

# Briefing Warren Buffett

## on the Urgency of Climate Action at the 2017 Berkshire Hathaway Shareholder Meeting

by Matt Gregory  
*Nebraskans for Peace State Board  
Treasurer*

From the Berkshire Hathaway (BH) board of directors' curt comments in the proxy statement sent to shareholders in March, we knew going in that the May 6, 2017 Annual Meeting at Omaha's CenturyLink Arena would be an environment hostile to the Nebraska Peace Foundation's latest shareholder proposal. What we didn't expect was absolute silence on the issue.

For the second consecutive year, the Nebraska Peace Foundation (NPF) submitted a proposal to Berkshire Hathaway for consideration at the company's annual shareholder meeting. NPF's 2016 proposal calling for an analysis of the risk climate change poses to BH's insurance division elicited enough favorable response from Warren Buffett that the Foundation decided to now ask BH to divest of its fossil fuel holdings over 12 years. To bolster its proposal, the Nebraska Peace Foundation board invited internationally renowned climate scientist Michael Mann and his scientific colleagues Richard Somerville and retired Navy Rear Admiral David Titley, Winnebago Tribe of Nebraska member Frank LaMere, and Creighton University theologian Richard Miller to speak in support of the measure written by former Nebraskans for Peace president Mark Vasina.

Allowing Berkshire Hathaway 12 years to fully divest from fossil fuels, the NPF board believed, provided a generous horizon that precluded any risk to the company's short-term profitability. In fact, the business case for speedier divestment is already being made. BlackRock, the world's largest

asset manager with \$5 trillion in assets (and a Berkshire shareholder) put out a 'white paper' this past September warning that climate risk to businesses must be addressed. "We [BlackRock] have over the past two years undertaken a number of internal projects to enhance our understanding of climate change and believe that it presents significant investment risks and opportu-



nities that have the potential to impact the long-term shareholder value of many companies." BH board member Bill Gates himself has already divested his own "The Bill & Melinda Gates Foundation" from BP and ExxonMobil, so it's not as though NPF was asking for something the least bit extreme.

But although Buffett had earlier during the Q & A part of the meeting stated that "coal is going to go down... if you are tied to coal, you've got problems" and that he had a "big appetite" for more billion-dollar wind and solar energy projects, he didn't so much as utter a word in response to any of the presenters' two-minute statements. His silence stood in stark contrast to last

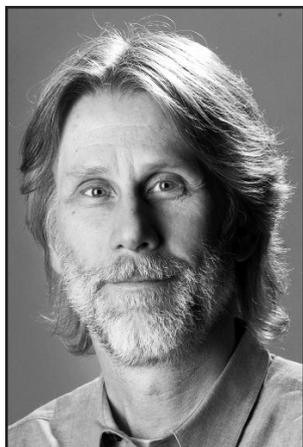
year when he affably engaged with each of the seven people who spoke. It was almost as if he feared that by speaking he would only make things worse. He could hardly dispute the scientific assessments of three nationally acclaimed climate experts. And what could he say when his own words from his February 2015 shareholder letter about "Noah's Law"—that if there's just a 1 percent chance of catastrophic climate change, inaction now is foolhardy—were being recited back to him? Nor could it have been comfortable to have a Native American publicly talk about the threat BH's Dakota Access Pipeline investment presents to the Standing Rock Sioux Tribe... nor that, in Professor Miller's phraseology, Berkshire Hathaway's continued investments in fossil fuels constitute an "an ethical house of cards."

After the final announced speaker, Mr. Buffett had clearly heard enough and called for the vote, even as I stepped up to the microphone and someone else waited behind me. With Buffett himself owning 30 percent of BH's stock, the resolution was resoundingly defeated 594,044 to 7,784 (though every speaker had received a sizable round of applause). What was said though on Yahoo's live stream broadcast literally around the world will linger on. For 12 solid minutes, we had Warren Buffett's undivided attention on climate change. Berkshire Hathaway can never again plead ignorance. Buffett and the BH board now know that the time to start reducing our carbon emissions was yesterday. And to be doing anything that augments them is now not only foolhardy but criminal.

# Fossil Fuels Divestment Proposal Statements

## Mark Vasina

A former Wall Street regulator, Mark Vasina is the past president of Nebraskans for Peace, and board member of the Nebraska Peace Foundation. He authored the fossil fuel divestment proposal.



*My name is Mark Vasina, and I represent the Nebraska Peace*

*Foundation. We are here today to urge your support for our resolution calling upon Berkshire Hathaway to divest of its carbon-based assets over a period of 12 years, a very modest proposal indeed.*

*At the shareholders meeting last year we asked BH to review and report on its exposure to the risks to its insurance businesses posed by climate change, following the lead of the Bank of England, which had recommended such measures to the insurance companies it regulates. After the meeting, we were approached by various shareholders who insisted that we should be seeking full divestiture of carbon assets... so here we are.*

*We understand that divestiture for a public company that invests in other companies poses somewhat different challenges than those faced by university endowments, pension funds and foundations—including The Bill and Melinda Gates Foundation—which have already divested or developed divestiture plans. However, divestiture is not just a social, ethical or moral issue. As the Bank of England emphasized, real financial risks are associated with ownership of carbon assets. These include regulatory and political risks, and changes in technology and investor sentiment.*

*I will be followed by three prominent climate scientists, Frank LaMere of the Winnebago Tribe of Nebraska, and Creighton University theology professor Richard Miller. Thank you for providing us this opportunity to speak.*

## Michael Mann

Dr. Michael E. Mann, Distinguished Professor of Atmospheric Science and Director of the Penn State Earth System Science Center, is internationally renowned for his ground-breaking research on climate change—including the famed



“hockey stick curve.” The author of more than 200 publications and three books, Professor Mann was selected by *Bloomberg News* as one of the 50 most influential people in 2013. His most recent book, co-authored with Pulitzer Prize-winning editorial cartoonist Tom Toles, is *The Madhouse Effect: How Climate Change Denial Is Threatening Our Planet, Destroying Our Politics, and Driving Us Crazy*.

*Dear Chairman Buffett, board members and shareholders:*

*As a climate scientist who devotes much of his time to communicating the reality and threat of climate change, it is an honor to have this opportunity to speak to you today.*

*Warren Buffet, known as the “Wizard of Omaha” is an inspiration to many—a symbol of the value of work ethic, self-made success AND the great reward that comes with foresight.*

*Now, foresight means recognizing both opportunity and risk. And when it comes to risk, there is no better example than climate change.*

*I recently co-authored an article in the journal Scientific Reports demonstrating that climate change played a key role in the onslaught of unprecedented, devastating droughts, floods and heat waves in recent years. The impacts we’re now seeing are the tip of the proverbial iceberg. **Carbon emissions must be brought down dramatically within the next few years if we are to avoid the worst impacts of climate change.***

*Mr. Buffett coined the term “Noah’s Law” in his 2015 shareholder letter, to describe the risk posed by climate change, stating: “... if there is only a one percent chance the planet is heading toward a truly major disaster and delay means passing a point of no return, inaction now is foolhardy.”*

*I couldn’t agree more. The science tells us that we are heading toward disaster in the absence of substantial reductions in greenhouse gas emissions.*

*Board member Bill Gates demonstrated bold leadership a year ago when The Bill & Melinda Gates Foundation announced it was divesting of fossil fuel holdings. Were Mr. Buffett to follow suit, it would send a profound message to the rest of the global business community, a message that we can both mitigate risk, and seize opportunity—in the form of massive growth in new, clean energy technology—by tackling this problem head-on before it’s too late.*

*Thank you.*

## Richard Somerville

Dr. Richard C. J. Somerville is Distinguished Professor Emeritus and Research Professor at Scripps Institution of Oceanography, University of California, San Diego. An authority on the prospects for climate change in coming decades, he is a Coordinating Lead Author of the Intergovernmental Panel on Climate Change (IPCC), which shared the 2007 Nobel Peace Prize with Al Gore. Professor Somerville serves on the “Science and Security Board” of the Bulletin of the Atomic Scientists, whose “Doomsday Clock” now sits at two-and-one-half minutes to midnight—due in part to the threat to humanity posed by severe climate change.



*My name is Richard Somerville. I am a climate scientist and a professor at the University of California, San Diego.*

*The world is warming. It isn’t natural. It is due to human activities. It is getting worse. The observational evidence is overwhelming. All the warmest years globally are recent years.*

*We see the weather changing. We see more severe floods and droughts. Sea level rise is accelerating. Ice sheets and glaciers are shrinking worldwide.*

*Climate change will become more serious unless emissions of heat-trapping gases and particles are quickly and drastically reduced.*

*The biggest unknown about future climate is human behavior. Everything depends on what humanity does now. We have our hands on the thermostat that controls the climate of our children and grandchildren.*

*In 2015, the nations of the world agreed in Paris on how much warming can safely be allowed. The Paris target was informed by science. To meet that target, science shows that emissions need to be reduced drastically and quickly. We can’t just muddle through. Dithering and procrastinating lead to catastrophe.*

*Alleviating the disruption of climate change is cheap, compared to coping with the damage that unmitigated climate change will cause. Want an example? Doing nothing about climate change means that sea level will become so high that coastal cities must eventually be abandoned.*

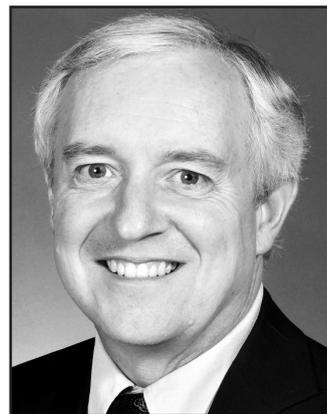
*We caused this problem. We can solve it. Polls show that most Americans want strong actions to limit climate change. The forces driving clean energy are powerful. The market is turning against fossil fuels. The prices of solar and wind energy are dropping. They can already compete without subsidies. Vehicle electrification is happening fast. Clean energy provides jobs and economic growth. Progress and prosperity don’t require emitting heat-trapping gases.*

*Berkshire Hathaway and Warren Buffet are rightly admired and respected worldwide. Helping the world confront climate change should be an important part of their legacy. We owe it to our children and grandchildren.*

*Thank you.*

## David Titley

Retired Rear Admiral David W. Titley is a Professor of Practice in Meteorology and a Professor of International Affairs at Penn State where he directs the “Center for Solutions to Weather and Climate Risk.” The former commander of the Naval Meteorology and Oceanography Command, Professor Titley initiated and led the U.S. Navy’s Task Force on Climate Change while serving in the Pentagon. He is a board member of the “Science and Security Board” of the Bulletin of the Atomic Scientists and the Center for Climate and Security, which focuses on the risk climate disruption poses to our nation’s security.



# Fossil Fuels Divestment Proposal

*I am David Titley, Retired Rear Admiral, former Oceanographer of the Navy, and now a Professor of Practice at Penn State. I've been a shareholder of Berkshire Hathaway since December 2000. Thank you for your leadership of this enterprise.*

*When stationed at the Pentagon, I had the privilege of working directly for the Pentagon's foremost strategic planner: Mr. Andrew Marshall. He taught me how to think about risk, and especially risks that may seem to be distant or low probability, but ones with very high impacts. **Climate change is a fat-tailed, emerging risk.***

***It's really a risk to people—to us—and when this risk is not managed, we have a security problem.***

*One example would be Syria. Climate is one of the links in a long chain of events that led to the tragic outcome.*

*Non-climate events, such as over a million refugees pouring into Syrian cities from the Iraq war stressed Syrian governance. Then, about a decade ago, an exceptionally intense drought and heat spell, linked with high confidence to a changing climate, devastated Syrian agriculture.*

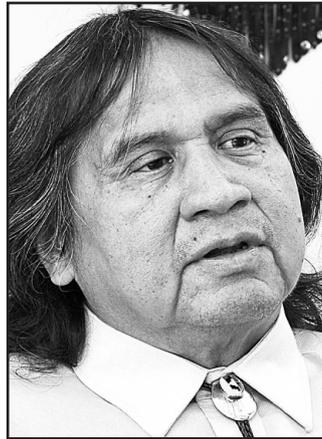
*Now you have millions of desperate people, with nothing—and a breeding ground for extremists.*

***Syria is an example of why, in the security community, we say that climate change accelerates the risks of instability—it can make bad places worse—much worse.***

***Senior military officers know you must address risks and take precautions while you can—before it's too late.** The U.S. Defense Department understands the risks of climate change and has been working quietly to adapt to the changing climate for years.*

*Winston S. Churchill is alleged to have said "Americans can always be counted upon to do the right thing—after exhausting every other possibility." But we will prevail—and you, Sir, can help. Here's my ask: What are government and business leaders doing to stabilize the climate? We should reduce, rather than accept, the risks of unchecked climate change.*

*Because the ice doesn't care which party controls the White House, or the Congress—it just melts. Thank you.*



## Frank LaMere

Frank D. LaMere is a member of the Winnebago Tribe of Nebraska. A nationally prominent spokesperson on Native American issues, LaMere has been advocating for political and economic justice and empowerment for Indian citizens for over 40 years through speeches, legislative testimony and direct nonviolent action.

He more than other person is responsible for publicizing the predatory sale of alcohol to the

dry Pine Ridge Reservation from the border town of Whiteclay, Nebraska, and—after 18 years—for finally ending this century-long human rights and sovereignty transgression against the Oglala Lakota Nation.

*It was the indigenous people of this continent who first consecrated the ground on which we live and grow—who offered up prayers and petitions asking that we be allowed to live and to provide a way for the generations to come! In exchange for the blessings given by the Creator, our forebears agreed to be good stewards of the land. We knew that it was a sacred trust.*

*The stewardship of our Mother Earth who provides for us has now changed, but the covenant remains the same. Let there be no mistake about that my relatives! **If we continue to disrespect our Earth Mother those things given us—bountiful harvest, protection from the elements, and good clean water—will surely be taken from us! Our elders speak of it! It has been foretold!***

*On Christmas Eve my son came from Standing Rock to visit us for one hour. His mother and I worried about him! How is it there? Why did you go? I asked! He said, "It is dangerous, Dad, but someone has to protect our water." I nodded and said Ah-Ho! That is good! He is a water protector. I stand on his shoulders! "Mni Wiconi" the protectors proclaim. Water is life!*

***Bearing that in mind, I am told this waterway flowing south from Standing Rock and passing just a short walk from here would be fouled by any kind of breach in the Dakota Access Pipeline. My sense and my years tells me that this will happen! Millions would be poisoned!***

***I am further told that this collective body holds a 15 percent interest in an oil company that is a 25 percent shareholder in the Dakota Access Pipeline. I would ask that you walk away from that investment! Stand today with Mother Earth!***

*I am a Winnebago Indian. The Missouri River brought us here when we had no place to go! We stand with Mother Earth now as she stood with us! Think about that! Mni wiconi! Water is life.*

*Pi-nah-gi-gi!*

# Statements, conclusion



## Richard Miller

Richard W. Miller is Associate Professor of Systematic and Philosophical Theology and Associate Professor of Sustainability Studies at Creighton University. He has authored numerous articles and is a contributor to and editor of seven books including *God, Creation, and Climate Change: A Catholic Response to the Environmental Crisis* (Orbis, 2010), which won a 2011 Catholic Press Association of the United States and Canada book award in the faith and science category.

*Dear Chairman Buffett, Board members and shareholders,*

*I am Richard Miller. I am an associate professor of philosophical theology and sustainability studies at Creighton University. I write and teach on ethical issues raised by the climate crisis.*

*As a rationale for voting ‘no’ on the divestment resolution, the Board maintained “that Berkshire should not limit its universe of potential investments based upon complex social and moral issues” and that following state and federal laws was sufficient to meet your obligations.*

*There is not only an overwhelming consensus in the scientific community about the reality and dangers of climate change, but there is also an overwhelming consensus among all major ethical theories that one is not morally justified to use increased profits as a rationale for doing harm to others. **By continuing to invest in and thus promote the extracting, processing and burning of fossil fuels, Berkshire is doing harm to people around the world and creating conditions that will threaten future generations.***

*While one is not morally justified to use increased profits as a rationale for doing harm to others, one cannot also opt out of ethical considerations by appealing to moral complexity. Where you are doing harm to others—especially at this scale—there is no neutral space.*

*Nor can you simply appeal to the fact that Berkshire is following state and federal laws when those laws are themselves unethical, in that they allow the United States to violate the human rights of poor people around the world and set in motion a catastrophic future for young people.*

*The consensus among ethical theories will in due time become self-evident to the average person—analogueous to the way slavery as an evil is self-evident today. Indeed, the recognition of the immorality of investing in fossil fuels is rapidly gaining ground as more and more institutions divest their fossil fuel holdings.*

***Mr. Buffett, you are standing on an ethical house of cards and it is only a matter of time before it comes tumbling down. Like the thousands gathered here and the millions on live stream, I admire your considerable achievements. But I am afraid that if you do not change course very soon, history will not judge you kindly.***

*Thank you for your time.*

## Political Contacts

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