

BE IT RESOLVED: Shareholders request that Berkshire Hathaway Inc. (“Berkshire”) report to shareholders on the effectiveness of the Company's diversity, equity, and inclusion efforts. The report should be done at reasonable expense, exclude proprietary information, and provide transparency on outcomes, using quantitative metrics for hiring, retention, and promotion of employees, including data by gender, race, and ethnicity.

SUPPORTING STATEMENT: Quantitative data is sought so that investors can assess and compare the effectiveness of companies’ diversity, equity, and inclusion programs.

WHEREAS: At the April 2022, Berkshire Annual Meeting, in response to a shareholder resolution with the same data disclosure request as this one, Warren Buffet stated, “If I’d been born female, black in various other countries, I would not have had remotely the life that I’ve enjoyed.” He also stated that “40 or 50 years ago” corporate America was a “boys’ club” and that how it treats Black individuals has not “changed by a substantial margin.”

Mr. Buffet, however, indicated an inaccurate understanding of the request being made by these shareholder resolutions, stating, “the idea that we should replace any of the people that run the businesses ... I just don’t think that’s the way to operate.”

These shareholder resolutions do not seek to replace well-performing managers. They seek to understand how well Berkshire companies are hiring, promoting, and retaining the best possible employees.

Numerous studies have pointed to the benefits of a diverse workforce. Findings include:

- Companies with high executive ethnic diversity were 33 percent more likely to have financial returns above their industry medians than those with low executive ethnic diversity.¹
- There was a positive association between diversity in management and cash flow, net profit, revenue, and return on equity.²

Researchers have found that White applicants receive an average of 36 percent more callbacks than Black applicants and 24 percent more callbacks than Latinx applicants.³ For every 100 men who are promoted, only 86 women are.⁴ Morgan Stanley has found that employee retention can indicate a competitive advantage and higher levels of future profitability.⁵

¹<https://www.mckinsey.com/business-functions/people-and-organizational-performance/our-insights/delivering-through-diversity>

² <https://www.asyouow.org/report-pages/workplace-diversity-and-financial-performance>

³ <https://hbr.org/2017/10/hiring-discrimination-against-black-americans-hasnt-declined-in-25-years>

⁴ https://wiw-report.s3.amazonaws.com/Women_in_the_Workplace_2021.pdf

⁵ https://www.morganstanley.com/im/publication/insights/articles/article_culturequantframework_us.pdf

94 percent of the S&P 100 have released, or have committed to release, their EEO-1 forms, a best practice in diversity data reporting. In contrast, of the 63 companies listed on the Berkshire website,⁶ only one, Kraft Heinz, releases its EEO-1 form.

Between September 2020 and September 2022, S&P 100 companies increased their release of hiring rate data by gender, race, and ethnicity by 298 percent; retention rate data by 481 percent; and promotion rate data by 300 percent.⁷ Berkshire companies provide almost no diversity, retention, or promotion data. Only three provide even limited inclusion data. Investors have insufficient workforce diversity and inclusion data to determine the effectiveness of Berkshire's human capital management programs.

⁶ <https://www.berkshirehathaway.com/subs/sublinks.html>

⁷ <https://www.asyousow.org/our-work/social-justice/workplace-equity>