

Module: Introduction**Page: Introduction**

CC0.1**Introduction**

Please give a general description and introduction to your organization.

J. C. Penney Company, Inc., one of the nation's largest apparel and home furnishings retailers, is on a mission to ensure every shopping experience is worth the customer's time, money and effort. Whether shopping jcp.com or visiting one of over 1,000 store locations across the United States and Puerto Rico, customers will discover a broad assortment of products from a leading portfolio of private, exclusive and national brands. Supporting this value proposition is the warrior spirit of over 100,000 JCPenney associates worldwide, who are focused on the Company's three strategic priorities of strengthening private brands, becoming a world-class omnichannel retailer and increasing revenue per customer. For additional information, please visit jcp.com.

JCPenney Philanthropy:

As a company founded on the Golden Rule, JCPenney has a strong legacy of giving back. While our obligations touch many fronts, the spirit of JCPenney Philanthropy is rooted in the firm belief that we can make our country better by making our communities stronger. This means extending our reach and supporting our communities through a variety of not-for-profit organizations and programs. We do this by promoting volunteerism throughout the country, and by sponsoring not-for-profit organizations that make a meaningful difference in our communities.

JCPenney Diversity & Inclusion:

At JCPenney, we believe in building a richly diverse team and we embrace our unique differences, ideas and perspectives to better serve each other and our customers. We infuse diversity into our talent practices from recruiting to professional development. Our approach is centered on engagement to educate our associates, acquisition that builds diverse teams and retention by offering mentoring and training to help retain talent.

JCPenney Publication Paper Policy:

JCPenney's paper policy outlines the Company'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.

JCPenney's 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 legal compliance. These Principles outline JCPenney's expectations of all suppliers that conduct business with our Company.

CC0.2

Reporting Year

Please state the start and end date of the year for which you are reporting data.

The current reporting year is the latest/most recent 12-month period for which data is reported. Enter the dates of this year first.

We request data for more than one reporting period for some emission accounting questions. Please provide data for the three years prior to the current reporting year if you have not provided this information before, or if this is the first time you have answered a CDP information request. (This does not apply if you have been offered and selected the option of answering the shorter questionnaire). If you are going to provide additional years of data, please give the dates of those reporting periods here. Work backwards from the most recent reporting year.

Please enter dates in following format: day(DD)/month(MM)/year(YYYY) (i.e. 31/01/2001).

Enter Periods that will be disclosed

Fri 01 Jan 2016 - Sat 31 Dec 2016

CC0.3

Country list configuration

Please select the countries for which you will be supplying data. If you are responding to the Electric Utilities module, this selection will be carried forward to assist you in completing your response.

Select country

United States of America

CC0.4**Currency selection**

Please select the currency in which you would like to submit your response. All financial information contained in the response should be in this currency.

USD(\$)

CC0.6**Modules**

As part of the request for information on behalf of investors, companies in the electric utility sector, companies in the automobile and auto component manufacturing sector, companies in the oil and gas sector, companies in the information and communications technology sector (ICT) and companies in the food, beverage and tobacco sector (FBT) should complete supplementary questions in addition to the core questionnaire.

If you are in these sector groupings, the corresponding sector modules will not appear among the options of question CC0.6 but will automatically appear in the ORS navigation bar when you save this page. If you want to query your classification, please email respond@cdp.net.

If you have not been presented with a sector module that you consider would be appropriate for your company to answer, please select the module below in CC0.6.

Further Information

Module: Management

Page: CC1. Governance

CC1.1

Where is the highest level of direct responsibility for climate change within your organization?

Senior Manager/Officer

CC1.1a

Please identify the position of the individual or name of the committee with this responsibility

The chair of JCPenney's corporate social responsibility (CSR) committee board is the Executive Vice President for Supply Chain and was appointed to that role by the Chairman of the Board and CEO of JCPenney.

JCPenney senior vice president of store operations and executive vice president of supply chain oversee key programs including facility energy management and transportation which are critical to JCPenney's environmental performance. Additionally, a director of inclusion & diversity, supplier diversity, corporate social responsibility coordinates JCPenney's efforts on environmental sustainability and reports to the executive vice president of human resources. JCPenney also has a corporate social responsibility (CSR) committee, which consists of the following:

Executive council: Includes members from JCPenney's executive leadership team. They provide executive approval to any proposed CSR programs.

Steering committee: Includes leaders representing various JCPenney business functions. Their role is to provide strategic direction for alignment of CSR programs with business strategy

CSR team: Consists of a Senior CSER Manager, who leads cross functional working groups for implementing CSR programs.

CSR functional working groups: Comprised of subject matter experts from around the company who ensure implementation of CSR programs aligns with the operational requirements of the business.

CC1.2

Do you provide incentives for the management of climate change issues, including the attainment of targets?

Yes

CC1.2a

Please provide further details on the incentives provided for the management of climate change issues

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
Environment/Sustainability managers	Monetary reward	Other: Communication of environmental issues	Incentive performance indicator is communication of environmental issues both internally and externally.

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
Energy managers	Monetary reward	Emissions reduction project	Incentive performance indicator is achievement of energy reduction milestones or completion of energy conservation projects. Fossil fuel usage in energy production and subsequent GHG emissions are major contributors to climate change. At JCPenney, we leverage various software and hardware tools/technologies to intelligently manage and reduce our energy consumption.
Other: Stores	Recognition (non-monetary)	Other: Participation in energy and corporate sustainability programs	Incentive performance indicator is associate participation in energy and corporate sustainability programs. The JCPenney Energy Management Awareness Program (EMAP), which is available to all JCPenney stores, focuses on conserving energy by making associates aware of the energy they use in their daily routines. Each month, energy saving tasks for store associates to perform are posted on the JCPenney Energy Center software platform. Tasks can include verifying that lights and escalators are turned off at night, checking door seals, and reading about a store's ENERGY STAR score. General Managers of stores educate associates and encourage participation. Progress is tracked at the store, regional, and district level through weekly or monthly store energy performance reports. JCPenney associate green teams develop and deliver content related to reducing energy consumption, recycling waste and sustainability education.
Process operation managers	Monetary reward	Emissions reduction target	Incentive performance indicator is based on reducing energy costs and improving EBIT (Earnings Before Income Tax). JCPenney General Managers of stores utilize programs like JCPenney Energy Management Awareness Program (EMAP) and Advanced Energy Management (AEM) to understand their energy usage and implement effective energy reduction strategies to achieve cost savings.
Other: Transportation Management	Monetary reward	Other: transportation improvement milestones	Incentive performance is based on achievement of transportation improvement milestones. By optimizing transport loads, using our fleet to backhaul materials, and designing efficient ecommerce shipping strategies, we ensure that our costs and carbon emissions are minimized. For late shipping merchandise, we work to expedite delivery without air transportation when possible, in order to minimize our carbon footprint.

Further Information

Page: CC2. Strategy

CC2.1

Please select the option that best describes your risk management procedures with regard to climate change risks and opportunities

Integrated into multi-disciplinary company wide risk management processes

CC2.1a

Please provide further details on your risk management procedures with regard to climate change risks and opportunities

Frequency of monitoring	To whom are results reported?	Geographical areas considered	How far into the future are risks considered?	Comment
Sporadically, not defined	Other committee	Company operations in the United States and key suppliers globally	Up to 1 year	Relevant environmental sustainability initiatives are reported to the JCPenney corporate social responsibility committee (CSR). JCPenney's CSR committee includes members from JCPenney's executive leadership team and leaders representing various JCPenney business functions.

CC2.1b

Please describe how your risk and opportunity identification processes are applied at both company and asset level

Company Level: JCPenney is developing processes and teams to continue existing risk assessments related to raw material availability, supplier social and environmental compliance. JCPenney plans to continue working with trade associations to identify opportunities for improving our social and environmental performance. Additionally, JCPenney has begun to enhance its internal environmental performance tracking with a focus on standardization of data management and the ability to conduct quarterly reporting on key environmental performance metrics.

Asset Level: JCPenney recognizes that environmental factors influence operations of stores and supply chain facilities. The Company is focused on identifying opportunities to drive environmental benefits and significant cost savings, and to better position itself against potential risks of stringent future legislative and regulatory actions. Our Business Continuity Planning and Disaster Recovery Planning functions within JCPenney are responsible for coordinating and facilitating business continuity planning activities within each JCPenney division. Included in these activities are response plans related to severe weather and natural disasters.

CC2.1c**How do you prioritize the risks and opportunities identified?**

JCPenney aligns risk and opportunity prioritization processes with the overall corporate risk assessment strategy. Prioritization is based on potential impact to sales/revenue as well as impact to overall operations. JCPenney's organizational structure, both at the Board and management levels, plays a critical role in maintaining an effective overall risk management process.

CC2.1d

Please explain why you do not have a process in place for assessing and managing risks and opportunities from climate change, and whether you plan to introduce such a process in future

Main reason for not having a process	Do you plan to introduce a process?	Comment
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CC2.2**Is climate change integrated into your business strategy?**

Yes

CC2.2a

Please describe the process of how climate change is integrated into your business strategy and any outcomes of this process

- i) Environmental sustainability is embedded within our business operations and corporate culture, with the following teams focusing on specific areas which influence the business strategy.
- JCPenney Energy Team: Committed to energy conservation by providing operational leaders tools to eliminate energy waste, improve environmental performance, and reduce operational costs.
 - JCPenney Corporate Sustainability Team: Committed to creating a holistic corporate sustainability program that addresses all areas of the JCPenney value chain.
 - JCPenney International Social and Environmental Responsibility Team: Engages with our international supply chain partners to improve their social and

environmental performance.

ii) Aspects that have influenced the strategy: JCPenney's strategy has been influenced by these particular aspects; rising energy costs, increased resource costs and scarcity, and increased scrutiny of environmental health and safety issues within our supply chain by various stakeholders. Efficient operation of our stores and logistic/distribution centers is critical to our strategy against rising energy costs. JCPenney energy and green teams are implementing projects such as EPA ENERGY STAR, advanced energy management and waste reduction and minimization to drive operational efficiency in our stores. The potential for greater energy efficiency through projects has also influenced our strategy.

iii) Short Term Strategy: JCPenney recognizes that greenhouse gas (GHG) emissions resulting from energy consumption contribute to climate change. To develop strategies/solutions for reducing energy consumption, our energy team utilizes advanced IDR (interval data recorder) meters to understand energy consumption patterns of our stores. This comprehensive energy data collection process has enabled JCPenney to make targeted investments in energy efficiency improvements including lighting retrofits, high efficiency general and accent lighting, occupancy-based lighting controls, efficiency control of vending equipment, variable speed drive control of fans and pumps, Advanced Energy Management (AEM) and high efficiency HVAC equipment. These measures have lowered energy consumption and reduced GHG emissions. Currently, 922 JCPenney stores, which represent 87% of our store footprint, are equipped with an Energy Management Systems (EMS), providing remote monitoring of store environmental conditions, operating schedules and alarms. This has enabled JCPenney to measure, manage and optimize store operations and energy consumption. In 2009, JCPenney assembled a cross-functional team to develop a long-term energy strategy.

iv) Long Term Strategy: JCPenney recognizes that a significant portion of our environmental and social impacts are incurred in our product supply chain. Global supply chains are stressed for resources and under close risk and transparency scrutiny by various stakeholders. These factors have influenced our long-term strategy development, which includes adopting key performance indicators to measure and manage our supply chain environmental and social performance. We are confident that this strategy will enable JCPenney to cost-effectively manage supply chain risks and opportunities.

In 2016, JCPenney continued its engagement with Bureau Veritas (BV) to assess the environmental and social performance of our Tier 1 suppliers. During FY2016, BV completed 1006 initial, cycle, and follow-up social audits of factories producing private and exclusive brands for JCPenney.

Launched in 2013, JCPenney requires supplier and factory management to complete a curriculum of online social and environmental responsibility training modules, including viewing a video that explains the JCPenney values of transparency, continuous improvement, and integrity. The online coursework is offered in four different languages and covers a variety of useful information ranging from wage and working hour management to fire safety to subcontracting. JCPenney is also an active participant in two Retail Industry Leaders Association (RILA) committees: the Responsible Sourcing Committee and the Sustainability Committee. RILA is committed to advocating for solutions that work for the environment in our industry.

In February 2016, JCPenney rejoined the Sustainable Apparel Coalition (SAC). The Sustainable Apparel Coalition is an apparel, footwear and home textile industry alliance for sustainable production. SAC members include many of the world's largest brands plus manufacturers, nonprofits, and government agencies. Members work together to manage the impact of production. The SAC's main focus is the Higg Index, a standardized supply chain measurement tool to understand the environmental and social impacts of making and selling products. JCPenney plans to roll out the Higg Facility Environmental Module (FEM), which gathers information from facilities on: Environmental Management System, Energy Use & GHG Emissions, Water Use, Wastewater/ Effluent, Emissions to Air, Waste Management, and Chemicals. JCPenney will also complete the Higg Brand Module to assess, monitor, and manage JCPenney's social and environmental impact.

Outcomes: JCPenney has earned Energy Star Certifications at 677 buildings including stores, one distribution center, and corporate headquarters in Plano, TX. We received the 2016 ENERGY STAR® Partner of the Year—Sustained Excellence award as recognition of our commitment to energy efficiency. 2014 was the final year of JCPenney's goal focused on reducing energy usage by 20% per gross square foot of retail space by 2015 (baseline 2008). As of year-end 2014, we have achieved a 19% reduction of source energy per sq. ft. (Baseline year of 2008). In the 2015 CSR report, JCPenney announced a new intensity target for reducing our emissions 15% per square foot by 2020. In 2015 and 2016, JCPenney continued to focus capital investment dollars on enhancing customer experience. We relied

on JCPenney associates and our culture of energy conservation to supplement the reduced capital investment.

v) Strategic Advantage: JCPenney's corporate social and environmental responsibility (CSER) strategy is integral to our long-term growth, and will be a competitive advantage. JCPenney will continue to reduce operational expenses by focusing on energy efficiency, and waste management/minimization efforts, as well as strategic engagement and collaboration with our suppliers and vendors.

vi) The most substantial business decisions made during the reporting year that has been influenced by the climate change driven aspects of the strategy include our declaration of a new intensity target for reducing our emissions 15% per square foot by 2020.

CC2.2b

Please explain why climate change is not integrated into your business strategy

CC2.2c

Does your company use an internal price on carbon?

No, and we currently don't anticipate doing so in the next 2 years

CC2.2d

Please provide details and examples of how your company uses an internal price on carbon

CC2.3

Do you engage in activities that could either directly or indirectly influence public policy on climate change through any of the following? (tick all that apply)

Trade associations

CC2.3a

On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate Position	Details of engagement	Proposed legislative solution
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CC2.3b

Are you on the Board of any trade associations or provide funding beyond membership?

Yes

CC2.3c

Please enter the details of those trade associations that are likely to take a position on climate change legislation

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you, or are you attempting to, influence the position?
Retail Industry Leaders Association (RILA)	Consistent	The Retail Industry Leaders Association (RILA) is the trade association for the world's largest and most innovative retail companies. RILA members include more than 200 retailers, product manufacturers, and service suppliers, which together account for more than \$1.5 trillion in annual sales, millions of American jobs, and more than 100,000 stores, manufacturing facilities, and distribution centers domestically and abroad. RILA's Retail Sustainability Initiative (RSI) engages retail	We regularly review guidelines and research reports relevant to our industry. For example, RILA's 2014 report, Retail Horizons: Envisioning the Future of Retail, identified a number of trends that will be increasingly important for retailers. We consistently review our programs, goals and reporting to adequately anticipate future demands in these areas. JCPenney associates participate in RILA's working groups on sustainability issues such as Energy & Greenhouse Gas Emissions, Environmental

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you, or are you attempting to, influence the position?
		sustainability executives to share leading practices, develop new processes, and communicate their efforts to the industry's stakeholders. RILA uses its annual conference, benchmark studies, collaborative partnerships, and research on behalf of retail sustainability interests to help our members learn and develop their programs.	Compliance, Product Stewardship, Waste & Recycling and Communicating, Reporting & Engaging. In these working groups JCPenney associates share best practices, network, and learn from peers and other subject matter experts.

CC2.3d

Do you publicly disclose a list of all the research organizations that you fund?

CC2.3e

Please provide details of the other engagement activities that you undertake

CC2.3f

What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

JCPenney's corporate environmental strategy is based on energy efficiency, sustainable factories and community engagement. This is consistent with the following trade organizations JCPenney supports.

JCPenney is member of Retail Industry Leaders Association (RILA). RILA is an advocate for the retail industry, dedicated to informing lawmakers of the impact and consequences of their decisions from the retail industries perspective. JCPenney associates participate in RILA's working groups on sustainability issues such as Energy & Greenhouse Gas Emissions, Environmental Compliance, Product Stewardship, Waste & Recycling and Communicating, Reporting & Engaging. In these working groups JCPenney associates share best practices, and network and learn from peers and other subject matter experts. In 2013, JCPenney joined the

Sustainable Purchasing Leadership Council, whose mission is to support and recognize purchasing leadership that accelerates the transition to a prosperous and sustainable future.

CC2.3g

Please explain why you do not engage with policy makers

Further Information

Page: **CC3. Targets and Initiatives**

CC3.1

Did you have an emissions reduction or renewable energy consumption or production target that was active (ongoing or reached completion) in the reporting year?

Intensity target
Renewable energy consumption and/or production target

CC3.1a

Please provide details of your absolute target

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions covered by target (metric tonnes CO2e)	Target year	Is this a science-based target?	Comment
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CC3.1b

Please provide details of your intensity target

ID	Scope	% of emissions in scope	% reduction from base year	Metric	Base year	Normalized base year emissions covered by target	Target year	Is this a science-based target?	Comment
Int1	Scope 1+2 (location-based)	100%	15%	Metric tonnes CO2e per square meter*	2014	0.00696	2020	No, and we do not anticipate setting one in the next 2 years	

CC3.1c

Please also indicate what change in absolute emissions this intensity target reflects

ID	Direction of change anticipated in absolute Scope 1+2 emissions at target completion?	% change anticipated in absolute Scope 1+2 emissions	Direction of change anticipated in absolute Scope 3 emissions at target completion?	% change anticipated in absolute Scope 3 emissions	Comment
Int1	Decrease	15			

CC3.1d

Please provide details of your renewable energy consumption and/or production target

ID	Energy types covered by target	Base year	Base year energy for energy type covered (MWh)	% renewable energy in base year	Target year	% renewable energy in target year	Comment
RE1	Electricity consumption	2008	1115422	0%	2020	25%	Renewable energy target is referenced as an aspirational target without measurements.

CC3.1e

For all of your targets, please provide details on the progress made in the reporting year

ID	% complete (time)	% complete (emissions or renewable energy)	Comment
Int1	33%	100%	JCPenney saw an emissions intensity decrease of 15.84% from 2014 to 2016. Compared to our 2020 target year, this target is over 100% complete.

CC3.1f

Please explain (i) why you do not have a target; and (ii) forecast how your emissions will change over the next five years

CC3.2

Do you classify any of your existing goods and/or services as low carbon products or do they enable a third party to avoid GHG emissions?

Yes

CC3.2a

Please provide details of your products and/or services that you classify as low carbon products or that enable a third party to avoid GHG emissions

Level of aggregation	Description of product/Group of products	Are you reporting low carbon product/s or avoided emissions?	Taxonomy, project or methodology used to classify product/s as low carbon or to calculate avoided emissions	% revenue from low carbon product/s in the reporting year	% R&D in low carbon product/s in the reporting year	Comment
Product	JCPenney offers a range of window treatments that help our customers reduce heating and cooling costs by up to 40%. These cost savings represent the relative cost of heating or cooling an area to account for heat lost or gained through a window. Savings reflect comparison to a bare single-pane window. The Energy Savings logo was developed by JCPenney for exclusive use. Energy Savings testing is conducted by an independent third-party laboratory. In addition to saving money and energy, our customers are able to reduce related Scope 1 and 2 emissions.	Low carbon product				

CC3.3

Did you have emissions reduction initiatives that were active within the reporting year (this can include those in the planning and/or implementation phases)

Yes

CC3.3a

Please identify the total number of projects at each stage of development, and for those in the implementation stages, the estimated CO2e savings

Stage of development	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	0	0
Implementation commenced*	0	0
Implemented*	3	12373
Not to be implemented	0	0

CC3.3b

For those initiatives implemented in the reporting year, please provide details in the table below

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
Energy efficiency: Building services	LED Retrofit: Installation of LED lighting as part of energy projects, renovations, obsolescence, etc., impacting 60 stores. Annual monetary savings includes cost savings from eliminating these fixtures from the annual relamping program.	6889	Scope 2 (location-based)	Voluntary	1300000	3600000	1-3 years	6-10 years	

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
Behavioral change	Advanced Energy Management (AEM)/IDR Installation: The AEM program was introduced to over 200 additional JCPenney stores. This program was designed to focus on unoccupied and shoulder hours, enhance the reporting module that identifies energy wasting events, and improve processing time between the identification and elimination of energy-wasting events. This combination has enhanced our ability to identify causes of energy waste and encouraged the most efficient ways of eliminating energy waste.	1055	Scope 2 (location-based)	Voluntary	150000	1000000	1-3 years	Ongoing	
Energy efficiency: Building services	Entouch Controls System Installation: Includes improvements to existing Energy Management Systems which expands the capability to measure, manage, and save. Installation at 18 stores.	4429	Scope 2 (location-based)	Voluntary	70000	230000	1-3 years	Ongoing	

CC3.3c

What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Dedicated budget for energy efficiency	We have a dedicated budget for the energy strategy program
Internal finance mechanisms	Additional projects are evaluated based on their financial return and contribution to the energy strategy.

CC3.3d

If you do not have any emissions reduction initiatives, please explain why not

Further Information

Page: CC4. Communication

CC4.1

Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s)

Publication	Status	Page/Section reference	Attach the document	Comment
In voluntary communications	Complete	Whole Document	https://www.cdp.net/sites/2017/70/22370/Climate Change 2017/Shared Documents/Attachments/CC4.1/CC4.1_Climate Change 2016 Information Request - jcpenny.pdf	We have committed to disclosing our social and environmental sustainability performance through voluntary reporting such as the CDP's annual Climate Change submission and our biannual Corporate Social Responsibility report.

Further Information

Module: Risks and Opportunities

Page: CC5. Climate Change Risks

CC5.1

Have you identified any inherent climate change risks that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

- Risks driven by changes in regulation
- Risks driven by changes in physical climate parameters
- Risks driven by changes in other climate-related developments

CC5.1a

Please describe your inherent risks that are driven by changes in regulation

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Cap and trade schemes	As a significant purchaser of electricity from regulated and unregulated utilities, implementation of a future cap & trade system	Increased operational cost	1 to 3 years	Direct	Unlikely	Low	Any future Cap and Trade Schemes will directly impact JCPenney by increasing energy costs.	To manage these risks JCPenney has adopted a target of reducing Scope 1+2 greenhouse gas emissions by 15% per gross square foot by 2020.	The capital projects aforementioned represent the largest cost of management for this opportunity. JCPenney also employs an

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	would have an impact on energy costs.							JCPenney has made targeted investments in energy usage reductions measures including lighting retrofits, high efficiency, occupancy-based controls, efficiency control of vending equipment, variable speed drive control, Advanced Energy Management (AEM) and high efficiency HVAC equipment. As a case study, in 2016 JCPenney implemented LED lighting upgrades at 60 stores, introduced AEM programs at over 200 additional stores, and installed control services at 18 sites. All of these projects are expected to yield 12373 metric tons	energy management team and utilizes a software system to track energy consumption and cost data.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								of CO2e emissions reductions.	
Fuel/energy taxes and regulations	As a significant purchaser of transportation services, the implementation of any future energy or carbon tax would have an impact on energy costs.	Increased operational cost	1 to 3 years	Indirect (Supply chain)	More likely than not	Medium	A significant portion of our operational cost is allocated to transportation needs. Any additional fuel/energy taxes and regulations on fuel consumption or sales will increase our operational costs.	To manage these risks, JCPenney is committed to reducing fuel consumption and improving supply chain efficiency. We have been an EPA SmartWay partner since 2005, receiving the EPA SmartWay Excellence Award twice. We are members of Coalition for Responsible Transportation Coalition committed to reducing port truck pollution by implementation of practical and sustainable solutions.	JCPenney is focused on leveraging resources available from collaboration with programs such as EPA SmartWay.
General environmental regulations, including planning	As developing nations in our supply chain start implementing stricter environmental regulations related	Increased operational cost	1 to 3 years	Indirect (Supply chain)	About as likely as not	Low-medium	Our supply chain partners could pass on these costs of compliance covered in the risk driver	To mitigate this risk, JCPenney is evaluating the use of various retail industry associations like the Retail Industry	JCPenney is focused on utilizing resources and tools available to us via partnerships with

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	to atmospheric pollution, GHG emissions & high energy consumption. JCPenney understands that a significant amount of GHG emissions (scope 3) result from manufacturing and transportation of the products we sell. The manufacturing portion of our supply chain is located mainly in developing countries and these countries could start enforcing stricter environmental regulations with respect to atmospheric pollution, GHG emissions and high energy consumption.						description to JCPenney.	Leaders Association (RILA) and implementing supplier engagement programs to identify supply chain partners with better environmental performance and provide expertise to existing partners for improving their environmental performance.	various retail industry associations like the Retail Industry Leaders Association (RILA).
Fuel/energy taxes and regulations	As a significant purchaser of electricity from	Increased operational cost	1 to 3 years	Direct	About as likely as not	Low	Any future energy or carbon tax will	To manage these risks JCPenney has adopted a	The capital projects aforementioned

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>regulated and unregulated utilities, the implementation of any future energy or carbon tax would have an impact on energy costs.</p>						<p>directly impact JCPenney by increasing energy costs.</p>	<p>target of reducing Scope 1+2 greenhouse gas emissions by 15% per gross square foot by 2020. JCPenney has made targeted investments in energy usage reductions measures including lighting retrofits, high efficiency, occupancy-based controls, efficiency control of vending equipment, variable speed drive control, Advanced Energy Management (AEM) and high efficiency HVAC equipment. As a case study, in 2016 JCPenney implemented LED lighting upgrades at 60 stores, introduced AEM programs at over 200 additional stores, and installed control</p>	<p>represent the largest cost of management for this opportunity. JCPenney also employs an energy management team and utilizes a software system to track energy consumption and cost data.</p>

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								services at 18 sites. All of these projects are expected to yield 12373 metric tons of CO2e emissions reductions.	

CC5.1b

Please describe your inherent risks that are driven by changes in physical climate parameters

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Change in precipitation extremes and droughts	These changes could impact the timely availability of merchandise and the cost of raw materials.	Increased operational cost	1 to 3 years	Indirect (Supply chain)	About as likely as not	Low-medium	JCPenney products require various raw materials such as cotton. The cost and availability of these raw materials can be adversely affected by climatic conditions such as changes to precipitation	JCPenney plans to mitigate this risk by having its International Social Responsibility, Sustainability & Product Integrity team focused on transferring orders to suppliers located in parts of the world unaffected by extreme weather patterns.	JCPenney is focused on utilizing resources and tools available to us via partnerships with various retail industry associations like the Retail Industry Leaders

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
							patterns or extended droughts. This could drive up the cost of our merchandise.	Additionally, JCPenney continues to find opportunities to hedge raw materials within its sourcing and supply chain organization to anticipate potential product risks due to climate change cost budget certainty. If our supply chain is severely limited, we also look for alternative materials where possible.	Association (RILA).
Other physical climate drivers	Severe weather events: Extreme weather or natural disasters could severely hinder JCPenney's ability to timely deliver seasonally appropriate merchandise, preclude customers from traveling to our stores, delay capital improvements or	Increased operational cost	Up to 1 year	Direct	More likely than not	Medium	As a general retailer, extreme weather conditions could, among other things, affect buying patterns, disrupt our supply chain and increase operating costs. A reduction in the demand for or supply of our seasonal merchandise	Our Business Continuity Planning and Disaster Recovery Planning functions within JCPenney are responsible for coordinating and facilitating business continuity planning activities within each JCPenney division. Included in these activities are response plans related to severe	Operational costs can be affected by many issues either individually or collectively. Therefore it's currently not possible to allocate management costs to specific issues like severe weather events.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>cause us to close stores. Additionally, our supply chain could be negatively impacted by severe weather. Approximately 10% of JCPenney's store footprint was negatively impacted by severe weather in 2016 due to either a direct closure, delayed reopening and/or a supply chain delay. In particular, our Northeast US footprint is susceptible to severe winter weather events such as Nor'easters which have caused closures and forced delayed reopening.</p>						<p>could have an adverse effect on our inventory levels, gross margins and results of operations.</p>	<p>weather and natural disasters. As weather patterns change over time, our BCP and DR analysts continue to monitor and test according to the risks posed by the potential increased intensity and frequency of severe weather due to climate change. As a case study in 2016, one JCPenney store and its surrounding community was impacted by a tornado that caused massive damage to the town. As a result of JCPenney's business continuity planning, the store was able to quickly recover from the impacts of the storm and reopen, providing local customers much needed access to basic apparel items, sheets, blankets, etc.</p>	

CC5.1c

Please describe your inherent risks that are driven by changes in other climate-related developments

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Reputation	Some consumers have heightened expectations from brands and retailers regarding social and environmental attributes of their products. These expectations are increasingly driving consumer purchasing decisions, and research from Cone Communications (2013), 71% of consumers consider the environmental impacts of their purchasing when shopping. Should the actions, initiatives, and	Reduced demand for goods/services	1 to 3 years	Direct	About as likely as not	Low-medium	Merchandise misjudgments may adversely impact the perception or reputation of our Company, which could result in declines in customer loyalty and vendor relationship issues, and ultimately have a material adverse effect on our business, financial condition and results of operations.	Our Director of Corporate Social Responsibility is responsible for facilitating the information conveyed in these submissions and reports by continually tracking the sustainability performance of JCPenney. Reporting We have committed to disclosing our social and environmental sustainability performance through voluntary reporting such as the CDP's annual Climate Change submission and our biannual	JCPenney is focused on utilizing resources and tools available to us via partnerships with various retail industry associations like the Retail Industry Leaders Association (RILA) and our third-party vendors that specialize in sustainability. Additionally JCPenney has published a sustainability report outlining progress on environmental and social issues. A

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>communications of our Company be or seem inauthentic, this could have an impact on consumers' perception of our brand and operations, leading to a decrease in demand for goods/services. Any sustained failure to identify and respond to emerging trends in lifestyle and customer preferences and buying trends could have an adverse impact on our business.</p>							<p>Corporate Social Responsibility report. Energy JCPenney has set a goal to reduce energy usage by 15% per gross square foot by 2020 (baseline year of 2014). In 2016, as JCPenney focused capital investment dollars on enhancing customer experience. We relied on JCPenney associates and our culture of energy conservation to supplement the reduced capital investment and executed against our energy reduction goal. Sourcing In 2016, JCPenney continued its engagement with Bureau</p>	<p>2017 version of this sustainability report was being written at the time of this submission.</p>

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								<p>Veritas (BV) to assess the environmental and social performance of our Tier 1 suppliers. During FY2016, BV completed 1006 initial, cycle, and follow-up social audits of factories producing private and exclusive brands for JCPenney. Products The Company will also feature a "Made in Green" hangtag on one of its best-selling towels, which gives shoppers the assurance that this towel is tested for harmful substances, and made in environmentally-friendly facilities that are safe and socially</p>	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								responsible workplaces.	
Changing consumer behavior	Costs, consumer awareness of issues and changing buying patterns can affect consumer behavior.	Reduced demand for goods/services	1 to 3 years	Direct	More likely than not	Low-medium	Unexpected changes in climate could shift consumer demand for seasonal merchandise such as coats in winter and shorts in summers. This could render a portion of JCPenney's inventory incompatible with these unexpected/unforeseen climatic shifts. The potential lost sales would adversely affect the company.	JCPenney is focused on ensuring the products and services offered in our stores are aligned with customer expectations	Consumer demand can be affected by many factors both individually and collectively. Therefore it's currently not possible to allocate change in demand to one specific issue.

CC5.1d

Please explain why you do not consider your company to be exposed to inherent risks driven by changes in regulation that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC5.1e

Please explain why you do not consider your company to be exposed to inherent risks driven by changes in physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC5.1f

Please explain why you do not consider your company to be exposed to inherent risks driven by changes in other climate-related developments that have the potential to generate a substantive change in your business operations, revenue or expenditure

Further Information

Page: **CC6. Climate Change Opportunities**

CC6.1

Have you identified any inherent climate change opportunities that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

Opportunities driven by changes in regulation

Opportunities driven by changes in physical climate parameters

Opportunities driven by changes in other climate-related developments

CC6.1a

Please describe your inherent opportunities that are driven by changes in regulation

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Cap and trade schemes	Implementation of these schemes will result in higher energy costs. Our energy conservation efforts will put us in a better competitive position regarding operating costs.	Reduced operational costs	1 to 3 years	Direct	Unlikely	Low	Implementation of Cap & Trade Schemes or Fuel/energy taxes and regulations will result in higher energy costs.	JCPenney's energy conservation and transportation optimization efforts places JCPenney in a competitive position to mitigate operating costs.	JCPenney has made targeted investments in energy usage reductions measures including lighting retrofits, high efficiency lighting, occupancy-controls, efficiency control of vending equipment, variable speed drive controls, Advanced Energy Management (AEM) and high efficiency HVAC equipment. These measures have enabled JCPenney to reduce source energy usage (kBtu/sq ft) by 19% (baseline year 2008).

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Fuel/energy taxes and regulations	Implementation of these schemes will result in higher energy costs. Our efforts to optimize our transportation and our energy conservation efforts will put us in a better competitive position regarding operating costs.	Reduced operational costs	1 to 3 years	Direct	About as likely as not	Low-medium	Implementation of Fuel/energy taxes and regulations at the local, state, regional or national level will result in higher energy costs but also enable us to capture greater savings from our energy efficiency and reduction projects. As these costs increase JCPenney would expect that the savings from our energy projects would represent <1% of revenue.	JCPenney's energy conservation and transportation optimization efforts places JCPenney in a competitive position to mitigate operating costs. JCPenney has made targeted investments in energy usage reductions measures including lighting retrofits, high efficiency, occupancy-based controls, efficiency control of vending equipment, variable speed drive control, Advanced Energy Management (AEM) and high efficiency HVAC equipment. As a case study, in	The capital projects aforementioned represent the largest cost of management for this opportunity. JCPenney also employs an energy management team and utilizes a software system to track energy consumption and cost data.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								2016 JCPenney implemented LED lighting upgrades at 60 stores, introduced AEM programs at over 200 additional stores, and installed control services at 18 sites. All of these projects are expected to yield 12373 metric tons of CO2e emissions reductions.	
Product labeling regulations and standards	In the future, there will continue to be public demand for information regarding the environmental impact of products.	Increased demand for existing products/services	>6 years	Direct	About as likely as not	Low	Customers are increasingly demanding labelling and transparency regarding sustainability attributes of products.	JCPenney's involvement with industry groups, such as Retail Industry Leaders Association (RILA) provides us the opportunity to develop voluntary product labelling standards and stay informed of	JCPenney is focused on utilizing resources and tools available via partnerships with suppliers, vendors and various retail industry associations like Retail Industry Leaders Association

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								<p>any regulatory labelling requirements. Additionally, JCPenney has begun introducing products that reflect what percentage has been made with recyclable materials such as plastic water bottles. The Company will also feature a "Made in Green" hangtag on one of its best-selling towels, which gives shoppers the assurance that this towel is tested for harmful substances, and made in environmentally-friendly facilities that are safe and socially responsible workplaces. JCPenney is</p>	<p>(RILA). Additionally JCPenney has published a sustainability report outlining progress on environmental and social issues.</p>

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								the first retailer in the U.S. to bring the MADE IN GREEN by OKEO-TEX traceable textile label to its customers.	

CC6.1b

Please describe your inherent opportunities that are driven by changes in physical climate parameters

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Change in temperature extremes	As climate change increases the extreme temperatures of the summer months, JCPenney is positioned to ensure that our facilities remain comfortable and accessible to our employees and customers.	Increased demand for existing products/services	1 to 3 years	Direct	About as likely as not	Low-medium	An increase in summer foot traffic due to increased temperature extremes has not specifically been modeled by JCPenney. However, economic studies of the retail industry have shown that	JCPenney's energy conservation and transportation optimization efforts will place JCPenney in a competitive position regarding the comfort of our facilities and our ability to consistently air	The capital projects aforementioned represent the largest cost of management for this opportunity. JCPenney also employs an energy management team and utilizes a software system to track energy

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>Furthermore, numerous publications and economic studies on the retail industry have indicated that instances of severe heat during the summer months can increase foot traffic to malls and other "big box" retail stores which have open room to walk and provide an alternative to outdoor leisure time. Approximately 500 of JCPenney's stores are located in malls and/or indoor shopping centers.</p>						<p>heatwaves can lead to increases of mall traffic.</p>	<p>condition our stores during extreme temperature events. JCPenney has made targeted investments in energy usage reductions measures including lighting retrofits, high efficiency, occupancy-based controls, efficiency control of vending equipment, variable speed drive control, Advanced Energy Management (AEM) and high efficiency HVAC equipment. As a case study, in 2016 JCPenney implemented LED lighting upgrades at 60 stores, introduced AEM programs at over 200 additional stores, and</p>	<p>consumption and cost data.</p>

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								installed control services at 18 sites. All of these projects are expected to yield 12373 metric tons of CO2e emissions reductions.	

CC6.1c

Please describe your inherent opportunities that are driven by changes in other climate-related developments

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Changing consumer behavior	Some consumers have heightened expectations from brands and retailers regarding social and environmental attributes of their products. These expectations are increasingly driving consumer purchasing	Increased demand for existing products/services	1 to 3 years	Direct	More likely than not	Medium	As a result of changing consumer demand, our environmentally and socially conscious product lines may represent a higher share of revenue. Additionally, as more shoppers migrate to	Our Director of Corporate Social Responsibility is responsible for facilitating the information conveyed in these submissions and reports by continually tracking the sustainability performance of	To capitalize on this opportunity, JCPenney is focused on utilizing resources and tools available to us via partnerships with various retail industry associations like the

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>decisions. According to research from Cone Communications (2013), 71% of consumers consider the environmental impacts of their purchasing when shopping. Furthermore, according to recent research from Cone Communications conducted in 2017, 76% of consumers want companies to address the issue of climate change. As a retailer, JCPenney understands our customer's expectations and has developed strategies to integrate sustainability within our operations. As demographic shifts lead to</p>						<p>mobile phone for researching products and buying online, positively impacting sales potential.</p>	<p>JCPenney. Reporting We have committed to disclosing our social and environmental sustainability performance through voluntary reporting such as the CDP's annual Climate Change submission and our biannual Corporate Social Responsibility report. Energy JCPenney has set a goal to reduce energy usage by 15% per gross square foot by 2020 (baseline year of 2014). In 2016, as JCPenney focused capital investment dollars on enhancing customer experience. We relied on JCPenney associates and our culture of energy</p>	<p>Sustainable Apparel Coalition and Retail Industry Leaders Association (RILA), organizations of which we are members. During 2016, JCPenney engaged with publishers, sustainability experts and marketing specialists to prepare our 2017 CSR report. The cost of this report represents another cost of management for this opportunity related to climate change.</p>

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>more consumers using mobile services to shop online, differentiation and customer retention is crucial. By providing products that better align with customer values and needs (including but not limited to environmental considerations), our products and our service will stand out. As an example, JCPenney has begun introducing products that reflect what percentage has been made with recyclable materials such as plastic water bottles.</p>							<p>conservation to supplement the reduced capital investment and executed against our energy reduction goal. Sourcing In 2016, JCPenney continued its engagement with Bureau Veritas (BV) to assess the environmental and social performance of our Tier 1 suppliers. During FY2016, BV completed 1006 initial, cycle, and follow-up social audits of factories producing private and exclusive brands for JCPenney. Products The Company will also feature a "Made in Green" hangtag on one of its best-selling towels, which gives shoppers the assurance</p>	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								that this towel is tested for harmful substances, and made in environmentally-friendly facilities that are safe and socially responsible workplaces.	

CC6.1d

Please explain why you do not consider your company to be exposed to inherent opportunities driven by changes in regulation that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC6.1e

Please explain why you do not consider your company to be exposed to inherent opportunities driven by changes in physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC6.1f

Please explain why you do not consider your company to be exposed to inherent opportunities driven by changes in other climate-related developments that have the potential to generate a substantive change in your business operations, revenue or expenditure

Further Information

Module: GHG Emissions Accounting, Energy and Fuel Use, and Trading

Page: CC7. Emissions Methodology

CC7.1

Please provide your base year and base year emissions (Scopes 1 and 2)

Scope	Base year	Base year emissions (metric tonnes CO2e)
Scope 1	Tue 01 Jan 2008 - Wed 31 Dec 2008	84269
Scope 2 (location-based)	Tue 01 Jan 2008 - Wed 31 Dec 2008	1115422
Scope 2 (market-based)		

CC7.2

Please give the name of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

Please select the published methodologies that you use

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

CC7.2a

If you have selected "Other" in CC7.2 please provide details of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

CC7.3

Please give the source for the global warming potentials you have used

Gas	Reference
CH4	IPCC Fourth Assessment Report (AR4 - 100 year)
N2O	IPCC Fourth Assessment Report (AR4 - 100 year)
HFCs	IPCC Fourth Assessment Report (AR4 - 100 year)
PFCs	IPCC Fourth Assessment Report (AR4 - 100 year)
CO2	IPCC Fourth Assessment Report (AR4 - 100 year)

CC7.4

Please give the emissions factors you have applied and their origin; alternatively, please attach an Excel spreadsheet with this data at the bottom of this page

Fuel/Material/Energy	Emission Factor	Unit	Reference
			Please see the attached emissions factors.

Further Information

Emissions Factors provided via an Excel Attachment.

Attachments

[https://www.cdp.net/sites/2017/70/22370/Climate Change 2017/Shared Documents/Attachments/ClimateChange2017/CC7.EmissionsMethodology/CC7.4_JCPenney_EmissionsFactors.xls](https://www.cdp.net/sites/2017/70/22370/Climate%20Change%202017/Shared%20Documents/Attachments/ClimateChange2017/CC7.EmissionsMethodology/CC7.4_JCPenney_EmissionsFactors.xls)

Page: CC8. Emissions Data - (1 Jan 2016 - 31 Dec 2016)

CC8.1

Please select the boundary you are using for your Scope 1 and 2 greenhouse gas inventory

Financial control

CC8.2

Please provide your gross global Scope 1 emissions figures in metric tonnes CO₂e

59506.73

CC8.3

Please describe your approach to reporting Scope 2 emissions

Scope 2, location-based	Scope 2, market-based	Comment
We are reporting a Scope 2, location-based figure	We have operations where we are able to access electricity supplier emissions factors or residual emissions factors, but are unable to report a Scope 2, market-based figure	

CC8.3a

Please provide your gross global Scope 2 emissions figures in metric tonnes CO₂e

Scope 2, location-based	Scope 2, market-based (if applicable)	Comment
707421.58		

CC8.4

Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

CC8.4a

Please provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure

Source	Relevance of Scope 1 emissions from this source	Relevance of location-based Scope 2 emissions from this source	Relevance of market-based Scope 2 emissions from this source (if applicable)	Explain why the source is excluded

CC8.5

Please estimate the level of uncertainty of the total gross global Scope 1 and 2 emissions figures that you have supplied and specify the sources of uncertainty in your data gathering, handling and calculations

Scope	Uncertainty range	Main sources of uncertainty	Please expand on the uncertainty in your data
Scope 1	More than 2% but less than or equal to 5%	Extrapolation Metering/ Measurement Constraints	For approximately 5% of JCPenney stores, we don't directly pay for utilities such as electricity, natural gas, heating oil, and propane. JCPenney is billed for these utilities per sq ft by the landlord. To calculate Scope 1 emissions for these stores, we gap filled where applicable. It's possible there could be difference between the actual and extrapolated emission values.
Scope 2 (location-based)	More than 2% but less than or equal to 5%	Extrapolation Metering/ Measurement Constraints	For approximately 5% of JCPenney stores, we don't directly pay for utilities such as electricity, natural gas, heating oil, and propane. JCPenney is billed for these utilities per sq ft by the landlord. To calculate Scope 2 emissions for these stores, we either gap filled or estimated based on a derived intensity factor derived from emissions (by Scope) per sq ft for comparable stores. It's possible there could be difference between the actual and extrapolated emission values.

Scope	Uncertainty range	Main sources of uncertainty	Please expand on the uncertainty in your data
Scope 2 (market-based)			

CC8.6

Please indicate the verification/assurance status that applies to your reported Scope 1 emissions

Third party verification or assurance process in place

CC8.6a

Please provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements

Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/section reference	Relevant standard	Proportion of reported Scope 1 emissions verified (%)
Annual process	Underway but not complete for reporting year – previous	Limited assurance	https://www.cdp.net/sites/2017/70/22370/Climate Change 2017/Shared Documents/Attachments/CC8.6a/DR2_JCPenney 2015 - CDP Verification Statement Limited Final.pdf	1	ISO14064-3	100

Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/section reference	Relevant standard	Proportion of reported Scope 1 emissions verified (%)
	statement of process attached					

CC8.6b

Please provide further details of the regulatory regime to which you are complying that specifies the use of Continuous Emission Monitoring Systems (CEMS)

Regulation	% of emissions covered by the system	Compliance period	Evidence of submission

CC8.7

Please indicate the verification/assurance status that applies to at least one of your reported Scope 2 emissions figures

Third party verification or assurance process in place

CC8.7a

Please provide further details of the verification/assurance undertaken for your location-based and/or market-based Scope 2 emissions, and attach the relevant statements

Location-based or market-based figure?	Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported Scope 2 emissions verified (%)
Location-based	Annual process	Underway but not complete for reporting year – previous statement of process attached	Limited assurance	https://www.cdp.net/sites/2017/70/22370/Climate Change 2017/Shared Documents/Attachments/CC8.7a/DR2_JCPenney 2015 - CDP Verification Statement Limited Final.pdf	1	ISO14064-3	100

CC8.8

Please identify if any data points have been verified as part of the third party verification work undertaken, other than the verification of emissions figures reported in CC8.6, CC8.7 and CC14.2

Additional data points verified	Comment
No additional data verified	Our scope 3 emissions will be verified in the future.

CC8.9

Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

No

CC8.9a

Please provide the emissions from biologically sequestered carbon relevant to your organization in metric tonnes CO2

Further Information

Page: CC9. Scope 1 Emissions Breakdown - (1 Jan 2016 - 31 Dec 2016)

CC9.1

Do you have Scope 1 emissions sources in more than one country?

No

CC9.1a

Please break down your total gross global Scope 1 emissions by country/region

Country/Region	Scope 1 metric tonnes CO2e

CC9.2

Please indicate which other Scope 1 emissions breakdowns you are able to provide (tick all that apply)

CC9.2a

Please break down your total gross global Scope 1 emissions by business division

Business division	Scope 1 emissions (metric tonnes CO2e)
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CC9.2b

Please break down your total gross global Scope 1 emissions by facility

Facility	Scope 1 emissions (metric tonnes CO2e)	Latitude	Longitude
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CC9.2c

Please break down your total gross global Scope 1 emissions by GHG type

GHG type	Scope 1 emissions (metric tonnes CO2e)
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CC9.2d

Please break down your total gross global Scope 1 emissions by activity

Activity	Scope 1 emissions (metric tonnes CO2e)
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Further Information

Page: CC10. Scope 2 Emissions Breakdown - (1 Jan 2016 - 31 Dec 2016)

CC10.1

Do you have Scope 2 emissions sources in more than one country?

No

CC10.1a

Please break down your total gross global Scope 2 emissions and energy consumption by country/region

Country/Region	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)
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CC10.2

Please indicate which other Scope 2 emissions breakdowns you are able to provide (tick all that apply)

CC10.2a

Please break down your total gross global Scope 2 emissions by business division

Business division	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)
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CC10.2b

Please break down your total gross global Scope 2 emissions by facility

Facility	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)
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CC10.2c

Please break down your total gross global Scope 2 emissions by activity

Activity	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)
----------	--	--

Further Information

Page: CC11. Energy

CC11.1

What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

CC11.2

Please state how much heat, steam, and cooling in MWh your organization has purchased and consumed during the reporting year

Energy type	MWh
Heat	0
Steam	49
Cooling	0

CC11.3

Please state how much fuel in MWh your organization has consumed (for energy purposes) during the reporting year

311055

CC11.3a

Please complete the table by breaking down the total "Fuel" figure entered above by fuel type

Fuels	MWh
Diesel/Gas oil	21
Jet gasoline	19387
Kerosene	1
Natural gas	288820
Distillate fuel oil No 2	1015
Propane	1813

CC11.4

Please provide details of the electricity, heat, steam or cooling amounts that were accounted at a low carbon emission factor in the market-based Scope 2 figure reported in CC8.3a

Basis for applying a low carbon emission factor	MWh consumed associated with low carbon electricity, heat, steam or cooling	Emissions factor (in units of metric tonnes CO ₂ e per MWh)	Comment
Direct procurement contract with a grid-connected generator or Power Purchase Agreement (PPA), supported by energy attribute certificates	7010	0	

CC11.5

Please report how much electricity you produce in MWh, and how much electricity you consume in MWh

Total electricity consumed (MWh)	Consumed electricity that is purchased (MWh)	Total electricity produced (MWh)	Total renewable electricity produced (MWh)	Consumed renewable electricity that is produced by company (MWh)	Comment
1400670	1400670	7010	7010	7010	

Further Information

Page: **CC12. Emissions Performance**

CC12.1

How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to the previous year?

Decreased

CC12.1a

Please identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year

Reason	Emissions value (percentage)	Direction of change	Please explain and include calculation
Emissions reduction activities	1.49	Decrease	Due to emission reduction activities implemented during the year, despite an increase in production, emissions have not grown as high as could be expected. Last year (2016) 12,373 metric tons CO2e were reduced by our emissions reduction projects, and our total S1 and S2 emissions in the previous year

Reason	Emissions value (percentage)	Direction of change	Please explain and include calculation
			(2015) was 831,178 metric tons CO ₂ e, therefore we arrived at 1.19% through $(12,373 / 831,178) * 100 = 1.49\%$.
Divestment	0		
Acquisitions	0		
Mergers	0		
Change in output	6.21	Decrease	Our year-over-year change in Scope 1+2 emissions was a decrease of 7.7%. Beyond the listed emission reduction activities, other factors in our operations led to an additional emissions decrease of 6.21%.
Change in methodology	0		
Change in boundary	0		
Change in physical operating conditions	0		
Unidentified	0		
Other	0		

CC12.1b

Is your emissions performance calculations in CC12.1 and CC12.1a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

CC12.2

Please describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO₂e per unit currency total revenue

Intensity figure =	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator: Unit total revenue	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change
0.0000612175	metric tonnes CO2e	12547000000	Location-based	8.42	Decrease	The overall decrease in intensity is a result of an 8.9% decrease in Scope 1 + Scope 2 emissions, as well as a 0.6% decrease in revenue from 2015 to 2016.

CC12.3

Please provide any additional intensity (normalized) metrics that are appropriate to your business operations

Intensity figure =	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator	Metric denominator: Unit total	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change
7.25	metric tonnes CO2e	full time equivalent (FTE) employee	106000	Location-based	9.84	Decrease	The overall decrease in intensity is being driven primarily by a decrease in Scope 1 + Scope 2 emissions, despite a minimal increase in FTE from 2015 to 2016.

Further Information

CC13.1

Do you participate in any emissions trading schemes?

No, and we do not currently anticipate doing so in the next 2 years

CC13.1a

Please complete the following table for each of the emission trading schemes in which you participate

Scheme name	Period for which data is supplied	Allowances allocated	Allowances purchased	Verified emissions in metric tonnes CO ₂ e	Details of ownership

CC13.1b

What is your strategy for complying with the schemes in which you participate or anticipate participating?

CC13.2

Has your organization originated any project-based carbon credits or purchased any within the reporting period?

No

CC13.2a

Please provide details on the project-based carbon credits originated or purchased by your organization in the reporting period

Credit origination or credit purchase	Project type	Project identification	Verified to which standard	Number of credits (metric tonnes CO2e)	Number of credits (metric tonnes CO2e): Risk adjusted volume	Credits canceled	Purpose, e.g. compliance
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Further Information

Page: CC14. Scope 3 Emissions

CC14.1

Please account for your organization’s Scope 3 emissions, disclosing and explaining any exclusions

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
Purchased goods and services	Relevant, not yet calculated				JCPenney is exploring data sources and methodologies to collect accurate data.
Capital goods	Not relevant, explanation provided				This Scope 3 category does not meet any of the criteria (size, influence, risk, stakeholders, outsourcing, etc.) deemed as relevant under the WRI/WBCSD “Corporate Value Chain (Scope 3) Accounting & Reporting Standard”

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
					criteria of "sector guidance" as defined in Table 6.1 based on review of our operations.
Fuel-and-energy-related activities (not included in Scope 1 or 2)	Not relevant, explanation provided				This Scope 3 category does not meet any of the criteria (size, influence, risk, stakeholders, outsourcing, etc.) deemed as relevant under the WRI/WBCSD "Corporate Value Chain (Scope 3) Accounting & Reporting Standard" criteria of "sector guidance" as defined in Table 6.1 based on review of our operations.
Upstream transportation and distribution	Relevant, not yet calculated				JCPenney is exploring data sources and methodologies to collect accurate data
Waste generated in operations	Relevant, not yet calculated				JCPenney is exploring data sources and methodologies to collect accurate data.
Business travel	Relevant, calculated	7537	Scope 3 emissions calculated for passenger commercial air travel are based on flight distance (long/short), flight type (domestic/International) and by applying relevant DEFRA 2016 emission factors. Flight information is provided by JCPenney's third party travel partner.	100.00%	This includes all international and domestic commercial travel by JCPenney associates during 2016.
Employee commuting	Not relevant, explanation provided				This Scope 3 category does not meet any of the criteria (size, influence, risk, stakeholders, outsourcing, etc.) deemed as relevant under the WRI/WBCSD "Corporate Value Chain (Scope 3) Accounting & Reporting Standard"

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
					criteria of "sector guidance" as defined in Table 6.1 based on review of our operations.
Upstream leased assets	Not relevant, explanation provided				This Scope 3 category does not meet any of the criteria (size, influence, risk, stakeholders, outsourcing, etc.) deemed as relevant under the WRI/WBCSD "Corporate Value Chain (Scope 3) Accounting & Reporting Standard" criteria of "sector guidance" as defined in Table 6.1 based on review of our operations.
Downstream transportation and distribution	Relevant, calculated	159649	Scope 3 emissions calculated for downstream ground transportation (by air travel and truck) representing 70% spend in that category. JCPenney calculated Scope 3 emissions resulting from this activity using vendor provided data on fuel consumed and distance covered. Calculation Methodology: Table 5:Emission Factors for On-Road Vehicle Product Transport(vehicle-mile) Climate Leaders GHG Inventory Protocol as well as EPA (2015) Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990-2013. All values are calculated from Tables A-105 through A-107	70.00%	Scope 3 emissions calculated for downstream ground transportation that represents 70% spend in that category.
Processing of sold products	Not relevant, explanation provided				This Scope 3 category does not meet any of the criteria (size, influence, risk, stakeholders, outsourcing, etc.) deemed as relevant under the WRI/WBCSD "Corporate Value Chain (Scope 3) Accounting & Reporting Standard" criteria of "sector guidance" as defined

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
					in Table 6.1 based on review of our operations.
Use of sold products	Relevant, not yet calculated				JCPenney is exploring data sources and methodologies to collect accurate data.
End of life treatment of sold products	Not relevant, explanation provided				This Scope 3 category does not meet any of the criteria (size, influence, risk, stakeholders, outsourcing, etc.) deemed as relevant under the WRI/WBCSD "Corporate Value Chain (Scope 3) Accounting & Reporting Standard" criteria of "sector guidance" as defined in Table 6.1 based on review of our operations.
Downstream leased assets	Not relevant, explanation provided				This Scope 3 category does not meet any of the criteria (size, influence, risk, stakeholders, outsourcing, etc.) deemed as relevant under the WRI/WBCSD "Corporate Value Chain (Scope 3) Accounting & Reporting Standard" criteria of "sector guidance" as defined in Table 6.1 based on review of our operations.
Franchises	Not relevant, explanation provided				This Scope 3 category does not meet any of the criteria (size, influence, risk, stakeholders, outsourcing, etc.) deemed as relevant under the WRI/WBCSD "Corporate Value Chain (Scope 3) Accounting & Reporting Standard" criteria of "sector guidance" as defined

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
					in Table 6.1 based on review of our operations.
Investments	Not relevant, explanation provided				This Scope 3 category does not meet any of the criteria (size, influence, risk, stakeholders, outsourcing, etc.) deemed as relevant under the WRI/WBCSD "Corporate Value Chain (Scope 3) Accounting & Reporting Standard" criteria of "sector guidance" as defined in Table 6.1 based on review of our operations.
Other (upstream)					
Other (downstream)					

CC14.2

Please indicate the verification/assurance status that applies to your reported Scope 3 emissions

Third party verification or assurance process in place

CC14.2a

Please provide further details of the verification/assurance undertaken, and attach the relevant statements

Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported Scope 3 emissions verified (%)
Annual process	No verification or assurance of current reporting year	Limited assurance			ISO14064-3	

CC14.3

Are you able to compare your Scope 3 emissions for the reporting year with those for the previous year for any sources?

Yes

CC14.3a

Please identify the reasons for any change in your Scope 3 emissions and for each of them specify how your emissions compare to the previous year

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Business travel	Change in output	2	Decrease	
Downstream transportation and distribution	Change in output	13	Decrease	

CC14.4

Do you engage with any of the elements of your value chain on GHG emissions and climate change strategies? (Tick all that apply)

No, we do not engage

CC14.4a

Please give details of methods of engagement, your strategy for prioritizing engagements and measures of success

CC14.4b

To give a sense of scale of this engagement, please give the number of suppliers with whom you are engaging and the proportion of your total spend that they represent

Type of engagement	Number of suppliers	% of total spend (direct and indirect)	Impact of engagement
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CC14.4c

Please explain why you do not engage with any elements of your value chain on GHG emissions and climate change strategies, and any plans you have to develop an engagement strategy in the future

JCPenney recognizes that a significant portion of our environmental and social impacts are incurred in our product supply chain. These global supply chains are stressed for resources and under close risk and transparency scrutiny by various stakeholders. These factors have informed our long-term strategy development, which includes adopting key performance indicators to measure and manage our supply chain environmental and social performance. We are confident that this strategy will enable JCPenney to cost effectively manage supply chain risks and opportunities.

In 2016, JCPenney continued its engagement with Bureau Veritas (BV) to assess the environmental and social performance of our Tier 1 suppliers. During FY2016, BV completed 1006 initial, cycle, and follow-up social audits of factories producing private and exclusive brands for JCPenney.

JCPenney has taken steps to reach a greater proportion of the supply chain. In 2015, we worked with the procurement and packaging teams to expand the Social and Environmental Responsibility program to facilities producing not-for-resale goods and packaging goods. JCPenney has also begun to work with tier 2 mills. In October of 2015, JCPenney joined Clean by Design – an environmental program for mills run by the Natural Resource Defense Council and the Sustainable Apparel Coalition. Through the program, participating mills learn and implement ten best practices to reducing their environmental impact. JCPenney has also, through BV,

conducted social and environmental audits in over 100 of the mills producing for JCPenney.

In February 2016, JCPenney rejoined the Sustainable Apparel Coalition (SAC). The Sustainable Apparel Coalition is an apparel, footwear and home textile industry alliance for sustainable production. SAC members include many of the world's largest brands plus manufacturers, nonprofits, and government agencies. Members work together to manage the impact of production. The SAC's main focus is the Higg Index, a standardized supply chain measurement tool to understand the environmental and social impacts of making and selling products. JCPenney plans to roll out the Higg Facility Environmental Module (FEM), which gathers information from facilities on: Environmental Management System, Energy Use & GHG Emissions, Water Use, Wastewater/ Effluent, Emissions to Air, Waste Management, and Chemicals. JCPenney will also complete the Higg Brand Module to assess, monitor, and manage JCPenney's social and environmental impact.

Launched in 2013, JCPenney requires supplier and factory management to complete a curriculum of online social and environmental responsibility training modules, including viewing a video that explains the JCPenney values of transparency, continuous improvement and integrity. The online coursework is offered in four different languages and covers a variety of useful information ranging from wage and working hour management to fire safety to subcontracting. In 2014, we launched seven new LMS courses on topics such as environmental protection, conflict minerals and corrective action plans.

Additionally JCPenney is an active participant in two Retail Industry Leaders Association (RILA) committees: the Responsible Sourcing Committee and the Sustainability Committee RILA is committed to advocating for solutions that work for the environment in our industry.

Further Information

Module: Sign Off

Page: CC15. Sign Off

CC15.1

Please provide the following information for the person that has signed off (approved) your CDP climate change response

Name	Job title	Corresponding job category
Miya Maysent	Vice President for Talent Development & Diversity	Other: Human Relations VP

Further Information

CDP