

# SEARS HOLDINGS CORPORATION

[Home](#) | [Press Releases](#) | [Investors](#) | [Corporate Governance](#) | [Community](#) | [Careers](#)

- [Awards & Recognition](#)
- [Brands](#)
- [Business Opportunities](#)
- [Diversity](#)
- [Environmental Sustainability](#)
- [Global Compliance](#)
- [Government Affairs](#)
- [Sears Holdings Alumni](#)



[Home](#) > [Govern](#) > [Sears Holdings Code of Conduct](#)

## Corporate Governance

- › [Printer Friendly](#)
- › [Version Espanol](#)

### Code of Conduct - Sears Holdings Corporation

#### TABLE OF CONTENTS

- I. INTRODUCTION
- II. GENERAL
- III. POLICIES
  - ACCOUNTING AND REPORTING PRACTICES
  - ANTITRUST
  - CHARITABLE CONTRIBUTIONS AND POLITICAL ACTIVITIES
  - COMMERCIAL BRIBERY
  - COMMUNICATIONS
  - CONFIDENTIAL INFORMATION AND PRIVACY
  - CONFLICTS OF INTEREST / PERSONAL BENEFITS
  - CUSTOMS AND IMPORT
  - ENVIRONMENTAL LAWS
  - FRAUD
  - GOVERNMENT CONTRACTS
  - INTELLECTUAL PROPERTY
  - PRODUCT SAFETY
  - SECURITIES LAWS
  - USE AND PROTECTION OF COMPANY ASSETS
  - VENDOR SAMPLES
  - VENDOR STANDARDS
  - WORKPLACE
- IV. REPORTING PROCEDURES

#### Corporate Governance

- [Board of Directors](#)
- [Senior Management Team](#)
- [Corporate Governance Guidelines](#)
- [Board Committees](#)
- [Audit Committee Charter](#)
- [Compensation Committee Charter](#)
- [Finance Committee Charter](#)
- [Nominating Committee Charter](#)
- [Global Compliance](#)
- [Securing Your Information](#)
- [Code of Conduct](#)
- [SHC Code of Vendor Conduct](#)
- [Board of Directors Code of Conduct](#)

#### Site Controls

- [Printer Friendly](#)
- [Larger Text](#)

- V. BUSINESS PRACTICES COMMITTEES
- VI. SENSITIVE INVESTIGATIONS COMMITTEE

## I. INTRODUCTION

Sears Holdings Corporation (“SHC” or “Company”) values honesty, integrity and adherence to the highest ethical standards. As associates, each of us has a responsibility for upholding these values and maintaining a commitment to basic principles of business ethics and good judgment. As part of this commitment, SHC has instituted a series of policies and procedures to reaffirm its dedication to the highest ethical standards.

Attached is the SHC Code of Conduct. The Code applies to all officers and associates of the Company and its wholly-owned subsidiaries, including Sears, Roebuck and Co., Kmart Holding Corporation and their subsidiaries. The Code embodies our values and sets forth the principles to guide our behavior. It is important for each of us to fully understand these principles and to commit ourselves to them in all our business activities. It is up to each of us to ensure that all of our business relationships are conducted with integrity and honesty and reflect the letter and spirit of the Code. A good starting point is to act with integrity in everything you do and to never engage in behavior that would undermine the reputation of SHC, your peers or yourself. If you would be ashamed to have your friends and family read about what you did at work today in tomorrow morning’s newspaper, then don’t do it.

This Code of Conduct reflects our values and defines the common sense behaviors required of all of us to ensure that SHC maintains legal and ethical business practices.

We believe abiding by the Code will make SHC a better, more profitable company.

Edward S. Lampert  
Chairman  
Sears Holdings Corporation

W. Bruce Johnson  
Interim Chief Executive Officer and President  
Sears Holdings Corporation

## II. GENERAL 1

- **SCOPE; RESPONSIBILITIES.** The Code of Conduct is at the essence of the Company’s management philosophy and provides an overview of standards of behavior applicable to all SHC associates. It is not, however, an exhaustive statement of SHC policies and procedures, and does not address every potential scenario. When faced with questions beyond those addressed in the Code of Conduct, associates are expected to follow both the spirit and letter of the Code and Company policies and procedures that govern the issue. In reading this Code and SHC’s policies it is important to remember that we as SHC associates have a duty to do the right thing under all circumstances, and this includes avoiding all situations that have even the appearance of impropriety. Taken together, the Code of Conduct and Company policies and procedures set forth the requirements for responsible behavior. SHC’s management, customers, business partners, regulators and shareholders expect all Company associates to observe these high standards, to comply with laws and regulations, and to use good judgment in situations where rules may not clearly define the appropriate course of action.
- **ADDITIONAL RESPONSIBILITY FOR MANAGERS.** SHC’s managers are expected to exemplify the highest standards of ethical business conduct. Pursuant to SHC’s open door policy, managers are intended to promote open discussion of ethical and legal implications of business decisions. Managers have a responsibility to create and sustain a work environment in which associates, contractors, and vendors know that ethical, legal behavior is expected. This responsibility includes ensuring that the Code of Conduct is communicated to those associates,

contractors, and vendors working for or with the manager. It also means managers are responsible for ensuring that subordinates are properly trained and familiar with policies required to do their jobs.

- **ACKNOWLEDGEMENT.** Associates acknowledge their understanding and agreement to comply with the Code of Conduct upon commencement of employment. Upon request, associates also periodically re-affirm their agreement to comply with the Code of Conduct.
- **DISCIPLINARY ACTION.** The Company will enforce compliance with the Code of Conduct and all Company policies and procedures through appropriate disciplinary action up to and including termination of employment and legal action. Adequate Company discipline of individuals responsible for an offense is a necessary component of enforcement. The appropriate form of discipline by the Company will be case-specific and fairly applied. A few examples of conduct that may result in discipline include: (i) violation of the law or Company policy, including requesting or directing others to violate the law or Company policy; (ii) failure to report a known or suspected violation of Company policy; (iii) failure to cooperate in an investigation of possible violations of Company policy; (iv) retaliation against another associate for reporting a concern or violation; (v) intentional false reporting of another associate; (vi) failure to monitor and oversee compliance with Company policies and applicable law by subordinates effectively; and (vii) unauthorized disclosure of confidential information relating to SHC or SHC associates, vendors or customers.
- **QUESTIONS.** If you have any questions about the Code of Conduct, a SHC policy, or any suspected improper conduct, you have an obligation as an associate to contact and discuss the matter with your supervisor or department manager, an officer, a Human Resources representative, or the Office of Compliance and Ethics. If you raise a concern with one of these contacts and the issue is not resolved, you should raise it with one of the other contacts.

---

<sup>1</sup> This Code is not a contract of employment, and does not create any contractual rights between you and Sears Holdings Corporation or any of its subsidiaries. Employment at SHC is on an “at-will” basis. This means that you can terminate your employment whenever you wish, for any reason, just as SHC may terminate your employment at any time, with or without notice, with or without cause.

Where local country laws contain requirements that conflict with this Code, those requirements apply for associates working in those countries.

This Code supersedes all other policies, procedures, instructions, practices, rules or verbal representations of SHC to the extent they are inconsistent. However, after consultation with and approval of the Office of Compliance and Ethics, individual business units may adopt procedures that are more restrictive than this Code.

### III. POLICIES

---

#### ACCOUNTING AND REPORTING PRACTICES

---

SHC and its associates must follow generally accepted accounting principles and maintain appropriate control policies and procedures. The law requires accurate and reliable business records; accordingly, all assets, liabilities, income and expenses shall be correctly identified and accurately recorded in the appropriate corporate books of account. False or misleading entries or exclusions are unlawful and are not permitted. Management and internal and independent auditors and examiners must be given access to all information necessary for them to conduct appropriate reviews. SHC and its associates shall provide full, fair, accurate, timely and understandable disclosure in reports and documents that SHC files with the Securities and Exchange Commission and in other public filings and communications made by the

---

## Company.

Issues regarding accounting, internal accounting controls, and auditing matters should be directed to the Ethics Hotline at 1-800-8ASSIST, or in writing to the Audit Committee Chairperson, c/o Corporate Secretary, 3333 Beverly Road, B6, Hoffman Estates, IL 60179.

---

## ANTITRUST

---

SHC is subject to complex antitrust laws designed to preserve competition among enterprises and to protect consumers from unfair business arrangements and practices. You are expected to comply with these laws at all times. Many situations create the potential for unlawful anti-competitive conduct and should be avoided. These include, for example:

- **COMMUNICATIONS WITH COMPETITORS.** Associates may not discuss with competitors any Company pricing, plans, or other competitive marketing information, including relationships with our vendors. Additionally, associates may not make any agreements, directly or indirectly, with a competitor regarding price, terms, conditions of sale, boycotts, or market allocation.
- **COMMUNICATIONS WITH VENDORS.** SHC encourages regular communication with our vendors, indeed, such communication is a necessity. However, associates may not make any agreements, directly or indirectly, with any vendors on the retail price of a product. While vendors may suggest retail pricing, the actual pricing on our merchandise is solely SHC's decision.

The monetary fines for antitrust violations can be high, and the cost to SHC's reputation even higher. If you have any questions about potential antitrust implications, consult with SHC's Law Department.

---

## CHARITABLE CONTRIBUTIONS AND POLITICAL ACTIVITIES

---

SHC encourages our associates to become involved in community activities and charitable organizations. However, no associate may bring undue pressure on another associate to contribute to a charitable organization. SHC respects the rights of our associates to participate in the political process. Indeed, engaging in the process builds a stronger community and a better political system. However, you must at all times make clear that your views and actions are your own, and not those of SHC. Additionally, associates may not use Company time or resources to support personal political activities or use their position to coerce or pressure associates to make contributions or support a candidate or political cause.

---

## COMMERCIAL BRIBERY

---

No SHC associate should directly or indirectly pay or receive a bribe or kickback intended to influence business conduct. SHC further prohibits any activity that creates the appearance of improper conduct.

Nothing of value may be given or received by a SHC associate to bribe or influence a decision by SHC or a vendor, supplier, subcontractor, competitor (or their agents), or governmental official or their representatives. A SHC associate should never accept from a vendor any personal services, promise of employment, samples for personal use, or money or its equivalent.

---

## COMMUNICATIONS

---