

PAPER POLICY

JCPenney's Matters of Principle: JCPenney & Environmental Responsibility is the Company's promise of stewardship to the environment, the communities in which it does business, customers, associates and shareholders.

This Publication Paper Policy further outlines JCPenney's commitment to procuring, using and disposing of paper in a manner that promotes the sustainability of forests and other natural resources. Our aim is to ensure that the Company's operations protect the environment. Having formulated this policy in collaboration with associates, customers, suppliers and interest groups, the Company commits to maintaining regular dialogue to improve efficient paper usage.

As a direct marketer whose use of paper is critical to our business, we accept responsibility for careful management of our environmental impacts. As part of this commitment to environmental stewardship, we invest considerable time and resources to understand and address environmental issues associated with our print advertising programs.



PROMOTING SUSTAINABLE FORESTRY

JCPenney works with suppliers to ensure that the paper used in its publications is sourced from well-managed forestry operations, and the Company requires purchases of certified paper that has been audited by independent third parties. The Company continues to evaluate the efficacy of forestry certification systems to ensure that our practices meet current and widely accepted environmental stewardship goals.

It is JCPenney's policy not to obtain paper fiber from old-growth forests or forests of exceptional conservation value, and the Company works with its suppliers to ensure that this intent is met. We prefer suppliers that take an ecosystem-based approach to managing forestlands and that protect and promote ecosystem values on their property, as well as the properties they operate on or source from. We prefer suppliers who maintain water quality, promote natural habitat diversity, protect special areas, such as endangered species habitats, and address aesthetic and recreational considerations.

We purchase from suppliers who are leaders in conservation and committed to environmental protection, and we encourage them to work with the scientific community and interested stakeholders to improve their environmental stewardship practices. When issues or problems arise, we work with suppliers to encourage resolution.

Other key practices that reflect our commitment to protect forests include:

- We require suppliers to comply with all applicable national and local laws and regulations, and to assure us that they do not produce paper from illegally harvested or stolen wood.
- All paper purchases at JCPenney are chain of custody certified through FSC, PEFC and or SFI standards. We routinely discuss supplier's participation in third party certification programs. We monitor various third-party certification systems to ensure they are compatible with the values and practices we want our suppliers to achieve.
- We evaluate supplier environmental performance through EPAT which is an innovative assessment tool used to evaluate environmental performance throughout the paper supply chain. EPAT was developed by GreenBlue, a nonprofit environmental organization.
- Most of our publication paper is made from wood chips that are by products of the lumber industry. This results in very efficient utilization of forest resources.
- To assess the ongoing support of our environmental principles, we conduct regular on-site visits to observe paper supplier's manufacturing processes and forestry management practices.



REDUCING PAPER USAGE

JCPenney is committed to using paper efficiently, and the Company has implemented industry best practices and technology for publication production and targeted mailings. Efficient production and distribution of our publications aligns our business and environmental objectives – contributing to a better return on investment while limiting waste. As part of our annual planning, we seek and review opportunities to reduce paper consumption.

Over the past several years, JCPenney has developed and implemented a number of initiatives for reducing paper requirements. Here are the measures we have taken:

- We refine direct mail distribution lists based on anticipated and actual customer response, and maintain “do not mail” lists that promptly respond to customer requests to be removed from distributions.
- We’re a leader in online technology and the rapid growth of jcp.com as a shopping option for our customers. This has and continues to reduce our paper consumption. We continually seek ways to attract shoppers to our website by providing new features and added convenience.
- We also reduce dimensions of our print advertising when feasible.
- We eliminate waste from the printing process, and prohibit overruns and printing of excess publications as part of our contracts.



INCORPORATING POST-CONSUMER WASTE RECYCLED CONTENT

JCPenney is committed to incorporating 10 percent post-consumer waste (PCW) recycled content into its publications as rapidly as possible. Progress on this goal will be determined by the availability of recycled paper, economics and good business practices.

JCPenney is also committed to continuing to explore the potential for increasing the percentage of recycled PCW content in our publications. Progress on this goal will be influenced by the availability of recycled paper, its compatibility with printing processes, customer response to test publications, economics and our commitment to maintain low paper weights.



FOSTERING CONTINUOUS IMPROVEMENT

JCPenney continually looks for ways to incorporate recycling into all areas of our business.

JCPenney is committed to training associates who are responsible for the management of operations in which environmental issues may arise. In practicing responsible environmental stewardship, we are committed to keeping abreast of relevant developments and cooperating in efforts to advance environmental technologies, practices and programs.

JCPenney is committed to an ongoing process of developing new and additional initiatives to protect forests and promote sustainability. We will review and report our progress to our stakeholders on an annual basis.