

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

**Part I Reporting Issuer**

<b>1 Issuer's name</b>		<b>2 Issuer's employer identification number (EIN)</b>	
The Honest Company, Inc.		90-0750205	
<b>3 Name of contact for additional information</b>	<b>4 Telephone No. of contact</b>	<b>5 Email address of contact</b>	
Brendan Sheehey	424-603-2060	bsheehey@thehonestcompany.com	
<b>6 Number and street (or P.O. box if mail is not delivered to street address) of contact</b>		<b>7 City, town, or post office, state, and ZIP code of contact</b>	
12130 Millennium Dr., Ste 500		Los Angeles, CA 90094	
<b>8 Date of action</b>		<b>9 Classification and description</b>	
June 29, 2021		Cash distribution to shareholders	
<b>10 CUSIP number</b>	<b>11 Serial number(s)</b>	<b>12 Ticker symbol</b>	<b>13 Account number(s)</b>
438333106		HNST	

**Part II Organizational Action** Attach additional statements if needed. See back of form for additional questions.

**14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶** On June 29, 2021, The Honest Company, Inc. (The "Company") paid a cash distribution on each share of Common Stock and each share of Preferred Stock on an as-converted to Common Stock basis (\$0.42031 per share) in an aggregate amount of \$35,000,317 to its shareholders of record as of May 3, 2021.

**15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶** 100% of this distribution will be treated as a nontaxable return of capital to the extent of the shareholders' tax basis. Any amount in excess of a shareholder's tax basis will be treated as a capital gain for U.S. tax purposes.

**16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶** The calculation of the change in basis relates to The Honest Company, Inc. 's estimate of current and accumulated earnings and profits for the 2021 tax year and the reasonable assumptions related thereto.

The information contained herein is being provided pursuant to the requirements of Section 6045B of the Internal Revenue Code of 1986, as amended. The information in this document does not constitute tax advice and should not be construed to take into account any shareholder's specific circumstances. Holders and nominees should consult their own tax advisors regarding the particular tax consequences of the organizational action (as described in this document) to them, including the applicability and effect of all U.S. federal, state, and local and foreign tax laws.

**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶  
Section 301(c) and 316(a) of the Internal Revenue Code

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18 Can any resulting loss be recognized? ▶ N/A

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19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ None

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Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign Here**  
Signature ▶  Date ▶ 8/10/2021  
Print your name ▶ Kelly Kennedy Title ▶ CFO

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Frank Hobmeier		8/6/2021		
	Firm's name ▶ PricewaterhouseCoopers LLP			Firm's EIN ▶ 13-4008324	
	Firm's address ▶ 601 South Figueroa Street, Los Angeles, CA 90017			Phone no. 213-356-6000	