

STRATEGY +
TRANSFORMATION

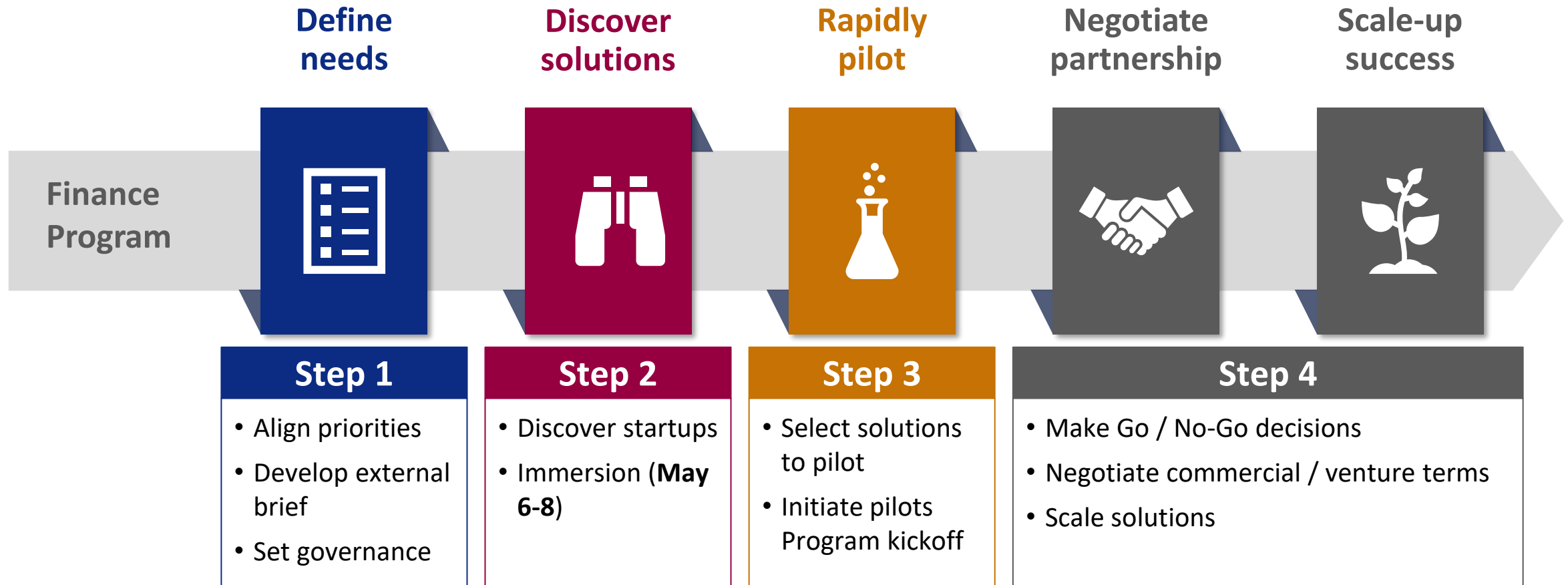
2025 FINANCE INNOVATION PROGRAM



**PEPSICO
LABS**

PepsiCo Labs model for delivering End-to-End Program Pilots

PEP Labs steers a consistent approach across all tech programs





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FOCUS AREA BY PROGRAM



**PEPSICO
LABS**

Focus areas for FP&A Program

Goal: Improve operational efficiency with increased transparency and standardization through automation



1. Smart Search to Retrieve Data

User guidance for internal performance reporting, smart calculation and enhanced synchronization

- **Dashboard Validation:** Automates validation process for Tableau dashboards in internal business performance reporting system ensuring data accurately reflects reported data and ensures consistent formatting across all dashboards



2. End-to-End CapEx Management

End-to-End solution to manage the CapEx process from ideation to post-audit assessment

- **New Requests:** Supports development of new requests from idea generation to final approval by tracking wish lists / investment ideas, generating new requests, managing necessary approvals through workflow automation
- **Budgeting:** Aggregates budgets, defines priorities, tracks changes to budget, and manages tasks
- **Document Repository:** Stores and organizes historical documents related to Capital Expenditures, CARs, and post-audit assessments
- **Forecasting:** Supports our year end OCF planning by leveraging actual payment terms to determine OCF impact
- **Ad-hoc Reporting:** Has the ability to connect to TM1 and other planning/reporting tools (including internal builds), and is capable of tracking other KPIs (e.g. sustainability)



3. Budget Control Platform

Platform to track and control spend in line with budget

- **Real-Time Data:** Presents up-to-date spend (actuals and budgeted) data, with ability to view prior budgets.
- **Controls:** Alerts users to potential risks in real time and allows users to approve/reject spend, enabling users to manage changes to budget.
- **Automated Workflows:** Centralizes budget inputs from stakeholders and uses automated workflows to create a seamless budgeting process

Focus areas for Control Program

Goal: Improve operational efficiency with increased transparency and standardization through automation



1. Automation of Financial Processes

Automation and Standardization Tools for Key Financial Operations

- **Streamline reconciliation process for:** cash records with bank statements, accounts receivables, accounts payable, Intercompany reconciliation, inventory and general ledger to avoid manual work
- **Intercompany Transactions:** tools that simplify and automate all intercompany related invoice creation, reconciliation, and payment processes to save time and resources
- **Close Process:** tool that streamlines close process by automating data consolidation, integrating multiple systems, standardizing reporting templates, reducing effort in intercompany transactions, reconciliations, and cash flow reporting
- **Balance Sheet Review:** streamline and automate the end-to-end process of balance sheet review (e.g., accounts reconciliation preparation & variance analysis, identify aged accruals, risks monitoring etc.)
- **Statutory Financial Statements:** automate the creation of statutory financial statements using historical data (e.g., create transaction documentation)
- **Tax Reporting:** automation of month end/statutory documents; tax returns; indirect taxes (e.g., GST)
- **Approval Workflow Automations for Schedule of Authority:** automate the approval flows based on policies and SoA
- **Claims Processing:** automation to accelerate the claims validation process and gain real-time visibility into PepsiCo Bottler's financial data
- **PEP Policy Queries:** tool that automatically and accurately answers policy clarification questions in real-time



2. Optimize Invoice Management

Digital tools for Streamlining Invoice-to-pay Proof of Delivery and CDA

- **Automating Invoice-to-Pay:** tool that automates invoice indexing and matching with Optical Character Recognition (OCR), automates payment processing and verification, and integrates with SAP
- **Automating Proof of Delivery:** tools that digitize and automate the proof of delivery process, to reduce manual workload and improve efficiency, ensuring seamless integration with invoice management
- **CDA (Customer Deduction Agreement) Management tool:** comprehensive solution to centralize, standardize, and streamline CDA management across all markets. The tool should provide a centralized platform to log, track, monitor, and approve CDAs, directly linking them to specific invoices for seamless reconciliation and improved efficiency
- **End-to-end Trade Promotion Management System:** automated, integrated system with real-time updates, error detection, user-friendly, and audit trails to accurately capture and manage scan volumes for promotional activities and deductions



3. Credit Calculation and Risk Detection

Automating Credit Limits & Risk Detection

- **Automating Credit Limit Calculations:** automated system to streamline the calculation of credit limits using real-time internal financial metrics and customer trends together with external market data
- **Predictive Modelling for Financial Risk Detection:** system that proactively detect customer financial failure, incorporating historical customer data, payment trends, and external financial indicators enabling preemptive actions such as credit adjustments or targeted intervention
- **Continuous Control Monitoring:** tool that automatically recommends, executes, tracks, and analyzes control processes, with capability to schedule and conduct risk assessments



4. Accounts Receivable and Customer Management

Streamlining Collection Processes

- **Automating Collections for AFH Customers:** automated collections system tailored to handle the unique needs of AFH customers (primarily smaller accounts), reduce manual workload, improve cash flow, and provide a consistent customer experience
- **Improving Query Responses:** tool that improves vendor/customer satisfaction by automatically providing timely, accurate, and standard responses to queries about invoices and payments
- **Automated Call Center:** streamline and automate the collection process, invoice management, payment matching, and deduction handling

Focus areas for Treasury Program

Goal: Improve operational efficiency with increased transparency and standardization through automation



1. Treasury Management System

Streamline and standardize core Treasury operations

- **Treasury Management System:** provides real-time, global visibility into cash and debt balances across all of PEPs bank accounts.
- Ability to consolidate and centralize data from multiple banks into a single platform for easier management and reporting
- Standardization capabilities to ensure consistent workflows across PepsiCo globally



2. Cash Management Automation

Improve the efficiency and accuracy of reconciliation processes

- **Automated Reconciliation solution:** ability to get to 100% reconciliation faster while reducing manual efforts, including a self-learning AI system that addresses complex scenarios and resolves exceptions.
- Ability to handle high-volume, intricate reconciliation scenarios and robust exception management capabilities to quickly identify and resolve discrepancies
- Provide Automate resolution of common exceptions while flagging critical issues for manual review
- Accuracy and Compliance: ensure accurate reconciliation process that align with regulatory standards and audit requirements, including SOX compliance



3. Risk Visibility

Enhanced risk visibility and management capabilities

- **Transactional Risk Management and Mitigation tool:** allow full visibility into transaction-level risks and counterparty exposures including Phishing.
- **Credit Risk Assessment:** provide real-time insights into the creditworthiness of counterparties and banking institutions. Offer predictive analytics to anticipate potential defaults or financial instability
- **Counterparty and Bank Health Insights:** provide proactive alerts and insights to detect risks and intervention mechanisms to prevent fraudulent activity.