DIVIDEND DISTRIBUTION POLICY

("Policy")

Hindustan Coca-Cola Holdings Limited

Under Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

As approved by the Board of Directors vide Board Meeting dated October 13, 2026

This Policy is effective from -

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A. PREAMBLE

1. Hindustan Coca-Cola Holdings Limited ("**Company**"), in compliance with the terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR Regulations**"), has formulated this Policy for the purposes of regulating the process of declaration of dividend and pay-out by the Company to its shareholders and to ensure long-term capital appreciation for all stakeholders of the Company.

2. Terms used in this Policy but not defined shall have the meaning ascribed to them under the Companies Act, 2013 ("**Act**"), the SEBI LODR Regulations and other applicable laws.

B. SCOPE AND OBJECTIVES

1. In alignment with the provisions of Regulation 43A of the SEBI LODR Regulations, this Policy sets out the broad principles, circumstances, factors and parameters that the Board of Directors ("**Board**") of the Company shall take into account for determination of dividend distribution to its shareholders.

   (a) Circumstances under which shareholders' of the Company may or may not expect dividends (Regulation 43A(2)(a) of the SEBI LODR Regulations)

   (i) The Company shall comply with the provisions of the Act, and relevant statutory requirements as applicable to the Company while declaring dividends. The Board shall determine the dividend for a particular period, taking into acount the financial performance of the Company, advice of the management of the Company, and other parameters as specified in this Policy.

   (ii) The Board may not declare or recommend any declaration of dividend for any particular period, if it is of the view that it would be prudent to conserve capital for ongoing business expansions of the Company, or any other factor(s) as may be considered by the Board.

   (b) Internal factors and financial parameters considered by the Board while declaring dividends (Regulation 43A(2)(b) and Regulation 43A(2)(c) of the SEBI LODR Regulations)

   Financial parameters and internal factors shall be considered by the Board as it may deem fit, at the time of declaring or recommending declaration of dividends to shareholders. These include but are not limited to the following –

   (i) Profits of the Company on an annual basis after deduction of applicable taxes, and distributable reserves.

   (ii) Cash flow of the Company and available cash with the Company.

   (iii) Requirement of funds to service outstanding debt to creditors.

   (iv) Covenants under financing arrangements with lenders.

   (v) Overall financial position of the Company.

   (vi) Past dividend trends including interim dividends (if any).

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(vii) Allocation of capital for plans including but not limited to – (a) investments to be undertaken by the Company pursuant to the Company's business plans and investment strategies; (b) working capital and capital expenditures; (c) acquisitions and other investment opportunities as may be approved of by the Board; (d) cash requirments for contingencies and unforeseen events.

(viii) Any other factor as may be determined by the Board.

(c) External factors that may be considered by the Board for declaration of dividends (Regulation 43A(2)(c) of the SEBI LODR Regulations)

The Board shall take into consideration external factors as it deems fit while declaring dividends, or recommending the declaration of dividends to shareholders. This includes, but is not limited to the following –

(i) General outlook of the industry and markets in which the Company operates, including growth trends and challenges faced by the industry.

(ii) Significant changes in the macro-economic environment which impacts or is likely to impact the Company.

(iii) Significant changes in the legal, political and regulatory landscape which impacts or is likely to impact the Company.

(iv) Market sentiments and expectations of investors.

(v) Any other factor(s) as may be determined by the Board.

(d) Policy as to how retained earnings of the Company shall be utilised (Regulation 43A(2)(d) of the SEBI LODR Regulations)

Consolidated profits earned by the Company may either be retained as part of the business of the Company and used for purposes that the Board may determine from time to time (including purposes acknowledged in this Policy), or may be distributed as dividend to the shareholders of the Company.

(e) Provisions with respect to various classes of shares (Regulation 43A(2)(e) of the SEBI LODR Regulations)

The provisions of this Policy shall apply to all classes of shares issued by the Company.

2. In the event the Company proposes to declare dividend on any parameters in addition to those specified in Paragraphs B(1)(a) to B(1)(e), or seeks to change or alter such additional parameters, or to change the Policy contained in any such parameters, the same shall be disclosed along with the rationale in the annual report of the Board, and on the website of the Company.

C. DISCLOSURE OF THE POLICY

This Policy shall be uploaded on the website of the Company in the interest of transparency for the general public at https://www.hccb.in/. The web-link shall also be provided in the annual reports.

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D. AMENDMENTS

This Policy shall be reviewed and accordingly amended by the Board from time to time so that it remains compliant with the applicable law. Notwithstanding anything contained to the contrary herein, this Policy shall automatically stand amended to incorporate any changes to the requirements prescribed under applicable law to the extent that such provision does not require the Board to exercise its discretion. If there is any change in provisions of applicable law that requires the Board to exercise its discretion, the Board shall promptly review such provisions and adopt any changes to the Policy as it may deem fit.

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