UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark one)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended September 30, 2021
OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

THE PROCTER & GAMBLE COMPANY

(Exact name of registrant as specified in its charter)

Ohio	**1-434**	**31-0411980**
(State of Incorporation)	***(Commission File Number)***	***(I.R.S. Employer Identification Number)***

One Procter & Gamble Plaza, Cincinnati, Ohio	**45202**
(Address of principal executive offices)	***(Zip Code)***

(513**)** 983-1100
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, without Par Value	PG	NYSE
2.000% Notes due 2021	PG21	NYSE
2.000% Notes due 2022	PG22B	NYSE
1.125% Notes due 2023	PG23A	NYSE
0.500% Notes due 2024	PG24A	NYSE
0.625% Notes due 2024	PG24B	NYSE
1.375% Notes due 2025	PG25	NYSE
4.875% EUR notes due May 2027	PG27A	NYSE
1.200% Notes due 2028	PG28	NYSE
1.250% Notes due 2029	PG29B	NYSE
1.800% Notes due 2029	PG29A	NYSE
6.250% GBP notes due January 2030	PG30	NYSE
5.250% GBP notes due January 2033	PG33	NYSE
1.875% Notes due 2038	PG38	NYSE

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☑	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☑

There were 2,419,947,819 shares of Common Stock outstanding as of September 30, 2021.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

THE PROCTER & GAMBLE COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EARNINGS

Amounts in millions except per share amounts	Three Months Ended September 30	
	2021	2020
NET SALES	**$ 20,338**	$ 19,318
Cost of products sold	**10,365**	9,142
Selling, general and administrative expense	**4,950**	4,895
OPERATING INCOME	**5,023**	5,281
Interest expense	**(109)**	(136)
Interest income	**11**	10
Other non-operating income, net	**110**	142
EARNINGS BEFORE INCOME TAXES	**5,035**	5,297
Income taxes	**909**	989
NET EARNINGS	**4,126**	4,308
Less: Net earnings attributable to noncontrolling interests	**14**	31
NET EARNINGS ATTRIBUTABLE TO PROCTER & GAMBLE	**$ 4,112**	$ 4,277
NET EARNINGS PER SHARE [(1)]		
Basic	**$ 1.66**	$ 1.69
Diluted	**$ 1.61**	$ 1.63
DILUTED WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	**2,558.9**	2,625.3

(1) Basic net earnings per share and Diluted net earnings per share are calculated on Net earnings attributable to Procter & Gamble.

See accompanying Notes to Consolidated Financial Statements.

THE PROCTER & GAMBLE COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Amounts in millions	Three Months Ended September 30	
	2021	2020
NET EARNINGS	**$ 4,126**	$ 4,308
OTHER COMPREHENSIVE INCOME/(LOSS), NET OF TAX		
Foreign currency translation	**(465)**	352
Unrealized gains on investment securities	**5**	6
Unrealized gains/(losses) on defined benefit retirement plans	**142**	(69)
TOTAL OTHER COMPREHENSIVE INCOME/(LOSS), NET OF TAX	**(318)**	289
TOTAL COMPREHENSIVE INCOME	**3,808**	4,597
Less: Total comprehensive income attributable to noncontrolling interests	**14**	36
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO PROCTER & GAMBLE	**$ 3,794**	$ 4,561

See accompanying Notes to Consolidated Financial Statements.

THE PROCTER & GAMBLE COMPANY AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

Amounts in millions			September 30, 2021	June 30, 2021
Assets				
CURRENT ASSETS				
Cash and cash equivalents			**$ 10,370**	$ 10,288
Accounts receivable			**5,662**	4,725
INVENTORIES				
Materials and supplies			**1,839**	1,645
Work in process			**769**	719
Finished goods			**3,699**	3,619
Total inventories			**6,307**	5,983
Prepaid expenses and other current assets			**1,997**	2,095
TOTAL CURRENT ASSETS			**24,336**	23,091
PROPERTY, PLANT AND EQUIPMENT, NET			**21,392**	21,686
GOODWILL			**40,493**	40,924
TRADEMARKS AND OTHER INTANGIBLE ASSETS, NET			**23,504**	23,642
OTHER NONCURRENT ASSETS			**9,944**	9,964
TOTAL ASSETS			**$ 119,669**	$ 119,307
Liabilities and Shareholders' Equity				
CURRENT LIABILITIES				
Accounts payable			**$ 14,223**	$ 13,720
Accrued and other liabilities			**10,377**	10,523
Debt due within one year			**11,989**	8,889
TOTAL CURRENT LIABILITIES			**36,589**	33,132
LONG-TERM DEBT			**20,558**	23,099
DEFERRED INCOME TAXES			**6,323**	6,153
OTHER NONCURRENT LIABILITIES			**9,791**	10,269
TOTAL LIABILITIES			**73,261**	72,653
SHAREHOLDERS' EQUITY				
Preferred stock			**859**	870
Common stock – shares issued –	September 2021	4,009.2		
	June 2021	4,009.2	**4,009**	4,009
Additional paid-in capital			**65,148**	64,848
Reserve for ESOP debt retirement			**(964)**	(1,006)
Accumulated other comprehensive loss			**(14,062)**	(13,744)
Treasury stock			**(117,240)**	(114,973)
Retained earnings			**108,361**	106,374
Noncontrolling interest			**297**	276
TOTAL SHAREHOLDERS' EQUITY			**46,408**	46,654
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			**$ 119,669**	$ 119,307

See accompanying Notes to Consolidated Financial Statements.

THE PROCTER & GAMBLE COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

Three Months Ended September 30, 2021

Dollars in millions; shares in thousands	Common Stock Shares	Common Stock Amount	Preferred Stock	Add-itional Paid-In Capital	Reserve for ESOP Debt Retirement	Accumulated Other Comp-rehensive Income/(Loss)	Treasury Stock	Retained Earnings	Non-controlling Interest	Total Share-holders' Equity
BALANCE JUNE 30, 2021	2,429,706	$4,009	$870	$64,848	($1,006)	($13,744)	($114,973)	$106,374	$276	$46,654
Net earnings								4,112	14	4,126
Other comprehensive income/(loss)						(318)			—	(318)
Dividends and dividend equivalents ($0.8698 per share):										
Common								(2,118)		(2,118)
Preferred, net of tax benefits								(70)		(70)
Treasury stock purchases	(19,353)						(2,750)			(2,750)
Employee stock plans	8,437			300			474			774
Preferred stock conversions	1,158		(11)	2			9			—
ESOP debt impacts					42			63		105
Noncontrolling interest, net				(2)					7	5
BALANCE SEPTEMBER 30, 2021	2,419,948	$4,009	$859	$65,148	($964)	($14,062)	($117,240)	$108,361	$297	$46,408

Three Months Ended September 30, 2020

Dollars in millions; shares in thousands	Common Stock Shares	Common Stock Amount	Preferred Stock	Add-itional Paid-In Capital	Reserve for ESOP Debt Retirement	Accumulated Other Comp-rehensive Income/(Loss)	Treasury Stock	Retained Earnings	Non-controlling Interest	Total Share-holders' Equity
BALANCE JUNE 30, 2020	2,479,746	$4,009	$897	$64,194	($1,080)	($16,165)	($105,573)	$100,239	$357	$46,878
Net earnings								4,277	31	4,308
Other comprehensive income/(loss)						284			5	289
Dividends and dividend equivalents ($0.7907 per share):										
Common								(1,969)		(1,969)
Preferred, net of tax benefits								(66)		(66)
Treasury stock purchases	(14,642)						(2,000)			(2,000)
Employee stock plans	13,504			271			772			1,043
Preferred stock conversions	998		(9)	2			7			—
ESOP debt impacts					34			58		92
Noncontrolling interest, net									1	1
BALANCE SEPTEMBER 30, 2020	2,479,606	$4,009	$888	$64,467	($1,046)	($15,881)	($106,794)	$102,539	$394	$48,576

See accompanying Notes to Consolidated Financial Statements.

THE PROCTER & GAMBLE COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

Amounts in millions	Three Months Ended September 30 2021	2020
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF PERIOD	**$ 10,288**	$ 16,181
OPERATING ACTIVITIES		
Net earnings	**4,126**	4,308
Depreciation and amortization	**711**	671
Share-based compensation expense	**116**	89
Deferred income taxes	**57**	193
Gain on sale of assets	**(73)**	(12)
Changes in:		
Accounts receivable	**(1,012)**	(825)
Inventories	**(409)**	(137)
Accounts payable, accrued and other liabilities	**1,261**	442
Other operating assets and liabilities	**(178)**	(30)
Other	**44**	40
TOTAL OPERATING ACTIVITIES	**4,643**	4,739
INVESTING ACTIVITIES		
Capital expenditures	**(1,091)**	(850)
Proceeds from asset sales	**85**	21
TOTAL INVESTING ACTIVITIES	**(1,006)**	(829)
FINANCING ACTIVITIES		
Dividends to shareholders	**(2,182)**	(2,030)
Increases in short-term debt maturing in more than three months	**1,792**	1,507
Reductions in short-term debt maturing in more than three months	**(1,422)**	(829)
Increases/(reductions) in other short-term debt	**512**	(4,246)
Reductions to long-term debt	**(26)**	(25)
Treasury stock purchases	**(2,750)**	(2,000)
Impact of stock options and other	**648**	893
TOTAL FINANCING ACTIVITIES	**(3,428)**	(6,730)
EFFECT OF EXCHANGE RATE CHANGES ON CASH, CASH EQUIVALENTS AND RESTRICTED CASH	**(127)**	31
CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	**82**	(2,789)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF PERIOD	**$ 10,370**	$ 13,392

See accompanying Notes to Consolidated Financial Statements.

THE PROCTER & GAMBLE COMPANY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presentation

These statements should be read in conjunction with the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2021. In the opinion of management, the accompanying unaudited Consolidated Financial Statements of The Procter & Gamble Company and subsidiaries (the "Company," "Procter & Gamble," "P&G," "we" or "our") contain all adjustments necessary to present fairly the financial position, results of operations and cash flows for the interim periods reported. However, the results of operations included in such financial statements may not necessarily be indicative of annual results.

For the quarter ended September 30, 2021, the Company began to present increases and reductions in short-term debt with maturities of more than three months separately within the Consolidated Statements of Cash Flows. The presentation for the quarter ended September 30, 2020 has been revised to align with the current period presentation. This change had no impact on total financing activities and we have concluded the change is not material.

2. New Accounting Pronouncements and Policies

In March 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2020-04, "Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting." The amendments provide optional expedients and exceptions for applying generally accepted accounting principles ("GAAP") to contracts, hedging relationships and other transactions affected by reference rate reform if certain criteria are met. In January 2021, the FASB issued ASU No. 2021-01, "Reference Rate Reform (Topic 848): Scope", which clarified that certain optional expedients and exceptions in Topic 848 apply to derivative instruments that are affected by the discounting transition due to reference rate reform. These ASUs were effective upon issuance and may be applied prospectively to contract modifications and hedging relationships entered or evaluated through December 31, 2022. We are currently evaluating our contracts and do not expect a material impact at this time. Specific elections of expedients and exceptions provided under the ASUs will be made when contract modifications in response to reference rate reform commence.

No other new accounting pronouncement issued or effective during the fiscal year had, or is expected to have, a material impact on our Consolidated Financial Statements.

3. Segment Information

Under U.S. GAAP, our operating segments are aggregated into five reportable segments: 1) Beauty, 2) Grooming, 3) Health Care, 4) Fabric & Home Care and 5) Baby, Feminine & Family Care. Our five reportable segments are comprised of:

- *Beauty*: Hair Care (Conditioners, Shampoos, Styling Aids, Treatments); Skin and Personal Care (Antiperspirants and Deodorants, Personal Cleansing, Skin Care);
- *Grooming*: Shave Care (Female Blades & Razors, Male Blades & Razors, Pre- and Post-Shave Products, Other Shave Care); Appliances;
- *Health Care*: Oral Care (Toothbrushes, Toothpaste, Other Oral Care); Personal Health Care (Gastrointestinal, Rapid Diagnostics, Respiratory, Vitamins/Minerals/Supplements, Pain Relief, Other Personal Health Care);
- *Fabric & Home Care*: Fabric Care (Fabric Enhancers, Laundry Additives, Laundry Detergents); Home Care (Air Care, Dish Care, P&G Professional, Surface Care); and
- *Baby, Feminine & Family Care*: Baby Care (Baby Wipes, Taped Diapers and Pants); Feminine Care (Adult Incontinence, Feminine Care); Family Care (Paper Towels, Tissues, Toilet Paper).

Our operating segments are comprised of similar product categories. Operating segments that individually accounted for 5% or more of consolidated net sales are as follows:

	% of Net sales by operating segment [1]	
	Three Months Ended September 30	
	2021	2020
Fabric Care	**23%**	22%
Home Care	**11%**	12%
Baby Care	**10%**	10%
Skin and Personal Care	**10%**	10%
Hair Care	**10%**	10%
Family Care	**8%**	9%
Oral Care	**8%**	8%
Shave Care	**7%**	6%
Feminine Care	**6%**	6%
Personal Health Care	**5%**	5%
Other	**2%**	2%
Total	**100%**	100%

[1] % of Net sales by operating segment excludes sales held in Corporate.

The following is a summary of reportable segment results:

		Three Months Ended September 30		
		Net Sales	Earnings/(Loss) Before Income Taxes	Net Earnings
uty	**2021**	**$3,964**	**$1,242**	**$991**
	2020	3,786	1,228	976
oming	**2021**	**1,687**	**518**	**417**
	2020	1,601	426	355
lth Care	**2021**	**2,676**	**695**	**529**
	2020	2,471	679	525
ic & Home Care	**2021**	**7,009**	**1,546**	**1,191**
	2020	6,644	1,743	1,349
y, Feminine & Family Care	**2021**	**4,864**	**1,075**	**826**
	2020	4,723	1,318	1,010
orate	**2021**	**138**	**(41)**	**172**
	2020	93	(97)	93
l Company	**2021**	**$20,338**	**$5,035**	**$4,126**
	2020	19,318	5,297	4,308

4. Goodwill and Other Intangible Assets

Goodwill is allocated by reportable segment as follows:

	Beauty	Grooming	Health Care	Fabric & Home Care	Baby, Feminine & Family Care	Total Company
Goodwill at June 30, 2021	$ 13,257	$ 13,095	$ 8,046	$ 1,873	$ 4,653	$ 40,924
Translation and other	(152)	(111)	(109)	(14)	(45)	(431)
Goodwill at September 30, 2021	**$ 13,105**	**$ 12,984**	**$ 7,937**	**$ 1,859**	**$ 4,608**	**$ 40,493**

Goodwill decreased from June 30, 2021 due to currency translation, partially offset by a minor acquisition within Health Care.

Identifiable intangible assets at September 30, 2021 were comprised of:

	Gross Carrying Amount	Accumulated Amortization
Intangible assets with determinable lives	$ 8,570	$ (6,149)
Intangible assets with indefinite lives	21,083	—
Total identifiable intangible assets	**$ 29,653**	**$ (6,149)**

Intangible assets with determinable lives consist of brands, patents, technology and customer relationships. The intangible assets with indefinite lives primarily consist of brands. The amortization expense of determinable-lived intangible assets for the three months ended September 30, 2021 and 2020 was $77 million and $84 million, respectively.

Goodwill and indefinite-lived intangible assets are not amortized but are tested at least annually for impairment by comparing the estimated fair values of our reporting units and underlying indefinite-lived intangible assets to their respective carrying values. We typically use an income method to estimate the fair value of these assets, which is based on forecasts of the expected future cash flows attributable to the respective assets. If the resulting fair value is less than the asset's carrying value, that difference represents an impairment. Our annual impairment testing for goodwill and indefinite-lived intangible assets occurs during the three months ended December 31.

The business unit valuations used to test goodwill and intangible assets for impairment depend on a number of significant estimates and assumptions, including macroeconomic conditions, overall category growth rates, competitive activities, cost containment, margin expansion and Company business plans. We believe these estimates and assumptions are reasonable. However, future changes in the judgments, assumptions and estimates that are used in our impairment testing for goodwill and indefinite-lived intangible assets, including discount rates, tax rates or future cash flow projections, could result in significantly different estimates of the fair values. To the extent changes in such factors result in a failure to achieve the level of projected cash flows initially used to estimate fair value for purposes of establishing or subsequently impairing the carrying amount of goodwill and related intangible assets, we may need to record non-cash impairment charges in the future.

Most of our goodwill reporting units are comprised of a combination of legacy and acquired businesses and as a result have fair value cushions that, at a minimum, exceed two times their underlying carrying values. Certain of our goodwill reporting units, in particular Shave Care and Appliances, are comprised entirely of acquired businesses and as a result, have fair value cushions that are not as high. The Appliances reporting unit has a fair value that significantly exceeds the underlying carrying value. As previously disclosed, the carrying value of the Shave Care reporting unit and the related Gillette indefinite-lived intangible asset were impaired during the quarter ended June 30, 2019. Also, as previously disclosed, the Shave Care reporting unit fair value exceeded its carrying value by more than 20% and the Gillette indefinite-lived intangible asset fair value approximated its carrying value as of our fiscal 2021 and fiscal 2020 impairment testing dates. Accordingly, no impairment charge was recorded during the years ended June 30, 2021 or June 30, 2020.

The most significant assumptions utilized in the determination of the estimated fair values of the Shave Care reporting unit and the Gillette indefinite-lived intangible asset are the net sales and earnings growth rates (including residual growth rates) and the discount rate. The residual growth rate represents the expected rate at which the Shave Care reporting unit and Gillette brand are expected to grow beyond the shorter-term business planning period. The residual growth rate utilized in our fair value estimates is consistent with the reporting unit and brand operating plans and approximates expected long-term category market growth rates. The residual growth rate depends on overall market growth rates, the competitive environment, inflation, relative currency exchange rates and business activities that impact market share. As a result, the residual growth rate could be adversely impacted by a sustained deceleration in category growth, grooming habit changes, devaluation of currencies against the U.S. dollar or an increased competitive environment. The discount rate, which is consistent with a weighted average cost of capital that is likely to be expected by a market participant, is based upon industry required rates of return, including consideration of both debt and equity components of the capital structure. Our discount rate may be impacted by adverse changes in the macroeconomic environment, volatility in the equity and debt markets or other country specific factors, such as

further devaluation of currencies against the U.S. dollar. Spot rates as of the fair value measurement date are utilized in our fair value estimates for cash flows outside the U.S. Another key assumption in our fair value determination of the Gillette indefinite-lived intangible asset is the royalty rate, which is driven by historical and estimated future profitability of the underlying Gillette business. The royalty rate may be impacted by significant adverse changes in long-term operating margins.

While management can and has implemented strategies to address these events, changes in operating plans or adverse changes in the business or in the macroeconomic environment in the future could reduce the underlying cash flows used to estimate fair values and could result in a decline in fair value that would trigger future impairment charges of the Shave Care reporting unit's goodwill and indefinite-lived intangibles. The duration and severity of the pandemic could also result in future impairment charges for the Shave Care reporting unit goodwill and the Gillette indefinite-lived intangible asset. While we have concluded that a triggering event did not occur during the quarter ended September 30, 2021, the Gillette indefinite-lived intangible asset is most susceptible to future impairment risk. Our assessment of the Gillette intangible asset assumes the net sales growth rates will begin to recover from the impact of the COVID-19 pandemic during the current fiscal year. There continues to be a high level of uncertainty relating to how the pandemic will evolve, how governments and consumers will react, progress on the distribution of vaccines and whether the pandemic will have a longer-term effect on consumer habits. Accordingly, there continues to be risk related to this key assumption. A more prolonged pandemic recovery period could impact the assumptions utilized in the determination of the estimated fair values of the Shave Care reporting unit and the Gillette indefinite-lived intangible asset that are significant enough to trigger an impairment. Net sales and earnings growth rates could be negatively impacted by reductions or changes in demand for our shave care products, which may be caused by, among other things: the temporary inability of consumers to purchase our products due to illness, quarantine or other travel restrictions, or financial hardship, changes in the use and frequency of grooming products or by shifts in demand away from one or more of our higher priced products to lower priced products. In addition, relative global and country/regional macroeconomic factors could result in additional and prolonged devaluation of other countries' currencies relative to the U.S. dollar. Finally, the discount rate utilized in our valuation model could be impacted by changes in the underlying interest rates and risk premiums included in the determination of the cost of capital. As of September 30, 2021, the carrying values of the Shave Care goodwill and the Gillette indefinite-lived intangible asset were $12.7 billion and $14.1 billion, respectively.

We performed a sensitivity analysis for the Shave Care reporting unit and the Gillette indefinite-lived intangible asset during our most recently completed annual impairment testing, utilizing reasonably possible changes in the assumptions for the shorter-term and residual growth rates, discount rate, and royalty rate to demonstrate the potential impacts to the estimated fair values. The table below provides, in isolation, the estimated fair value impacts related to a 25 basis-point increase in the discount rate, a 25 basis-point decrease in our shorter-term and residual growth rates, or a 50 basis point decrease in our royalty rate, any of which, in isolation, would result in an impairment of the Gillette indefinite-lived intangible asset.

	Approximate Percent Change in Estimated Fair Value		
	+25 bps Discount Rate	**-25 bps Growth Rates**	**-50 bps Royalty Rate**
Shave Care goodwill reporting unit	(6)%	(6)%	N/A
Gillette indefinite-lived intangible asset	(6)%	(6)%	(4)%

5. Earnings Per Share

Basic net earnings per common share are calculated by dividing Net earnings attributable to Procter & Gamble less preferred dividends by the weighted average number of common shares outstanding during the period. Diluted net earnings per common share are calculated by dividing Net earnings attributable to Procter & Gamble by the diluted weighted average number of common shares during the period. The diluted shares include the dilutive effect of stock options and other stock-based awards based on the treasury stock method and the assumed conversion of preferred stock.

Net earnings per share were calculated as follows:

CONSOLIDATED AMOUNTS	Three Months Ended September 30	
	2021	2020
Net earnings	**$ 4,126**	$ 4,308
Less: Net earnings attributable to noncontrolling interests	**14**	31
Net earnings attributable to P&G (Diluted)	**4,112**	4,277
Less: Preferred dividends	**70**	66
Net earnings attributable to P&G available to common shareholders (Basic)	**$ 4,042**	$ 4,211
SHARES IN MILLIONS		
Basic weighted average common shares outstanding	**2,428.1**	2,486.1
Add: Effect of dilutive securities		
Convertible preferred shares [1]	**80.5**	83.9
Stock options and other unvested equity awards [2]	**50.3**	55.3
Diluted weighted average common shares outstanding	**2,558.9**	2,625.3
NET EARNINGS PER SHARE [3]		
Basic	**$ 1.66**	$ 1.69
Diluted	**$ 1.61**	$ 1.63

[1] An overview of preferred shares can be found in our Annual Report on Form 10-K for the year ended June 30, 2021.

[2] Excludes 9 million and 1 million for the three months ended September 30, 2021 and 2020, respectively, of weighted average stock options outstanding because the exercise price of these options was greater than their average market value or their effect was antidilutive.

[3] Net earnings per share are calculated on Net earnings attributable to Procter & Gamble.

6. Share-Based Compensation and Postretirement Benefits

The following table provides a summary of our share-based compensation expense and postretirement benefit costs:

	Three Months Ended September 30	
	2021	2020
Share-based compensation expense	**$ 116**	$ 89
Net periodic benefit cost for pension benefits [1]	**48**	47
Net periodic benefit credit for other retiree benefits [1]	**(103)**	(80)

[1] The components of the total net periodic benefit cost/(credit) for both pension benefits and other retiree benefits for these interim periods, on an annualized basis, do not differ materially from the amounts disclosed in the Annual Report on Form 10-K for the fiscal year ended June 30, 2021.

7. Risk Management Activities and Fair Value Measurements

As a multinational company with diverse product offerings, we are exposed to market risks, such as changes in interest rates, currency exchange rates and commodity prices. There have been no significant changes in our risk management policies or activities during the three months ended September 30, 2021.

The Company has not changed its valuation techniques used in measuring the fair value of any financial assets and liabilities during the period. The Company recognizes transfers between levels within the fair value hierarchy, if any, at the end of each quarter. There were no transfers between levels during the periods presented. Also, there was no significant activity within the Level 3 assets and liabilities during the periods presented. There were no significant assets or liabilities that were remeasured at fair value on a non-recurring basis for the three months ended September 30, 2021.

Cash equivalents were $9.0 billion and $9.1 billion as of September 30, 2021 and June 30, 2021, respectively, and are classified as Level 1 within the fair value hierarchy. Other investments had a fair value of $160 and $192 as of September 30, 2021 and June 30, 2021, respectively, including equity securities of $131 and $163 as of September 30, 2021 and June 30, 2021, respectively, and are presented in Other noncurrent assets. Investments are measured at fair value and primarily classified as Level 1 and Level 2 within the fair value hierarchy. Level 1 are based on quoted market prices in active markets for identical assets, and Level 2 are based on quoted market prices for similar instruments. There are no material investment balances classified as Level 3 within the fair value hierarchy or using net asset value as a practical expedient. Unrealized losses on equity securities were $(29) during the three months ended September 30, 2021. Unrealized losses on equity securities were not significant for the three months ended September 30, 2020. These unrealized losses are recognized in the Consolidated Statements of Earnings in Other non-operating income/(expense), net.

The fair value of long-term debt was $28.4 billion and $28.8 billion as of September 30, 2021 and June 30, 2021, respectively. This includes the current portion of long-term debt instruments ($5.9 billion and $3.6 billion as of September 30, 2021 and June 30, 2021, respectively). Certain long-term debt (debt designated as a fair value hedge) is recorded at fair value. All other long-term debt is recorded at amortized cost but is measured at fair value for disclosure purposes. We consider our debt to be Level 2 in the fair value hierarchy. Fair values are generally estimated based on quoted market prices for identical or similar instruments.

Disclosures about Financial Instruments

The notional amounts and fair values of financial instruments used in hedging transactions as of September 30, 2021 and June 30, 2021 are as follows:

	Notional Amount		Fair Value Asset		Fair Value (Liability)	
	September 30, 2021	June 30, 2021	September 30, 2021	June 30, 2021	September 30, 2021	June 30, 2021
DERIVATIVES IN FAIR VALUE HEDGING RELATIONSHIPS						
Interest rate contracts	**$ 7,280**	$ 7,415	**$ 110**	$ 146	**$ —**	$ —
DERIVATIVES IN NET INVESTMENT HEDGING RELATIONSHIPS						
Foreign currency interest rate contracts	**$ 9,506**	$ 8,484	**$ 248**	$ 89	**$ (19)**	$ (94)
TOTAL DERIVATIVES DESIGNATED AS HEDGING INSTRUMENTS	**$ 16,786**	$ 15,899	**$ 358**	$ 235	**$ (19)**	$ (94)
DERIVATIVES NOT DESIGNATED AS HEDGING INSTRUMENTS						
Foreign currency contracts	**$ 7,058**	$ 5,060	**$ 16**	$ 20	**$ (36)**	$ (22)
TOTAL DERIVATIVES AT FAIR VALUE	**$ 23,844**	$ 20,959	**$ 374**	$ 255	**$ (55)**	$ (116)

The fair value of the interest rate derivative asset/(liability) directly offsets the cumulative amount of the fair value hedging adjustment included in the carrying amount of the underlying debt obligation. The carrying amount of the underlying debt obligation, which includes the unamortized discount or premium and the fair value adjustment, was $7.4 billion and $7.5 billion as of September 30, 2021 and June 30, 2021, respectively. In addition to the foreign currency derivative contracts designated as net investment hedges, certain of our foreign currency denominated debt instruments are designated as net investment hedges. The carrying value of those debt instruments designated as net investment hedges, which includes the adjustment for the foreign currency transaction gain or loss on those instruments, was $11.7 billion and $12.0 billion as of September 30, 2021 and June 30, 2021, respectively. The increase in the notional balance of foreign currency contracts not designated as hedging instruments primarily reflects changes in the level of intercompany financing activity during the period.

All derivative assets are presented in Prepaid expenses and other current assets or Other noncurrent assets. All derivative liabilities are presented in Accrued and other liabilities or Other noncurrent liabilities. Changes in the fair value of net investment hedges are recognized in the Foreign currency translation component of Other comprehensive income (OCI). All of the Company's derivative assets and liabilities measured at fair value are classified as Level 2 within the fair value hierarchy.

Before tax gains/(losses) on our financial instruments in hedging relationships are categorized as follows:

	Amount of Gain/(Loss) Recognized in OCI on Derivatives	
	Three Months Ended September 30	
	2021	2020
DERIVATIVES IN NET INVESTMENT HEDGING RELATIONSHIPS [1] [2]		
Foreign exchange contracts	**$ 208**	$ (186)

[1] For the derivatives in net investment hedging relationships, the amount of gain excluded from effectiveness testing, which was recognized in earnings, was $15 and $14 for the three months ended September 30, 2021 and 2020, respectively.

[2] In addition to the foreign currency derivative contracts designated as net investment hedges, certain of our foreign currency denominated debt instruments are designated as net investment hedges. The amount of gain recognized in other comprehensive income/(loss) for such instruments was $303 and $(646) for the three months ended September 30, 2021 and 2020, respectively.

	Amount of Gain/(Loss) Recognized in Earnings	
	Three Months Ended September 30	
	2021	2020
DERIVATIVES IN FAIR VALUE HEDGING RELATIONSHIPS		
Interest rate contracts	**$ (36)**	$ 7
DERIVATIVES NOT DESIGNATED AS HEDGING INSTRUMENTS		
Foreign currency contracts	**$ (24)**	$ 106

The gain/(loss) on the derivatives in fair value hedging relationships is fully offset by the mark-to-market impact of the related exposure. These are both recognized in the Consolidated Statements of Earnings in Interest expense. The gain/(loss) on derivatives not designated as hedging instruments is substantially offset by the currency mark-to-market of the related exposure. These are both recognized in the Consolidated Statements of Earnings in Selling, general and administrative expense (SG&A).

8. Accumulated Other Comprehensive Income/(Loss)

The table below presents the changes in Accumulated other comprehensive income/(loss) attributable to Procter & Gamble (AOCI), including the reclassifications out of AOCI by component:

	Investment Securities	Post-retirement Benefits	Foreign Currency Translation	Total AOCI
Balance at June 30, 2021	$ 15	$ (2,963)	$ (10,796)	$ (13,744)
OCI before reclassifications [1]	5	80	(465)	(380)
Amounts reclassified from AOCI into the Consolidated Statements of Earnings [2]		62		62
Net current period OCI	5	142	(465)	(318)
Less: Other comprehensive income/(loss) attributable to non-controlling interests	—	—	—	—
Balance at September 30, 2021	**$ 20**	**$ (2,821)**	**$ (11,261)**	**$ (14,062)**

[1] Net of tax expense/(benefit) of $1, $29 and $120 for gains/losses on investment securities, postretirement benefit items and foreign currency translation, respectively. Income tax effects within cumulative translation include impacts from items such as net investment hedge transactions. Foreign cumulative translation is not adjusted for income taxes related to permanent investments in international subsidiaries.

[2] Net of tax expense/(benefit) of $0, $20 and $0 for gains/losses on investment securities, postretirement benefit items and foreign currency translation, respectively.

The below provides additional details on amounts reclassified from AOCI into the Consolidated Statements of Earnings:

- Investment securities: amounts reclassified from AOCI into Other non-operating income, net.
- Postretirement benefits: amounts reclassified from AOCI into Other non-operating income, net and included in the computation of net periodic postretirement costs.

9. Commitments and Contingencies

Litigation

We are subject, from time to time, to certain legal proceedings and claims arising out of our business, which cover a wide range of matters, including antitrust and trade regulation, product liability, advertising, contracts, environmental, patent and trademark matters, labor and employment matters and tax. While considerable uncertainty exists, in the opinion of management and our counsel, the ultimate resolution of the various lawsuits and claims will not materially affect our financial position, results of operations or cash flows.

We are also subject to contingencies pursuant to environmental laws and regulations that in the future may require us to take action to correct the effects on the environment of prior manufacturing and waste disposal practices. Based on currently available information, we do not believe the ultimate resolution of environmental remediation will materially affect our financial position, results of operations or cash flows.

Income Tax Uncertainties

The Company is present in approximately 70 countries and over 150 taxable jurisdictions and, at any point in time, has 40–50 jurisdictional audits underway at various stages of completion. We evaluate our tax positions and establish liabilities for uncertain tax positions that may be challenged by local authorities and may not be fully sustained, despite our belief that the underlying tax positions are fully supportable. Uncertain tax positions are reviewed on an ongoing basis and are

adjusted in light of changing facts and circumstances, including progress of tax audits, developments in case law and closing of statutes of limitations. Such adjustments are reflected in the tax provision as appropriate. We have tax years open ranging from 2008 and forward. We are generally not able to reliably estimate the ultimate settlement amounts until the close of the audit. While we do not expect material changes, it is possible that the amount of unrecognized benefit with respect to our uncertain tax positions could increase or decrease within the next 12 months. At this time we are not able to make a reasonable estimate of the range of impact on the balance of uncertain tax positions or the impact on the effective tax rate related to these items.

Additional information on the Commitments and Contingencies of the Company can be found in our Annual Report on Form 10-K for the year ended June 30, 2021.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

Certain statements in this report, other than purely historical information, including estimates, projections, statements relating to our business plans, objectives, and expected operating results, and the assumptions upon which those statements are based, are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements may appear throughout this report, including without limitation, the following sections: “Management's Discussion and Analysis,” “Risk Factors” and "Notes 4 and 9 to the Consolidated Financial Statements." These forward-looking statements generally are identified by the words “believe,” “project,” “expect,” “anticipate,” “estimate,” “intend,” “strategy,” “future,” “opportunity,” “plan,” “may,” “should,” “will,” “would,” “will be,” “will continue,” “will likely result” and similar expressions. Forward-looking statements are based on current expectations and assumptions, which are subject to risks and uncertainties that may cause results to differ materially from those expressed or implied in the forward-looking statements. We undertake no obligation to update or revise publicly any forward-looking statements, whether because of new information, future events or otherwise, except to the extent required by law.

Risks and uncertainties to which our forward-looking statements are subject include, without limitation: (1) the ability to successfully manage global financial risks, including foreign currency fluctuations, currency exchange or pricing controls and localized volatility; (2) the ability to successfully manage local, regional or global economic volatility, including reduced market growth rates, and to generate sufficient income and cash flow to allow the Company to effect the expected share repurchases and dividend payments; (3) the ability to manage disruptions in credit markets or to our banking partners or changes to our credit rating; (4) the ability to maintain key manufacturing and supply arrangements (including execution of supply chain optimizations and sole supplier and sole manufacturing plant arrangements) and to manage disruption of business due to various factors, including ones outside of our control, such as natural disasters, acts of war or terrorism or disease outbreaks; (5) the ability to successfully manage cost fluctuations and pressures, including prices of commodities and raw materials, and costs of labor, transportation, energy, pension and healthcare; (6) the ability to stay on the leading edge of innovation, obtain necessary intellectual property protections and successfully respond to changing consumer habits, evolving digital marketing and selling platform requirements and technological advances attained by, and patents granted to, competitors; (7) the ability to compete with our local and global competitors in new and existing sales channels, including by successfully responding to competitive factors such as prices, promotional incentives and trade terms for products; (8) the ability to manage and maintain key customer relationships; (9) the ability to protect our reputation and brand equity by successfully managing

real or perceived issues, including concerns about safety, quality, ingredients, efficacy, packaging content, supply chain practices or similar matters that may arise; (10) the ability to successfully manage the financial, legal, reputational and operational risk associated with third-party relationships, such as our suppliers, contract manufacturers, distributors, contractors and external business partners; (11) the ability to rely on and maintain key company and third party information and operational technology systems, networks and services, and maintain the security and functionality of such systems, networks and services and the data contained therein; (12) the ability to successfully manage uncertainties related to changing political conditions and potential implications such as exchange rate fluctuations and market contraction; (13) the ability to successfully manage current and expanding regulatory and legal requirements and matters (including, without limitation, those laws and regulations involving product liability, product and packaging composition, intellectual property, labor and employment, antitrust, privacy and data protection, tax, environmental, due diligence, risk oversight and accounting and financial reporting) and to resolve new and pending matters within current estimates; (14) the ability to manage changes in applicable tax laws and regulations including maintaining our intended tax treatment of divestiture transactions; (15) the ability to successfully manage our ongoing acquisition, divestiture and joint venture activities, in each case to achieve the Company’s overall business strategy and financial objectives, without impacting the delivery of base business objectives; (16) the ability to successfully achieve productivity improvements and cost savings and manage ongoing organizational changes, while successfully identifying, developing and retaining key employees, including in key growth markets where the availability of skilled or experienced employees may be limited; and (17) the ability to successfully manage the demand, supply and operational challenges associated with a disease outbreak, including epidemics, pandemics or similar widespread public health concerns (including the COVID-19 outbreak). A detailed discussion of risks and uncertainties that could cause actual results and events to differ materially from those projected herein, is included in the section titled "Economic Conditions and Uncertainties" and the section titled "Risk Factors" (Part I, Item 1A) of this Form 10-Q.

The purpose of Management's Discussion and Analysis (MD&A) is to provide an understanding of Procter & Gamble's financial condition, results of operations and cash flows by focusing on changes in certain key measures from year to year. The MD&A is provided as a supplement to, and should be read in conjunction with, our Consolidated Financial Statements and accompanying Notes.

The MD&A is organized into the following sections:

- Overview
- Summary of Results – Three months ended September 30, 2021
- Economic Conditions and Uncertainties
- Results of Operations – Three months ended September 30, 2021
- Business Segment Discussion – Three months ended September 30, 2021
- Liquidity and Capital Resources
- Reconciliation of Measures Not Defined by U.S. GAAP

Throughout the MD&A, we refer to measures used by management to evaluate performance, including unit volume growth, net sales and net earnings. We also refer to a number of financial measures that are not defined under accounting principles generally accepted in the United States of America (U.S. GAAP), that include organic sales growth, core net earnings per share (Core EPS), adjusted free cash flow and adjusted free cash flow productivity. The explanation at the end of the MD&A provides the definition of these non-GAAP measures, details on the use and the derivation of these measures, as well as reconciliations to the most directly comparable U.S. GAAP measure.

Management also uses certain market share and market consumption estimates to evaluate performance relative to competition, despite some limitations on the availability and comparability of share and consumption information. References to market share and market consumption in the MD&A are based on a combination of vendor purchased traditional brick-and-mortar and online data in key markets as well as internal estimates. All market share references represent the percentage of sales of our products in dollar terms on a constant currency basis relative to all product sales in the category. The Company measures fiscal year to date market shares through the most recent period for which market share data is available, which typically reflects a lag time of one or two months as compared to the end of the reporting period. Management also uses unit volume growth to evaluate and explain drivers of changes in net sales. Organic volume growth

reflects year-over-year changes in unit volume excluding the impacts of acquisitions and divestitures and certain one-time items, if applicable, and is used to explain changes in organic sales.

OVERVIEW

P&G is a global leader in the fast-moving consumer goods industry, focused on providing branded consumer packaged goods of superior quality and value to our consumers around the world. Our products are sold in more than 180 countries and territories, primarily through mass merchandisers, e-commerce, grocery stores, membership club stores, drug stores, department stores, distributors, wholesalers, baby stores, specialty beauty stores (including airport duty-free stores), high-frequency stores, pharmacies, electronics stores and professional channels. We also sell direct to consumers. We have on-the-ground operations in approximately 70 countries.

Our market environment is highly competitive with global, regional and local competitors. In many of the markets and industry segments in which we sell our products, we compete against other branded products as well as retailers' private-label brands. Additionally, many of the product segments in which we compete are differentiated by price tiers (referred to as super-premium, premium, mid-tier and value-tier products). We believe we are well positioned in the industry segments and markets in which we operate, often holding a leadership or significant market share position.

The table below lists our reportable segments, including the product categories and brand composition within each segment.

Reportable Segments	Product Categories (Sub-Categories)	Major Brands
Beauty	Hair Care (*Conditioners, Shampoos, Styling Aids, Treatments*)	Head & Shoulders, Herbal Essences, Pantene, Rejoice
	Skin and Personal Care (*Antiperspirants and Deodorants, Personal Cleansing, Skin Care*)	Olay, Old Spice, Safeguard, Secret, SK-II
Grooming	Grooming [(1)] (Shave Care - *Female Blades & Razors, Male Blades & Razors, Pre- and Post-Shave Products, Other Shave Care;* Appliances)	Braun, Gillette, Venus
Health Care	Oral Care (*Toothbrushes, Toothpastes, Other Oral Care*)	Crest, Oral-B
	Personal Health Care (*Gastrointestinal, Rapid Diagnostics, Respiratory, Vitamins/Minerals/Supplements, Pain Relief, Other Personal Health Care*)	Metamucil, Neurobion, Pepto-Bismol, Vicks
Fabric & Home Care	Fabric Care (*Fabric Enhancers, Laundry Additives, Laundry Detergents*)	Ariel, Downy, Gain, Tide
	Home Care (*Air Care, Dish Care, P&G Professional, Surface Care*)	Cascade, Dawn, Fairy, Febreze, Mr. Clean, Swiffer
Baby, Feminine & Family Care	Baby Care (*Baby Wipes, Taped Diapers and Pants*)	Luvs, Pampers
	Feminine Care (*Adult Incontinence, Feminine Care*)	Always, Always Discreet, Tampax
	Family Care (*Paper Towels, Tissues, Toilet Paper*)	Bounty, Charmin, Puffs

[(1)] The Grooming product category is comprised of the Shave Care and Appliances operating segments.

The following table provides the percentage of net sales and net earnings by reportable business segment for the three months ended September 30, 2021 (excluding net sales and net earnings in Corporate):

	Three Months Ended September 30, 2021	
	Net Sales	Net Earnings
Beauty	20%	25%
Grooming	8%	11%
Health Care	13%	13%
Fabric & Home Care	35%	30%
Baby, Feminine & Family Care	24%	21%
Total Company	**100%**	**100%**

SUMMARY OF RESULTS

The following are highlights of results for the three months ended September 30, 2021 versus the three months ended September 30, 2020:

- Net sales increased 5% to $20.3 billion, due to a high single digit increase in Health Care, mid-single digit increases in Beauty, Grooming and Fabric & Home Care and a low single digit increase in Baby, Feminine & Family Care. Organic sales, which exclude the impacts of acquisitions and divestitures and foreign exchange, increased 4%. Organic sales increased high single digits in Health Care, increased mid-single digits in Grooming and in Fabric & Home Care and increased low single digits in Beauty and in Baby, Feminine & Family Care.
- Net earnings were $4.1 billion, a decrease of $0.2 billion or 4% versus the prior year period as the increase in net sales was more than offset by a decrease in operating margin.
- Net earnings attributable to Procter & Gamble decreased $0.2 billion or 4% versus the prior year period to $4.1 billion.
- Diluted net earnings per share (EPS) decreased 1% to $1.61 due primarily to the decrease in net earnings, partially offset by a reduction in the weighted average shares outstanding. Core net earnings per share also decreased 1% to $1.61 due to the absence of any non-core adjustments in either period.
- Operating cash flow was $4.6 billion. Adjusted free cash flow, which is operating cash flow less capital expenditures and certain other impacts, was $3.8 billion. Adjusted free cash flow productivity was 92%.

ECONOMIC CONDITIONS AND UNCERTAINTIES

Global Economic Conditions. Our products are sold in numerous countries across North America, Europe, Latin America, Asia and Africa, with more than half

our sales generated outside the United States. As such, we are exposed to and impacted by global macroeconomic factors, U.S. and foreign government policies and foreign exchange fluctuations. Global economic conditions continue to be highly volatile due to the COVID-19 pandemic, resulting in market size contractions in certain countries due to economic slowdowns and government restrictions on movement. Other macroeconomic factors also remain dynamic, and any causes of market size contraction, such as greater political unrest or instability in the Middle East, Central & Eastern Europe, certain Latin American markets, the Hong Kong market in Greater China and the Korean peninsula could reduce our sales or erode our operating margin, and consequently reduce our net earnings and cash flows.

Changes in Costs. Our costs are subject to fluctuations, particularly due to changes in commodity prices, transportation costs and our own productivity efforts. We have significant exposures to certain commodities, in particular certain oil-derived materials like resins and paper-based materials like pulp, and volatility in the market price of these commodity input materials has a direct impact on our costs. Disruptions in our manufacturing, supply and distribution operations, including energy shortages, port congestions, labor constraints, freight container and truck shortages have impacted our costs and could do so in the future. If we are unable to manage these impacts through pricing actions, cost savings projects and sourcing decisions, as well as through consistent productivity improvements, it may adversely impact our gross margin, operating margin, net earnings and cash flows. Net sales could also be adversely impacted following pricing actions if there is a negative impact on the consumption of our products. We strive to implement, achieve and sustain cost improvement plans, including outsourcing projects, supply chain optimization and general overhead and workforce optimization. If we are not successful in executing and sustaining these changes, there could be a negative impact on our gross margin, operating margin, net earnings and cash flows.

Foreign Exchange. We have both translation and transaction exposure to the fluctuation of exchange rates. Translation exposures relate to exchange rate impacts of measuring income statements of foreign subsidiaries that do not use the U.S. dollar as their functional currency. Transaction exposures relate to 1) the impact from input costs that are denominated in a currency other than the local reporting currency and 2) the revaluation of transaction-related working capital balances denominated in currencies other than the functional currency. In three out of the past four years a number of foreign currencies have weakened versus the U.S. dollar, leading to lower sales and earnings from these foreign exchange impacts. Certain countries that recently had and are currently experiencing significant exchange rate fluctuations include Argentina, Turkey, Brazil and Russia. These fluctuations have significantly impacted our historical net sales, costs and net earnings and could do so in the future. Increased pricing in response to certain fluctuations in foreign currency exchange rates may offset portions of the currency impacts but could also have a negative impact on the consumption of our products, which would negatively affect our net sales, gross margin, operating margin, net earnings and cash flows.

Government Policies. Our net earnings and cash flows could be affected by changes in U.S. or foreign government legislative, regulatory or enforcement policies. For example, our net earnings and cash flows could be affected by any future legislative or regulatory changes in U.S. or non-U.S. tax policy, or any significant change in global tax policy adopted under the current work being led by the Organisation for Economic Co-operation and Development ("OECD") for the G20 focused on "Addressing the Challenges of the Digitalization of the Economy." The breadth of the OECD project extends beyond pure digital businesses and if agreed and enacted by most countries is likely to impact most large multinational businesses by both redefining jurisdictional taxation rights and broadly establishing a 15% minimum tax on their foreign operations. Our net sales, gross margin, operating margin, net earnings and cash flows may also be impacted by changes in U.S. and foreign government policies related to environmental and climate change matters. Additionally, we attempt to carefully manage our debt, currency and other

exposures in certain countries with currency exchange, import authorization and pricing controls, such as Nigeria, Algeria, Egypt, Argentina and Turkey. Further, our net sales, gross margin, operating margin, net earnings and cash flows could be affected by changes to international trade agreements in North America and elsewhere, including any impacts from post-Brexit (United Kingdom's exit from the European Union) trade agreements. Changes in government policies in these areas might cause an increase or decrease in our net sales, gross margin, operating margin, net earnings and cash flows.

COVID-19 Disclosures. Our priorities during the COVID-19 pandemic continue to be in protecting the health and safety of our employees; maximizing the availability of products that help consumers with their health, hygiene and cleaning needs; and using our employees' talents and our resources to help society meet and overcome the current challenges.

Because we sell products that are essential to the daily lives of consumers, the pandemic has not had a materially negative impact to our consolidated net sales, as positive and negative impacts continue to largely offset each other. We further describe these impacts for the period covered by this report in the Business Segment Discussion of the MD&A.

In the future, the pandemic may reduce demand for our products if it results in a recessionary global economic environment. Demand in certain countries in Latin America, Asia Pacific and IMEA may be particularly susceptible to recession. It could also lead to volatility in consumer access to our products (due to government actions or transportation and labor shortages impacting our ability to produce and ship products) or could impact consumers' movements and access to our products. The resumption towards normalcy in economic activity as governmental restrictions are relaxed and economies gradually, partially, or fully reopen in certain regions and markets, could also result in reduced demand due to consumption decreases and consumer pantry destocking (particularly, in home cleaning and hygiene products). Our retail customers are also impacted by the pandemic and their success in addressing issues and maintaining their operations could impact consumer access to and, as a result, sales of our products.

We believe that in the long term, there will continue to be strong demand for categories in which we operate, particularly our products that deliver essential health, hygiene and cleaning benefits. However, the uncertainty in the timing and extent of demand volatility, the relaxation and reimplementation of movement restrictions, the timing and impact of potential consumer pantry destocking, and future economic trends due to a resurgence of positive cases, the emergence of new variants of the virus, the speed at which treatments and vaccines are administered and governmental actions in response to the pandemic may result in heightened volatility of net sales, net earnings and cash flows during and subsequent to the pandemic.

Business Continuity. Our ability to continue to operate without any significant negative impacts will in part depend on our ability to protect our employees and our supply chain. The Company has endeavored to follow the recommendations from governments and health authorities, including on vaccine administration, with specific measures in place for those working in our plants and distribution facilities. We have also worked closely with local and national officials to keep our manufacturing facilities open due to the essential nature of the majority of our products.

While we have been able to broadly maintain our operations, we experienced some disruption in our supply chain in certain markets in Asia Pacific due primarily to the restriction of employee movements and in North America due to labor shortages and transportation constraints. We intend to continue to work with government authorities and implement employee safety measures to minimize disruption to the manufacturing and distribution of our products. However, uncertainty in the duration and scope of the pandemic, the emergence of new variants of the virus, the likelihood of a resurgence of positive cases, the speed at which treatments and vaccines are administered and governmental actions in response to the pandemic could result in an unforeseen disruption to our supply chain and impact our operations. For example, a closure of a key manufacturing or distribution facility or the inability of a key material or transportation supplier to source and transport materials.

Liquidity. Because the pandemic, thus far, has not had a material negative impact on our operations, on the demand for our products or the resulting net sales and net earnings, it has not negatively impacted the Company's liquidity position. We continue to generate operating cash flows to meet our short-term liquidity needs and continue to maintain access to capital markets enabled by our strong short- and long-term credit ratings.

Impairments. We have not observed any material impairments or other significant reductions in the fair value of our recorded assets due to the COVID-19 pandemic.

For additional information on risk factors that could impact our results, please refer to "Risk Factors" in Part I, Item 1A of the Company's Form 10-K for the fiscal

year ended June 30, 2021.

RESULTS OF OPERATIONS – Three Months Ended September 30, 2021

The following discussion provides a review of results for the three months ended September 30, 2021 versus the three months ended September 30, 2020.

	Three Months Ended September 30		
Amounts in millions, except per share amounts	**2021**	**2020**	**% Chg**
Net sales	**$20,338**	$19,318	5%
Operating income	**5,023**	5,281	(5)%
Net earnings	**4,126**	4,308	(4)%
Net earnings attributable to Procter & Gamble	**4,112**	4,277	(4)%
Diluted net earnings per common share	**1.61**	1.63	(1)%
Core net earnings per common share	**1.61**	1.63	(1)%

	Three Months Ended September 30		
COMPARISONS AS A PERCENTAGE OF NET SALES	**2021**	**2020**	**Basis Pt Chg**
Gross margin	**49.0%**	52.7%	(370)
Selling, general & administrative expense	**24.3%**	25.3%	(100)
Operating income	**24.7%**	27.3%	(260)
Earnings before income taxes	**24.8%**	27.4%	(260)
Net earnings	**20.3%**	22.3%	(200)
Net earnings attributable to Procter & Gamble	**20.2%**	22.1%	(190)

Net Sales

Net sales for the quarter increased 5% to $20.3 billion on a 2% increase in unit volume. Higher pricing increased net sales by 1%. Positive mix increased net sales by 1%, driven by the disproportionate growth of the North America region, the Health Care business and premium products in Shave Care, Baby Care and Feminine Care, all of which have higher than Company-average selling prices. Favorable foreign exchange had a 1% positive impact on net sales. Excluding the impact of acquisitions and divestitures and foreign exchange, organic sales increased 4% on a 2% increase in organic volume.

Net sales increased high single digits in Health Care, increased mid-single digits in Beauty, Grooming and Fabric & Home Care, and increased low single digits in Baby, Feminine & Family Care. On a regional basis, volume increased mid-single digits in Latin America and low single digits in North America and Europe, partially offset by low single digit decreases in Greater China, Asia Pacific and IMEA.

	Net Sales Change Drivers 2021 vs. 2020 (Three Months Ended September 30, 2021) [1]						
	Volume with Acquisitions & Divestitures	**Volume Excluding Acquisitions & Divestitures**	**Foreign Exchange**	**Price**	**Mix**	**Other [2]**	**Net Sales Growth**
Beauty	—%	—%	3%	2%	—%	—%	5%
Grooming	1%	1%	1%	2%	2%	(1)%	5%
Health Care	3%	3%	1%	1%	3%	—%	8%
Fabric & Home Care	2%	2%	1%	2%	1%	(1)%	5%
Baby, Feminine & Family Care	1%	1%	1%	(1)%	2%	—%	3%
Total Company	**2%**	**2%**	**1%**	**1%**	**1%**	**—%**	**5%**

(1) Net sales percentage changes are approximations based on quantitative formulas that are consistently applied.

(2) Other includes the sales mix impact from acquisitions and divestitures and rounding impacts necessary to reconcile volume to net sales.

Operating Costs

Gross margin decreased 370 basis points to 49% of net sales for the quarter. The decrease in gross margin was due to:

- 350 basis points of increased commodity costs,
- an 80 basis point decline from unfavorable mix, primarily due to negative product mix due to the disproportionate growth of large pack sizes, launch and growth of premium-priced products that are profit-accretive but have lower than Company-average gross margin and higher volumes of lower-margin display packs in certain regions and businesses, and
- a 40 basis point decline from higher restructuring charges versus the base period.

These impacts were offset by:

- a 50 basis point increase due to higher pricing,
- 30 basis points of net manufacturing productivity savings (100 basis points of gross savings, partially offset by 50 basis points of increased transportation impacts and 20 basis points of product and packaging investments and other impacts), and
- 20 basis points of benefit from favorable foreign exchange impacts.

Total SG&A spending increased 1% to $5.0 billion due to increased marketing spending, partially offset by a decrease in other operating costs. SG&A as a percentage of net sales decreased 100 basis points to 24.3% due to a decrease in overhead costs as a percentage of net sales and a decrease in other operating expenses as a percentage of sales. Overhead costs as a percentage of net sales decreased 50 basis points primarily due to the positive scale impacts of the net sales increase and productivity savings, partially offset by inflation and other cost increases. Other operating expenses as a percentage of net sales decreased 60 basis points due to a gain on the sale of operating real estate. Marketing spending as a percentage of net sales remained flat due to increased media spending, offset by the positive scale impacts of the net sales increase and savings in agency compensation, production costs and advertising spending. Productivity-driven cost savings delivered 80 basis points of benefit to SG&A as a percentage of net sales.

Non-Operating Expenses and Income

Interest expense was $109 million for the quarter, a $27 million decrease versus the prior year period driven by lower average interest rates. Interest income was $11 million for the quarter, a $1 million increase versus the prior year period. Other non-operating income was $110 million, a decrease of $32 million due to

current period unrealized losses on equity investments.

Income Taxes

For the three months ended September 30, 2021, the effective tax rate decreased 60 basis points versus the prior year period to 18.1% due to:

- a 60 basis point decrease from discrete impacts related to uncertain tax positions (55 basis point favorable impact in the current year versus a 5 basis point unfavorable impact in the prior year period), and
- a 60 basis point decrease from favorable impacts from the geographic mix of current year earnings.

These decreases are partially offset by a 60 basis point increase from lower excess tax benefits of share-based compensation (190 basis point reduction in the current period versus a 250 basis point reduction in the prior year period).

Net Earnings

Operating income decreased $258 million, or 5%, to $5.0 billion for the quarter, as the increase in net sales was more than offset by the decrease in operating margin, the components of which are described above. Net earnings decreased $182 million, or 4%, to $4.1 billion as the decreases in operating income and other non-operating income discussed above were partially offset by the decrease in the effective income tax rate. Foreign exchange had a positive impact of approximately $61 million on net earnings for the quarter, including both transactional and translational impacts from converting earnings from foreign subsidiaries to U.S. dollars. Net earnings attributable to Procter & Gamble decreased $165 million or, 4%, to $4.1 billion for the quarter. Diluted net earnings per share decreased 1% to $1.61 versus the base period due to the decrease in net earnings partially offset by a reduction in the weighted average number of shares outstanding.

BUSINESS SEGMENT DISCUSSION – Three Months Ended September 30, 2021

The following discussion provides a review of results by reportable business segment. Analysis of the results for the three month period ended September 30, 2021 is provided based on a comparison to the three month period ended September 30, 2020. The primary financial measures used to evaluate segment performance are net sales and net earnings. The table below provides supplemental information on net sales, earnings before income taxes and net earnings by reportable business segment for the three months ended September 30, 2021 versus the comparable prior year period (dollar amounts in millions):

	Three Months Ended September 30, 2021					
	Net Sales	% Change Versus Year Ago	Earnings/(Loss) Before Income Taxes	% Change Versus Year Ago	Net Earnings	% Change Versus Year Ago
Beauty	$ 3,964	5 %	$ 1,242	1 %	$ 991	2 %
Grooming	1,687	5 %	518	22 %	417	17 %
Health Care	2,676	8 %	695	2 %	529	1 %
Fabric & Home Care	7,009	5 %	1,546	(11) %	1,191	(12) %
Baby, Feminine & Family Care	4,864	3 %	1,075	(18) %	826	(18) %
Corporate	138	N/A	(41)	N/A	172	N/A
Total Company	**$ 20,338**	**5 %**	**$ 5,035**	**(5) %**	**$ 4,126**	**(4) %**

Beauty

Three months ended September 30, 2021 compared with three months ended September 30, 2020

Beauty net sales increased 5% to $4.0 billion on unit volume that was unchanged. Higher pricing increased net sales by 2%. Foreign exchange impacts increased net sales by 3%. Organic sales increased 2%. Global market share of the Beauty segment increased 0.1 points.

- Hair Care net sales increased mid-single digits on flat volume due to inflation-related price increases, favorable foreign exchange impacts and favorable mix driven by the higher proportion of sales of premium tier products including treatments and conditioners, all of which have higher than category-average selling prices. Organic sales increased low single digits. Volume increased mid-single digits in IMEA (due to increased demand following pandemic-related shutdowns) and low single digits in Europe (due to innovation and market recovery, partially offset by declines following increased pricing in certain markets). This volume increase was partially offset by a mid-single digit decline in Greater China (due to trade inventory reductions and to a lesser extent, a slowdown in e-commerce consumption) and a low single digit decline in Latin America (due to increased pricing). Global market share of the Hair Care category decreased more than half a point.
- Skin and Personal Care net sales increased mid-single digits due to a low single digit increase in volume, increased pricing and favorable foreign exchange impacts, partially offset by negative geographic mix caused by pandemic-related shutdowns. Organic sales increased low single digits. Volume increased high teens in Latin America (due to pandemic-related consumption declines in the base period) and increased double digits in Greater China (due to new innovation, e-commerce growth and customer inventory build-up). This volume increase was partially offset by a high single digit decrease in Asia Pacific (due to pandemic-related consumption increases in the base period and inventory destocking) and mid-single digit decreases in Europe and in North America (due to pandemic-related consumption increases in the base period and to a lesser extent, current period port congestion related supply constraints). Global market share of the Skin and Personal Care category increased less than half a point.

Net earnings increased 2% to $991 million due to the increase in net sales partially offset by an 80 basis point decrease in net earnings margin. The net earnings margin decreased primarily due to a reduction in gross margin driven by increased commodity costs and negative geographic mix due to pandemic-related shutdowns, partially offset by the positive impacts of increased pricing, favorable foreign exchange and manufacturing cost savings. SG&A as a percentage of net sales increased marginally due to an increase in media spending.

Grooming

Three months ended September 30, 2021 compared with three months ended September 30, 2020

Grooming net sales increased 5% to $1.7 billion on a 1% increase in unit volume. Increased pricing had a positive 2% impact on net sales. Favorable mix had a positive 2% impact on net sales due to growth in North America and premium shave care products, both of which have higher than segment-average selling prices. Foreign exchange increased net sales by 1%. Organic sales increased 4%. Global market share of the Grooming segment increased 1.1 points.

- Shave Care net sales increased high single digits due to a low single digit volume increase, increased pricing, favorable mix (due to growth in North America and the disproportionate growth of premium female shave systems products, both of which have higher than category-average selling prices) and favorable foreign exchange impacts. Organic sales increased mid-single digits. Volume increased double digits in North America, mid-single digits in Latin America and low single

digits in Europe due to innovation and market size increases versus a base period that was negatively impacted by the pandemic. This was partially offset by a high single digit decrease in Asia Pacific and mid-single digit declines in Greater China and in IMEA due to trade destocking in certain markets and lower consumer promotions. Global market share of the Shave Care category increased more than half a point.

- Appliances net sales decreased low single digits primarily due to a double digit volume decrease, partially offset by favorable mix (due to the disproportionate growth of premium female epilators and shavers) and favorable foreign exchange impacts. Organic sales decreased mid-single digits. Volume declined about 20% in North America and decreased double digits in Europe due to a pandemic-related consumption increase of at-home grooming and styling products in the base period. Global market share of the Appliances category increased more than half a point.

Net earnings increased 17% to $417 million due to the increase in net sales and a 250 basis-point increase in net earnings margin. The net earnings margin increased due to an increase in gross margin and a reduction in SG&A as a percentage of net sales, partially offset by a higher effective tax rate. The gross margin increase was driven by manufacturing cost savings and increased selling prices, partially offset by negative mix driven by the launch of premium-priced, profit-accretive products that have lower than segment-average gross margins. SG&A as a percentage of net sales decreased primarily due to the positive scale impacts of the net sales increase. The higher effective tax rate was driven by disproportionate growth in North America.

Health Care

Three months ended September 30, 2021 compared with three months ended September 30, 2020

Health Care net sales increased 8% to $2.7 billion on a 3% increase in unit volume. Favorable mix increased net sales by 3% due to the disproportionate growth of the North America region and the Personal Health Care category, both of which have higher than segment average selling prices. Increased pricing had a 1% positive impact on net sales. Foreign exchange had a 1% positive impact on net sales. Organic sales increased 7%. Global market share of the Health Care segment increased 0.2 points.

- Oral Care net sales increased mid-single digits as a low single digit decrease in volume was more than offset by positive mix impacts from the growth of premium power brush, toothpaste and manual brush products, and favorable foreign exchange impacts. Organic sales increased low single digits. The volume decrease was driven by a mid-teens decline in Greater China and a mid-single digit decline in Latin America, both due to increased competitive activity, and a low single digit decline in Europe due to lower shipments. These volume decreases were partially offset by a double digit increase in IMEA and a low single digit increase in North America both due to innovation. Global market share of the Oral Care category increased nearly a point.
- Personal Health Care net sales increased mid-teens due to a double digit increase in volume, inflation-related price increases and favorable foreign exchange. Organic sales increased double digits. Volume increased more than 40% in APAC, increased mid-teens in North America and increased mid-single digits in Europe, Latin America and IMEA due to market recovery of respiratory products and innovation across segments. Global market share of the Personal Health Care category was unchanged.

Net earnings increased 1% to $529 million due to the increase in net sales partially offset by a 140 basis-point decrease in net earnings margin. Net earnings margin decreased due to a decrease in gross margin, an increase in SG&A as a percentage of net sales and a decrease in other non-operating income. The decrease in gross margin was driven by increased commodity and transportation costs, and unfavorable mix caused by the growth of premium-priced, profit-accretive products that have lower than segment-average gross margins. These decreases are partially offset by manufacturing cost savings, increased pricing and favorable foreign exchange. SG&A as a percentage of net sales increased primarily due to an increase in media spending behind innovation support, partially offset by the positive scale impacts of the net sales increase. Non-operating income as a percentage of net sales decreased due to a minor brand divestiture gain in the base period.

Fabric & Home Care

Three months ended September 30, 2021 compared with three months ended September 30, 2020

Fabric & Home Care net sales increased 5% to $7.0 billion on a 2% increase in unit volume. Higher pricing increased net sales by 2%. Favorable mix increased net sales by 1% due to the disproportionate growth of the North America region and premium forms in Fabric Care, all of which have higher than segment-average selling prices. Foreign exchange had a 1% positive impact to net sales. Organic sales increased 5%. Global market share of the Fabric & Home Care segment increased 1.3 points.

- Fabric Care net sales increased high single digits due to a low single digit increase in volume, increased pricing, favorable foreign exchange and positive mix impacts due to the growth of the North America region and premium forms like fabric enhancer beads and laundry unit dose, all of which have higher than category-average selling prices. Organic sales increased high single digits. Increased volume was driven by high single digit increases in North America and Latin America (due to innovation, including fabric enhancers and unit dose, and increased distribution) and a low single digit increase in Europe (due to innovation), partially offset by a low single digit decline in Asia Pacific (due to pandemic-related lockdowns in certain markets). Global market share of the Fabric Care category increased more than a point.

- Home Care net sales increased low single digits due primarily to increased pricing, partially offset by a low single digit decrease in volume and unfavorable mix due to a volume decrease in the North America region which has a higher than category-average selling price. Organic sales also increased low single digits. The volume decrease was driven by a low single digit decline in North America (due to pandemic-related consumption increases in the base period), partially offset by a low single digit increase in Europe (due to innovation). Global market share of the Home Care category increased more than a point.

Net earnings decreased 12% to $1.2 billion as the increase in net sales was more than offset by a 330 basis point reduction in net earnings margin. Net earnings margin decreased due primarily to a reduction in gross margin. The gross margin decrease was driven by an increase in commodity and transportation costs, and unfavorable mix caused by the growth of premium-priced, profit-accretive products that have lower than segment-average gross margins, partially offset by increased selling prices. SG&A as a percentage of net sales declined marginally due to the positive scale benefits of the net sales increase.

Baby, Feminine & Family Care

Three months ended September 30, 2021 compared with three months ended September 30, 2020

Baby, Feminine & Family Care net sales increased 3% to $4.9 billion on a 1% increase in unit volume. Favorable mix had a 2% positive impact to net sales due to the disproportionate growth of North America and growth of premium diaper pants and adult incontinence products, all of which have higher than segment-average selling prices. Foreign exchange had a positive 1% impact to net sales. Lower pricing reduced net sales by 1% due to increased promotional spending related to Family Care products. Organic sales increased 2%. Global market share of the Baby, Feminine & Family Care segment increased 0.7 points.

- Baby Care net sales increased high single digits due to a low single digit increase in volume, inflation-driven price increases, positive mix (due to the growth of premium pants and taped diaper products) and favorable foreign exchange impact. Organic sales increased mid-single digits. Volume increased mid-teens in Latin America (due to innovation) and increased mid-single digits in Europe (due to increased consumption following pandemic-related slowdowns), partially offset by a double digit decline in Greater China (due to increased competitive activity and trade inventory reductions) and a high single digit decline in Asia Pacific (due to market size declines). Global market share of the Baby Care category was unchanged.
- Feminine Care net sales increased high single digits due to a low single digit increase in volume, favorable foreign exchange, increased pricing and positive mix driven by the growth of the North America region and the growth of premium adult incontinence and premium pads and tampons, all of which have higher than category-average selling prices. Organic sales increased mid-single digits. Volume increased double digits in North America (due to innovation and distribution gains) and low single digits in Europe (due to trade inventory build ahead of price increases) partially offset by mid-single digit volume decreases in IMEA (due to pandemic-related increased consumption in base period), in Greater China (due to lower consumption) and in Latin America (due to increased competitive activity). Global market share of the Feminine Care category increased nearly a point.
- Family Care, which is predominantly a North American business, net sales decreased mid-single digits as a low single digit increase in volume (due to increased promotional events) was more than offset by lower pricing (in the form of increased promotional spending versus a low base period impacted by the pandemic) and unfavorable mix (due to disproportionate growth of large count packs). Organic sales also decreased mid-single digits. North America share of the Family Care category increased almost two points.

Net earnings decreased 18% to $826 million as the increase in net sales was more than offset by a 440 basis-point decrease in net earnings margin. Net earnings margin decreased primarily due to a decrease in gross margin, partially offset by lower SG&A as a percentage of net sales. Gross margin decreased primarily due to an increase in commodity and transportation costs and lower selling prices, partially offset by favorable foreign exchange. SG&A as a percentage of net sales decreased due to reductions in both marketing and overhead costs.

Corporate

Corporate includes certain operating and non-operating activities not allocated to specific business segments. These include: the incidental businesses managed at the corporate level; financing and investing activities; certain employee benefit costs; other general corporate items; the gains and losses related to certain divested brands and categories; and certain restructuring-type activities to maintain a competitive cost structure, including manufacturing and workforce optimization. Corporate also includes reconciling items to adjust the accounting policies used in the reportable segments to U.S. GAAP. The most significant reconciling item relates to income taxes, to adjust from blended statutory rates that are reflected in the reportable segments to the overall Company effective tax rate.

Corporate net sales improved by $45 million to $138 million due to an increase in sales of the incidental businesses managed at the corporate level. Corporate net earnings improved by $79 million in the quarter primarily due to lower overhead costs and a gain on the sale of real estate.

LIQUIDITY & CAPITAL RESOURCES

Operating Activities

We generated $4.6 billion of cash from operating activities fiscal year to date, a decrease of $96 million versus the prior year period. Net earnings, adjusted for non-cash items (depreciation and amortization, share-based compensation expense, deferred income taxes and gain on sale of assets), generated $4.9 billion of operating cash flow. Working capital and other impacts used $294 million of cash in the period. Accounts receivable increased, using $1.0 billion of cash, primarily due to sales growth. Days sales outstanding also increased about three days driven by a higher relative amount of sales towards the end of the quarter. Inventory increased, consuming $409 million of cash primarily due to input cost increases and inventory pre-builds for initiatives and seasonality in certain categories. Inventory days on hand decreased by three days. Accounts payable, accrued and other net operating assets and liabilities increased, generating $1.1 billion of cash. This was primarily driven by higher trade payables caused by an increase in supply chain costs (commodities, transportation, etc.) and, to a lesser extent, extended payment terms with our suppliers, partially offset by the payment of prior fiscal year-end incentive compensation and other salary-related accruals. The number of days payable outstanding stayed relatively flat at 86 days.

Investing Activities

Investing activities used $1.0 billion of cash fiscal year to date primarily due to capital expenditures.

Financing Activities

Financing activities used $3.4 billion of cash fiscal year to date. We used $2.8 billion for treasury stock purchases and $2.2 billion for dividends. The increase in net short-term debt, exercise of stock options and other financing activities generated $1.6 billion of cash.

As of September 30, 2021, our current liabilities exceeded current assets by $12.3 billion. We have short- and long-term debt to meet our financing needs. We anticipate being able to support our short-term liquidity and operating needs largely through cash generated from operations. We have strong short- and long-term debt ratings that have enabled and should continue to enable us to refinance our debt as it becomes due at favorable rates in commercial paper and bond markets. In addition, we have agreements with a diverse group of financial institutions that, if needed, should provide sufficient credit funding to meet short-term financing requirements.

RECONCILIATION OF MEASURES NOT DEFINED BY U.S. GAAP

In accordance with the SEC's Regulation S-K Item 10(e), the following provides definitions of the non-GAAP measures and the reconciliation to the most closely related GAAP measure. Management believes that these non-GAAP measures provide useful perspective on underlying business trends and provide a supplemental measure of period-to-period financial results. Disclosing these non-GAAP financial measures allows investors and management to view our operating results excluding the impact of items that are not reflective of the underlying operating performance. Management uses these non-GAAP measures in making operating decisions, allocating financial resources and for business strategy purposes. Certain of these measures are also used to evaluate senior management and are a factor in determining their at-risk compensation. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, the Company's reported results prepared in accordance with GAAP results. Our non-GAAP financial measures do not represent a comprehensive basis of accounting. Therefore, our non-GAAP financial measures may not be comparable to similarly titled measures reported by other companies.

Organic sales growth: Organic sales growth is a non-GAAP measure of sales growth excluding the impacts of acquisitions and divestitures and foreign exchange from year-over-year comparisons. We believe this measure provides investors with a supplemental understanding of underlying sales trends by providing sales growth on a consistent basis. This measure is used in assessing achievement of management goals for at-risk compensation.

Adjusted free cash flow: Adjusted free cash flow is defined as operating cash flow less capital spending and excluding payments for the transitional tax resulting from the U.S. Tax Act (the Company incurred a transitional tax liability of approximately $3.8 billion in fiscal 2018 from the U.S. Tax Act of 2017, which is payable over a period of 8 years). Adjusted free cash flow represents the cash that the Company is able to generate after taking into account planned maintenance and asset

expansion. Management views adjusted free cash flow as an important measure because it is one factor used in determining the amount of cash available for dividends, share repurchases, acquisitions and other discretionary investments.

Adjusted free cash flow productivity: Adjusted free cash flow productivity is defined as the ratio of adjusted free cash flow to net earnings. Management views adjusted free cash flow productivity as a useful measure to help investors understand P&G's ability to generate cash. Adjusted free cash flow productivity is used by management in making operating decisions, allocating financial resources and for budget planning purposes. This measure is also used in assessing the achievement of management goals for at-risk compensation. The Company's long-term target is to generate annual adjusted free cash flow productivity at or above 90 percent.

Core EPS: Core earnings per share, or Core EPS, is a measure of the Company's diluted net earnings per share excluding items that are not judged to be part of the Company's sustainable results or trends. For the three months ended September 30, 2021 compared with the three months ended September 30, 2020, there are no adjustments to or reconciling items for diluted net earnings per share. Management views this non-GAAP measure as a useful supplemental measure of Company performance over time. This measure is also used when evaluating senior management in determining their at-risk compensation.

Organic sales growth:

Three Months Ended September 30, 2021	Net Sales Growth	Foreign Exchange Impact	Acquisition & Divestiture Impact/Other [1]	Organic Sales Growth
Beauty	5%	(3)%	—%	2%
Grooming	5%	(1)%	—%	4%
Health Care	8%	(1)%	—%	7%
Fabric & Home Care	5%	(1)%	1%	5%

Baby, Feminine & Family Care	3%	(1)%	—%	2%
Total Company	**5%**	**(1)%**	**—%**	**4%**

(1) Acquisitions/Divestiture Impact/Other includes the volume and mix impact of acquisitions and divestitures and rounding impacts necessary to reconcile net sales to organic sales.

Adjusted free cash flow (dollar amounts in millions):

Three Months Ended September 30, 2021			
Operating Cash Flow	**Capital Spending**	**U.S. Tax Act Payments**	**Adjusted Free Cash Flow**
$4,643	**$(1,091)**	**$225**	**$3,777**

Adjusted free cash flow productivity (dollar amounts in millions):

Three Months Ended September 30, 2021		
Adjusted Free Cash Flow	**Net Earnings**	**Adjusted Free Cash Flow Productivity**
$3,777	**$4,126**	**92%**

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes in the Company's exposure to market risk since June 30, 2021. Additional information can be found in Note 7 - Risk Management Activities and Fair Value Measurements of the Consolidated Financial Statements.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company's Chairman of the Board, President and Chief Executive Officer, David S. Taylor, and the Company's Chief Financial Officer, Andre Schulten, performed an evaluation of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934 ("Exchange Act")) as of the end of the period covered by this report. Messrs. Taylor and Schulten have concluded that the Company's disclosure controls and procedures were effective to ensure that information required to be disclosed in reports we file or submit under the Exchange Act is (1) recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms, and (2) accumulated and communicated to our management, including Messrs. Taylor and Schulten, to allow their timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the Company's fiscal quarter ended September 30, 2021 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The Company is subject, from time to time, to certain legal proceedings and claims arising out of our business, which cover a wide range of matters, including antitrust and trade regulation, product liability, advertising, contracts, environmental issues, patent and trademark matters, labor and employment matters, and tax. In addition, SEC regulations require that we disclose certain environmental proceedings arising under Federal, State, or local law when a governmental authority is a party and such proceeding involves potential monetary sanctions that the Company reasonably believes will exceed a certain threshold ($1 million or more).

There are no relevant matters to disclose under this Item for this period.

Item 1A. Risk Factors

For information on risk factors, please refer to "Risk Factors" in Part I, Item 1A of the Company's Form 10-K for the year ended June 30, 2021.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

ISSUER PURCHASES OF EQUITY SECURITIES

Period	Total Number of Shares Purchased [1]	Average Price Paid per Share [2]	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs [3]	Approximate Dollar Value of Shares That May Yet Be Purchased Under Our Share Repurchase Program
7/01/2021 - 7/31/2021	8,475,371	$138.46	6,470,128	[3]
8/01/2021 - 8/31/2021	6,281,791	$143.27	6,281,791	[3]
9/01/2021 - 9/30/2021	6,600,892	$143.92	6,600,892	[3]
Total	**21,358,054**	**$141.56**	**19,352,811**	

[1] All transactions are reported on a trade date basis and were made in the open market with large financial institutions. This table excludes shares withheld from employees to satisfy minimum tax withholding requirements on option exercises and other equity-based transactions. The Company administers cashless exercises through an independent third party and does not repurchase stock in connection with cashless exercises.

[2] Average price paid per share for open market transactions excludes commission.

[3] On October 19, 2021, the Company stated that in fiscal year 2022 the Company expects to reduce outstanding shares through direct share repurchases at a value of $7 to $9 billion, notwithstanding any purchases under the Company's compensation and benefit plans. Purchases may be made in the open market and/or private transactions and purchases may be increased, decreased or discontinued at any time without prior notice. The share repurchases are authorized pursuant to a resolution issued by the Company's Board of Directors and are expected to be financed by a combination of operating cash flows and issuance of long-term and short-term debt.

Item 6. Exhibits

3-1	Amended Articles of Incorporation (as amended by shareholders at the annual meeting on October 11, 2011 and consolidated by the Board of Directors on April 8, 2016) (Incorporated by reference to Exhibit (3-1) of the Company's Form 10-K for the year ended June 30, 2016).
3-2	Regulations (as approved by the Board of Directors on April 8, 2016, pursuant to authority granted by shareholders at the annual meeting on October 13, 2009) (Incorporated by reference to Exhibit (3-2) of the Company's Form 10-K for the year ended June 30, 2016).
10-1	Summary of the Company's Short Term Achievement Reward Program* +
10-2	Short Term Achievement Reward Program - Related Correspondence and Terms and Conditions* +
10-3	Long-Term Incentive Program - Related Correspondence and Terms and Conditions* +
10-4	Performance Stock Program - Related Correspondence and Terms and Conditions* +
10-5	Summary of Additional Personal Benefits Available to Certain Officers and Non-Employee Directors* +
31.1	Rule 13a-14(a)/15d-14(a) Certification – Chief Executive Officer +
31.2	Rule 13a-14(a)/15d-14(a) Certification – Chief Financial Officer +
32.1	Section 1350 Certifications – Chief Executive Officer +
32.2	Section 1350 Certifications – Chief Financial Officer +
101.SCH [(1)]	Inline XBRL Taxonomy Extension Schema Document
101.CAL [(1)]	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF [(1)]	Inline XBRL Taxonomy Definition Linkbase Document
101.LAB [(1)]	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE [(1)]	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)

* Compensatory plan or arrangement

+ Filed herewith

(1) Pursuant to Rule 406T of Regulation S-T, this information is furnished and not filed for purposes of Sections 11 or 12 of the Securities Act of 1933 and Section 18 of the Securities Exchange Act of 1934, and otherwise is not subject to liability under these sections.

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

THE PROCTER & GAMBLE COMPANY

October 19, 2021	/s/ MICHAEL G. HOMAN
Date	(Michael G. Homan) Senior Vice President - Chief Accounting Officer (Principal Accounting Officer)

EXHIBIT INDEX

Exhibit	
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10-3	Long-Term Incentive Program - Related Correspondence and Terms and Conditions +
10-4	Long-Term Incentive Program - Related Correspondence and Terms and Conditions +
10-5	Long-Term Incentive Program - Related Correspondence and Terms and Conditions +
31.1	Rule 13a-14(a)/Rule 13a-14(a)/15d-14(a) Certification – Chief Executive Officer +
31.2	Rule 13a-14(a)/15d-14(a) Certification – Chief Financial Officer +
32.1	Section 1350 Certifications – Chief Executive Officer +
32.2	Section 1350 Certifications – Chief Financial Officer +
101.SCH [(1)]	Inline XBRL Taxonomy Extension Schema Document
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+ Filed herewith

[(1)] Pursuant to Rule 406T of Regulation S-T, this information is furnished and not filed for purposes of Sections 11 or 12 of the Securities Act of 1933 and Section 18 of the Securities Exchange Act of 1934, and otherwise is not subject to liability under these sections.

Exhibit (10-1)
Summary of the Company's Short Term Achievement Reward Program

SHORT TERM ACHIEVEMENT REWARD PROGRAM

The Short-Term Achievement Reward ("STAR") Program is The Procter & Gamble Company's (the "Company") annual bonus program designed to motivate and reward employees for achieving outstanding short-term business results for the Company and its subsidiaries. STAR awards are made pursuant to authority delegated to the Compensation & Leadership Development Committee (the "C&LD Committee") by the Board of Directors for awarding compensation to the Company's principal officers and for making awards under the Procter & Gamble 2019 Stock and Incentive Compensation Plan (the "2019 Plan") or any successor stock plan approved in accordance with applicable listing standards.

I. ELIGIBILITY

Employees at Band 2 or above and who worked at least 28 days (four calendar weeks) during the applicable fiscal year are eligible to participate. Eligible employees who do not work a full schedule (e.g., leaves of absence, disability, and less-than-full time schedules) in the fiscal year in which the award is payable may have awards pro-rated.

II. CALCULATION

The individual STAR Award is calculated as follows:

(**STAR Target**) x [(**Business Unit Performance Factor** x 70% weighting) + (**Total Company Performance Factor** X 30% weighting)]

- The **STAR Target** for each participant is calculated as:

  (Base Salary) x (STAR Target percent) where *Base Salary* at the end of the applicable fiscal year is used to calculate the STAR award; except in cases where an employee becomes ineligible for the program during the performance period, in which case base salary as of the end of the STAR eligible level will be used. Generally, the *STAR Target Percent* is dependent on the individual's position and level (Band) in the organization. The STAR Target percent for participants at Band 7 or above is set by the C&LD Committee. The STAR Target percent for all other participants is set by the Chief Executive Officer, with the concurrence of the Chief Human Resources Officer, pursuant to authority delegated to them by the C&LD Committee. If an individual's position and/or level changes during a fiscal year, and that change results in a new STAR Target Percent, the STAR Target Percent is pro-rated according to the amount of time in each position/level during the fiscal year.

- The **Business Unit Performance Factor** is weighted at 70% and is based on the fiscal year success for the appropriate STAR business unit. The STAR business units are defined by the Chief Human Resources Officer and may consist of business categories, segments, geographies, functions, organizations or a combination of one or more of these items. The STAR business units will be defined within ninety (90) days of the beginning of the fiscal year but may be adjusted as necessary to reflect business and/or organizational changes (e.g., reorganization, acquisition, merger, divestiture, etc.). The Business Unit Performance Factors can range from 0% to 200% with a target of 100%. In general, a committee consisting of at least two of the Chief Executive Officer, Chief Financial Officer, Chief Human Resources Officer and/or the Chief Operating Officer (the "STAR Committee"), conducts a comprehensive retrospective assessment of the fiscal year performance of each STAR business unit against previously established goals and relative to competition for one or more of the following measures: Operating Total Shareholder Return, After Tax Profit, Free Cash Flow Productivity, Value Share, Organic Sales, Internal controls, Accounts receivable, Inventory, Organization Head Self-Assessment, and Cross Organization Assessment. The STAR Committee makes a recommendation of an appropriate Business Unit Performance Factor to the C&LD Committee. There may also be other factors significantly affecting STAR business unit results positively or negatively which can be considered by the STAR Committee when making its recommendation. No member of the STAR Committee makes any recommendation or determination as to their own STAR award. As a result, there are certain instances in which a

Business Unit Performance Factor recommendation to the C&LD Committee must be made exclusively by the Chief Executive Officer.

Business Unit leaders may then allocate the approved STAR Business Unit Factors among the divisions of the Business Unit to more closely align the STAR award with performance, so long as the total expenditure does not exceed that approved by the STAR Committee and no individual STAR award exceeds 200% of target.

- The **Total Company Performance Factor** is weighted at 30% and is based on the total Company's success during the fiscal year and ranges from 0% to 200%, with a target of 100%. The same Total Company Performance Factor is applied to all STAR award calculations, regardless of STAR business unit. It is determined using a matrix which compares results against pre-established goals for fiscal year organic sales growth and core earnings per share ("EPS") growth for the fiscal year. For participants who are members of the Global Leadership Council (GLC), an ESG Modifier will be applied to the Total Company Performance Factor. The ESG Modifier will be based on an ESG scorecard approved by the C&LD Committee in the August meeting at the start of the fiscal year. Based on a retrospective assessment of final fiscal year results, a modifier in the range of 80% - 120% will be assigned and multiplied by the Total Company Performance Factor to determine final awards. Application of the ESG Modifier may not cause the final award to exceed the 200% of target maximum.

While the STAR Committee makes recommendations to the C&LD Committee regarding the Business Unit and Total Company performance factors to be applied to all STAR awards (except those for the STAR Committee members), only the final award amounts for principal officers are approved specifically by the C&LD Committee. The C&LD Committee has delegated the approval of STAR awards for other participants to the Chief Executive Officer. The C&LD Committee has discretion to use, increase or decrease the performance factors recommended by the STAR Committee and/or to choose not to pay STAR awards during a given year.

III. TIMING AND FORM

STAR awards are determined after the close of the fiscal year and are paid on or about September 15. The award form choices and relevant considerations are explained to participants annually. Participants receive written notice of their award detailing the calculation and grant letters for those employees who elect to receive awards in stock options

Generally, STAR awards are paid in cash. However, before the end of the calendar year preceding the award date, eligible participants can elect to receive their STAR award in forms other than cash. Alternatives to cash include stock options, stock appreciation rights ("SARs"), local deferral programs (depending on local regulations in some countries) and/or deferred compensation (for employees eligible to participate in the Executive Deferred Compensation Program). The number of stock options or SARs awarded to each employee will be determined on grant date by determining the USD value of the award chosen by the employee to be paid in stock options and dividing that value by the grant date GAAP expense of one stock option. The result will be rounded up to the nearest whole share. Any STAR award paid in stock options or other form of equity shall be awarded pursuant to this program and the terms and conditions of the 2019 Plan or any successor stock plan approved in accordance with applicable listing standards, as they may be revised from time to time. STAR awards paid in stock options or SARs will have the following terms unless otherwise approved by the C&LD Committee at grant:

Grant date will be the last business day on or before September 15. If the New York Stock Exchange is closed on the day of the grant, then the C&LD Committee will establish a grant date as soon as practical following the date previously specified. Provided participants remain in compliance with the terms and conditions set forth in the currently active Stock Plan and the Regulations, STAR stock options and SARs are not forfeitable, will become exercisable three years after the grant date, and will expire ten years after the grant date. In the event of death of the participant, the award becomes exercisable as of the date of death and the award remains exercisable until the Expiration Date. For awards granted in France or the United Kingdom, the consequences of death are determined by the local plan supplement, if applicable.

The option price used for any STAR Award will be the closing price for a share of Common Stock on the New York Stock Exchange on the grant date, or such higher price as may be specified in the French Addendum of the Regulations (the "Grant Price").

IV. SEPARATION FROM THE COMPANY

- **Retirement, Death or Special Separation with a Separation Package**: If a participant worked at least 28 days (4 calendar weeks) during the fiscal year, the STAR award is pro-rated by dividing the number of calendar days the participant was an "active employee" during the fiscal year by 365.

- **Voluntary Resignation or Termination for cause:** Separating employees must have been active employees as of June 30 or the last business day in June (the close of the fiscal year for which the award is payable) to receive an award.

- **Separation due to a Company authorized divestiture:** In the case of divestitures the CHRO is authorized to determine the appropriate STAR payout based on Business Unit factors either at Target or at projected or actual business results. The CHRO is also authorized to pay awards for the current or following partial fiscal year at time of divestiture close for administrative convenience.

Eligible participants who have left the Company will receive a cash payment (stock options can only be issued to active employees) on the same timing as STAR awards or as soon thereafter as possible.

V. CHANGE IN CONTROL

Notwithstanding the foregoing, if there is a Change in Control in any fiscal year, STAR awards will be calculated in accordance with Section II above, but each factor will be calculated for the period from the beginning of the fiscal year in which a Change in Control occurred up to and including the date of such Change in Control ("CIC Period"). "Change in Control" shall have the same meaning as defined in the 2019 Plan or any successor stock plan.

VI. GENERAL TERMS AND CONDITIONS

While any STAR award amount received by one individual for any year shall be considered as earned remuneration in addition to salary paid, it shall be understood that this plan does not give to any officer or employee any contract rights, express or implied, against any Company for any STAR award or for compensation in addition to the salary paid to him or her, or any right to question the action of the Board of Directors or the C&LD or STAR Committees.

The Chief Human Resources Officer or the Chief Legal Officer may withhold a STAR award for a separated employee who is discovered to have engaged in serious misconduct or actions detrimental to the Company's interests. Each award to an individual at Band 7 and above, made pursuant to this plan, is subject to the Senior Executive Recoupment Policy as amended by the C&LD Committee in April 2018.

To the extent applicable, it is intended that STAR comply with the provisions of Section 409A. STAR will be administered and interpreted in a manner consistent with this intent. Neither a Participant nor any of a Participant's creditors or beneficiaries will have the right to subject any deferred compensation (within the meaning of Section 409A) payable under STAR to any anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment or garnishment. Except as permitted under Section 409A, any deferred compensation (within the meaning of Section 409A) payable to a Participant under STAR may not be reduced by, or offset against, any amount owing by a Participant to the Company.

This program document may be amended at any time by the C&LD Committee.

Exhibit (10-2)
Short Term Achievement Reward Program – Related Correspondence and Terms and Conditions



FORM STAR-AA AWARD AGREEMENT

%%FIRST_NAME_LAST_NAME%-%
%%EMPLOYEE_IDENTIFIER%-%

Subject: NON-STATUTORY STOCK OPTION SERIES YR-STAR-AA

In recognition of your contributions to the future success of the business, The Procter & Gamble Company ("Company") hereby grants to you an option to purchase shares of Procter & Gamble Common Stock as follows:

Option Price per Share: %%OPTION_PRICE%-%
Number of Shares: %%TOTAL_SHARES_GRANTED%-%

Grant Date: DD September 20XX
Expiration Date: DD September 20XX
Vest Date: DD September 20XX

This Award is granted in accordance with and subject to the terms of The Procter & Gamble 2019 Stock and Incentive Compensation Plan (including any applicable sub-plan) (the "Plan"), the Regulations of the Compensation and Leadership Development Committee of the Board of Directors ("Committee"), this Award Agreement including Attachments and the Exercise Instructions in place as may be revised from time to time. Any capitalized terms used in this Agreement that are not otherwise defined herein are defined in the Plan. You may access the Plan by activating this hyperlink: The Procter & Gamble 2019 Stock and Incentive Compensation Plan and the Regulations and Sub Plans by activating this hyperlink: Regulations of the Committee. If you have difficulty accessing the materials online, please send an email to [email] for assistance.

Vesting and Exercise
As long as you remain in compliance with the terms of the Plan and the Regulations, this Award will not be forfeitable, will become exercisable on the Vest Date, and will expire on the Expiration Date. In the event of death, the Vest Date for this Award becomes your date of death and the Award remains exercisable until the Expiration Date.

This Award Agreement, including Attachment A, the Plan and Regulations of the Committee together constitute an agreement between the Company and you in accordance with the terms thereof and hereof, and no other understandings and/or agreements have been entered by you with the Company regarding this specific Award. Any legal action related to this Award, including Article 6 of the Plan, must be brought in any federal or state court located in Hamilton County, Ohio, USA, and you hereby agree to accept the jurisdiction of these courts and consent to service of process from said courts solely for legal actions related to this Award.

You do not need to do anything further to accept this Award under the terms of the Plan. Attachment A is a copy of the Employee Acknowledgement and Consent Form that you completed when you elected to receive your STAR award in options.

THE PROCTER & GAMBLE COMPANY

Tracey Grabowski

Chief Human Resources Officer

Attachment A
(EMPLOYEE ACKNOWLEDGEMENT & CONSENT FORM FOR STAR OPTIONS)

Please note that when the issue or transfer of the Common Stock covered by this Award may, in the opinion of the Company, conflict or be inconsistent with any applicable law or regulation of any governmental agency, the Company reserves the right to refuse to issue or transfer said Common Stock and that any outstanding Awards may be suspended or terminated and net proceeds may be recovered by the Company if you fail to comply with the terms and conditions governing this Award.

Nature of the Award

By completing this form and accepting the Award evidenced hereby, I acknowledge that: i) the Plan is established voluntarily by The Procter & Gamble Company ("P&G"), it is discretionary in nature and it may be amended, suspended or terminated at any time; ii) Awards under the Plan are voluntary and occasional and this Award does not create any contractual or other right to receive future Awards, or benefits in lieu of an Award, even if Awards have been granted repeatedly in the past; iii) all decisions with respect to future Awards, if any, will be at the sole discretion of P&G; iv) my participation in the Plan is voluntary; v) this Award is an extraordinary item and not part of normal or expected compensation or salary for any purposes including, but not limited to, calculating any termination, severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments; vi) in the event that my employer is not P&G, the Award will not be interpreted to form an employment relationship with P&G; and furthermore, the Award will not be interpreted to form an employment contract with my employer ("Employer"); vii) the future value of the shares purchased under the Plan is unknown and cannot be predicted with certainty, may increase or decrease in value and potentially have no value; viii) my participation in the Plan shall not create a right to further employment with my employer and shall not interfere with the ability of my employer to terminate my employment relationship at any time, with or without cause; ix) and no claim or entitlement to compensation or damages arises from the termination of the Award or the diminution in value of the Award or shares purchased and I irrevocably release P&G and my employer from any such claim that may arise.

Data Privacy

I hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of my personal data as described in this document by and among, as applicable, my Employer and The Procter & Gamble Company and its subsidiaries and affiliates ("P&G") for the exclusive purpose of implementing, administering and managing my participation in the Plan.

I understand that P&G and my Employer hold certain personal information about me, including, but not limited to, my name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in P&G, details of all Awards or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in my favor, for the purpose of implementing, administering and managing the Plan ("Data"). I understand that Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in my country or elsewhere (including countries outside the European Economic Area), and that the recipient's country may have different data privacy laws and protections than my country. I understand that I may request a list with the names and addresses of any potential recipients of the Data by contacting my local human resources representative. I authorize the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing my participation in the Plan, including any requisite transfer of such Data as may be required to a broker or other third party with whom I may elect to deposit any shares of stock acquired upon exercise or settlement of the Award. I understand that Data will be held only as long as is necessary to implement, administer and manage my participation in the Plan. I understand that I may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing my local human resources representative. I understand, however, that refusing or withdrawing my consent may affect my ability to participate in the Plan. For more information on the consequences of my refusal to consent or withdrawal of consent, I understand that I may contact my local human resources representative.

Responsibility for Taxes

Regardless of any action P&G or my Employer takes with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related withholding ("Tax-Related Items"), I acknowledge that the ultimate liability for all Tax-Related Items is and remains my responsibility and that P&G and/or my Employer (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of this Award, including the issuance, vesting or exercise, settlement, the subsequent sale of shares acquired, the receipt of any dividends or dividend equivalents or the potential impact of current or future tax legislation in any jurisdiction; and (2) do not commit to structure the terms of the Award or any aspect of the Award to reduce or eliminate my liability for Tax-Related Items.

Prior to exercise or settlement of an Award, I shall pay or make adequate arrangements satisfactory to P&G and/or my Employer to satisfy all withholding and payment on account obligations of P&G and/or my employer. In this regard, I authorize P&G and/or my Employer to withhold all applicable Tax-Related Items from my wages or other cash compensation paid to me by P&G and/or my Employer or from proceeds of the sale of the shares. Alternatively, or in addition, if permissible under local law, P&G may (1) sell or arrange for the sale of shares that I acquire to meet the withholding obligation for Tax-Related Items, and/or (2) withhold in shares, provided that P&G only withholds the amount of shares necessary to satisfy the minimum withholding amount. Finally, I shall pay to P&G or my Employer any amount of Tax-Related Items that P&G or my Employer may be required to withhold as a result of my participation in the Plan or my purchase of shares that cannot be satisfied by the means previously described. P&G may refuse to honor the exercise and refuse to deliver the shares if I fail to comply with my obligations in connection with the Tax-Related Items as described in this section.

Exhibit (10-3)
Long-Term Incentive Program – Related Correspondence and Terms and Conditions



FORM LTIP-NSO AWARD AGREEMENT

%%FIRST_NAME_MIDDLE_NAME_LAST_NAME%-%
%%EMPLOYEE_IDENTIFIER%-%

Subject: NON-STATUTORY STOCK OPTION SERIES YR-LTIP-AA

In recognition of your contributions to the future success of the business, The Procter & Gamble Company ("Company") hereby grants to you an option to purchase shares of Procter & Gamble Common Stock as follows:

Option Price per Share:	%%OPTION_PRICE%-%
Number of Shares:	%%TOTAL_SHARES_GRANTED%-%
Grant Date:	[DATE]
Expiration Date:	[DATE + 10 YEARS]
Vest Date:	[DATE + 3 YEARS]
Acceptance Deadline:	**XX November 20XX**

This Award is granted in accordance with and subject to the terms of The Procter & Gamble 2019 Stock and Incentive Compensation Plan (including any applicable sub-plan) (the "Plan"), the Regulations of the Compensation and Leadership Development Committee of the Board of Directors ("Committee"), this Award Agreement including Attachments and the Exercise Instructions in place as may be revised from time to time. Any capitalized terms used in this Agreement that are not otherwise defined herein are defined in the Plan. You may access the Plan by activating this hyperlink: The Procter & Gamble 2019 Stock and Incentive Compensation Plan and the Regulations and Sub Plans by activating this hyperlink: Regulations of the Committee. If you have difficulty accessing the materials online, please send an email to [email] for assistance.

Vesting and Exercise
If you leave the Company before the Vest Date, the Award will be forfeited unless you meet one of the conditions listed below. If you remain employed through the Vest Date, the Award will become exercisable on the Vest Date. If you terminate employment before the Expiration Date and prior to exercising the Award, except for the reasons listed below, the Award will be forfeited immediately upon your termination of employment. For the purposes of this Award, termination of employment will be effective as of the date that you are no longer actively employed and will not be extended by any notice period required under local law.

1. Termination on Account of Death. In the event of death, the Vest Date for this Award becomes your date of death and the Award in its entirety remains exercisable until the Expiration Date.

2. Termination for a Qualified Reason Listed Below. In the event you terminate employment for one of the qualified reasons listed below, after the Grant Date but before [DATE +3 WEEKS], the Award will be forfeited. In the event of termination for one of the qualified reasons listed below, on or after [DATE +3 WEEKS], but prior to [DATE + 1 YEAR], the award will be prorated based on the number of days you remained an employee between the Grant Date and [DATE + 1 YEAR]. If the termination for one of the qualified reasons listed below occurs after [DATE + 1 YEAR], the entire award will be retained. The portion of the award that is ultimately retained will be exercisable on the Vest Date in this Award Agreement and will expire on the Expiration Date as long as you remain in compliance with the terms of the Plan and the Regulations. Qualified termination reasons are as follows:

- Retirement or Disability;
- Termination pursuant to a written separation agreement from the Company or a subsidiary that provides for equity retention; or
- Termination in connection with a divestiture or separation of any of the Company's businesses.

This Award Agreement, including Attachment A, the Plan and Regulations of the Committee together constitute an agreement between the Company and you in accordance with the terms thereof and hereof, and no other understandings and/or agreements have been entered by you with the Company regarding this specific Award. Any legal action related to this Award, including Article 6 of the Plan, must be brought in any federal or state court located in Hamilton County, Ohio, USA, and you hereby agree to accept the jurisdiction of these courts and consent to service of process from said courts solely for legal actions related to this Award. You have the right to consult with a lawyer before accepting this Award.

THE PROCTER & GAMBLE COMPANY

Tracey Grabowski

Chief Human Resources Officer

IMPORTANT

By accepting this award within your E*TRADE account, you agree to be bound by The Procter & Gamble 2019 Stock Plan including the non-compete and non-solicitation clauses, the Stock Plan Regulations of the Committee, this Award Agreement including Attachment A (at end of this document), and any additional terms and conditions relevant to your current home and/or host market listed on the following page.

FORM LTIP-RSU AWARD AGREEMENT

%%FIRST_NAME_MIDDLE_NAME_LAST_NAME%-%
%%EMPLOYEE_IDENTIFIER%-%

Subject: RESTRICTED STOCK UNIT SERIES YR-LTIP-RSU

In recognition of your contributions to the future success of the business, The Procter & Gamble Company ("Company") hereby grants to you Restricted Stock Units ("RSUs") of Procter & Gamble Common Stock as follows:

Number of Restricted Stock Units:	%%TOTAL_SHARES_GRANTED%-%
Grant Date Share Price:	%%MARKET_VALUE%-%
Grant Date:	[DATE]
Vest Date:	[DATE + 3 YEARS]
Settlement Date (Shares Delivered on):	[DATE + 3 YEARS]
Acceptance Deadline:	**DD November 20XX**

This Award is granted in accordance with and subject to the terms of The Procter & Gamble 2019 Stock and Incentive Compensation Plan (including any applicable sub-plan) (the "Plan"), the Regulations of the Compensation and Leadership Development Committee of the Board of Directors ("Committee"), this Award Agreement including Attachments and the Settlement Instructions in place as may be revised from time to time. Any capitalized terms used in this Agreement that are not otherwise defined herein are defined in the Plan. You may access the Plan by activating this hyperlink: The Procter & Gamble 2019 Stock and Incentive Compensation Plan and the Regulations and Sub Plans by activating this hyperlink: Regulations of the Committee. If you have difficulty accessing the materials online, please send an email to [email] for assistance.

Voting Rights and Dividend Equivalents
As a holder of RSUs, during the period from the Grant Date until the date the RSUs are paid, each time a cash dividend or other cash distribution is paid with respect to Common Stock, you will receive additional RSUs ("Dividend Equivalent RSUs"). The number of Dividend Equivalent RSUs will be determined as follows: multiply the number of RSUs and Dividend Equivalent RSUs currently held by the per share amount of the cash dividend or other cash distribution on Common Stock, then divide the result by the price of the Common Stock on the date of the dividend or distribution. These Dividend Equivalent RSUs will be subject to the same terms and conditions as the original RSUs that gave rise to them, including vesting and settlement terms, except that if there is a fractional number of Dividend Equivalent RSUs on the date the RSUs are paid, the resulting fractional share unit may be paid as cash, fractional shares, or rounded up to the nearest full share based on administrative preference of the Company. This Award represents an unfunded, unsecured right to receive payment in the future, and does not entitle you to voting rights or dividend rights as a shareholder.

Vesting and Payment
If you leave the Company before the Vest Date, the Award will be forfeited unless you meet one of the conditions listed below. If you remain employed through the Vest Date, the Award will paid on the Settlement Date. For the purposes of this Award, termination of employment will be effective as of the date that you are no longer actively employed and will not be extended by any notice period required under local law.

1. Termination on Account of Death. In the event of death, the Award will be immediately and fully vested and payment will be made by the later of the end of the calendar year or two and a half months following the date of death.

2. Termination for a Qualified Reason Listed Below. In the event you terminate employment for one of the qualified reasons listed below, after the Grant Date but before [DATE + 3 WEEKS], the Award will be forfeited. In the event of termination for one of the qualified reasons listed below, on or after [DATE + 3 WEEKS], but prior to [DATE + 1 YEAR], the award will be prorated based on the number of days you remained an employee between the Grant Date and [DATE + 1 YEAR]. If the termination for one of the qualified reasons listed below occurs after [DATE + 1 YEAR], the entire award will be retained. The portion of the award that is ultimately retained will be delivered on the Settlement Date in this Award Agreement as long as you remain in compliance with the terms of the Plan and the Regulations. Qualified termination reasons are as follows:

- Retirement or Disability;
- Termination pursuant to a written separation agreement from the Company or a subsidiary that provides for equity retention; or
- Termination in connection with a divestiture or separation of any of the Company's businesses.

Notwithstanding the foregoing, in the event of a Change in Control, payment shall be made pursuant to the terms provided in the Plan.

Payment under this Award will be made in the form of Common Stock or such other form of payment as determined by the Committee pursuant to the Plan, subject to applicable tax withholding.

This Award Agreement including the Plan and Regulations of the Committee together constitute an agreement between the Company and you in accordance with the terms thereof and hereof, and no other understandings and/or agreements that have been entered by you with the Company regarding this specific Award. Any legal action related to this Award, including Article 6 of the Plan, may be brought in any federal or state court located in Hamilton County, Ohio, USA, and you hereby agree to accept the jurisdiction of these courts and consent to service of process from said courts solely for legal actions related to this Award. You have the right to consult with a lawyer before accepting this Award.

THE PROCTER & GAMBLE COMPANY
Tracey Grabowski
Chief Human Resources Officer

IMPORTANT

By accepting this award within your E*TRADE account, you agree to be bound by The Procter & Gamble 2019 Stock Plan including the non-compete and non-solicitation clauses, the Stock Plan Regulations of the Committee, this Award Agreement including Attachment A (at end of this document), and any additional terms and conditions relevant to your current home and/or host market listed on the following page.

Attachment A

Please note that when the issue or transfer of the Common Stock covered by this Award may, in the opinion of the Company, conflict or be inconsistent with any applicable law or regulation of any governmental agency, the Company reserves the right to refuse to issue or transfer said Common Stock and that any outstanding Awards may be suspended or terminated and net proceeds may be recovered by the Company if you fail to comply with the terms and conditions governing this Award.

Nature of the Award

By completing this form and accepting the Award evidenced hereby, I acknowledge that: i) the Plan is established voluntarily by The Procter & Gamble Company ("P&G"), it is discretionary in nature and it may be amended, suspended or terminated at any time; ii) Awards under the Plan are voluntary and occasional and this Award does not create any contractual or other right to receive future Awards, or benefits in lieu of an Award, even if Awards have been granted repeatedly in the past; iii) all decisions with respect to future Awards, if any, will be at the sole discretion of P&G; iv) my participation in the Plan is voluntary; v) this Award is an extraordinary item and not part of normal or expected compensation or salary for any purposes including, but not limited to, calculating any termination, severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments; vi) in the event that my employer is not P&G, the Award will not be interpreted to form an employment relationship with P&G; and furthermore, the Award will not be interpreted to form an employment contract with my employer ("Employer"); vii) the future value of the shares purchased under the Plan is unknown and cannot be predicted with certainty, may increase or decrease in value and potentially have no value; viii) my participation in the Plan shall not create a right to further employment with my Employer and shall not interfere with the ability of my Employer to terminate my employment relationship at any time, with or without cause; ix) and no claim or entitlement to compensation or damages arises from the termination of the Award or the diminution in value of the Award or shares purchased and I irrevocably release P&G and my Employer from any such claim that may arise.

Data Privacy

I hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of my personal data as described in this document by and among, as applicable, my Employer and The Procter & Gamble Company and its subsidiaries and affiliates ("P&G") for the exclusive purpose of implementing, administering and managing my participation in the Plan.

I understand that P&G and my Employer hold certain personal information about me, including, but not limited to, my name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in P&G, details of all Awards or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in my favor, for the purpose of implementing, administering and managing the Plan ("Data"). I understand that Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in my country or elsewhere (including countries outside the European Economic Area), and that the recipient's country may have different data privacy laws and protections than my country. I understand that I may request a list with the names and addresses of any potential recipients of the Data by contacting my local human resources representative. I authorize the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing my participation in the Plan, including any requisite transfer of such Data as may be required to a broker or other third party with whom I may elect to deposit any shares of stock acquired upon exercise or settlement of the Award. I understand that Data will be held only as long as is necessary to implement, administer and manage my participation in the Plan. I understand that I may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing my local human resources representative. I understand, however, that refusing or withdrawing my consent may affect my ability to participate in the Plan. For more information on the consequences of my

refusal to consent or withdrawal of consent, I understand that I may contact my local human resources representative.

Responsibility for Taxes
Regardless of any action P&G or my Employer takes with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related withholding ("Tax-Related Items"), I acknowledge that the ultimate liability for all Tax-Related Items is and remains my responsibility and that P&G and/or my Employer (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of this Award, including the issuance, vesting or exercise, settlement, the subsequent sale of shares acquired, the receipt of any dividends or dividend equivalents or the potential impact of current or future tax legislation in any jurisdiction; and (2) do not commit to structure the terms of the Award or any aspect of the Award to reduce or eliminate my liability for Tax-Related Items.

Prior to exercise or settlement of an Award, I shall pay or make adequate arrangements satisfactory to P&G and/or my Employer to satisfy all withholding and payment on account obligations of P&G and/or my Employer. In this regard, I authorize P&G and/or my Employer to withhold all applicable Tax-Related Items from my wages or other cash compensation paid to me by P&G and/or my Employer or from proceeds of the sale of the shares. Alternatively, or in addition, if permissible under local law, P&G may (1) sell or arrange for the sale of shares that I acquire to meet the withholding obligation for Tax-Related Items, and/or (2) withhold in shares, provided that P&G only withholds the amount of shares necessary to satisfy the minimum withholding amount. Finally, I shall pay to P&G or my Employer any amount of Tax-Related Items that P&G or my Employer may be required to withhold as a result of my participation in the Plan or my purchase of shares that cannot be satisfied by the means previously described. P&G may refuse to honor the exercise and refuse to deliver the shares if I fail to comply with my obligations in connection with the Tax-Related Items as described in this section.

Exhibit (10-4)
The Procter & Gamble Performance Stock Program – Related Correspondence and Terms and Conditions

FORM PSP AWARD AGREEMENT

%%FIRST_NAME_LAST_NAME%-%
%%EMPLOYEE_IDENTIFIER%-%

Subject: PERFORMANCE STOCK UNIT SERIES XX-XX-PSP

In recognition of your contributions to the future success of the business, The Procter & Gamble Company ("Company") hereby grants to you Performance Stock Units ("PSUs") of Procter & Gamble Common Stock as follows:

Target Number of Units:	%%TOTAL_SHARES_GRANTED%-%
Maximum Payout Percentage:	200%
Conversion Ratio:	1 PSU = 1 Common Share
Grant Date:	[DATE]
Vest Date:	30 June 20XX
Performance Period:	1 July 20XX - 30 June 20XX
Original Settlement Date (Shares Delivered on):	XX August 20XX
Acceptance Deadline:	**XX November 20XX**

This Award is granted in accordance with and subject to the terms of The Procter & Gamble 2019 Stock and Incentive Compensation Plan (including any applicable sub-plan) (the "Plan"), the Regulations of the Compensation and Leadership Development Committee of the Board of Directors ("Committee"), and this Award Agreement, including Attachments A and B. Any capitalized terms used in this Agreement that are not otherwise defined herein are defined in the Plan. You may access the Plan by activating this hyperlink: The Procter & Gamble 2019 Stock and Incentive Compensation Plan and the Regulations and Sub Plans by activating this hyperlink: Regulations of the Committee. If you have difficulty accessing the materials online, please send an email to [email] for assistance.

Voting Rights and Dividend Equivalents

As a holder of PSUs, during the period from the Grant Date until the date the PSUs are paid, each time a cash dividend or other cash distribution is paid with respect to Common Stock, you will receive additional PSUs ("Dividend Equivalent PSUs"). The number of Dividend Equivalent PSUs will be determined as follows: multiply the number of PSUs and Dividend Equivalent PSUs currently held by the per share amount of the cash dividend or other cash distribution on Common Stock, then divide the result by the price of the Common Stock on the date of the dividend or distribution. These Dividend Equivalent PSUs will be subject to the same terms and conditions as the original PSUs that gave rise to them, including performance vesting and settlement terms, except that if there is a fractional number of Dividend Equivalent PSUs on the date the PSUs are paid, the resulting fractional share units may be paid as cash, fractional shares, or rounded up to the nearest full share based on administrative preference of the Company. This Award represents an unfunded, unsecured right to receive payment in the future, and does not entitle you to voting rights or dividend rights as a shareholder.

Performance Vesting

1. Your Target Number of Units indicated in this Award Agreement (the "Target Units") will vest depending upon performance during the Performance Period, as specified below. This Award Agreement also sets forth the Maximum Payout Percentage that you may receive pursuant to this Award. Your right to receive all, any portion of,

or more than the Target Units (but in no event more than the Maximum Payout Percentage) will be contingent upon the achievement of specified levels of certain performance goals measured over the Performance Period. The applicable performance goals and the payout factors for each performance goal applicable to your Award for the Performance Period are set forth in the PSP Performance and Payout Factors attachment.

2. Within 60 days following the end of the Performance Period, the Committee will determine (i) whether and to what extent the performance goals have been satisfied for the Performance Period, (ii) the number of PSUs that shall become deliverable under this Award, and (iii) whether the other applicable conditions for receipt of shares of Common Stock in respect of the PSUs have been met. Any PSUs not approved by the Committee in accordance with this paragraph will be forfeited and cancelled.

Vesting and Payment
If you leave the Company before the Vest Date, the Award will be forfeited unless you meet one of the conditions listed below. If you remain employed through the Vest Date, the Award will paid on the Original Settlement Date or Agreed Settlement Date (as defined below). For the purposes of this Award, termination of employment will be effective as of the date that you are no longer actively employed and will not be extended by any notice period required under local law.

1. Termination on Account of Death. In the event of death, the Award is not forfeited and will become deliverable on the Settlement Date or Agreed Settlement Date, whichever is applicable.

2. Termination for a Qualified Reason Listed Below. In the event you terminate employment for one of the qualified reasons listed below, after the Grant Date but before [GRANT DATE + 3 WEEKS], the Award will be forfeited. In the event of termination for one of the qualified reasons listed below, on or after GRANT DATE + 3 WEEKS], but prior to [GRANT DATE + 1 YEAR], the award will be prorated based on the number of days you remained an employee between the Grant Date and [GRANT DATE + 1 YEAR]. If the termination for one of the qualified reasons listed below occurs after [GRANT DATE + 1 YEAR], the entire award will be retained. The portion of the award that is ultimately retained will be delivered on the Original Settlement Date or Agreed Settlement Date, whichever is applicable, as long as you remain in compliance with the terms of the Plan and the Regulations. Qualified termination reasons are as follows:

- Retirement or Disability;
- Termination pursuant to a written separation agreement from the Company or a subsidiary that provides for equity retention; or
- Termination in connection with a divestiture or separation of any of the Company's businesses.

Notwithstanding the foregoing, in the event of a Change in Control, the Target Number of Units shall be paid pursuant to the terms provided in the Plan.

Payment under this Award will be made in the form of Common Stock or such other form of payment as determined by the Committee pursuant to the Plan, subject to applicable tax withholding.

Deferral Election (Applicable to participants Band 7 and above as of the Award Date)
At any time at least six months prior of the end of the Performance Period and so long as the achievement of the applicable performance goals are not yet readily ascertainable (but in no event later than your Termination of Employment from the Company), you and the Company may agree to postpone the Original Settlement Date to such later date ("Agreed Settlement Date") as may be elected by you, which date shall be at least five years later than the Original Settlement Date and in accordance with Internal Revenue Code Section 409A.

This Award Agreement including Attachment A, the PSP Performance and Payout Factors, and the Stock Plan and Regulations of the Committee together constitute an agreement between the Company and you in accordance with the terms thereof and hereof, and no other understandings and/or agreements that have been entered by you with the Company regarding this specific Award. Any legal action related to this Award, including Article 6 of the Plan, may be brought in any federal or state court located in Hamilton County, Ohio, USA, and you hereby agree to accept the jurisdiction of these courts and consent to service of process from said courts solely for legal actions related to this Award. You have the right to consult with a lawyer before accepting this Award.

THE PROCTER & GAMBLE COMPANY
Tracey Grabowski
Chief Human Resources Officer

IMPORTANT

By accepting this award within your E*TRADE account, you agree to be bound by The Procter & Gamble 2019 Stock Plan including the non-compete and non-solicitation clauses, the Stock Plan Regulations of the Committee, and this Award Agreement including Attachment A (at end of this document).

Attachment A

Please note that when the issue or transfer of the Common Stock covered by this Award may, in the opinion of the Company, conflict or be inconsistent with any applicable law or regulation of any governmental agency, the Company reserves the right to refuse to issue or transfer said Common Stock and that any outstanding Awards may be suspended or terminated and net proceeds may be recovered by the Company if you fail to comply with the terms and conditions governing this Award.

Nature of the Award

By completing this form and accepting the Award evidenced hereby, I acknowledge that: i) the Plan is established voluntarily by The Procter & Gamble Company ("P&G"), it is discretionary in nature and it may be amended, suspended or terminated at any time; ii) Awards under the Plan are voluntary and occasional and this Award does not create any contractual or other right to receive future Awards, or benefits in lieu of an Award, even if Awards have been granted repeatedly in the past; iii) all decisions with respect to future Awards, if any, will be at the sole discretion of P&G; iv) my participation in the Plan is voluntary; v) this Award is an extraordinary item and not part of normal or expected compensation or salary for any purposes including, but not limited to, calculating any termination, severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments; vi) in the event that my employer is not P&G, the Award will not be interpreted to form an employment relationship with P&G; and furthermore, the Award will not be interpreted to form an employment contract with my employer ("Employer"); vii) the future value of the shares purchased under the Plan is unknown and cannot be predicted with certainty, may increase or decrease in value and potentially have no value; viii) my participation in the Plan shall not create a right to further employment with my Employer and shall not interfere with the ability of my Employer to terminate my employment relationship at any time, with or without cause; ix) and no claim or entitlement to compensation or damages arises from the termination of the Award or the diminution in value of the Award or shares purchased and I irrevocably release P&G and my Employer from any such claim that may arise.

Data Privacy

I hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of my personal data as described in this document by and among, as applicable, my Employer and The Procter & Gamble Company and its subsidiaries and affiliates ("P&G") for the exclusive purpose of implementing, administering and managing my participation in the Plan.

I understand that P&G and my Employer hold certain personal information about me, including, but not limited to, my name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in P&G, details of all Awards or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in my favor, for the purpose of implementing, administering and managing the Plan ("Data"). I understand that Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in my country or elsewhere (including countries outside the European Economic Area), and that the recipient's country may have different data privacy laws and protections than my country. I understand that I may request a list with the names and addresses of any potential recipients of the Data by

contacting my local human resources representative. I authorize the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing my participation in the Plan, including any requisite transfer of such Data as may be required to a broker or other third party with whom I may elect to deposit any shares of stock acquired upon exercise or settlement of the Award. I understand that Data will be held only as long as is necessary to implement, administer and manage my participation in the Plan. I understand that I may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing my local human resources representative. I understand, however, that refusing or withdrawing my consent may affect my ability to participate in the Plan. For more information on the consequences of my refusal to consent or withdrawal of consent, I understand that I may contact my local human resources representative.

Responsibility for Taxes

Regardless of any action P&G or my Employer takes with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related withholding ("Tax-Related Items"), I acknowledge that the ultimate liability for all Tax-Related Items is and remains my responsibility and that P&G and/or my Employer (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of this Award, including the issuance, vesting or exercise, settlement, the subsequent sale of shares acquired, the receipt of any dividends or dividend equivalents or the potential impact of current or future tax legislation in any jurisdiction; and (2) do not commit to structure the terms of the Award or any aspect of the Award to reduce or eliminate my liability for Tax-Related Items.

Prior to exercise or settlement of an Award, I shall pay or make adequate arrangements satisfactory to P&G and/or my Employer to satisfy all withholding and payment on account obligations of P&G and/or my Employer. In this regard, I authorize P&G and/or my Employer to withhold all applicable Tax-Related Items from my wages or other cash compensation paid to me by P&G and/or my Employer or from proceeds of the sale of the shares. Alternatively, or in addition, if permissible under local law, P&G may (1) sell or arrange for the sale of shares that I acquire to meet the withholding obligation for Tax-Related Items, and/or (2) withhold in shares, provided that P&G only withholds the amount of shares necessary to satisfy the minimum withholding amount. Finally, I shall pay to P&G or my Employer any amount of Tax-Related Items that P&G or my Employer may be required to withhold as a result of my participation in the Plan or my purchase of shares that cannot be satisfied by the means previously described. P&G may refuse to honor the exercise and refuse to deliver the shares if I fail to comply with my obligations in connection with the Tax-Related Items as described in this section.

Exhibit (10-5)
Summary of Additional Personal Benefits Available to Certain Officers and Non-Employee Directors

ADDITIONAL PROGRAMS AVAILABLE TO CERTAIN OFFICERS AND
NON-EMPLOYEE DIRECTORS

I. Certain Officer Programs

The following is a summary of programs that are available to employees at the President level or higher ("Eligible Employees").

Financial Counseling
The Financial Counseling Program is an annual stipend program designed to address the special tax, estate, and financial planning needs of Eligible Employees. The Company provides an annual $8,500 stipend upon confirmation from each participant that a tax or financial planning service has been retained in the current calendar year.

Executive Physical
The Company will provide an annual physical offered at a Company-approved health facility in Cincinnati or via an MDVIP physician if the executive is located near an MDVIP provider.

Personal Security
The Company provides personal security services such as home security systems/monitoring and secured workplace parking to the Executive Chairman and Chief Executive Officer at Company expense. In addition, the Chief Human Resources Officer may approve personal security services to other Company Employees where appropriate, again at Company expense.

Spouse and Personal Travel
The Company pays for reasonable air and ground transportation, other incidental costs plus sightseeing tours and similar activities when applicable, when spouses (or significant others) accompany employees for business purposes. Business purpose is established and approved by the Chief Human Resources Officer, for example in circumstances where there is a need to familiarize the spouse with business issues and demands facing employees, or to meet other P&G employees and spouses.

While Company aircraft is generally used for Company business only, for security reasons the Executive Chairman and Chief Executive Officer are required to use Company aircraft for all air travel, including personal travel and travel to outside board meetings. While traveling on Company aircraft, the Executive Chairman or Chief Executive Officer may bring a limited number of guests to accompany them. If a Company aircraft flight is already scheduled for business purposes and can accommodate additional passengers, the Chief Financial Officer, Sector CEOs, and other President-level officers of the Company may use the aircraft for personal travel and guest accompaniment. In addition, in limited circumstances, the Chief Human Resources Officer may authorize travel on the Company aircraft to outside board meetings. Outside boards typically provide some level of reimbursement to the Company for these trips. To the extent personal travel results in imputed income to the executive, the Company does not provide gross-up payments to cover the executive's personal income tax due on such imputed income.

Limited Local Transportation
To increase efficiency, Eligible Employees are provided limited local transportation within Cincinnati.

II. Non-Employee Director Programs

This paragraph summarizes a travel program available to spouses, significant others and family members (collectively, "Guests") who accompany non-employee directors ("Directors"). The purpose of this program is to familiarize the Guests with the business issues and demands facing the Directors and to meet other Guests.

Generally, Guests are permitted to accompany Directors to regular Board meetings and other Board activities, so long as the Director is using Company aircraft and the Guests do not cause incremental aircraft costs. In addition, Directors are encouraged to bring a Guest to two Board meetings each year. With respect to these meetings, the Guests' travel costs may be incremental and/or may involve commercial flights. The Company pays for these costs and arranges and pays for sightseeing tours and similar activities and other incidental costs for Directors and Guests, while Directors attend both regular and off-site Board meetings.

EXHIBIT 31.1

Rule 13a-14(a)/15d-14(a) Certifications

I, David S. Taylor, certify that:

(1) I have reviewed this quarterly report on Form 10-Q of The Procter & Gamble Company;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

(4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

(5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ DAVID S. TAYLOR

(David S. Taylor)

Chairman of the Board, President and Chief Executive Officer

October 19, 2021

Date

EXHIBIT 31.2

Rule 13a-14(a)/15d-14(a) Certifications

I, Andre Schulten, certify that:

(1) I have reviewed this quarterly report on Form 10-Q of The Procter & Gamble Company;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

(4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

(5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ ANDRE SCHULTEN

(Andre Schulten)
Chief Financial Officer

October 19, 2021

Date

EXHIBIT 32.1

Section 1350 Certifications

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of The Procter & Gamble Company (the "Company") certifies to his knowledge that:

(1) The Quarterly Report on Form 10-Q of the Company for the quarterly period ended September 30, 2021 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in that Form 10-Q fairly presents, in all material respects, the financial conditions and results of operations of the Company.

/s/ DAVID S. TAYLOR

(David S. Taylor)

Chairman of the Board, President and Chief Executive Officer

October 19, 2021

Date

A signed original of this written statement required by Section 906 has been provided to The Procter & Gamble Company and will be retained by The Procter & Gamble Company and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

Section 1350 Certifications

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of The Procter & Gamble Company (the "Company") certifies to his knowledge that:

(1) The Quarterly Report on Form 10-Q of the Company for the quarterly period ended September 30, 2021 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in that Form 10-Q fairly presents, in all material respects, the financial conditions and results of operations of the Company.

/s/ ANDRE SCHULTEN

(Andre Schulten)
Chief Financial Officer

October 19, 2021

Date

A signed original of this written statement required by Section 906 has been provided to The Procter & Gamble Company and will be retained by The Procter & Gamble Company and furnished to the Securities and Exchange Commission or its staff upon request.