

CONFLICT MINERALS POLICY

BACKGROUND

In 2010, Congress enacted the Conflict Minerals provisions of the [Dodd-Frank Wall Street Reform and Consumer Protection Act](#) (Dodd-Frank Act) with the goals of eliminating the illegal trade in gold, tin, tantalum and tungsten (Conflict Minerals) and cutting the funding of armed groups in the Democratic Republic of the Congo (DRC) and its neighboring countries (Angola, Burundi, Central African Republic, The Republic of the Congo, Rwanda, South Sudan, Tanzania, Uganda and Zambia) that are engaged in human rights abuses. Section 1502 of the Dodd-Frank Act requires publicly traded companies to report to the U.S. Securities and Exchange Commission (SEC) and disclose on their website (i) whether any of the Conflict Minerals in the products they manufacture or contract to manufacture originate in the DRC Region as well as (ii) the due diligence conducted to determine if the original sale of the mineral funded armed conflict. Final [Conflict Minerals Regulations](#) can be found on the [SEC's website](#).

JCPENNEY'S COMMITMENT TO RESPONSIBLE SOURCING

For more than a century, JCPenney has built a legacy of operating and sourcing in an ethically and socially responsible manner. Today, JCPenney continues to be committed to ensuring our principles are honored in all of our business decisions. As set forth in our Supplier Principles, JCPenney is dedicated to preventing the sale of products produced at the expense of communities, workers or the environment. We are committed to sourcing products from companies that share our values relating to human rights, ethics, and social and environmental responsibility.

JCPenney fully supports the humanitarian goals of the Dodd-Frank Act – eliminating illegal mineral trading and the funding of armed conflict while supporting legitimate commercial ventures. JCPenney purchases finished consumer goods from manufacturers and does not directly purchase any Conflict Minerals from any source. Since the supply chain for Conflict Minerals is complex, we are committed to working with our supply chain to increase transparency regarding the origin and traceability of minerals contained in our products with the goal of ensuring that all products sold by JCPenney to our customers are “DRC Conflict Free.”

JCPenney carries out supply chain due diligence consistent with the Organization for Economic Cooperation and Development (OECD) guidelines.

JCPENNEY’S EXPECTATIONS OF SUPPLIERS

- Suppliers may not include in any products sold to JCPenney any tin, tantalum, tungsten or gold mined in the DRC or adjoining countries that fund armed conflict.
 - Suppliers are required to develop Conflict Minerals policies, due diligence frameworks and management systems consistent with OECD [guidelines](#) and to drive those efforts throughout their supply chain.
 - Suppliers of certain JCPenney products will be required to provide written evidence of due diligence documentation including completion of the EICC-GeSI (Electronic Industry Citizenship Coalition – Global E-Sustainability Initiative) Conflict Minerals Reporting Survey.
 - We expect our suppliers to use [smelters](#) that are conformant with the Responsible Minerals Initiative’s (RMI) Responsible Minerals Assurance Process (RMAP) assessment protocols as the source for any of the Conflict Minerals used in the products sold to JCPenney. RMI is a program developed by the EICC-GeSI.
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REQUIRED TRAINING

All suppliers and all factories producing private and/or exclusive brands for JCPenney are required to complete the J. C. Penney Purchasing Learning Management System (LMS) online training. The training consists of a series of short courses (15-20 minutes each) focused on certain topics, including conflict minerals. If you are identified as a supplier that is required to complete the training, you will receive an email with instructions on how to log in and complete the courses. If a supplier is identified as a high risk supplier, they may be required to do additional training or certification.

ANNUAL CONFLICT MINERALS SURVEY

If you are identified as a high risk supplier, in addition to completing the Conflict Minerals Course, you will be required to complete the Conflict Minerals Survey and will receive instructions on submitting the completed survey to JCPenney.

Please note: Suppliers must provide smelter information on the survey. JCPenney is a member of RMI, which conducts independent third party assessments of smelter and refiner activities and determines if smelters have systems and processes in place to source responsibly in conformance with RMI’s RMAP assessment protocols.

RMI publishes a list of smelters and refiners who have been found conformant. Suppliers are encouraged to participate in this industry initiative and are required to ensure they are using RMAP conformant smelters for products sold to JCPenney.

It is your responsibility as a supplier to know and understand your obligations under the Conflict Minerals provisions of the Dodd-Frank Act and all associated regulations, and all other applicable federal and state laws, and to produce products that comply with all laws and JCPenney requirements, whichever are more stringent.

ADDITIONAL INFORMATION

Questions regarding JCPenney's Conflict Minerals Policy and Compliance Program can be addressed to conflictminerals-sm@jcp.com. Potential ethical or legal violations involving JCPenney business can be reported by accessing our hotline at www.jcpjline.com.