work. Such activities must be restricted to your personal time, resources and facilities. You may choose to make a political contribution or participate in the political process or choose to avoid doing so. These choices will not impact your employment.

If you wish to hold public office, whether elected or appointed, the potential for conflict of interest, or the appearance of conflict, must be taken into account. Therefore, you should consult the [Government Relations Policies](#) and must disclose the intent to seek public office to your manager and through the Associate Kiosk. You must receive approval before initiating any action.

Corporate donations or contributions of anything of value, including cash, merchandise or services, in connection with political activities are, generally, either illegal or strictly regulated by law. JCPenney's contacts with, and donations to, federal, state and local legislators and executive branch officials are also regulated by law and must be reported through federal and state lobbying disclosures. Any government contact must be reported to and coordinated with JCPenney Government Relations. Failure to comply with these regulations could result in fines or criminal penalties. All proposed contacts, payments, donations or services in any of these areas must be reviewed in advance and approved in writing by JCPenney's Government Relations Department. For more information about political involvement, review the [Government Relations Policies](#) or email grgroup-sm@jcp.com.

Question:

I've identified a trade association that might benefit my unit and I want to have JCPenney join. Can I?

Answer:

Prior to using Company funds to join a trade association and participate in a policy committee or board position, you must consult with Government

Relations at grgroup-sm@jcp.com. Upon joining any association, a copy of the dues invoice must be provided annually to Government Relations for state and federal reporting requirements ([Reporting Memberships Policy](#)) and you must keep Government Relations advised to assure consistency with Company policy and interest. See [Policy on Legislative Activity of Trade Associates](#) for further details.

Question: I'm attending a town hall meeting held by my congressional leader and intend to ask a question regarding trade issues important to JCPenney. What should I do to prepare?

Answer: You should coordinate and get clearance from Government Relations. If your questions/concerns are unrelated to JCPenney, you do not need to contact Government Relations. See [Policy on Interaction with Elected Officials](#) for further details.

Question: I plan to host a panel at a widely attended trade association event that will have both elected officials and staff in the audience. Can I, and what should I do to prepare?

Answer: JCPenney is proud to have our associates representing our brand; however, any public panel or event should first be coordinated through JCPenney Government Relations and Communications prior to participation and any presentation materials should be reviewed to make sure no confidential information is being shared with event participants.



Media Relations

You may not respond on behalf of JCPenney to inquiries (written or verbal) from media (print, broadcast or online), news organizations, trade publications or any other source without prior approval from Media Relations. If you talk directly to reporters on JCPenney's behalf without going through Media Relations, you run the risk of providing incorrect information, revealing proprietary strategies or damaging our Company's reputation. Instead, direct all media inquiries to jcpnews@jcp.com.



Social Media

JCPenney recognizes that technology has led to an increasing use of social media by our associates. While we understand social media can be a fun and convenient way to share your life and opinions with family, friends and co-workers around the world, the use of social media also presents certain risks and carries with it certain responsibilities.

Before you use social media, consider the effect your online activity may have. Use good judgment when deciding what to post online. Do not pressure or harass anyone to "friend," connect with or otherwise communicate with you through social media. Do not engage with customers on social media by responding to their inquiries on behalf of the Company.

For more guidance regarding use of social media, see JCPenney's [Social Media Policy](#).

Question: I have a make-up blog that I created before joining JCPenney. Can I continue with my blog?

Answer: Possibly. Depending on your position and your department, you may not be allowed to continue your blog, as it could be considered a conflict of interest. You will need to notify your manager and make a full and prompt disclosure through the Associate Kiosk and wait for a response. For further guidance on how to make a disclosure, [click here](#).



Communications

Being fair and honest in everything we do means ensuring any message we release to our associates, our customers and the public is accurate and truthful. Our Company endeavors to comply with the laws in the areas of product information, pricing, product availability, credit terms, warranty statements and telephone and Internet order procedures, among others.

Our customers, suppliers and communities all need to know that they can trust us to do what is honest and right. You should not intentionally manipulate or misrepresent information communicated to other associates, our customers, suppliers or the public.



Protection of Company Property

The Company spends considerable resources to develop and maintain assets used for its business. We each have a responsibility to comply with all policies and procedures that protect the value of these assets and avoid situations that may harm JCPenney's reputation or create financial liability. Anything developed for JCPenney is owned by JCPenney. JCPenney assets are acquired, used and disposed of for the benefit of JCPenney and never for the personal benefit of associates. This includes tangible assets such as cash, inventory, equipment, supplies, displays and samples and intangible assets such as intellectual property (trademarks, copyrights, trade secrets and patents), strategic plans and processes and the data and information to which you have access as a result of your work responsibilities.

Any act of theft, fraud, embezzlement or misappropriation of JCPenney property is strictly prohibited and will not be tolerated. JCPenney funds or assets should never be used for unlawful purposes. In addition, you should never take or make available to others any JCPenney property for reasons that do not support JCPenney's business.

Fraud is any intentional act or omission designed to deceive, resulting in the victim suffering a loss and/or the perpetrator achieving a gain. Occupation fraud is the use of one's occupation for personal enrichment through the deliberate misuse or misapplication of the employing organization's resources or assets.

Question: What are some examples of fraud?

Answer: Theft of cash or inventory, kickbacks (cash or gifts), expense report fraud, falsifying company timekeeping records, payroll fraud, fraudulent financial reporting, conflicts of interest, bribery and corruption.

Question: What should you do if you suspect that a potential fraud has occurred?

Answer: Report the situation to either JCPLine, Legal, Asset Protection or Internal Audit. Preserve evidence, if possible. DO NOT confront other associates or third parties or start investigating on your own.

Question: My fellow associate asked me to share software that we use in our department. I have the software, but I also know where it can be downloaded for free. Should I help him out?

Answer: Never copy any technology without first receiving proper approval, even for business use. Copying the software may violate our license agreement with the provider and might also be a violation of federal copyright laws. All requests for software should follow JCPenney's approved Software Hardware Request (SHR) process which may allow you to download software via self-service software available on JCPWEB. Additionally, the [JCPenney Information Security Policy](#) prohibits associates from downloading or installing software on JCPenney Electronic Resources unless authorized by JCPenney and downloaded through an authorized distribution method. This policy helps manage licenses and protects JCPenney Electronic Resources from malicious code (e.g., viruses, Trojans, spyware).

Our Intellectual Property

JCPenney values and protects its intellectual property assets, including its trademarks (brands, slogans and logos), copyrights (creative designs, patterns, software, audio and video recordings, photos and images), trade secrets (non-public information that provides a competitive or economic advantage) and other innovations. Inventions, designs, patterns or innovations conceived or devised by you, other associates or third parties working on behalf of JCPenney are a major point of pride for our business. These creations drive the business and must therefore be protected. An asset belongs to JCPenney if it: (a) arises out of or is suggested by work performed by you, other associates or third parties working on behalf of JCPenney, (b) results from the use of Company time, facilities, equipment or supplies or (c) arises out of or is suggested by the use of JCPenney resources, trade secrets or confidential information. When an invention, design, pattern or other innovation or intellectual property is deemed an asset of JCPenney, you must assign it and all related rights to JCPenney.

Question: I am a designer and would like to use some of the art I have created for my professional portfolio. Is this okay?

Answer: Maybe. Remember that all inventions, designs, patterns or innovations created while working at JCPenney belong to JCPenney. In some cases, it may be okay to include designs created while working for JCPenney in your professional portfolio, but only if you first get the approval of your manager, and only if the design is an older design and never a work in progress.

Question: I developed a new product for JCPenney. I would like to sell a new product, based on the same designs and my work at JCPenney, to local businesses. Can I do this?

Answer: No. Any creation or innovation developed by you while you were working for JCPenney belongs to the Company if it's based on work you did for the Company, even if the design is not identical. In addition, the SBE prohibits you from competing with the Company or pursuing an opportunity that could be pursued by the Company.

Safeguarding Confidential Information

JCPenney considers all non-public information concerning any aspect of JCPenney business or information acquired by associates as a result of their employment to be confidential Company information. You may not disclose to others or use for your benefit, or for the benefit of another, any JCPenney confidential information without appropriate pre-authorization. JCPenney confidential information includes, without limitation, its trade secrets, plans and strategies regarding suppliers, pricing, marketing, customers, short-term and long-term plans, acquisitions and divestitures, advertising, information systems, sales objectives and performance, operating results, financial condition, as well as any other information, the disclosure of which may provide a competitive or economic advantage to others or disadvantage to JCPenney. Even within JCPenney, confidential information should only be shared on a need-to-know basis.

Your obligation to preserve JCPenney confidential information continues even after your employment ends. If you take JCPenney confidential information with you when you leave JCPenney, or if you access or disclose JCPenney confidential information without authorization, you may be subject to criminal and/or civil liability.

Associates must also protect other companies' confidential information. You should never disclose or use the confidential information of your previous employers or of any other company in conducting business on behalf of JCPenney. Further, you must protect confidential information of companies conducting or hoping to conduct business with JCPenney.

Question: I have access to information about JCPenney's sales results. I occasionally visit an Internet message board devoted to issues affecting the retail industry. Can I post my opinions? Would it make a difference if I post anonymously?

Answer: You should not post this information at all – anonymously or otherwise. By disclosing non-public information, your post would violate Company policy on safeguarding Company information.

Question: When I joined JCPenney, I brought several documents with me from my previous employer that will help me do what I was hired to do. Can I use them at JCPenney?

Answer: If the documents contain confidential or proprietary information, you cannot use the information or share it with others at JCPenney. JCPenney expects all associates not to rely on the confidential information of others.

Violating this rule may be unlawful and can subject you and the Company to liability. If you are unsure, talk to a member of our [Legal Department](#) before using or sharing information.

Question: I am helping select a supplier for a new project and have learned a lot about the suppliers involved and I am thinking about purchasing 100 shares of stock in one of the companies that put in a bid. Should I be concerned about any ethical issues?

Answer: Yes. Your stock purchase would create a conflict of interest because owning stock in the potential supplier might influence, or appear to influence, your decision-making process. In addition, if the supplier is publicly traded, and you received material, non-public information about the supplier in connection with the JCPenney bidding process, you could be violating federal securities laws.



Protection of Customer and Supplier Information

JCPenney values the trust of our customers and suppliers. We recognize and respect the privacy of our customers' and suppliers' personal information (PI). Therefore, every associate is responsible for knowing what customer PI is and for treating information about our customers and suppliers with extreme care. PI can cover specific data elements or combinations of information, which includes, but is not limited to: name; date of birth; social security number; addresses (physical and email); phone number; government issued ID number; biometric information (e.g., photograph, signature or fingerprints); account numbers (credit/debit cards or bank accounts); geolocation data; and persistent data, such as device IDs, IP addresses or JCPenney's own customer ID and virtual ID.

Every associate is responsible for complying with JCPenney's [Data Privacy Policy](#). Your responsibility for protecting our customers' and suppliers' information includes taking appropriate steps to prevent the unauthorized collection, use, or disclosure of their PI. You should only use or disclose customer and supplier information to others, whether fellow associates or third parties, as needed for authorized JCPenney business purposes, such as when sharing with third parties who have appropriate contracts and in accordance with applicable laws, regulations and JCPenney policies.

You are also responsible for the appropriate disposal of all forms of customer and supplier information, including PI. If you have questions about your responsibilities or the proper processing of customer and supplier personal information, please contact the [JCPenney Privacy Office](#).

Question: I am an associate and I have access to customer and/or supplier information. What guidelines should I follow to keep it protected?

Answer: Associates who use or have access to customer and/or supplier information must follow the [Information System Development and Support Requirements](#) and our [Data Privacy Policy](#) for procedures related to the use of information about customers and the [Information Security Policy](#) for guidance about confidentiality of customer information.



Question: I have just mistakenly sent (in email or by another method) some PI to someone outside JCPenney. What do I do?

Answer: Immediately contact ITSC, the Privacy Office and your manager to determine what was sent and who may have received it.

Associate Privacy and Personal Activities

Under our [Data Privacy Policy](#), JCPenney and its associates also have a duty to protect and handle with care, the personal information (PI) of all associates. We must prevent the unauthorized access to, use of and disclosure of this information. This duty also includes the appropriate disposal of all forms of PI. Never disclose or use the PI of another associate without first obtaining that associate's consent or in accordance with JCPenney policies and procedures.

Question: I received (in email or by another method) some PI of another JCPenney associate. What do I do?

Answer: Immediately contact ITSC, your HR business partner, the Privacy Office and your manager to determine what information was sent. ITSC or HR can then assist with ensuring the data is recovered and the compromise minimized.

Question: I think my password has been compromised. I gave it to someone else or I suspect someone has been in my email or PC. What do I do?

Answer: Immediately contact ITSC and your manager. Change the password immediately. Once ITSC is engaged they can confirm the suspected password issue. They will work with you to ensure your data is secure and that you have not been compromised.

Question: What do I do if my JCPenney-issued computer or phone has been lost or stolen?

Answer: Immediately contact ITSC and your manager. See [Information Security Policy](#).



Product Safety and Integrity

JCPenney does not compromise on the safety or integrity of its products. In addition to our own quality standards, we are committed to product safety standards set by law. JCPenney products must be produced, tested, packaged and labeled in accordance with all applicable laws.

Question: Several customers have contacted the Company claiming that the zipper pull on a child's private brand sweater came off the top of the garment. Some even reported that their children almost choked on the pull. What should I do?

Answer: All claims about potential safety concerns regarding product sold by

JCPenney should be reported immediately to JCPenney Product Safety and the buyer of the product. In coordination with the Legal Department, Product Safety will initiate and oversee an investigation regarding the safety compliance of the product.

Question: I'm concerned that a piece of JCPenney merchandise may include components that are listed as hazardous in California. The supplier says not to worry about it. What should I do?

Answer: You should consult the [Legal Department](#) to determine whether the item complies with relevant laws including California Proposition 65, which requires warnings, such as labeling of items, in some circumstances and may bar us from selling items that contain a prescribed amount of certain chemicals that are considered hazardous under California state law.



Health and Safety

Our goal is to provide all associates with a clean, safe and healthy work environment. The environmental, health and safety laws and regulations that JCPenney complies with exist to protect our customers, you and your fellow associates. Careful consideration is also given to the environmental impacts of our operations and the development of processes and procedures to eliminate and/or minimize significant threats to the environment or human health and safety. Associates should comply with and maintain awareness of applicable environmental, health and safety regulations and follow corresponding JCPenney environmental, health and safety rules and practices. For more details, consult [Environmental Health and Safety](#) and/or [Supply Chain Safety](#).

In Closing

The SBE is an important part of your relationship with JCPenney. It is an overview of all associates' responsibilities and introduces certain important JCPenney policies and guiding principles. But the SBE is not a substitute for knowing all JCPenney policies that may apply to your employment and it is not intended to create an express or implied contract of employment. Your employment with JCPenney is on an at-will basis, where permitted by law. This means either you or JCPenney is free to end the employment relationship at any time and for any reason, unless it is illegal, or for no reason at all. Nothing in the SBE alters your at-will employment relationship with JCPenney. We take our commitment to JCPenney's ethical principles very seriously and so should you. Violations of the SBE may result in disciplinary action, up to and including termination.

At JCPenney, our intent is always to comply with federal, state and local laws, including without limitation the National Labor Relations Act. We do not enforce or apply our SBE in a way that violates the law. Nothing in the SBE or the policies it incorporates, is intended, or will be applied, to prohibit you from exercising your rights protected by federal or state labor laws, including concerted discussion of wages, hours or other terms and conditions of employment.

Amendments and Exceptions

From time to time, JCPenney may amend or modify the SBE to better meet the needs of our business, address changes in the law or for other reasons.

Limited exceptions to the SBE for Director-level associates and JCPenney Officers may be granted by JCPenney's Legal Compliance and Business Ethics Committee and may only be made in a manner permitted by law. For all other associates seeking an exception, approval must be requested in advance from ethics@jcp.com. All requests must contain details and facts supporting the proposed exception and must be approved in advance before engaging in the endeavor/activity.

Resources

Use the SBE as your first source for information about ethics and standards of conduct. For the most current version, refer to the electronic documents online. If you don't find the answer you need, contact the appropriate resource listed below:

If you are calling from outside the United States, please dial +1 or 001 before the number.

Resource	Link	Contact Info
JCPenney Benefits Center		1-888-890-8900
Corporate Communications & Public Relations		jcpnews@jcp.com
Data Privacy Policy	Data Privacy Policy	privacy@jcp.com
Employment of Relatives Policy	Employment of Relatives Policy	
Environmental, Health & Safety	Environmental, Health & Safety	
Equal Employment Opportunity (EEO)	EEO Policy	
Ethics & Compliance	Ethics	ethics@jcp.com
Facilities (non-emergency, low store impact)	Work orders open in FM WORKS	
Foreign Corrupt Practices Act (FCPA)	FCPA	
Government Relations – Reporting Members Policy	Reporting Memberships Policy	
Government Relations – Policy on Interactions with Elected Officials	Policy on Interaction with Elected Officials	
Government Relations – Policy on Legislative Activity of Trade Association	Policy on Legislative Activity of Trade Associations	
HR Policies and Procedures	HR Policies and Procedures	
Information Security Policy	Information Security Policy	
Information Systems Development and Support Requirements	Information Systems Development and Support Requirements	
Information Technology Service Desk (ITSD)		1-800-214-4822
Internal Communications		jcpcommunications-sm@jcp.com
International Gifts Policy	International Gifts Policy	
JCPLine	JCPLine	1-800-527-0063
Legal Department	Legal Department	
Payroll		1-800-879-1111 or payroll-sm@jcp.com
Philanthropy		Philanthropy-sm@jcp.com
Product Safety		972-431-8257
Social Media Policy	Social Media Policy	
JCPenney Stores	JCPenney Stores	
Supplier Principles	Supplier Principles	
Supply Chain Safety	Supply Chain Safety	
Travel and Expense Policy	Travel and Expense Policy	