



Berkshire Hathaway Inc (BRK)

Vote Yes: Item #4 – Establish Effective Oversight of Workforce Practices to Support Long-Term Value Creation

Annual Meeting: May 2, 2026

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THE RESOLUTION

BE IT RESOLVED: Shareholders request that Berkshire Hathaway Inc., at reasonable cost and omitting proprietary information, publish a report disclosing the Board’s oversight framework for workforce and human-capital management across its operating subsidiaries.

RATIONALE FOR A YES VOTE

Workforce and human capital management are critical drivers of long-term corporate value creation. Workforce recruitment, retention, training, and safety practices directly affect operational performance, risk management, and innovation capacity. Effective workforce governance is a financially material issue requiring meaningful board oversight.

It is reasonable for investors to seek an understanding of the Board’s oversight of this key component of corporate success, particularly given the decentralized model under which Berkshire Hathaway operates. While subsidiaries operate independently, investors depend on Berkshire’s board to provide consistent oversight of the quality of the subsidiary companies, ensuring that systems exist to identify and ameliorate workplace culture problems, should they exist.

At present, investors have limited visibility into how Berkshire’s Board monitors workforce practices, assesses human capital risks, or ensures effective governance across its portfolio companies. This lack of transparency is increasingly concerning given Berkshire’s diverse operations in industries where workforce safety, cohesion, and retention are operationally critical.

DISCUSSION

Unclear Practices

Berkshire’s disclosures create confusion as to whether, and to what extent, the Board exercises oversight of human capital management and workplace culture at its subsidiary companies. This lack of clarity should be addressed.

In opposing this resolution in its 2026 proxy, Berkshire states that it “manages its operating businesses on an unusually decentralized basis and has minimal involvement in these businesses’ day-to-day activities, consistent with its longstanding culture.” It further asserts that: “matters related to workforce and human capital management are appropriately placed within the businesses’ oversight and discretion” given variation across geographies and industries.

These statements appear to conflict with the responsibilities set forth in the Company’s Audit Committee Charter. The Charter states that the Committee is responsible for: “discuss[ing] guidelines



and policies governing the process by which senior management of the Company and the relevant departments of the Company assess and manage the Company's exposure to risk, including . . . social risks such as . . . diversity"¹

In its 2025 proxy statement, Berkshire reaffirmed this role for the Audit Committee, noting that the Audit Committee's responsibilities include oversight of processes for assessing and managing social risks including diversity.² It also disclosed that the Audit Committee engages directly in diversity-related risk oversight, meeting at least quarterly to "discuss guidelines and policies" governing how management assesses and manages risks related to "diversity and inclusion."³

Taken together, these disclosures suggest that the Board—through its Audit Committee—does or should exercise oversight over at least some aspects of human capital management for its subsidiaries, particularly where such matters intersect with enterprise risk. This tension between the Audit Committee charter and its current position that human capital management matters are solely within the discretion of subsidiary management, must be resolved.

Relevancy of the Request

This resolution does not seek extensive new disclosures. Rather it requests clarification of the Board's existing oversight framework for workforce and human-capital management across Berkshire's subsidiaries. This is a straightforward request to disclose the processes that the Company has already indicated are in place.

If the Company's current position is accurate, that headquarter's exercises no or limited oversight of matters related to its subsidiaries' workforce and human capital management practices, Berkshire Hathaway's decentralization creates a structural transparency gap in how workforce and human capital risks are governed across the Company's subsidiaries. In sectors such as rail, energy, aviation, and industrials, workforce safety, training, and culture are not peripheral, rather they are core to continuity of operations and long-term value.

Evidence from Berkshire's subsidiaries illustrates the materiality of workplace management and human capital risks. At NetJets, a Berkshire subsidiary, the pilots' union has raised concerns regarding pilot training, safety, and maintenance cultures, highlighting potential weaknesses in the Company's safety and workforce practices within a critical aviation asset.⁴ At Lubrizol, another Berkshire subsidiary, serious safety and training concerns culminated in a fire that caused approximately \$380 million in property damage and led to a class action settlement, underscoring both operational and financial exposure from inadequate safety and human capital management.⁵ Other major Berkshire holdings, such as BNSF Railway, Berkshire Hathaway Energy, and Johns Manville, are highly dependent on

¹ <https://www.berkshirehathaway.com/govern/audit.pdf>

² <https://www.sec.gov/ix?doc=/Archives/edgar/data/0001067983/000119312525054877/d812428ddef14a.htm>

³ <https://www.sec.gov/ix?doc=/Archives/edgar/data/0001067983/000119312525054877/d812428ddef14a.htm>

⁴ <https://www.reuters.com/legal/buffetts-netjets-sues-pilots-union-defamation-2024-06-05/>

⁵ <https://www.lawmbg.com/2024/09/chemtool-settlement-agreement/>



cohesive teams, strong safety cultures, and stable, skilled workforces to operate reliably and safely.⁶ It is unclear if non-disclosure agreements (NDAs) or mandatory arbitration agreements are in place at the Berkshire companies, so it is possible that other significant incidents have occurred that were not made public.

The Board's Role

As leading governance bodies have emphasized, boards that ignore workforce issues risk blind spots on strategy, culture, and operational risk.⁷

A McKinsey and Company study notes that boards are shifting from narrow oversight limited to CEO succession and executive pay to a broader view of talent, culture, and organizational health across all levels of the enterprise. Best practices for boards are challenging management on whether the organization has the talent pipelines, skills, and culture required to deliver strategy at scale and at speed.⁸

From a risk perspective, failures in workforce management frequently manifest as safety incidents, litigation, regulatory penalties, reputational damage, and impaired operations.⁹ The Berkshire board is uniquely positioned to ensure such risks are identified, prioritized, and addressed across its enterprises.

CONCLUSION

Shareholders seek better insight into how the Berkshire Board views and implements its responsibilities related to workforce and human capital management at its subsidiaries. Providing a clearer description of Board oversight of this issue would not require dismantling Berkshire's decentralized operational model, nor is a detailed and extensive report needed. Rather, investors seek greater insight into how the Board views and implements its responsibilities related to this important management issue.

Vote "Yes" on this Shareholder Proposal #4.

For questions, please contact Meredith Benton, As You Sow, benton@asyousow.org

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⁶ <https://www.asyousow.org/resolutions/2025/11/5-berkshire-hathaway-effective-workforce-practices-to-support-long-term-value-creation>

⁷ <https://www.nacdonline.org/all-governance/governance-resources/governance-research/director-faqs-and-essentials/board-oversight-of-human-capital/>; <https://www.mckinsey.com.br/capabilities/strategy-and-corporate-finance/our-insights/boards-talent-and-culture>.

⁸ <https://www.mckinsey.com/capabilities/strategy-and-corporate-finance/our-insights/the-boards-role-in-building-resilience>

⁹ <https://www.nacdonline.org/all-governance/governance-resources/governance-research/director-faqs-and-essentials/board-oversight-of-human-capital/>



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2026 Proxy Memo

Berkshire Hathaway Inc | Establish Effective Oversight of Workforce Practices to Support Long-Term Value Creation

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