

## **Closing the Insider Trading Window for Climate Events**

As extreme climate events move from the nearly impossible to possible - and even probable - circumstances are likely to arise that cause you to consider closing the trading window for insiders. As with any trend or situation that affects a wide swath of businesses, such circumstances might have a material impact on your operations that's not evident from your existing public disclosures or from how other businesses are being impacted. In those situations, there will inevitably be people in your company that are in possession of material nonpublic information. And you - as the person in control of whether the trading window stays open - need to act. And fast. This may not be an easy thing to get a handle on: knowing what's happening in other locations, far from where you live. There might even be a situation in which the location in which you do work is impacted in a way that you're not fully aware of - because those "in the know" might be the types of employees not accustomed to reporting these kinds of things up the ladder. For cyber breaches, it's a matter of training the employees in the IT department about the intricacies of public disclosure and the need to make senior managers (and you) aware of a breach. With climate events, the key individuals might be building managers, or they might be people that are constantly interfacing with major customers or suppliers - who themselves have faced irreparable harm. We're talking about scenarios that are hard to predict because they existed beyond our imaginations not too long ago. You may need training yourself to become more aware of the possibilities that climate change is bringing to the fore. You might avail yourself of opportunities to be part of any climate scenario planning that your risk department undertakes. And you might just make it easy on yourself and automatically close the window if Mother Nature hits an area where you have major operations - or where a major customer or supplier has major operations. Better to be safe than sorry, even though it can be hard to inform an insider that they can't trade because of climate change. They might get mad. But they'll get over it.

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