



WHEREAS: With the increased severity and frequency of climate-related, extreme weather impacts, financial risk to the insurance industry is increasing year over year. The frequency of natural catastrophes between 2010 and 2022 increased 28% over the prior decade,¹ and catastrophe losses in the first half of 2023 were the highest in over two decades.² Swiss Re reports that with no mitigating actions against greenhouse gas (GHG) emissions increase, there will likely be a global average drop in GDP output of 18% by 2050.³

In 2022, Berkshire Hathaway's insurance underwriting generated a loss of \$90 million compared to earnings of \$657 and \$728 million in 2020 and 2021.⁴

Berkshire is amplifying risk by continuing to invest in and underwrite high GHG-emitting activities. Berkshire owned approximately 12% of all oil and gas assets held by insurance companies in 2019 (\$20.6 billion)⁵ and holds the second largest insurance industry stake in coal, at 7.84%.⁶ In contrast, 41 peer insurers, representing nearly 40% of the market for primary insurance, have withdrawn or reduced coal coverage, a number that doubled in the last two years.⁷

In 2022, a global GHG accounting and reporting standard for insurance emissions launched, providing a standardized methodology to measure and disclose GHG emissions for insurance and underwriting portfolios.⁸ Both the Net Zero Insurance Alliance and the Net Zero Asset Owners Alliance highlight the importance of setting Net Zero by 2050 and interim goals for financed and insured emissions to meet the Paris Agreement's 1.5°C goal.

Berkshire does not disclose or set targets for its invested or insured GHG emissions, despite growing climate-related financial risk. Berkshire is falling behind peers. Both

¹ <https://www.verzekeraars.nl/media/11456/gfia-report-global-protection-gaps-and-recommendations-for-bridging-them.pdf>, p. 20

² <https://www.businesswire.com/news/home/20230803387647/en/Inflation-High-CAT-Losses-to-Lead-to-2023-Underwriting-Loss-for-PC-Industry-But-Recession-Likely-Avoided-This-Year-New-Triple-I-Milliman-Report-Shows>

³ <https://www.swissre.com/media/press-release/nr-20210422-economics-of-climate-change-risks.html>

⁴ <https://www.berkshirehathaway.com/2022ar/2022ar.pdf>, p.K-33

⁵ <https://www.ceres.org/sites/default/files/reports/2023-08/Changing%20Climate%20for%20the%20Insurance%20Sector%20Research%20and%20Insights.pdf>, p.26

⁶ <https://www.ceres.org/sites/default/files/reports/2023-08/Changing%20Climate%20for%20the%20Insurance%20Sector%20Research%20and%20Insights.pdf>, p.26

⁷ <https://insure-our-future.com/wp-content/uploads/2023/02/SP-IOF-2022-Scorecard-v0.8-online-3.pdf>, p.7

⁸ <https://carbonaccountingfinancials.com/en/newsitem/pcaf-launches-the-global-ghg-accounting-and-reporting-standard-for-insurance-associated-emissions>



Travelers⁹ and AIG¹⁰ have begun disclosing financed emissions; AIG¹¹ and the Hartford¹² have set net zero goals for their insured and financed emissions, as have several European re-insurers including Swiss Re.¹³ Berkshire recently earned a near-zero score on decarbonization metrics in the Climate Action 100+ 2023 Net Zero Company Benchmark.¹⁴

BE IT RESOLVED: Shareholders request that Berkshire issue a report, at reasonable cost and omitting proprietary information, disclosing 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.

SUPPORTING STATEMENT: Shareholders recommend at board discretion, that Berkshire’s report include a timeline for when it will begin measuring and disclosing emissions and when it will set and publish a Paris-aligned 2050 emissions reduction goal, with interim targets.

⁹ https://sustainability.travelers.com/iw-documents/sustainability/Travelers_TCFDReport2022.pdf, p.34;
https://www.aig.com/content/dam/aig/america-canada/us/documents/about-us/report/aig-esg-report_2022.pdf, p.32

¹⁰ https://www.aig.com/content/dam/aig/america-canada/us/documents/about-us/report/aig-esg-report_2022.pdf, p.32

¹¹ https://www.aig.com/content/dam/aig/america-canada/us/documents/about-us/report/aig-esg-report_2021.pdf.coredownload.pdf, p.38

¹² https://s0.hfdstatic.com/sites/the_hartford/files/sustainability-highlight-report.pdf, p.14

¹³ <https://www.swissre.com/dam/jcr:5863fbc4-b708-4e61-acc7-6ef685461abb/esg-risk-framework.pdf>, p.13

¹⁴ <https://www.climateaction100.org/company/berkshire-hathaway/>