2022

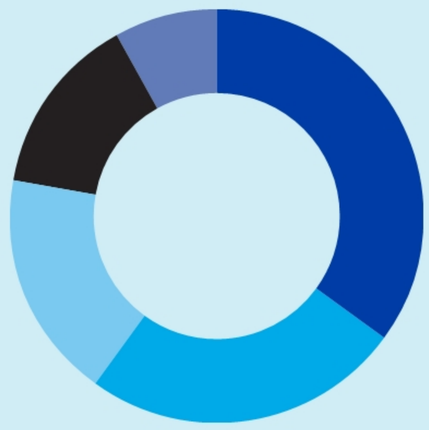
Annual Report

FINANCIAL HIGHLIGHTS (UNAUDITED)

Amounts in billions, except per share amounts

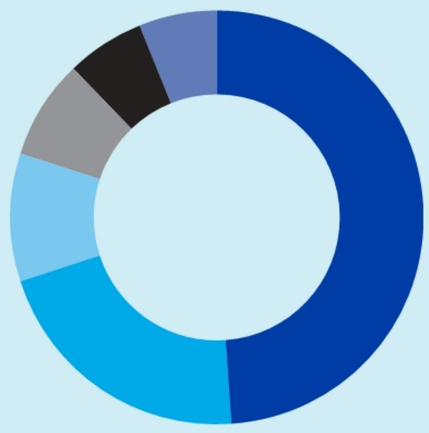
	2022	2021	2020	2019	2018
Net Sales	**$80.2**	$76.1	$71.0	$67.7	$66.8
Operating Income	**$17.8**	$18.0	$15.7	$5.5	$13.4
Net Earnings Attributable to P&G	**$14.7**	$14.3	$13.0	$3.9	$9.8
Net Earnings Margin from Continuing Operations	**18.4%**	18.9%	18.5%	5.9%	14.8%
Diluted Net Earnings per Common Share from Continuing Operations[1]	**$5.81**	$5.50	$4.96	$1.43	$3.67
Diluted Net Earnings per Common Share[1]	**$5.81**	$5.50	$4.96	$1.43	$3.67
Core Earnings per Share[2]	**$5.81**	$5.66	$5.12	$4.52	$4.22
Operating Cash Flow	**$16.7**	$18.4	$17.4	$15.2	$14.9
Dividends per Common Share	**$3.52**	$3.24	$3.03	$2.90	$2.79

2022 NET SALES BY BUSINESS SEGMENT[3]



- Fabric & Home Care 35%
- Baby, Feminine & Family Care 25%
- Beauty 18%
- Health Care 14%
- Grooming 8%

2022 NET SALES BY GEOGRAPHIC REGION



- North America[4] 49%
- Europe 21%
- Greater China 10%
- Asia Pacific 8%
- Latin America 6%
- India, Middle East & Africa (IMEA) 6%

(1) Diluted net earnings per common share are calculated based on net earnings attributable to Procter & Gamble.
(2) Core EPS is a measure of the Company's diluted net earnings per common share from continuing operations adjusted for certain items not viewed as part of our sustainable results. Please see page 74 of the Annual Report for detail on the reconciling items.
(3) These results exclude net sales in Corporate.
(4) North America includes the United States, Canada and Puerto Rico.

VARIOUS STATEMENTS IN THIS ANNUAL REPORT, including estimates, projections, objectives and expected results, 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 and are generally identified by the words "believe," "expect," "anticipate," "intend," "opportunity," "plan," "project," "will," "should," "could," "would," "likely" and similar expressions. Forward-looking statements are based on current assumptions that are subject to risks and uncertainties that may cause actual results to differ materially from the forward-looking statements, including the risks and uncertainties discussed in Item 1A – Risk Factors of the Form 10-K included in this Annual Report. Such forward-looking statements speak only as of the date they are made, and we undertake no obligation to update or revise publicly any forward-looking statements, except as required by law.

Brand names referenced in this Annual Report are trademarks of The Procter & Gamble Company or one of its subsidiaries. All other brand names are trademarks of their respective owners.

Dear Shareowners,

Fiscal 2022 was another very strong year as the execution of our integrated strategies continued to yield strong sales, earnings and cash results in an incredibly difficult operating environment.

Your Company delivered broad-based and strong top-line growth across our categories and regions, earnings growth in the face of significant cost headwinds, and continued strong cash return to you, P&G's shareowners.

JON R. MOELLER

Chairman of the Board,
President and Chief Executive Officer

For the fiscal year, organic sales grew 7%, core earnings per share grew 3%, currency-neutral core earnings per share were up 5%, and adjusted free cash flow productivity was 93%.

Organic sales growth of 7% continues our strong top-line momentum, which is up 13% on a two-year stack (across fiscal years 2021 and 2022) and up 19% on a three-year stack (across fiscal years 2020, 2021 and 2022).

Growth this fiscal year was broad-based across business units, with all 10 of our categories growing organic sales. Personal Health Care grew 20%. Fabric Care and Feminine Care grew double digits. Baby Care was up high single digits. Oral Care and Grooming were up mid-single digits. Hair Care, Home Care, Skin & Personal Care and Family Care each grew low single digits.

Focus markets grew 5% and Enterprise markets were up 10%.

We delivered strong results in our largest and most profitable market, the United States, with organic sales growing 8%.

E-commerce sales increased 11%, representing 14% of total Company sales.

Global aggregate market share increased 50 basis points, and 38 of our top 50 category/country combinations held or grew share for the year. Importantly, this share growth is broad based. Nine of 10 product categories grew share globally over the past year.

Our bottom-line results include over $3 billion of earnings headwinds from commodities, freight and foreign exchange. Despite this, we delivered core EPS growth within our initial guidance range for the year.

We returned nearly $19 billion of value to shareowners through $8.8 billion in dividends and $10 billion in share repurchase. In April, we announced a 5% increase in our dividend. This is the 66th consecutive annual dividend increase, and the 132nd consecutive year in which P&G has paid a dividend. Only seven U.S. publicly traded companies have paid a dividend in more consecutive years than P&G, and only three are recognized to have increased their dividend in more consecutive years than P&G.

In summary, we met or exceeded each of our going-in target ranges for the fiscal year—organic sales growth, core EPS growth, free cash flow productivity and cash returned to shareowners. This is strong performance in very difficult operating conditions.

+7%
Organic Sales Growth

+3%
Core EPS Growth

93%
Adjusted Free Cash Flow Productivity

Integrated Strategic Choices

P&G employees have delivered great results over the past four years in a very challenging macro environment against very capable competition. In those four years, P&G people have added more than $13 billion in annual sales and roughly $5 billion in after-tax profit—executing our integrated strategies with excellence.

The progress we have made, and our collective commitment to our strategies, give me confidence we can manage through the challenges we will continue

to face. Still, we are clear-eyed about the trials ahead. The operational, cost and currency challenges we dealt with over the last two years will continue in fiscal year 2023, and we begin the new fiscal year with consumers facing inflation levels not seen in the last 40 years.

The best response to the uncertainties and challenges—double down on the integrated set of strategies that are delivering very strong results.

We are focused on delighting and serving consumers, customers, society and shareowners through five strategic and integrated choices: a portfolio of daily-use products in categories where performance drives brand choice; superiority across product, package, brand communication, retail execution and value; productivity in everything we do; constructive disruption across the value chain; and an agile, accountable and empowered organization.

These are not independent strategic choices. They reinforce and build on each other, and when executed well, they lead to balanced top- and bottom-line growth and value creation. There is still meaningful opportunity for improvement and leverage in every facet of this strategy, and we continue to work to strengthen our execution of these choices.

A Portfolio of Superior, Daily-Use Products

P&G has a focused portfolio of daily-use products—many providing cleaning, health and hygiene benefits—in 10 categories where performance drives brand choice: Fabric Care, Home Care, Baby Care, Feminine Care, Family Care, Hair Care, Skin & Personal Care, Oral Care, Personal Health Care and Grooming.

We know how to win in these categories—by delivering irresistibly superior propositions to our consumers and retail partners across product performance, packaging, brand communication, retail execution and value. Continued investment in these five vectors of superiority is critical to drive sustainable business growth. Even when our costs are rising sharply, we will not diverge from this strategy, especially when consumers are ever more focused on the performance and value of the brands they choose.

Superiority to Win with Consumers

We continue to raise the bar on all aspects of superiority—product, package, brand communication, retail execution and value—in all price tiers where we compete.

We are leveraging this superiority to grow markets, and P&G's share in them, as a way to sustainably build the business. Creating new business is powerful with our retail partners as we work to jointly create value.

Superiority is especially critical in an inflationary environment. As consumers face increased pressure on nearly every aspect of their household budgets, we invest to deliver truly superior value through a combination of price and product performance to earn their loyalty every day. We are committed to keep investing to strengthen the superiority of our brands across innovation, supply chains and brand equity to deliver superior value for consumers.

Ongoing Productivity

The strategic need for investment to strengthen the long-term health and competitiveness of our brands, the short-term need to manage through significant cost increases, and the ongoing need to drive balanced top- and bottom-line growth, including margin expansion, underscore the importance of productivity.

We have developed a strong productivity muscle over the last decade as we delivered two $10 billion savings programs. Productivity is part of our DNA now, which will help us address some of the challenges we face. We remain fully committed to cost and cash productivity in all facets of our business. No area of cost is left untouched.

For example, as COVID-19 supply chain challenges ease and we reach a better balance of supply and demand, we will have an increased opportunity to implement cost savings projects in our manufacturing operations. As we leverage digital tools and automation, there will be more opportunities to focus employees on the higher-order work of serving consumers. And, as we continue to integrate data and analytics and artificial intelligence, brand teams will be working to make our marketing investments even more efficient and effective to deliver improved demand creation at equal or lower cost.

Each business is driving productivity up and down their income statement and across their balance sheet, and we remain fully committed to productivity as a core driver of balanced top- and bottom-line growth and strong cash generation. We cannot let up here. Productivity will remain a significant part of our work, especially now.

Measures of Superiority

PRODUCT

Products so good, consumers recognize the difference. Superior products raise expectations for performance in the category.

PACKAGING

Packaging that attracts consumers, conveys brand equity, helps consumers select the best product for their needs, and delights consumers during use.

BRAND COMMUNICATION

Product and packaging benefits communicated with exceptional advertising that makes you think, talk, laugh, cry, smile, act and buy—and that drives category and brand growth.

RETAIL EXECUTION

In-store: with the right store coverage, product forms, sizes, price points, shelving and merchandising. Online: with the right content, assortment, ratings, reviews, search and subscription offerings.

CONSUMER & CUSTOMER VALUE

For consumers: all these elements presented in a clear and shoppable way at a compelling price. For customers: margin, penny profit, trip generation, basket size, and category growth.

PRODUCT

An upgraded formula and unique packaging made Dawn EZ-Squeeze in the U.S. and Fairy Max Power in Europe stand-out products in fiscal 2022. The inverted bottle, no-flip cap and self-sealing valve allow for easy one-handed use of every drop of soap.

These products contributed to mid-single digit hand dish global category growth and enabled additional distribution and shelf space across multiple markets and retailers. During fiscal 2022, they contributed to Dawn's mid-single digit organic sales growth and grew the brand's global value share by nearly one point.

PACKAGING

We have now introduced a plastic-free package for many Gillette and Venus products in every P&G region globally. It delights consumers as it is easier to open, read and select at shelf, and fully recyclable. We estimate this superior package could save the plastic equivalent of 85 million water bottles per year when fully launched.*

In North America, one of the first regions where we launched, this innovation contributed to high single digit organic sales growth for P&G's Grooming category in fiscal 2022, and globally helped to grow Grooming's value share by over one point.

**Based on FY20 sales*

RETAIL EXECUTION

Nervive is a nerve care product launched in North America in fiscal 2022, helping to establish the nerve care category in that region after many successful years in Europe with Neurobion, a brand acquired with Merck in 2018.

Eye-level brand blocks on-shelf and displays at top retailers grew sales by more than 40% where executed, and strong online content and search strategy supported e-commerce growth. As a result, Nervive contributed to Personal Health Care organic sales growth of 20% in fiscal 2022.

CONSUMER & CUSTOMER VALUE

Tide and Ariel offer a superior value equation. For consumers, our enhanced formula enables superior cleaning performance in cold water, creating energy savings and avoiding rewashing which may be necessary with less effective detergents. By reducing the energy required to heat water in the laundry process and improving garment life spans, consumers also see sustainability benefits.

For customers, innovations like Tide Power PODS help drive category growth. In fiscal 2022, unit dose detergent grew organic sales in the low teens globally, with growth in every region, contributing to P&G's double digit growth in the Fabric Care category.

BRAND COMMUNICATION

A witty 'edu-tainment' campaign with celebrities and influencers reached millions of consumers across a range of digital and broadcast platforms. The campaign delivered a humorous approach to tampon and period education appealing to Gen Z and Millennial audiences.

This campaign contributed to double digit organic sales growth for global Feminine Care in fiscal 2022, with value share up over one point.

Read more about superiority at pg.com/annualreport2022

A Constructive Disruption Mindset

Success in our highly competitive industry also requires agility that comes with a mindset of constructive disruption—a willingness to change, adapt and create new trends and technologies that will shape our industry for the future. A mindset of constructive disruption is even more important in this challenging environment.

A good example of constructive disruption in a category is Dawn Powerwash Dish Spray, which addresses the changing habit of washing dishes as you go instead of waiting until the end of a meal. The product enables direct application of activated suds to dishes to speed up the entire process, saving people not only time but also water.

Another example is how we continue to reinvent brand building, including how we reach consumers more effectively and efficiently. Pampers, our largest and most global brand, is relatively unique in that its primary audience is narrow: parents of children at diapering age. To reach these parents more precisely, Pampers created the Pampers Rewards app so parents can receive helpful information, tips, deals and rewards. With this app, Pampers was able to build smart audiences to reach parents at different stages—like newborns, crawling and potty training—with more precise advertising specifically designed for each media platform, increasing the brand's reach, effectiveness and efficiency, while driving cost savings.

Success in our highly competitive industry requires the agility that comes with a mindset of constructive disruption—

Lean Innovation · **Brand Building** · **Supply Chain** · **Digitization & Data Analytics**

An Empowered, Agile and Accountable Organization

We strive for an empowered, agile and accountable organization with little overlap or redundancy—flowing to new demands and seamlessly supporting each other, through a culture of equality and inclusion, to deliver against our priorities around the world.

P&G is organized around five industry-based sector business units (SBUs). These five sectors manage our 10 product categories, with full sales, profit, cash and value creation responsibility for our largest and most profitable markets—called Focus Markets—accounting for about 80% of Company sales and about 90% of after-tax profit.

Enterprise Markets, which represent the rest of the world, are a separate unit with sales, profit and value creation responsibility. Over the last several years, we have been growing both top and bottom line in nearly all of these markets, which are important to the future of P&G.

The best proof that this organization design is working is the growth of our largest and most profitable market, North America, whose growth has accelerated since we put this design in place. Organic sales in North America have increased from an average of +2% the three years prior to the design change to +8% in the three years since.

This structure, and its resulting organizational speed and focus, has also allowed us to manage through the challenges and headwinds we are experiencing.

Operating through five industry-based Sector Business Units

Providing greater clarity on responsibilities and reporting lines

Strengthening leadership accountability

Enabling P&G people to accelerate growth and value creation

We continue to believe that this structure—with the SBUs squarely concentrated on Focus Markets and managing Enterprise Markets as a separate operating unit—is the best way to navigate successfully through the increasingly dynamic world in which we live.

Strengthening Our Strategy

One of the most important things about our strategy—portfolio, superiority, productivity, constructive disruption, and an empowered, agile and accountable organization—is that it is inherently dynamic, not static. It requires being responsive to changing consumer needs and habits. It demands we serve evolving customer needs in rapidly transforming channels.

Going forward, we have identified four areas to be even more deliberate and intentional about pursuing to further strengthen the execution of our strategy.

The first is Supply. We are improving our supply chain capacity, agility, cost efficiency and resilience for a new reality and a new age. The capability investments we made prior to COVID-19 to improve our manufacturing and distribution networks in the U.S. and Europe helped us to manage through the last few years with relatively few prolonged issues. We are already making the next round of investments needed to ensure we have multiple qualified suppliers for key inputs, sufficient manufacturing capacity to satisfy growing demand and flexibility to meet the changing needs of all types of retailers.

The second area is Environmental Sustainability. We are integrating sustainability into our product, packaging and supply chain innovation work to develop irresistibly superior offerings for consumers that are better for the environment. For example, our new cardboard packaging on Gillette razors reduces plastic packaging and offers a noticeably superior experience for consumers at the first and second moments of truth. Another example is our new fully recyclable paper packaging on our premium Always Cotton Protection pads recently launched in Germany. One more example is cold-water washing with Tide and Ariel. When people turn their wash cycles to cold, they can save up to 90% of the energy used on every load of laundry, while saving money. They also get greater satisfaction because their colors look brighter, and their clothes look newer longer. Better for the consumer, better for our planet.

Third, we are increasing our Digital Acumen to drive consumer and customer preference, reduce cost and enable rapid and efficient decision making. Increased

digitization of our manufacturing lines, more use of artificial intelligence and more use of blockchain technology are not ends unto themselves. They are tools we can use to delight consumers and customers.

Fourth, a Superior Employee Value Equation for all gender identities, races, ethnicities, sexual orientations, ages, and abilities—for all roles—to ensure we continue to attract, retain and develop the best talent. By definition, this must include equality. To deliver a superior employee value equation, there must be something in it for everyone.

These are not new or separate strategies. They are necessary elements of focus in continuing to build superiority, in reducing cost to enable investment and value creation, and in strengthening our organization. They are part of the constructive disruption we must continue to lead.

Meeting Consumer, Customer, Employee, Societal and Investor Needs

In the ever more complex world we live in, it is not just top and bottom line that must be delivered and balanced. We must endeavor to deliver against the needs of an increasing number of constituents. This is especially true in our efforts in Environmental, Social and Governance (ESG), where consumer, customer, employee, society and shareowner expectations are growing.

For more about our work in all these areas, visit our ESG for Investors website at *pginvestor.com/esg* and read our latest Citizenship report at *pg.com/citizenship*.

As I shared earlier, our consumers increasingly rely on us to deliver superior solutions that are sustainable. Our world requires that we do our part in this regard. This challenge is also an opportunity to extend our margin of superiority, further grow categories, and create more value, all while improving our own environmental impact, enabling consumers to reduce their footprint, and helping society solve some of the most pressing global challenges.

At P&G, we aim to be a force for growth and a force for good.

Our Community Impact work helps improve lives for people in difficult times by providing clean water and donations of product, time and money to those affected by natural disasters and crises around the world. It is also part of what employees are proud of and value in P&G. The ability to do good for the communities we live and work in also helps us attract and retain the best talent.

We know we increase our chances of winning when we have an equal, diverse and inclusive culture that gives life to the best thoughts and ideas—a culture where everyone can succeed and is able to be their best. Externally, we support equality and inclusion efforts with our business partners and in the communities where we live and work because it is not only the right thing to do, but it also can improve income and wealth equity for more people, creating more purchasing power, which drives market growth.

Our foundation is our Purpose, Values and Principles, which set a high standard for each P&G person. High standards are good. They require that we hold ourselves and each other accountable for results and, equally important, for how we achieve those results. Last year, we added an ESG factor to our annual incentive compensation program for our senior executives as a demonstration of our commitment to near-term progress toward our long-term ESG goals.

Serving and balancing the needs of consumers, customers, employees, society and shareowners will not be easy, but it is necessary—and those that do it best, as I expect we will, should thrive.

Looking Forward

The integrated strategies we have outlined here were delivering strong results before the pandemic. They served us well during the more recent volatile times. They remain the right strategic choices to drive balanced growth and value creation. We endeavor to step forward into the challenges we face, not back, growing through near-term challenges, while serving consumers and communities. We are doing this in our interest, in society's interest and in the interest of our long-term shareowners.

Confidence in our future success is rooted in my confidence in P&G people. Every day, P&G people demonstrate their commitment to our Purpose, Values and Principles, their high motivation to win, their personal accountability to winning results, and their strong focus on sustained excellence in everything they do—serving consumers, serving customers and delivering for shareowners.

JON R. MOELLER

Chairman of the Board, President and Chief Executive Officer