



THE MICHAELS COMPANIES
2022
Product Governance Policy



Statement

The Michaels Companies (the “Company” or “Michaels”) has adopted this policy, which lays out the Company’s approach to developing, sourcing, and delivering products responsibly and thoughtfully. This policy statement applies to all Michaels employees and customers, and it is approved by senior management and the Board of Directors.

Sustainability in the Supply Chain

Michaels is committed to operating a supply chain that upholds ethical sourcing practices to protect the lives and well-being of all individuals and the planet. All our vendors must adhere to the standards outlined within our Vendor Code of Conduct. Michaels recognizes the complexities of supply chain management and procurement, especially when ensuring that third parties meet ESG standards.

Product Development

As we expand our ESG initiatives, we are working to source and promote more fair trade, eco-friendly, and sustainable products. We currently leverage 3rd party auditing expertise to ensure responsible environmental and social practices at all of our factories.

In addition, we have eliminated source regions for cotton and leather that hold reputations for negative impacts on the environment and local communities. Beyond cotton and leather, we also make a concerted effort to avoid sourcing from regions associated with unethical or illegal conduct.

We are also exploring options that reduce packaging throughout our operations and for our products.

Certification and Quality Management

We are working on expanding our evaluation of suppliers through

- * Quality assessments
- * Regular onsite visits.
- * Enterprise 3rd party risk management and vendor due diligence
- * Holding vendors accountable for compliance offences.

In addition, we measure the quality of our products at the store level and continue improving this process. We will disclose more information as it becomes available.