June 3, 2022

By Electronic Mail

Office of Chief Counsel  
Division of Corporation Finance  
U.S. Securities and Exchange Commission  
100 F Street, N.E.  
Washington, DC 20549

Re: The Procter & Gamble Company — Shareholder Proposal Submitted by Myra K. Young

Ladies and Gentlemen:

On behalf of The Procter & Gamble Company (the “Company”), we are submitting this letter pursuant to Rule 14a-8(j) under the Securities Exchange Act of 1934 (the “Exchange Act”) to request confirmation from the staff of the Division of Corporation Finance (the “Staff”) that it will not recommend enforcement action to the U.S. Securities and Exchange Commission (the “SEC” or “Commission”) if the Company excludes a shareholder proposal (the “Proposal”) submitted by Myra K. Young (collectively with her designated representative, John Chevedden, the “Proponent”) from the proxy materials for its 2022 annual meeting of shareholders. A copy of the Proposal, which requests that the Company annually disclose all stock distributed to employees, directors and consultants, and the cover letter to the Proposal are attached hereto as Exhibit A.

In accordance with Staff Legal Bulletin No. 14D (Nov. 7, 2008), we are emailing this letter to the Staff at shareholderproposals@sec.gov. We are simultaneously sending a copy of this letter to the Proponent as notice of the Company’s intent to omit the Proposal from its 2022 proxy materials in accordance with Exchange Act Rule 14a-8(j). We take this opportunity to inform the Proponent that a copy of any correspondence they submit to the Commission or the Staff with respect to the Proposal should be provided concurrently to the Company pursuant to Rule 14a-8(k) and Staff Legal Bulletin No. 14D, and request that a copy also be provided to the undersigned at the address above.
THE PROPOSAL

The Proposal states:

Resolved: Procter & Gamble (“Company”) shareholders request the Board’s Compensation & Leadership Development Committee (“Committee”) report annually all stock distributed to employees, directors and consultants under compensation plans approved by shareholders. The report should include a matrix, sorted by an appropriate classification scheme with five or more categories chosen by the Committee, showing aggregate amounts of stock ownership distributed and utilized, including associated voting power, if any. The Committee should issue the report before or concurrent with the next annual proxy statement.

BASIS FOR EXCLUSION

We request that the Staff concur in our view that the Proposal may be excluded from the Company’s 2022 proxy materials pursuant to Rule 14a-8(i)(7), because the Proposal relates to the Company's ordinary business operations.

ANALYSIS

I. The Proposal should be excluded under Rule 14a-8(i)(7) because it seeks to deal with a matter relating to the Company’s ordinary business operations

Rule 14a-8(i)(7) permits the exclusion of a shareholder proposal from a company’s proxy materials if the proposal “deals with a matter relating to the company's ordinary business operations.” The Commission has stated that the purpose of the ordinary business exception is “to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting.” Amendments to Rules on Shareholder Proposals, SEC Rel. No. 34-40018 (May 21, 1998) (the “1998 Release”). The Commission has further stated that exclusion is appropriate where the proposal concerns tasks that are “so fundamental to management’s ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight.” Id.

Staff Legal Bulletin No. 14E (Oct. 27, 2009) (“SLB 14E”) provides that, when analyzing a proposal to determine its underlying concern or central purpose, the Staff looks not only to the resolved clause, but to the supporting statement and the proposal in its entirety. This position is not only expressed in SLB 14E, but also in Staff Legal Bulletin No. 14C (June 28, 2005), which states that the Staff will consider both the resolved clause and the supporting statement as a whole when analyzing a proposal for which exclusion is sought under Rule 14a-8(i)(7).

A. The Proposal should be excluded under Rule 14a-8(i)(7) because it is focused on employee compensation, which is an ordinary business matter

The focus and subject matter of the Proposal is employee compensation, which is an ordinary business matter. The Commission stated in the 1998 Release that a company’s “management of [its] workforce, such as the hiring, promotion, and termination of employees” is a core ordinary business matter. The Staff further stated in Staff Legal Bulletin No. 14A (July 12, 2002) (“SLB14A”) that it agreed “with the view of companies that they may exclude
proposals that relate to general employee compensation matters in reliance on [R]ule 14a-8(i)(7).”

The language of the resolved clause and supporting statement of the Proposal demonstrate that the Proposal is focused on general employee compensation. The Proposal requests that the Company’s Compensation & Leadership Development Committee (the “Committee”) annually issue a report that discloses all stock distributed to employees, directors, and consultants under compensation plans approved by shareholders. The Proponent’s stated purpose for requesting that the Company prepare such an annual employee stock distribution and ownership report is to expand “the Committee’s perspective beyond executive compensation” to the focus of the Proposal: employee compensation, specifically employee compensation in the form of stock. (Emphasis added). The Proposal notes that “the report should include a matrix, sorted by an appropriate classification scheme with five or more categories chosen by the Committee, showing aggregate amounts of stock ownership distributed and utilized, including associated voting power, if any.” (Emphasis added). The Proposal also states that the Company “should educate and promote ownership plans” and “track and disclose” employee stock compensation information in each case to “create an ownership culture for all employees.” The supporting statement to the Proposal includes numerous references to employee compensation, which reinforces the Proposal’s overall focus on one component of employee compensation, stock ownership.

The Proposal specifically states that it is not concerned with executive compensation as it refers to expanding “the Committee’s perspective beyond executive compensation”. (Emphasis added). The Staff has long distinguished proposals that relate to general employee compensation from proposals “that concern only senior executive and director compensation.” (Emphasis in original). See SLB14A. Proposals that concern only senior executive and director compensation are generally not excludable under Rule 14a-8(i)(7). Here, the Proposal by its terms is clearly focused on general employee compensation. The Staff has permitted the exclusion of proposals under Rule 14a-8(i)(7) where the proposal “relates to compensation that may be paid to employees generally and is not limited to compensation that may be paid to senior executive officers and directors.” See 3M Co. (Jan. 8, 2018); Apple Inc. (Nov. 16, 2015); and Kohl’s Corp. (Feb. 27, 2015).

The Commission and Staff have recognized that employee compensation is an ordinary business matter that is within the purview of the Company’s board of directors and is fundamental to management’s ability to run the Company on a day-to-day basis. The Proposal clearly focuses on Company employee compensation matters and is therefore excludable under Rule 14a-8(i)(7).

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1 See also Baxter International Inc. (Jan. 6, 2016) and The Coca-Cola Co. (Jan. 8, 2014) where the Staff explained that “[p]roposals that concern general employee compensation matters are generally excludable under rule 14a-8(i)(7).”

2 The Proposal’s sole passing reference to “directors and consultants” does not change the focus of the Proposal, given the clear and convincing emphasis on employee compensation matters throughout the entire Proposal.

3 The Proposal refers, without further clarification, to “stock” distributed and awarded to employees. We assume for purposes of this no-action letter that the Proposal’s references to “stock” encompass the Company’s common stock and other awards that are based on or denominated in the Company’s common stock.
B. Exclusion of the Proposal under Rule 14a-8(i)(7) would be consistent with other no-action letters relating to ordinary business operations

The Staff has long permitted the exclusion of proposals that concern stock-based compensation, since such proposals implicate a company’s general compensation of its employees. See Omeros Corp. (Jan. 25, 2017) (proposal requesting the board implement a temporary salary reduction combined with a stock grant program for key employees was excludable under Rule 14a-8(i)(7) as the proposal related to general compensation matters); Pfizer Inc. (Jan. 29, 2007) (proposal requesting that no stock options be awarded to any company employees was excludable under Rule 14a-8(i)(7) as the proposal related to general compensation matters); Amazon.com, Inc. (Mar. 7, 2005) (proposal requesting the company adopt and disclose an equity policy that would cancel the company’s stock incentive plan and other compensation plans was excludable under Rule 14a-8(i)(7) as the proposal related to general compensation matters); Alaska Air Group, Inc. (Feb. 25, 2005) (proposal requesting that the company establish a stock ownership plan for all employees was excludable under Rule 14a-8(i)(7) as the proposal related to general employee compensation matters); and Citigroup Inc. (Feb. 23, 2000) (proposal requesting the board “foster a broad-based ownership culture by creating an employee stock ownership plan (ESOP) or similar vehicle, in which all employees participate” was excludable under Rule 14a-8(i)(7) as the proposal related to general employee compensation matters). As with the above-mentioned proposals, the Proposal relates to the Company’s ordinary business operations as it addresses employee compensation matters. Therefore, it is excludable under Rule 14a-8(i)(7).

The Staff has specifically permitted the exclusion of proposals that request disclosure of stock-based compensation granted to employees. See Amazon.com, Inc. (Apr. 8, 2022) (the “Amazon” no-action letter) (proposal requesting a report on the distribution of stock-based incentives throughout the company’s workforce was excludable under Rule 14a-8(i)(7) as the proposal related to ordinary business matters); Wells Fargo & Co. (Mar. 14, 2011, recon. denied Apr. 5, 2011) (proposal requesting a report on employee compensation with such report disclosing information about compensation paid to the 100 highest paid employees was excludable under Rule 14a-8(i)(7) as the proposal related to the company’s ordinary business operations); American Home Products Corp. (Feb. 24, 2000) (proposal requesting a public report on employee ownership that would include disclosure of stock owned by employees and any strategies or plans for broadening employee ownership was excludable under Rule 14a-8(i)(7) as the proposal related to general employee compensation matters); MBNA Corp. (Feb. 23, 2000) (same). As in the Amazon, Wells Fargo, American Home Products and MBNA no-action letters described above, the Proposal is focused on the disclosure of employee stock-based compensation and is therefore excludable under Rule 14a-8(i)(7).

The Staff’s recent grant of Rule 14a-8(i)(7) no-action relief in the Amazon no-action letter concerned a nearly identical proposal. Both the Proposal and the Amazon proposal concern the disclosure of stock-based compensation distributed to company employees and both proposals are framed as promoting an “ownership culture” for employees. Structurally, the proposals are nearly identical. Both proposals: (i) request a board committee; (ii) issue an annual report; (iii) publicly disclosing stock-based compensation granted to employees; (iv) require that such disclosures be arranged in a matrix form, sorted by categories chosen by the board committee; (v) require the matrix to show aggregate amounts of stock ownership and voting power; and (vi) require the report to be issued before or concurrent with the company’s next annual proxy statement. In addition, the supporting statements of both the Proposal and the Amazon proposal are virtually identical.
Both the Proposal and the Amazon proposal are focused on employee compensation, but attempt to tangentially raise the issue of wealth inequality. In Amazon, the Staff agreed that the proposal did not focus on a significant social policy issue and stated that “the [p]roposal relates to, and does not transcend, ordinary business matters.” (Emphasis added). As in the Amazon proposal, the Proposal does not focus on a significant social policy issue but instead relates to the disclosure of employee compensation, an ordinary business matter. The resolved clause concerns detailed disclosures regarding employee stock-based compensation and the actions the Company would take pursuant to the Proposal would solely involve employee compensation matters. The Proposal also expresses certain policy views regarding stock as a preferred form of compensation for employees. These sentiments are similarly focused on employee compensation. The Proposal’s comments regarding wealth and income inequality are peripheral to the title, subject matter and actions to be taken pursuant to the Proposal and do not have a bearing on the overall interpretation of the Proposal. The Staff has previously permitted the exclusion of proposals under Rule 14a-8(i)(7), including in connection with the Amazon proposal, when the proposal mentioned, but did not focus on the issues of income and wealth inequality. See Amazon.com, Inc. (Mar. 1, 2017) (proposal urging the board to adopt principles for minimum wage reform and raising the issue of wealth inequality was excludable under Rule 14a-8(i)(7) as relating to ordinary business operations); Staples, Inc. (Mar. 8, 2016) (same); and Chipotle Mexican Grill, Inc. (Feb. 23, 2016) (same). Here, the Proposal is primarily focused on the allocation of stock compensation to employees. This does not relate to income and wealth inequality but instead relates to one component of the Company’s employee compensation. The Staff permitted the exclusion of the nearly identical Amazon proposal under Rule 14a-8(i)(7), and the Proposal should similarly be permitted to be excluded as it relates to general compensation matters and therefore, ordinary business operations. The Proposal focuses on employee compensation, which the Commission and Staff have long held to be a task that is fundamental to management’s ability to run a company on a day-to-day basis. In light of the Proposal’s focus on employee compensation, the Proposal is excludable under Rule 14a-8(i)(7) as it concerns the Company’s ordinary business operations.

CONCLUSION

Based on the foregoing analysis, and on behalf of the Company, we respectfully request that the Staff concur that the Company may exclude the Proposal and supporting statements from its 2022 proxy materials under Rule 14a-8(i)(7).

* * * * *

If the Staff disagrees with Company’s view that it can omit the Proposal, we request the opportunity to confer with the Staff prior to the final determination of the Staff’s position. If the Staff has any questions regarding this request or requires additional information, please contact me at kburke@cov.com or (202) 662-5297.

Very truly yours,

Kerry S. Burke
cc: Jennifer I. Henkel
    Director & Assistant General Counsel
    The Procter & Gamble Company

    Myra K. Young
    John Chevedden
Ms. Debbie Majoras, Chief Legal Officer and Secretary  
The Procter & Gamble Company  
c/o The Corporate Secretary’s Office  
One Procter & Gamble Plaza  
Cincinnati, OH 45202-3315  
Via: [redacted]  

April 21, 2022

Dear Corporate Secretary,

I am submitting the attached shareholder proposal, which I support, for a vote at the next annual shareholder meeting to request that Procter & Gamble Company Create an Ownership Culture. I intend to hold the requisite number of shares required by Rule 14a-8 through the 2023 annual meeting.

Our submitted format, with the shareholder-supplied emphasis, is intended to be used for definitive proxy publication. We are available to meet with the Company’s representative via phone on May 19, 2022, at 7:00am or 7:30am Pacific or at a time that is mutually convenient.

This letter confirms that I am delegating John Chevedden to act as my agent regarding this Rule 14a-8 proposal, including presentation at the forthcoming shareholder meeting but not with regard to submission, negotiations or modification, which will require my approval or that of my husband, James McRitchie (redacted). Please direct future communications regarding my rule 14a-8 proposal to John Chevedden (PH: [redacted]) at: [redacted] to facilitate prompt communication.

You can avoid the time and expense of filing a deficiency letter to verify ownership by simply acknowledging receipt of my proposal promptly by email to [redacted]. That will prompt us to request the required letter from my broker and to submit it to you. Per SEC SLB 14L https://www.sec.gov/corpfin/staff-legal-bulletin-14l-shareholder-proposals, Section F, Staff “encourages both companies and shareholder proponents to acknowledge receipt of emails when requested.” Please honor our request to promptly acknowledge receipt of this email and attachment.

Your consideration and the consideration of the Board of Directors is appreciated in responding to this proposal. We are open to negotiating changes to the proposal and/or withdrawal. We expect to forward a broker letter soon. Therefore, if you simply acknowledge my proposal in an email message to [redacted] it may not be necessary for you to request such evidence of ownership.

Sincerely,

Myra K. Young  

Date

cc: “Roblver, Giles” [redacted], “Lane, Sandy” [redacted], “Shepherd, Aaron” [redacted]
Proposal 4* - **Create an Ownership Culture**

**Resolved:** Procter & Gamble ("Company") shareholders request the Board's Compensation & Leadership Development Committee ("Committee") report annually all stock distributed to employees, directors and consultants under compensation plans approved by shareholders. The report should include a matrix, sorted by an appropriate classification scheme with five or more categories chosen by the Committee, showing aggregate amounts of stock ownership distributed and utilized, including associated voting power, if any. The Committee should issue the report before or concurrent with the next annual proxy statement.

**Supporting Statement:**

In 2003 the Securities and Exchange Commission in 2003 approved an NYSE mandate that shareholder approval be obtained for specified equity compensation plans before they can be awarded.¹ Our Company recognizes stock ownership as an incentive for directors and named executives, reporting annually on utilization. We ask our Company to track and disclose similar information and associated voting power using meaningful classifications to create an ownership culture for all employees.

Widespread employee ownership is correlated with better firm performance, fewer layoffs, better employee compensation and benefits, higher median household wealth, longer median job tenure, and reduced racial and gender wealth gaps.² It also has a long history of bipartisan support.³ Our Company should educate and promote ownership plans and progress towards an engaged employee ownership culture.⁴

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⁴ [https://sm.rutgers.edu/faculty-research-engagement/instudy-employee-ownership-and-profit-sharing](https://sm.rutgers.edu/faculty-research-engagement/instudy-employee-ownership-and-profit-sharing)
Wealth inequality in the United States has increased dramatically, is widely recognized as a significant social policy issue, and brings many problems, such as political polarization. Employee ownership is key to addressing this social policy in a bipartisan manner.

Providing stock ownership incentives to boards and executives but not to all U.S. company employees has led to glaring inequality. Our Company's last reported "pay ratio" was 333:1. A similar ratio comparing stock ownership and/or the voting power of named executives with those of typical employees would probably be much higher.

From 1973 to 2018, inflation-adjusted wages for nonsupervisory American workers were flat. Meanwhile, a dollar's worth of stock grew (in real terms) to $14.09. Hourly wages stagnated. Income from capital ownership accelerated. The top 10% of American households earned 97% of capital gains. Typical White families own nearly 10x the average Black family. Single women own only 36% of what typical men own. That gap is greater for women of color. Strengthening employee ownership would help address these inequities, while generating higher value for all shareholders.

Employee engagement and trust are crucial to success. Expanding the Committee's perspective beyond executive compensation would give them "a better grasp on how human talent matters for the company's business strategy and operations." Our Company could benefit shareholders, employees, and the economy by leading on this issue.

Increase Long-Term Shareholder Value
Vote to **Create an Ownership Culture** – Proposal [4*]

[This line and any below, except for footnotes, are not for publication.]
Number 4* to be assigned by Company

The graphic included above is intended to be published with the rule 14a-8 proposal. It would be the same size as the largest management graphic (or highlighted management text) used in conjunction with a management proposal or opposition to a Rule 14a-8 shareholder proposal in the 2022 proxy.

The proponent is willing to discuss mutual elimination of both shareholder graphic and any management graphic in the proxy in regard to this specific proposal. Reference SEC Staff Legal Bulletin No. 14I (CF) [16].

Companies should not minimize or otherwise diminish the appearance of a shareholder's graphic. For example, if the Company includes its own graphics in its proxy statement, it should give similar prominence to a shareholder's graphics. If a company's proxy statement appears in black and white, however, the shareholder proposal and accompanying graphics may also appear in black and white.

Notes: This proposal conform with Staff Legal Bulletin No. 14B (CF), September 15, 2004 including (emphasis added):

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5 https://nequity.org/acts/wealth-nequity/
6 https://www.pewresearch.org/fact-tank/2020/02/07/6-facts-about-economic-nequity-n-the-u-s/
9 https://ownersh pamer ca.org/the-prob em/
Accordingly, going forward, we believe that it would not be appropriate for companies to exclude supporting statement language and/or an entire proposal in reliance on rule 14a-8(i)(3) in the following circumstances:

- the Company objects to factual assertions because they are not supported;
- the Company objects to factual assertions that, while not materially false or misleading, may be disputed or countered;
- the Company objects to factual assertions because those assertions may be interpreted by shareholders in a manner that is unfavorable to the Company, its directors, or its officers; and/or
- the Company objects to statements because they represent the opinion of the shareholder proponent or a referenced source, but the statements are not identified specifically as such.

We believe that it is appropriate under rule 14a-8 for companies to address these objections in their statements of opposition.

See also Sun Microsystems, Inc. (July 21, 2005)

I also take this opportunity to remind you of the SEC’s recent guidance and my request that you acknowledge receipt of this shareholder proposal submission. SLB 14L Section F, [https://www.sec.gov/corpfin/staff-legal-bulletin-14l-shareholder-proposals](https://www.sec.gov/corpfin/staff-legal-bulletin-14l-shareholder-proposals), Staff "encourages both companies and shareholder proponents to acknowledge receipt of emails when requested."