

THE HONEST COMPANY, INC.
ANTI-CORRUPTION POLICY

APPROVED BY THE BOARD OF DIRECTORS

April 8, 2021

I. PURPOSE

The Honest Company, Inc. (together with its subsidiaries, “*Honest*” or the “*Company*”) has implemented this Anti-Corruption Policy (the “*Policy*”) for the purpose of ensuring compliance with the U.S. Foreign Corrupt Practices Act of 1977, as amended (the “*FCPA*”), the U.S. Travel Act, the U.S. Domestic Bribery Statute, the UK Bribery Act 2010, and other anti-corruption laws and regulations applicable to the Company’s business anywhere in the world. This Policy applies to all world-wide directors, officers, employees, and individuals serving as independent contractors of Honest or its subsidiaries (collectively, “*Personnel*”). Please report all questions or concerns to the Company’s Compliance Officer whose contact information appears below.

II. POLICY STATEMENTS

Honest Personnel are strictly prohibited from promising, offering, providing, or authorizing cash payments (such as bribes or kickbacks) or anything else of value directly or indirectly to any person to achieve an improper purpose related to the Company’s business. Honest Personnel are also strictly prohibited from requesting, agreeing to receive, or accepting money or anything else of value from any person to achieve an improper purpose related to the Company’s business.

Honest Personnel must comply with all of the Company’s internal controls, especially those designed to (i) ensure accurate and complete books and records or (ii) otherwise prevent corruption, self-dealing, embezzlement, fraud, money laundering, or other improper activities.

There are no exceptions to this Policy, even if Honest’s competitors engage in improper behavior or corruption is an accepted practice in a country where Honest operates. Honest Personnel are required to adhere to both the spirit and the letter of this Policy with respect to Company business anywhere in the world.

III. ANTI-BRIBERY PROHIBITIONS

The FCPA and other anti-bribery/anti-corruption laws prohibit Honest and Honest Personnel from corruptly promising, offering, providing, or authorizing the provision of money or anything of value directly or indirectly to a government official and certain other persons to achieve an improper purpose. “Improper purposes” includes influencing any act or decision of the recipient in his/her official capacity, inducing the recipient to do or omit to do any act in violation of his/her lawful duty, inducing the recipient to influence any act or decision of a government or instrumentality of a government, or securing any improper advantage, in each case in order to obtain, retain, or direct regulatory approvals, contracts, business or other benefits.

The FCPA prohibits improper payments provided to officials of governments, state-affiliated entities, and political parties outside the United States. However, the provision of improper benefits to government or private-sector recipients within the United States will violate U.S. domestic bribery statutes and may result in breaches of the FCPA's accounting provisions, as discussed further below.

In addition to the United States, many other countries have promulgated their own anti-bribery legislation. Most of those countries prohibit making improper payments to government and private-sector recipients within their borders. However, several countries have also adopted legislation similar to the FCPA that prohibit improper payments outside those countries. The existence of all of these laws means that there is potential for a company or an individual to face liability in several countries for the same single act of corruption. One of the leading anti-corruption laws other than the FCPA is the UK Bribery Act 2010. *Attachment I* contains an overview of that law.

Given the broad prohibitions under the FCPA and other anti-corruption laws, this Policy prohibits bribes, kickbacks, and the provision of other improper benefits and advantages to any person, entity, or organization, including, but not limited to, employees, officials, representatives, or agencies of any

- ***government (U.S. or foreign);***
- ***state-owned or affiliated entity, including, but not limited to, a state hospital, research institution, utility, public university, or sovereign wealth fund;***
- ***public international organization such as the United Nations or the World Bank;***
- ***political party, including the party itself as well as candidates for public office;***
- ***non-governmental organization; or***
- ***private-sector company.***

This Policy prohibits Honest Personnel from providing bribes or other improper benefits to any person for any of the following purposes:

- ***the award of a contract or other business;***
- ***the issuance or renewal of a concession, license, or business, construction, or other permit or registration (including an export permit);***
- ***an impermissible reduction in duties or other taxes;***
- ***the successful filing of a patent, trademark, or other intellectual property application;***
- ***avoiding mandatory inspections;***
- ***obtaining a favorable fire, environmental, or other inspection certificate even though applicable requirements have not been satisfied;***
- ***securing a favorable court decision, even if the facts or circumstances do not support such a result; or***
- ***the grant of some other improper advantage.***

A violation of this Policy can occur even if the bribe fails to achieve the purpose for which it was intended. This means that a person can violate this Policy if that person provides an improper payment or benefit to a recipient and the recipient does not grant any business or other advantage in return. In addition, the mere offer or promise of a bribe or other improper benefit is sufficient to cause a violation. All of the anti-bribery

prohibitions contained in this Policy apply irrespective of whether one uses Company funds or personal funds to finance improper payments or other benefits.

This Policy also prohibits Honest Personnel from soliciting or accepting bribes, kickbacks, or other improper payments/benefits from the Company's vendors or other persons in relation to Honest's business. For instance, a violation of this Policy will occur if you cause the Company to overpay a vendor and that vendor then shares all or a portion of that overpayment with you.

This Policy requires Honest Personnel to adhere to high ethical standards and to comply with all applicable laws in the course of performing services for the Company. FCPA and other anti-corruption violations typically involve circumstances that also result in violations of other laws, including those that address money laundering, embezzlement, fraud, export controls, and sanctions/embargoes. Guilty persons can face multiple charges based on the same set of facts.

IV. ACCOUNTING REQUIREMENTS

Honest adheres to the FCPA's accounting requirements. Specifically, Honest must maintain books, records, and accounts which, in reasonable detail, accurately and fairly reflect the Company's transactions, expenses, and asset dispositions. Honest is also committed to maintaining a system of internal accounting controls to provide reasonable assurances that transactions are properly authorized by management, executed, and recorded. This means that Company Personnel must comply with Honest's internal controls and avoid unauthorized activities or expenses. Honest Personnel must also cooperate with the Company's periodic audits and other efforts to ensure that Honest's internal controls are being observed.

Violations of the above accounting standards can occur if one conceals bribes or falsify other transactions or expenses, even if they are not related to a bribe, in Honest's ledgers or other records. Also, there is no materiality standard. This means that even small misreported amounts may result in violations.

The U.S. and other governments actively enforce the accounting requirements discussed above. In some cases, they have caused companies to pay hundreds of millions of dollars in fines and penalties for violating those requirements. **Attachment 2** contains examples of potential accounting violations. Honest Personnel must ensure that they remain in compliance with these requirements.

V. FACILITATION PAYMENTS

This Policy prohibits all corrupt payments or benefits, including so-called grease, speed or facilitation payments, provided to government officials in their personal capacity to expedite or secure routine government actions (collectively, "**Facilitation Payments**"). Facilitation Payments include payments to a government official to expedite routine and nondiscretionary activities, such as processing permit and license applications, scheduling inspections, and/or providing infrastructure services (e.g., water, electricity mail). The Company strictly prohibits the offer, promise, or provision of Facilitation Payments to any U.S. or foreign local or federal government official, as they can violate anti-corruption laws and regulations and the accounting requirements described above.

Please note that in some cases, government agencies may impose *official* fees that may be paid directly in the name of a governmental entity or enterprise itself, as set out in published fee schedules or other official

documents. These *official* government fees can be paid to expedite passports, licenses, or other services, provided that they are deposited in the treasury of a government, an official government receipt is collected, and the expense is accurately recorded in the Company's books and records. However, Facilitation Payments provided for the benefit of government officials in their *personal* capacity (*i.e.*, are not deposited in an official treasury account belonging to a government) will violate this Policy.

VI. INTERMEDIARIES AND BUSINESS PARTNERS

This Policy prohibits the provision of bribes or other improper benefits directly as well as indirectly through third parties whether in or outside the United States. This risk can arise in cases where the Company works with agents, consultants, representatives, lobbyists, suppliers/vendors, resellers, distributors, brokers, contractors, advisors, other business partners, or anyone else that performs services for or on behalf of the Company (collectively "*Intermediaries*").

In certain cases, Honest and Honest Personnel can be held liable under the FCPA and other laws *even if* one does not expressly authorize an Intermediary to engage in corruption, but they do so anyway. This can occur if Honest Personnel (i) have actual knowledge or a firm belief that a person will engage in corruption or (ii) consciously disregard, deliberately ignore, or are willfully blind to the Intermediary's corrupt or improper practices.

Given these risks, this Policy forbids Honest Personnel from using or paying any Intermediary responsible for government interactions on Honest's behalf unless (i) appropriate anti-corruption due diligence is performed and confirms that the Intermediary does not have a history or reputation for corruption or similar wrong doing, and (ii) the Intermediary has executed a written agreement containing anti-corruption compliance clauses. Please confer with Honest's Compliance Officer on appropriate due diligence measures and anti-corruption clauses.

Throughout any relationship with an Intermediary, the Company must monitor their performance to ensure that they do not engage in activities that raise FCPA or corruption concerns. The Compliance Officer can provide guidance on the types of red flags that one should monitor before and after engaging an Intermediary.

This Policy requires Honest Personnel to notify the Compliance Officer if they learn of any Honest Intermediary that engages in corrupt or other improper practices. Also, all payments to Intermediaries or other vendors must be accurately reported in Honest's books and records in accordance with the accounting requirements discussed in Section IV. above.

VII. GIFTS AND HOSPITALITIES

The FCPA and other laws prohibit the provision or acceptance of money or things of value for corrupt or improper purposes. A violation of this prohibition is likely in instances where personal benefits are given or accepted in the course of negotiation or tender bid. However, reasonably priced gifts, meals, entertainment, travel, and other benefits provided for non-corrupt business promotion or goodwill purposes may be permissible under the FCPA and other anti-corruption laws in certain cases. For instance, a plastic pen, a t-shirt, a coffee mug, a paper weight, or a cap of moderate value and embossed with the Company's logo will generally not violate the FCPA. However, a fur coat, a car, or a vacation will raise FCPA and

other anti-corruption concerns, especially if such benefits are provided to a government official or other person who is responsible for making decisions in relation to Honest's business.

In addition to complying with the FCPA, the provision of a gift or other benefit must not violate local laws or policies that apply in the country where the recipient of the benefit is located. Some countries impose express limits on the value of gifts/benefits that a recipient can accept; other countries ban such gifts/benefits altogether even if given with no corrupt or improper intention.

Honest Personnel must obtain the approval of the Compliance Officer prior to providing gifts, meals, travel benefits, and other hospitalities to employees, officials, or agents of any government, political party, state-owned entity, or public international organization. The Compliance Officer will help determine whether the provision of the benefit is permissible under the FCPA and local law. If the expense is approved, its value and business purpose must be recorded accurately in Honest's books records. Cash gifts and gifts cards or gift certificates that can be easily converted into cash are strictly prohibited.

VIII. POLITICAL AND CHARITABLE CONTRIBUTIONS

Contributions to non-U.S. political parties can raise significant concerns under both the FCPA and local laws. It is possible that government benefits could be tied to political contributions and trigger scrutiny and prosecution by U.S. enforcement agencies. Also, some countries may restrict companies and individuals from other nations from making political contributions. Honest generally prohibits Company-financed contributions to non-U.S. political parties or candidates in relation to Honest's business. The Compliance Officer can provide further guidance on this matter if necessary.

Honest may make charitable donations. However, special care must be taken to ensure that the charity or organization is legitimate and such contributions are not provided to any organization at the suggestion of any person in exchange for business or other improper advantage. Honest Personnel must confer with, and obtain the written permission of, the Compliance Officer prior to making contributions to charities with respect to the Company's business. All donations and contributions must be transparent. The recipient's identity and planned use of the donation must be clear and the reason for and purpose of the donation must be justifiable and documented. In addition, all approved contributions must be accurately recorded in Honest's books and records.

IX. OTHER ACTIVITIES

Corruption concerns can arise in a number of other cases including, but not limited to (i) joint ventures or teaming arrangements with public or private-sector partners; and (ii) mergers and acquisitions, especially if the target business has significant government interactions or an international profile. Please confer with the Compliance Officer before engaging in these types of activities to ensure that appropriate anti-corruption compliance measures are observed.

X. VIOLATIONS AND CONSEQUENCES

A violation of this Policy will result in appropriate disciplinary action, including demotion, reassignment, additional training, probation, suspension, or even termination.

The FCPA is a criminal statute. Both Honest and Honest Personnel may be subject to substantial fines and penalties for violating the FCPA and other anti-corruption laws. In serious cases, individuals may face imprisonment for up to five years for each FCPA anti-bribery violation and up to 20 years for each FCPA accounting violation. In addition, a company may face suspension or debarment from government contracts, the loss of U.S. export privileges, and certain other consequences. These results can be devastating to Honest's business.

Anti-corruption enforcement has significantly increased in the United States. In addition, a number of other countries have strengthened their laws on this matter. This means that the Company can face liability across multiple jurisdictions for the same corrupt act.

XI. TRAINING AND CERTIFICATION

All relevant personnel, as determined by the Compliance Officer, must undergo anti-corruption training provided by Honest. The nature, content, and frequency of that training will be determined by the Compliance Officer.

Please sign the certificate that appears in *Attachment 3* after you have read this Policy. Honest may require Company Personnel to recertify compliance with this Policy on a periodic basis.

XII. STATUS

This Policy does not form part of any employment contract with you and may be amended at any time. This Policy should be read in conjunction with Honest's other policies and procedures.

XIII. REPORTING/QUESTIONS

Honest Personnel have an affirmative obligation to report all violations of this Policy to the Compliance Officer as follows:

**GENERAL COUNSEL OR CHIEF PEOPLE OFFICER
(424) 603-2060 OR (310) 857-5053
LEGAL@THEHONESTCOMPANY.COM OR HR@THEHONESTCOMPANY.COM**

Reports may also be submitted anonymously by using Honest's hotline number (844) 600-0052 or by e-mail to legal@thehonestcompany.com or hr@thehonestcompany.com. However, we encourage you to consider revealing your identity so that we can properly follow up and investigate alleged violations. Honest will ensure that appropriate confidentiality measures are taken and will not retaliate against any individual for reporting violations in good faith.

Honest Personnel must also notify the Compliance Officer of any corrupt, improper, illegal, or other unusual requests for payments or other benefits made by customers, Intermediaries, vendors, business partners, or government officials. This will enable Honest to explore options to achieve its business goals without having to interact with such persons or provide improper benefits.

ATTACHMENT 1
THE UK BRIBERY ACT 2010

Among various matters, the UK Bribery Act 2010 (the “UKBA”) prohibits individuals and entities from offering, promising, or giving (directly or indirectly through a third party) a financial or other advantage to a recipient with (i) the intention that the advantage induce the recipient to perform improperly a relevant function or activity or to reward a person for the improper performance of such function or activity, or (ii) the knowledge or belief that the acceptance of the advantage would itself constitute an improper performance of a relevant function or activity. A violation of the UKBA will occur irrespective of whether the recipient of an improper payment or advantage is a government official or an employee of a private-sector entity.

The UKBA contains four principal offenses as follows: (i) offering, promising, or giving of a bribe to another person (Section 1); (ii) requesting, agreeing to receive, or accepting a bribe (Section 2); (iii) bribery of a foreign (non-UK) public official (Section 6); and (iv) failure by certain commercial organizations to prevent Section 1 or 6 bribery offenses by their associated persons (including employees, contractors, Intermediaries, or anyone else performing services for or on behalf of a company) of any nationality anywhere in the world (Section 7). The UKBA provides a statutory defense to a Section 7 violation for companies that can demonstrate that they had in place adequate systems and controls designed to prevent offenses under UKBA.

Courts in the United Kingdom exercise broad jurisdiction over UK as well as non-UK persons who commit UKBA offenses. Although Honest does not currently maintain a UK subsidiary, there could be circumstances where Honest’s non-UK entities and employees could be subject to UKBA jurisdiction.

Under the UKBA, individuals guilty of bribery may be subject to imprisonment for up to 10 years and/or subject to a fine of an unlimited amount. Commercial organizations guilty of bribery or failure to prevent bribery may also be subject to a fine of an unlimited amount as well as debarment from government contracts. In addition, UKBA offenses could result in violations of other laws such as the UK Proceeds of Crime Act 2002, which contains the UK’s principal money laundering offenses.

ATTACHMENT 2

FCPA ACCOUNTING REQUIREMENTS

Set forth below are examples of potential FCPA accounting violations. Please note that this is not an exhaustive list.

- A company fails to record a transaction in its books in a manner that permits the preparation of financial statements in conformity with GAAP or other acceptable criteria.
- Records state that a payment was made to person A, when in reality it was made to person B.
- The records accurately describe the recipient and the purpose of the payment, but misrepresent the amounts involved.
- Bribes or kickbacks are hidden or disguised in company financial records as “consulting fees,” “commissions,” “service fees,” or other misleading terms.
- Any entry is falsified in company financial records even if it has no connection to a bribe.
- Employees incur expenses without the appropriate authorization.
- Employees submit fake expense receipts for reimbursement.
- Employees receive kickbacks from vendors.
- Employees maintain a slush fund or other off-the-books account.
- Employees misuse petty cash funds to make improper payments to third parties or to cover non-business, personal expenses.
- The Company enters into business relationships with (i) non-existent agents, contractors, or other partners or (ii) existing parties that do not provide any real services or products.
- Employees engage in self-dealing, embezzlement or other similar schemes involving Company resources.
- A company fails to impose effective internal controls on subsidiaries or joint ventures in which the company has more than 50% of the voting interests.
- A company fails to make a *good faith* effort to cause a joint venture, in which the company has 50% or less of the voting interests, to adopt effective internal controls.
- Employees have access to unusually high amounts of cash from company sources.
- A company fails to conduct effective periodic audits.
- Company employees provide false, misleading, or incomplete information to company auditors or otherwise prevent effective audits from occurring.
- Employees otherwise circumvent a company’s internal controls.

ATTACHMENT 3

CERTIFICATION

I hereby certify that I have read and am in compliance with the Anti-Corruption Policy (the “**Policy**”) of The Honest Company, Inc. (together with its subsidiaries, “**Honest**”). Neither I nor, to my knowledge after due inquiry, any of my direct or indirect reports nor any Honest contractor or business partner with which I or they work has offered, provided, solicited, or accepted a bribe, kickback, or other improper payment/benefit or has otherwise taken any actions that would result in a violation of (i) the Policy or any employee handbook, code of conduct, or other policies or procedures of Honest that have been provided to me; (ii) the U.S. Foreign Corrupt Practices Act of 1977, as amended; or (iii) any other applicable anti-corruption or other law or regulation. I will notify Honest’s Compliance Officer if, at any time, I learn of or suspect such violation.

Name:

Title:

Date: