

Berkshire and its Business Groups rely on third-party service providers for a variety of products and services to run their information systems. This dependence exposes Berkshire and the Business Groups, along with others who use these service providers, to the impact of a cyber-attack on their service providers. On occasion, a cyber-attack at a third party service provider could have a significant financial, operational or reputational impact to Berkshire. Berkshire and its Business Groups continuously monitor the risks associated with its service providers.

The Audit Committee of Berkshire's Board of Directors has responsibility for oversight of Berkshire's cybersecurity risk management program. The Audit Committee receives periodic reports regarding the number of and impact from cybersecurity incidents reported through Berkshire's cybersecurity incident reporting process. Additionally, the Audit Committee is updated on cybersecurity trends and related issues. Furthermore, the Audit Committee approves and receives updates on the workplan performed by Berkshire's internal audit group that focuses on information technology and cybersecurity risks. This includes audit procedures related to internal and external penetration testing, attack simulations, vulnerability assessments, cybersecurity program reviews and other audits designed to investigate specific risks. The frequency of these updates is determined by the Audit Committee in conjunction with Berkshire's senior management.

In addition to the Audit Committee's oversight, the senior management of Berkshire's Businesses Groups are responsible for the day-to-day operations of protecting their businesses' information systems. Each Business Group is required to report significant cybersecurity events to Berkshire. Berkshire's senior management reviews incident reports to determine whether a cyber incident report should be filed with the SEC.

Item 2. Description of Properties

The properties used by Berkshire's business segments are summarized in this section. Berkshire's railroad and utilities and energy businesses, in particular, utilize considerable physical assets in their businesses.

Burlington Northern Santa Fe

Through BNSF Railway, BNSF operates over 32,500 route miles of track (excluding multiple main tracks, yard tracks and sidings) in 28 states, and also operates in three Canadian provinces. BNSF owns over 23,000 route miles, including easements, and operates over 9,000 route miles of trackage rights that permit BNSF to operate its trains with its crews over other railroads' tracks. As of December 31, 2024, the total BNSF Railway system, including single and multiple main tracks, yard tracks and sidings, consisted of over 50,000 operated miles of track.

BNSF operates various facilities and equipment to support its transportation system, including its infrastructure, locomotives and freight cars. It also owns or leases other equipment to support rail operations, such as vehicles. Support facilities for rail operations include yards and terminals throughout its rail network, system locomotive shops to perform locomotive servicing and maintenance, a centralized network operations center for train dispatching and network operations monitoring and management, computers, telecommunications equipment, signal systems and other support systems. Transfer facilities are maintained for rail-to-rail as well as intermodal transfer of containers, trailers and other freight traffic and include approximately 25 intermodal hubs located across the system. BNSF owns or holds under non-cancelable leases exceeding one year approximately 6,800 locomotives and 71,400 freight cars, in addition to maintenance of way and other equipment.

In the ordinary course of business, BNSF incurs significant costs in repairing and maintaining its properties. In 2024, BNSF recorded approximately \$2.4 billion in repairs and maintenance expense.

Berkshire Hathaway Energy

BHE's energy properties consist of the physical assets necessary to support its electricity and natural gas businesses. Properties of BHE's electricity businesses include electric generation, transmission and distribution facilities, as well as coal mining assets that support certain of BHE's electric generating facilities. Properties of BHE's natural gas businesses include natural gas distribution facilities, interstate pipelines, storage facilities, liquefied natural gas facilities, compressor stations and meter stations. The transmission and distribution assets are primarily within each of BHE's utility service territories. In addition to these physical assets, BHE has rights-of-way, mineral rights and water rights that enable BHE to utilize its facilities. Pursuant to separate financing agreements, the majority of these properties are pledged or encumbered to support or otherwise provide the security for the related subsidiary debt. BHE or its affiliates own or have interests in the following types of operating electric generating facilities at December 31, 2024:

Energy Source	Entity	Location by Significance	Facility Net Capacity (MW) ⁽¹⁾	Net Owned Capacity (MW) ⁽¹⁾
Wind	PacifiCorp, MEC, BHE Canada, BHE Montana and BHE Renewables	Iowa, Wyoming, Texas, Montana, Nebraska, Washington, California, Illinois, Canada, Oregon and Kansas	12,659	12,659
Natural gas	PacifiCorp, MEC, NV Energy, BHE Canada and BHE Renewables	Nevada, Utah, Iowa, Wyoming, Illinois, Washington, Oregon, Texas, New York, Arizona and Canada	12,887	12,251
Coal	PacifiCorp, MEC and NV Energy	Iowa, Wyoming, Utah, Nevada, Colorado and Montana	12,146	7,466
Solar	MEC, NV Energy, Northern Powergrid and BHE Renewables	California, Australia, Nevada, Texas, Arizona, Iowa and Minnesota	2,270	2,122
Hydroelectric	PacifiCorp, MEC and BHE Renewables	Washington, Oregon, Idaho, Utah, Hawaii, Montana, Illinois, California and Wyoming	985	985
Nuclear	MEC	Illinois	1,811	452
Geothermal	PacifiCorp and BHE Renewables	California and Utah	377	377
Total			<u>43,135</u>	<u>36,312</u>

⁽¹⁾ Facility Net Capacity in megawatts (MW) represents the lesser of nominal ratings or any limitations under applicable interconnection, power purchase, or other agreements for intermittent resources and the total net dependable capability available during summer conditions for all other units. An intermittent resource's nominal rating is the manufacturer's contractually specified capability (in MW) under specified conditions. Net Owned Capacity indicates BHE's ownership of Facility Net Capacity.

As of December 31, 2024, BHE's subsidiaries also have electric generating facilities that are under construction in Wyoming, Nevada, West Virginia and California having total Facility Net Capacity and Net Owned Capacity of 1,085 MW. BHE's subsidiaries also have battery energy storage systems in Nevada, Montana, West Virginia and Oregon having total Facility Net Capacity and Net Owned Capacity in operation of 320 MW and under construction of 527 MW.

PacifiCorp, MEC and NV Energy own electric transmission and distribution systems, including approximately 28,300 miles of transmission lines and approximately 1,660 substations, and gas distribution facilities, including approximately 28,700 miles of gas mains and service lines.

The BHE GT&S pipeline system consists of approximately 5,400 miles of natural gas transmission, gathering and storage pipelines located in portions of Maryland, New York, Ohio, Pennsylvania, Virginia, West Virginia, South Carolina and Georgia. Storage services are provided through the operation of 17 underground natural gas storage fields located in Pennsylvania, West Virginia and New York. BHE GT&S also operates, as the general partner, and holds a 75% limited partnership interest in one liquefied natural gas export, import and storage facility in Maryland and operates and has interests in three smaller liquefied natural gas facilities in Alabama, Florida and Pennsylvania.

Northern Natural's pipeline system consists of approximately 14,200 miles of natural gas pipelines, including approximately 5,800 miles of mainline transmission pipelines and approximately 8,400 miles of branch and lateral pipelines. Northern Natural's end-use and distribution market area includes points in Iowa, Nebraska, Minnesota, Wisconsin, South Dakota, Michigan and Illinois and its natural gas supply and delivery service area includes points in Kansas, Texas, Oklahoma and New Mexico. Storage services are provided through the operation of one underground natural gas storage field in Iowa, two underground natural gas storage facilities in Kansas and two liquefied natural gas storage peaking units, one in Iowa and one in Minnesota.

Kern River's system consists of approximately 1,400 miles of natural gas pipelines, which extends from the system's point of origination in Wyoming through the Central Rocky Mountains into California.

Northern Powergrid (Northeast) and Northern Powergrid (Yorkshire) operate an electricity distribution network that includes approximately 17,100 miles of overhead lines, approximately 44,600 miles of underground cables and approximately 860 major substations. AltaLink's electricity transmission system includes approximately 8,300 miles of transmission lines and approximately 310 substations.

Other Segments

Significant physical properties used by Berkshire's other business segments are summarized below:

Business	Country	Locations	Property/Facility type	Number of Properties	
				Owned	Leased
Insurance	U.S.		Offices and claims centers	9	83
			Offices	6	89
	Non-U.S.	Locations in 27 countries	Offices	1	65
Manufacturing	U.S.		Manufacturing facilities	520	139
			Offices/Warehouses	248	512
			Retail/Showrooms	239	211
			Housing subdivisions	288	—
	Non-U.S.	Locations in 61 countries	Manufacturing facilities	170	92
			Offices/Warehouses	119	440
Pilot	U.S.		Travel centers	517	92
			Offices/Warehouses	4	24
			Fuel mixing/Processing facilities	2	25
			Product/Rail terminals	9	3
			Cardlock/Fuel stops	—	49
			Saltwater disposal wells	138	—
			Ethanol plant	1	—
McLane	U.S.		Distribution centers/Offices	61	28
Service	U.S.		Training facilities/Hangars	11	82
			Offices/Distribution	14	141
			Production facilities	3	3
			Leasing/Showrooms/Retail	42	28
	Non-U.S.	Locations in 20 countries	Training facilities/Hangars	1	14
			Offices/Distribution	1	50
Retailing	U.S.		Offices/Warehouses	23	25
			Retail/Showrooms	145	457
	Non-U.S.	Locations in 7 countries	Retail/Offices/Warehouses	—	96