



HONASA CONSUMER LIMITED

**CODE OF CONDUCT FOR DIRECTORS AND THE SENIOR
MANAGEMENT TEAM**

(“Code of Conduct”)

(Effective from December 23, 2022)

HONASA CONSUMER LIMITED

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CODE OF CONDUCT FOR DIRECTORS AND THE SENIOR MANAGEMENT TEAM

1. INTRODUCTION

Honasa Consumer Limited (“Honasa”) intends to formulate this Code for the members of the board of directors of Honasa (whole-time/executive directors and non-executive directors (including independent directors)) (“Board” or “Board of Directors” and such directors, the “Director(s)”) and the members of the senior management team (“Senior Management”). This Code is in alignment with the Company’s objectives, and corporate governance policy and aims at enhancing an ethical transparent process in managing the affairs of the Honasa. The term ‘Senior Management’ shall entail the members of the Honasa’s core management team excluding the Board and shall comprise of all the members of management one level below the chief executive officer and the managing director, and the whole-time director of Honasa, including the company secretary and chief financial officer of the Honasa.

(i) Object

Through the years, Honasa conducted its business with very high ethical and moral standards. This has resulted in gaining reputation as a professionally managed Company. As Honasa grows and expands, it is extremely important to continue to exhibit high levels of ethical standards and professional behavior in everything that Honasa does.

We are conscious of the reputation we carry amongst our customers and public at large and shall endeavour to do all we can to sustain and improve upon the same in discharge of our obligations. Honasa shall continue to initiate policies, which are customer- oriented and which promote financial prudence.

(ii) Applicability and approval of the Board

Accordingly, the Board has adopted the Code at its meeting held on December 23, 2022 which can be amended from time to time.

This Code is applicable to the Senior Management and the Board. The rules and principles set forth in this Code are general in nature and the compliance with this

Code shall be ensured read with other applicable policies and procedures of Honasa. The directors and senior management personnel may contact the compliance officer for the purposes of this Code for assistance in interpreting the requirements of this Code. All Directors and Senior Management shall affirm compliance with the Code on an annual basis.

2. STANDARDS OF CONDUCT

(i) Honasa expects

1. Adherence to the highest standards of honest conduct, including proper and ethical procedures in dealing with actual or apparent conflicts of interest between personal and professional relationships.
2. Full, true and fair – Accept its disclosures in the periodic reports required to be filed by Honasa with government and regulatory agencies.
3. Compliance with applicable laws, rules and regulations.
4. To address misuse or misapplication of the Honasa's assets and resources.
5. The highest level of confidentiality and fair dealing within and outside Honasa.
6. All Directors and Senior Management shall conduct their activities and fulfill their fiduciary obligations, on behalf of Honasa and on their personal behalf, with honesty, integrity and fairness and in the best interest of Honasa. All Directors and Senior Management shall act on a fully informed basis, in good faith, responsibility, due diligence and care, competence and diligence, without allowing their independent judgment to be subordinated and in the best interest of Honasa.
7. All Directors and members of the Senior Management to exercise good judgment, to ensure the interests, safety and welfare of customers, employees, and other stakeholders and to maintain a cooperative, efficient, positive, harmonious and productive work environment and business organization.

(ii) “Conflict of Interest”

Conflict of interest occurs when personal interest of any member of the Board of Directors and of the Senior Management interferes or appears to interfere in any way with the interests of Honasa. Every member of the Board of Directors and Senior Management has a responsibility to Honasa, its stakeholders and to each other. Although this duty does not prevent them from engaging in personal transactions and investments, it does demand that they avoid situations where a conflict of interest might occur or appear to occur. They are expected to perform their duties in a way that they do not conflict with Honasa’s interest such as -

1. Employment / Outside Employment - The members of the Senior Management are expected to devote their total attention to the business interests of Honasa. They are prohibited from engaging in any activity that interferes with their performance or responsibilities to Honasa or otherwise is in conflict with or prejudicial to Honasa.
2. Business Interests - If any member of the Board of Directors and Senior Management considers investing in securities issued by Honasa’s customer, supplier or competitor, they should ensure that these investments do not compromise their responsibilities to Honasa. Many factors including the size and nature of the investment; their ability to influence Honasa’s decisions, their access to confidential information of Honasa, or of the other entity, and the nature of the relationship between Honasa and the customer, supplier or competitor should be considered in determining whether a conflict exists. Additionally, they should disclose to Honasa any interest that they have which may conflict with the business of Honasa. Senior Management shall make disclosures to the Board relating to all material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of Honasa at large.
3. Family members and close personal relationships: Directors and members of Senior Management shall not use personnel influence to make Honasa do business with a company/institution in which his or her relatives are interested. As a general rule, directors and senior management personnel shall avoid conducting Honasa’s business with a relative or with an entity in which a relative is associated in any significant role. In case of conflicts, disclosure shall be made to the Board and a prior approval shall be obtained.

4. Other directorships: The Directors must disclose their directorship and committee membership on the other companies and substantial shareholding in other companies to the Board on an ongoing basis.
5. Related Parties - In case of any dealings with related party the transaction shall be in compliances under Companies Act 2013, as amended and the SEBI Listing Regulation. Transactions/ dealing done on arm's length basis shall not be considered to be conflict of interest.

(iii) Disclosure Standards

Honasa shall make full, fair and accurate disclosures in the periodic reports required to be filed with government and regulatory agencies. The members of Senior Management of Honasa shall initiate all actions deemed necessary for proper dissemination of relevant information to the Board, auditors, regulators and other statutory agencies, as may be required by applicable laws, rules and regulations. The Board and Senior Management shall conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture of good decision-making.

(iv) Compliance with applicable Laws

The Directors of Honasa and Senior Management must comply with applicable laws, regulations, rules and regulatory orders both in letter and spirit. The Directors and members of Senior Management shall seek to acquire appropriate knowledge of the legal requirements relating to their duties sufficient to enable them to perform their obligations diligently.

(v) Use of Honasa's Assets and Resources

Each member of the Board of Directors and the Senior Management has a duty to Honasa to disclose its legitimate interests while dealing with the Honasa's assets and resources. Members of the Board of Directors and Senior Management are prohibited from:

- i. using corporate property, information or position for personal gain;
- ii. soliciting, demanding, accepting or agreeing to accept anything of value from any person while dealing with the Honasa's assets and resources; and
- iii. acting on behalf of the Company in any transaction in which they or any of

their relative(s) have a significant direct or indirect interest.

(vi) Confidentiality and Fair Dealings

- i. The Honasa's confidential information is a valuable asset. It includes all trade related information, trade secrets, confidential and privileged information, customer information, employee related information, strategies, administration, research in connection with Honasa and commercial, legal, scientific, technical data that are either provided to or made available to each member of the Board of Directors and the Senior Management by Honasa either in paper form or electronic media to facilitate their work or that they are able to know or obtain access by virtue of their position with Honasa. All confidential information must be used for Honasa's business purposes only.
- ii. This responsibility includes the safeguarding, securing and proper disposal of confidential information in accordance with Honasa's policy on maintaining and managing records. This obligation extends to confidential information of third parties, which Honasa has rightfully received under non-disclosure agreements. Special care must be taken by the Board of Directors and members of the Senior Management to handle the confidential information of others responsibly. Such confidential information should be handled in accordance with the agreements with such third parties
- iii. To further Honasa's business, confidential information may have to be disclosed to potential business partners. Care should be taken to divulge the most sensitive information, only after the said potential business partner has signed a confidentiality agreement with Honasa.
- iv. Any publication or publicly made statement that might be perceived or construed as attributable to Honasa, made outside the scope of any appropriate authority in Honasa, should include a disclaimer that the publication or statement represents the views of the specific author and not the Honasa.
- v. Examples of confidential information include but are not restricted to:
 - Information not yet released to the public
 - Unpublished company strategy
 - Current or future R&D programs, technical breakthroughs and/or inventions

- Investments, planned mergers or acquisitions
- Information received from customers or partners
- Unpublished Financial data either actual or forecasted
- Employee information

(vii) Insider trading

Director and members of the Senior Management shall not derive benefit or assist others to derive benefit by giving investment advice based on unpublished price sensitive information (defined in SEBI (Prohibition of Insider Trading) Regulations, 2015) about Honasa and therefore constituting insider information. All Directors and members of the Senior Management shall comply with SEBI (Prohibition of Insider Trading) Regulations, 2015 and insider trading policy(ies) framed by Honasa under said SEBI regulations.

(viii) Competition and fair dealings

The Directors and members of Senior Management are obligated to deal fairly and honestly with each other, t Honasa’s subsidiaries, joint ventures and associates and with the Honasa’s customers, suppliers, competitors and other third parties. Directors and members of Senior Management shall not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation or any other unfair dealing or practice. Honasa is committed to free and open competition in the marketplace. Directors and members of Senior Management shall avoid actions that could reasonably be construed as being anti-competitive, monopolistic or otherwise contrary to laws governing competitive practices in the marketplace, including antitrust laws. Such actions include misappropriation and/or misuse of a competitor’s confidential information or making false statements about the competitor’s business and business practices.

(ix) Acceptance of gifts and payments

Honasa requires that every Director and the member of Senior Management should be fully compliant with the laws, statutes, rules and regulations that have the objective of preventing unlawful gains of any nature whatsoever.

Directors and the members of Senior Management shall not accept any offer, payment, promise to pay, or authorization to pay any money, gift, or anything of value from customers, suppliers, shareholders/ stakeholders, etc., that is perceived

as intended, directly or indirectly, to influence any business decision, any act or failure to act, any commission of fraud, or opportunity for the commission of any fraud.

3. FURTHER GUIDELINES FOR INDEPENDENT DIRECTORS

The independent Directors shall –

undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with Honasa;

1. seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of Honasa;
2. strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
3. participate constructively and actively in the committees of the Board in which they are chairpersons or members;
4. strive to attend the general meetings of Honasa;
5. where they have concerns about the running of the Company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
6. keep themselves well informed about Honasa and the external environment in which it operates;
7. not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
8. pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of Honasa;
9. ascertain and ensure that the Company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
10. report concerns about unethical behavior, actual or suspected fraud or violation of Honasa's code of conduct or other policy;

11. act within their authority, assist in protecting the legitimate interests of Honasa, shareholders and its employees;
12. not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law'
13. help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
14. bring an objective view in the evaluation of the performance of board and management;
15. scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
16. satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
17. safeguard the interests of all stakeholders, particularly the minority shareholders;
18. balance the conflicting interest of the stakeholders;
19. determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management; and
20. moderate and arbitrate in the interest of Honasa as a whole, in situations of conflict between management and shareholder's interest.

Subject to the provisions contained in the Companies Act, 2013, an independent director or a non-executive director (not being promoter or key managerial personnel), shall be held liable, only in respect of such acts of omission or commission by Honasa which had occurred with his knowledge, attributable to him and with his consent or connivance or where he had not acted diligently.

4. FUNCTIONS OF THE BOARD AND GOOD CORPORATE GOVERNANCE PRACTICES

Each member of the Board of Directors and Senior Management of Honasa should adhere to the following so as to ensure compliance with good Corporate Governance practices.

(i) Key Functions of the members of the Board

Without limiting the generality of the duties stated in the Companies Act, 2013, SEBI Listing Regulations, SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Code of Conduct for Prevention of Insider Trading framed there under and other applicable laws, the duties of a director are as under:

1. Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans, setting performance objectives, monitoring implementation and corporate performance, and overseeing major capital expenditures, acquisitions and divestments.
2. Monitoring the effectiveness of Honasa's governance practices and making changes as needed.
3. Selecting, compensating, monitoring and, when necessary, replacing key managerial personnel and overseeing succession planning.
4. Aligning key managerial personnel and remuneration of Directors with the longer term interests of Honasa and its shareholders.
5. Ensuring a transparent nomination process to the Board of Directors with the diversity of thought, experience, knowledge, perspective and gender in the Board.
6. Monitoring and managing potential conflicts of interest of management, members of the Board and shareholders, including misuse of corporate assets and abuse in related party transactions.
7. Ensuring the integrity of the Honasa's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.
8. Overseeing the process of disclosure and communications.
9. Monitoring and reviewing Board's evaluation framework.

(ii) Things to Practice and do's

1. Attend Board meetings regularly and participate in the deliberations and discussions effectively.
2. Study the Board papers thoroughly and enquire about follow up reports on definite time schedule.
3. Involve actively in the matter of formulation of general policies.
4. Be familiar with the broad objectives of Honasa and the policies laid down by the government and the various laws and legislations.
5. Ensure confidentiality of the Honasa's agenda papers, notes and minutes.

(iii) Prohibitions

1. Do not reveal any information relating to any constituent of Honasa to anyone.
2. Do not display the logo / distinctive design of Honasa on their personal visiting cards / letter heads. Do not sponsor any proposal relating to loans, investments, buildings or sites for Honasa's premises, enlistment or empanelment of contractors, architects, auditors, doctors, lawyers and other professionals etc.
3. Do not do anything, which will interfere with and / or be subversive of maintenance of discipline, good conduct and integrity of the staff.
4. Do not buy or sell or suggest to anyone else buy or sell the securities of any company, either directly or through family members or other persons or entities, while you are aware of inside information about Honasa.
5. No employee including Senior Management, key managerial personnel or Director of the Company shall enter into any agreement for himself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of Honasa, unless prior approval for the same has been obtained from the Board of Directors as well as public shareholders by way of an ordinary resolution.
6. Do not take any personal opportunities directly or indirectly that belong to Honasa or are discovered through the use of Honasa's property, information or position

5. WAIVERS

Any waiver of any provision of this Code for a member of the Honasa’s Board of Directors or a member of the Senior Management must be approved in writing by the Board of Directors of Honasa.

The matters covered in this Code are of the utmost importance to Honasa, its stakeholders and its business partners, and are essential to Honasa’s ability to conduct its business in accordance with its value system.

6. REPORTING/GRIEVANCE REDRESSAL MECHANISM:

While every Director and member of Senior Management has to himself ensure compliance with this code, any instance of violation or possible violation of this code by the concerned Director or member of Senior Management or by any other Director member of Senior Management person shall be immediately reported to the Board through the compliance officer. Anyone who wants to raise grievance under this Policy, may also reach out to the Compliance Officer, at compliance@mamaearth.in (“Grievance Redressal Officer”). The board of directors of Honasa shall authorize the CEO of Honasa to approve any appointment, removal or change the Grievance Redressal Officer under this Policy, whenever any such change is required for any reason whatsoever.

7. REVIEW OF CODE

The Code shall be reviewed at such intervals, as is deemed necessary by the Board. Consequent upon any changes in regulatory guidelines, such change shall be deemed to be a part of the Code until the Code is reviewed and approved next time.

For, HONASA CONSUMER LIMITED

**SD/-
VARUN ALAGH
CHAIRMAN**

Version	Adopted on	Date of amendment	Approved by
V.1.1	December 23, 2022	NA	Board of Directors