

WHEREAS: Insurance companies have a critical role to play in meeting the Paris Agreement’s 1.5 degrees Celsius (“1.5°C”) goal, requiring Net Zero greenhouse gas (GHG) emissions by 2050. Projections¹ show that limiting global warming to 1.5°C versus 2 degrees will save \$20 trillion globally by 2100, while exceeding 2 degrees could lead to hundreds of trillions in damages.² The U.S. insurance industry is under increasing pressure to address its contributions to climate change from underwriting, insuring, and investing in high emitting activities.³

These financial activities contribute to systemic portfolio risk to the global economy, investors, and insurers’ profitability.

Growing public pressure for the insurance industry to account for its climate-related risks is exemplified by legislation passed in Connecticut requiring regulators to incorporate emissions reduction targets into their supervision of insurers.⁴

Shareholders are concerned that Berkshire Hathaway Inc. (“Berkshire”) is not adequately reducing the climate footprint of its insurance operations, which make up over 26% of its business and is its largest value segment.⁵ This failure creates significant risk. Berkshire reported pre-tax losses of \$3.4 billion from Hurricane Ian in 2022 and an insurance and reinsurance underwriting loss of \$962 million, up from a \$784 million loss last year.⁶ This follows a larger global trend: insured losses from natural disasters exceeding those from the prior 10 years, with \$105 billion in 2021 alone.⁷

Berkshire is a laggard on climate in the global insurance sector, scoring 0 of 10 in a survey of the 30 largest global insurers; its ranking has declined year over year since 2018.⁸ Berkshire also earned a zero in recent scoring by the Climate Action 100+ for lack of compliance with the Net Zero Company Benchmark.⁹ In contrast, peers are beginning to address the GHG emissions associated with their underwriting and investment activities. 29 global insurers have joined the United Nations’ Net Zero Insurance

¹ <https://www.nature.com/articles/d41586-018-05219-5>

² <https://www.nature.com/articles/s41467-020-18797-8/>

³ <https://shareaction.org/reports/insuring-disaster-a-ranking>

⁴ <https://www.businessinsurance.com/article/20210617/NEWS06/912342605/Connecticut-bill-calls-for-regulation-of-insurers%E2%80%99-climate-risks>

⁵ <https://www.spglobal.com/esg/insights/completing-data-gaps-in-environmental-performance-disclosure>

⁶ <https://www.reinsurancene.ws/berkshire-hathaway-reports-re-insurance-underwriting-loss-amid-hurricane-ian-claims-of-3-4bn/>

⁷ <https://www.swissre.com/media/press-release/nr-20211214-sigma-full-year-2021-preliminary-natcat-loss-estimates.html>

⁸ <https://insure-our-future.com/company/berkshire-hathaway/>

⁹ <https://www.climateaction100.org/company/berkshire-hathaway/app://resources/notifications.html>

Alliance, committing to transition emissions from insurance and reinsurance underwriting portfolios to Net Zero by 2050.

Berkshire does not measure or disclose its financed emissions, including those attributable to underwriting and insuring, nor has it adopted targets aligned with the Paris Agreement's 1.5°C goal. In 2022, 46.7% of independent shareholders voted in favor of a resolution seeking 1.5 degree-aligned goals. Since the vote, Berkshire has not taken responsive action.

BE IT RESOLVED: Shareholders request that Berkshire issue a report, at reasonable cost and omitting proprietary information, addressing if and how it intends to measure, disclose, and reduce the GHG emissions associated with its underwriting, insuring, and investment activities in alignment with the Paris Agreement's 1.5°C goal, requiring net zero emissions.

SUPPORTING STATEMENT: Shareholders recommend the report disclose at board discretion:

- Whether Berkshire will begin measuring and disclosing emissions associated with its full range of business activities, and by when;
- Whether Berkshire will set a Paris-aligned, net zero goal, and interim aligned targets, and on what timeline.