Appendix Table 1, Variables description

Variables	Variable description
Loan spreads	Annual interest rate spread paid over LIBOR plus the upfront fee for each dollar drawn down from the loan.
NZT finance	The measure of a borrower's net zero transition financial support which includes environmental R&D expenditure, environmental expenditure investments, and environmental investment initiatives.
Env R&D expenditure	Indicator equal to 1 if the firm reports investment in environmental or low-carbon research and development activities; 0 otherwise.
Env expenditure	Indicator equal to 1 if the firm discloses capital expenditures or investments aimed at environmental improvement or low-carbon transition; 0 otherwise.
NZT target and planning	The measure of a borrower's net zero transition target and planning which includes emission target year, percentage of reduction target, long-term net zero target, emission and emission intensity alignment with the Paris Agreement.
Target year	Indicator equal to 1 if the firm discloses a specific target year for achieving emissions reduction; 0 otherwise.
Target %	Indicator equal to 1 if the firm discloses a quantified emissions reduction target (percentage); 0 otherwise.
Paris agreement aligned (emission scope 1,2 3)	Indicator equal to 1 if the firm reports that its Scope 1, 2, and 3 emissions reduction targets are aligned with the Paris Agreement; 0 otherwise.
Paris agreement aligned (emission intensity)	Indicator equal to 1 if the firm reports that its emissions intensity targets are aligned with the Paris Agreement; 0 otherwise.
NZT policies	The measure of a borrower's policy support on net zero transition
Policy energy efficiency	Indicator equal to 1 if the firm has formal policies aimed at improving energy efficiency; 0 otherwise.
Policy Env supply chain	Indicator equal to 1 if the firm has policies to manage or reduce environmental impact within its supply chain; 0 otherwise.
NZT governance	The measure of borrower's governance support on net zero transition
Env management team	Indicator equal to 1 if the firm has a dedicated team or personnel responsible for environmental management; 0 otherwise.
Env management training	Indicator equal to 1 if the firm provides training to employees on environmental or sustainability issues; 0 otherwise.
Remuneration climate change	Indicator equal to 1 if executive remuneration is linked to climate or environmental performance; 0 otherwise.
ESG linked Executive Compensation	Indicator equal to 1 if executive compensation is explicitly tied to ESG or sustainability performance metrics; 0 otherwise.
NZT overall score	The overall score of a borrower's overall net zero transition performance
Profit	Gross profit margin
Leverage	The ratio of total debt over total assets of a borrower in a loan facility.
S&P rating	S&P credit rating, which is coded from 0 (the lowest rate of D) to 21 (the highest rate of AAA+)
Time to maturity	The time is measured in years until the loan reaches its maturity.
# of lead arrangers	The number of lenders who participated in a syndicated loan.
Log loan amount	The logarithm of the total amount of a loan facility.
Sponsored loan	Indicator that equals one if there is a sponsor in a syndicated loan, and zero otherwise.
Secured loan	Indicator that equals one when a loan facility requires some type of collateral as a condition of borrowing and zero otherwise
Project loan	It is a dummy variable that is coded as one if it is project finance and zero otherwise

Appendix Table 2 Net zero transition disclosure value effect on loan spreads

Dependent Variable	Loan Spread			
	(1)	(2)	(3)	(4)
NZT overall score	-0.839***	-1.383***	-0.973***	-1.656***
	(-3.85)	(-4.97)	(-2.96)	(-5.54)
Profit	-5.245**	-2.454	-6.586**	-9.765***
	(-2.40)	(-0.89)	(-2.14)	(-2.98)
leverage(debt/asset)	80.764***	51.041***	91.780***	93.366***
	(26.21)	(10.67)	(15.26)	(14.93)
S&P rating	-5.440***		-5.529***	-5.899***
	(-30.77)		(-15.86)	(-16.44)
Time to maturity	0.047	0.329**	0.325*	0.316*
	(0.35)	(2.13)	(1.89)	(1.83)
# of lead arrangers	0.984***	0.886***	1.267***	1.225***
	(8.29)	(4.91)	(6.61)	(6.45)
Log loan amounts	-7.707***	-5.901***	-8.759***	-9.314***
	(-19.98)	(-8.57)	(-11.11)	(-11.61)
Sponsored loan	-9.056***	-13.349***	-16.031***	-14.864***
	(-3.57)	(-3.53)	(-3.38)	(-3.12)
Secured loan	62.744***	31.581***	62.990***	63.756***
	(58.61)	(14.14)	(25.13)	(25.55)
Project finance	-1.812	-16.040***	-20.454***	-23.150***
	(-0.55)	(-3.64)	(-3.70)	(-4.13)
Moody rating		-16.600***		
		(-44.06)		
Return on equity			-0.030	-0.062
			(-0.24)	(-0.50)
Capital expenditure				2.450***
				(5.34)
Loan type Fixed Effects	Yes	Yes	Yes	Yes
Year Fixed Effects	Yes	Yes	Yes	Yes
Country Fixed Effects	Yes	Yes	Yes	Yes
Sector Fixed Effects		Yes	Yes	Yes
TRBC subsector Fixed Effects	Yes			
SE Cluster	Lender	Lender	Lender	Lender
# Obs.	40449	40299	38865	38613
Adj. R2	0.507	0.571	0.508	0.509

Appendix Table 3 Net zero transition disclosure value effect on loan spreads

Dependent Variable	Loan Spread		
	(1)	(2)	(3)
Reduction target %	-0.048***		
	(-4.11)		
Env R&D expenditure		-0.218***	
		(-3.97)	
Energy efficiency rate			-0.046**
			(-2.57)
Profit	-7.536**	-6.988**	-6.904**
	(-2.46)	(-2.30)	(-2.25)
leverage(debt/asset)	84.723***	85.807***	83.667***
	(14.80)	(15.03)	(14.83)
S&P rating	-5.528***	-5.490***	-5.395***
	(-19.26)	(-19.08)	(-18.33)
Time to maturity	-0.339**	-0.362**	-0.324**
	(-2.08)	(-2.23)	(-1.99)
# of lead arrangers	1.017***	0.982***	1.015***
	(5.12)	(4.94)	(5.14)
Log loan amounts	-7.665***	-7.655***	-7.527***
	(-10.48)	(-10.46)	(-10.03)
Sponsored loan	-6.980	-7.055	-7.402
	(-1.54)	(-1.55)	(-1.65)
Secured loan	62.632***	62.234***	62.674***
	(24.76)	(24.75)	(24.80)
Project finance	-1.534	-0.643	-1.805
	(-0.32)	(-0.13)	(-0.38)
Loan type Fixed Effects	Yes	Yes	Yes
Year Fixed Effects	Yes	Yes	Yes
Country Fixed Effects	Yes	Yes	Yes
Sector Fixed Effects	Yes	Yes	Yes
SE Cluster	Lender	Lender	Lender
# Obs.	40,449	40,449	40,449
Adj. R2	0.504	0.504	0.504

Notes: This table reports regressions at the loan facility level relating the values of net zero disclosure items to syndicated loan spreads (Loan Spread). Column (1) reports the estimated coefficients for the environmental R&D expenditure. Column (2) shows the estimates for the percentage of emission reduction. Column (3) reports the estimates for the energy efficiency rate. Variable definitions are reported in Appendix Table 1. *, **, and *** indicate statistical significance at 10%, 5%, and 1%, respectively.