

# GOOD TO BE GREEN

## FIRST CORPORATE ISSUED GREEN BOND

GROWING INTEREST in sustainability initiatives has led to a robust market for green bonds, or bonds the proceeds of which are earmarked for environmental projects. Until relatively recently, however, only supranationals and quasi-governmental agencies had issued green bonds. In late 2013, we advised the underwriters on the first green bond issuance by a U.S. corporate issuer. The offering, the proceeds of which were to be used for a variety of environmentally-friendly projects, was well received by investors and paved the way for other corporates to follow suit.

In structuring the offering, careful thought was given to the process for specifying the types of projects for which the proceeds would be deployed. Investors seek transparency regarding a green bond issuer's plans so that they are able to evaluate the effect that their investment will have on furthering sustainability goals. In addition, investors also seek insight, whether through regular reporting or certifications or attestations, regarding the deployment of the proceeds. Recently formulated industry wide Green Bond Principles will provide other issuers with a road map to guide them in future offerings.

Aside from enabling an issuer to diversify its funding and make itself known to a broader range of investors that prefers to invest in socially responsible and/or green companies, these offerings increase the capital available for energy-friendly projects.