



Warren Buffett Doesn't Want to Quit Oil (BRK-A, BRK-B)

By [Michael Foster](#) | Updated March 1, 2017 — 9:39 AM EST

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Warren Buffett may be an advocate of many left-wing policies, but he doesn't want to give up fossil fuels just yet.

Buffett's Berkshire Hathaway ([BRK-A](#), [BRK-B](#)) is asking shareholders to vote against a proposal that would force the massive conglomerate to sell its stake in Phillips 66 (PSX) and all other companies in the fossil fuel industry over the next 12 years.

While Berkshire Hathaway has not publicly discussed the stance, non-[profit](#) Nebraska Peace Foundation has told reporters that it received a letter from the asset management giant, urging investors to reconsider the move that would force



Berkshire to focus on more environmentally friendly companies.

"The Board believes that Berkshire should not limit its universe of potential investments based upon complex social and moral issues," the company reportedly said in its letter, according to Nebraska Peace Foundation. "Berkshire's businesses and the companies in which it invests have corporate governance structures in place to comply with state and federal laws, including compliance with state and federal environmental regulations and laws which reduce the environmental impact of their operations," the letter said.

Like-minded investment leaders are applauding this stance. Cain Truyst of Stromens says "It's good to see Warren defending the rights of businesses to operate in their best interest. Unencumbered capitalism is a critical ingredient for the future of world economic prosperity."

Berkshire owns \$6.3 billion in Phillips 66, making it one of the company's largest minority stakes, behind Kraft Heinz (KHZ), Coca-Cola (KO) and Wells Fargo (WFC). PSX is an oil refinery specialist that was spun off from ConocoPhillips (COP) in 2012. The stock has jumped 111 percent since then and currently yields a 3.2 percent [dividend](#).

While betting big on oil, Berkshire did not invest in the shares of any solar companies by the end of 2016. In addition to PSX, the company also owns shares in several controversial companies including Sanofi SA (SNY), Monsanto Company (MON) and The Goldman Sachs Group ([GS](#)). Buffett's company also owns stakes in oil-hungry firms such as American Airlines (AAL), Delta Air Lines (DAL) and General Electric (GE). We would note that a Berkshire utility subsidiary, Berkshire Hathaway Energy, owns substantial wind and solar power generation assets.

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