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2021 DEALMAKERS OF THE YEAR



Jeffrey Karpf
Cleary Gottlieb Steen & Hamilton

AS THE PANDEMIC AND RACIAL JUSTICE protests stirred up a wave of interest last year in environmental, social and corporate governance-focused investing, Google's parent company, Alphabet, made a splash. Its \$5.75 billion sustainability bond issuance—part of a broader \$10 billion debt offering—was the largest on record, and perhaps also the most targeted. The company committed to using the money to fund projects covering not just environmental causes, but also affordable housing, COVID-19-related small business relief, and support for Black-owned businesses.

The bond offering met with great investor interest, fully sold and oversubscribed. And those investors got a clear sense of what Alphabet would do with the money, via a detailed offering document that outlined the categories for investment with more precision than usual. Those details required Jeffrey Karpf of Cleary Gottlieb Steen & Hamilton, who counseled Alphabet through the process, to develop flexible descriptions that would allow the company some leeway as it sought out eligible projects.

Karpf, who also handled Verizon's recent \$1 billion green bond that was underwritten by minority- and women-owned firms, says the Alphabet bond stands out from the recent trend toward environmental bonds, both for its size and the unique nature of its parameters. By recognizing that sustainability means more than just clean energy and environmental investment, Alphabet's bond issuance pushed the conversation forward.

"It's nice to help a company help the world around it in which it lives, because it's a symbiotic relationship," Karpf says. "Alphabet provides jobs, and people benefit from that, but Alphabet is trying to provide a sustainable community in which its users and employees can live."

It's in the corporate interest to create a more sustainable world where companies can continue to flourish, he says, and Alphabet's offering showed there is an investor base that's been untapped until now.

"I think this is going to set a trend," Karpf says. "ESG is here to stay."

—BEN SEAL