SUPPORTIVE INFORMATION

Addressing Risk by Doing Good:
Business Response to Government Policy Initiative

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A Figures

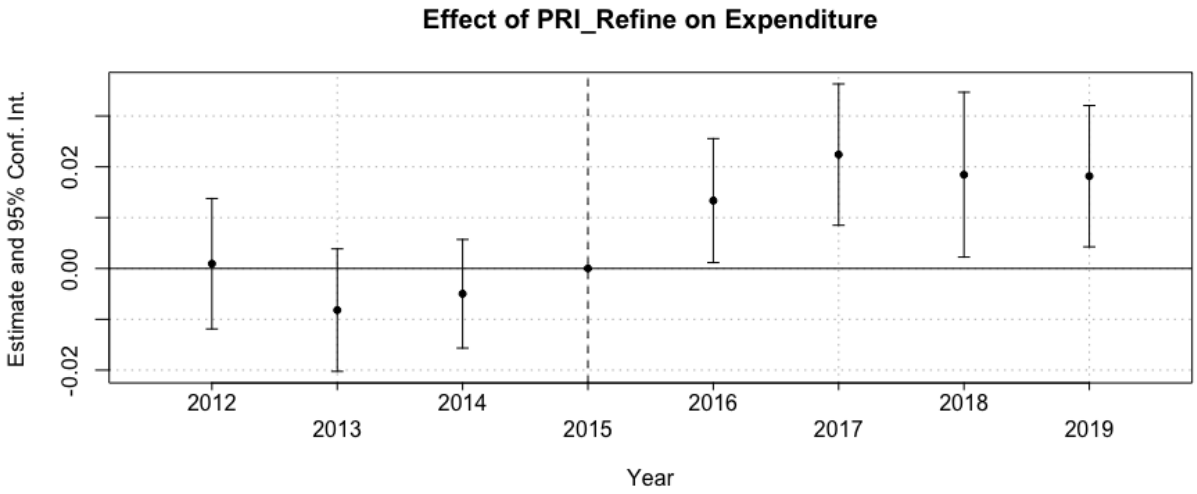

Figure A1: Effect of $\widehat{PRI_{refined}}$ on Expenditure

B Descriptive Statistics

Table B1: Descriptive Statistics

Variable	Operationalization	N	Mean	St. Dev.
Expenditure	logged expenditure in poverty reduction	13,759	0.52	1.63
	After 2015	7,680	0.67	1.85
PRI	share of political Q&As	9,612	14.80	14.23
$\text{PRI}_{refined}$	share of political Q&As with "risk" words	9,612	5.80	8.46
Sale	logged sale	13,733	21.15	1.32
Size	logged total assets	13,851	21.91	1.21
TaxRate	Total Tax Rate	13,768	0.129	2.47
ROE	Return on Equity	13,790	0.01	2.50
Age	logged established length	14,097	2.72	0.38
PRI_{Policy}	Policy-related PRI	9,612	5.12	8.95
$\text{PRI}_{Regulation}$	Regulation-related PRI	9,612	4.57	8.30
PRI_{IR}	PRI of International relationship	9,612	1.68	4.33
$\text{PRI}_{Gov.Fin.}$	PRI of losing government subsidy and tax break	9,612	1.76	4.61
$\text{PRI}_{Gov.Inv.}$	PRI of losing government investments	9,612	3.36	7.59
$\text{PRI}_{Fin.Reg.}$	PRI of financial regulation	9,612	2.59	6.04
$\text{PRI}_{Env.Reg.}$	PRI of environmental regulation	9,612	2.00	5.642
PRI_{IR}	PRI of international relationship	9,612	1.72	4.42
EnvFine	Fine of environmental violations	14,097	0.14	0.62
TaxFine	Fine of tax violations	14,097	0.022	0.25
Marketization	Provincial level of marketization	14,060	7.54	1.46
FixedAsset	ratio of fixed assets over total assets	13,851	19.64	14.97
Loan	ratio of loan over total assets	13,851	40.40	37.54
$\widehat{PRI}$	average PRI in the past 5 years	11,837	14.38	12.44
Five-Year-Plan	1 means firms are in provincial five-year plan	13,805	0.63	
Finance	1 means firms are financial companies	14,097	0.02	
RealEstate	1 means firms are real estate companies	14,097	0.04	
National_SOE	1 means national state-owned enterprises	13580	0.08	
Local_SOE	1 means local state-owned enterprises	13580	0.15	
Private	1 means private-owned enterprises	13580	0.77	

Table B2: Political Q&A by Sectors

SIC Code	Sectors	Poli.Q&A	All	%
D	Electricity, Energy, Gas and Water 电力、热力、燃气及水的生产和供应业	1321	4500	29.4%
N	Water conservancy, environment & public facilities management 水利、环境和公共设施管理业	1408	5724	24.6%
J	Finance金融业	975	4104	23.8%
P	Education教育	17	76	22.4%
K	Real estate 房地产业	1660	7751	21.4%
E	Construction建筑业	2370	11297	21.0%
O	Resident service, repair & other service 居民服务、修理和其他服务业	47	235	19.9%
G	Transportation交通运输、仓储和邮政业	1076	5417	19.9%
M	Scientific research & technology service 科学研究和技术服务业	953	4944	19.3%
Q	Hygienism and social work 卫生和社会工作	162	848	19.1%
B	Mining采矿业	435	2368	18.4%
A	Agriculture, forestry, livestock farming, fishery 农、林、牧、渔业	729	4392	16.6%
I	Information transmission, software & information technology service 信息传输、软件和信息技术服务业	5575	39600	14.01%
S	Comprehensive 综合	63	450	14.0%
H	Hotel and catering industry 住宿和餐饮业	125	908	13.8%
F	Wholesale and retail 批发和零售业	1645	12220	13.5%
C	Manufacturing 制造业	34621	304702	11.4%
R	Culture, sports and entertainment 文化、体育和娱乐业	478	4724	10.1%
L	Leasing and commerce service 租赁和商务服务业	361	4220	8.6%

C Structural Topic Models

Table C1: Topics and Keywords from STM Results (sorted by frequency)

	Political Q&A
1	证监会SEC, 发行Initiate, 公开Public, 资金Funding, 申请Application
2	平台Platform, 产业Industry,城市City, 数据Data, 战略Strategy
3	股东Stockholder, 收购Acquisition, 投资者Investor, 规定Rule,资产Asset
4	政策Policy, 竞争Competition, 采购Procurement, 药品Medicine, 医保Health Insurance
5	投资Investment, 经济Economy, 风险Risk, 融资Financing, 金融Finance
6	国际International, 海外Overseas, 美国USA, 品牌Brand, 全球Global
7	计划Plan, 改革Reform, 激励Incentive，员工Employees, 目标Goal
8	政策Policy, 政府Government, 国家State, 补贴Subsidy, 地方Local
9	环保Environmental protection, 要求Requirement, 标准Standard, 工程Project, 国家State
10	研发R&D, 国家State, 科技Technology, 研究Research, 认证license
	Non Political Q&A
1	毛利率Gross profit margin, 利润Profit, 盈利Gain, 营业Business, 净利润Net Profit
2	计划Plan, 收购Acquisition, 并购Merger, 股东Stockholder, 股权Stock
3	规划Plan, 投资者Investor, 生产线Production Line, 基地Base, 投产Production
4	研发R&D, 投入Investment, 开发Development, 设计Design, 创新Innovation
5	设备Device, 订单Order, 采购Procurement, 要求Requirement, 工程Project
6	品牌Brand, 渠道Channel, 合作Cooperation, 海外Overseas, 营销Sale
7	平台Platform, 数据Data, 互联网Internet,, 运营Operation, 用户User
8	系统System, 产业Industry,制造Manufacture, 战略Strategy, 工业Industry
9	竞争Competition, 电子Electronic, 全球Global, 高端High-end, 竞争力Competitiveness
10	投资Investment, 资金Fund, 风险Risk, 发行Offering, 融资Financing

Note: The results are generated using R package *stm* offered by Roberts, Stewart and Tingley (2019). English keywords are translated from Chinese by the author.

D Results of Keyword-Assisted Topic Models

Table D1: Keyword Assisted Topic Models

	Gov. Fin.	Gov. Inv.	Fin. Reg.	Env. Reg.	IR
1	补贴*	产业*	证监会*	环保*	美国*
	Subsidy	Industry	SEC	Environment Protection	USA
2	订单	战略	发行	要求*	海外*
	Order	Strategy*	Issue	Requirement	Oversea
3	净利润	投资*	公开*	标准*	出口*
	Profit	Investment	Public	Standard	Export
4	增值税	合作	股东	治理*	国际*
	VAT	Cooperation	Stockholder	Governance	International
5	营业	城市	披露*	处理	全球
	Operation	City	Disclose	Treatment	Global
	Undefined 1	Undefined 2	Undefined 3	Undefined 4	Undefined 5
1	住宅	药品	数据	渠道	系统
	Housing	Medicine	Data	Channel	System
2	调控	医保	平台	医疗	军工
	Adjustment	Health Insurance	Platform	Hospital	Military Industry
3	卫浴	临床	互联网	检测	研发
	Bathroom	Clinic	Internet	Test	R&D
4	比例	目录	智慧	城市	通信
	Proportion	Content	Wisdom	City	Communication
5	新建	药	城市	装修	设备
	New	Drug	City	Decoration	Equipment

Note: The results is generated by R package *keyATM* offered by Eshima, Imai and Sasaki (2023). * refers to the pre-defined keywords, and numbers refer to keywords set in other groups. In the data cleaning, despite numbers, symbols, and common stop words in Chinese, I removed three general politics-related words: state (‘国家’), governments (‘政府’), and policy (‘政策’) because they appear in most political conversations. Words appearing in most records without substantial topics have been removed as well, for instance, “company” (“公司”) appears 148,809 times in most conversations. I keep only tokens appearing in more than 0.5% conversations.

E Measurement Verification

Table E1: Measurement Verification: DID Estimation of Anti-Corruption Campaign

Dependent Variables:	PRI		PRI_Refine	
Model:	(1)	(2)	(3)	(4)
Variables				
N_Investigation	0.5637**		0.3801**	
	(0.2456)		(0.1503)	
Investigation_Provincial Leader1		1.500***		0.5228*
		(0.5004)		(0.2794)
Fixed-effects				
Year	✓	✓	✓	✓
SOELevel	✓	✓	✓	✓
Fit statistics				
Observations	9,416	9,416	9,416	9,416
R^2	0.049	0.050	0.033	0.032

*Clustered (Firm) standard errors in parentheses. Signif. Codes: ***: 0.001, **: 0.01, *: 0.05, +: 0.1. N_Prosecution stands for the number of anti-corruption investigations against senior officials in this year-province unit; Investigation_ProvincialLeader1 is a binary variable where 1 indicates the provincial leaders, including party sectaries (and vice sectaries) and governors (and vice governors), have been investigated or prosecurted during the anti-corruption campaign.*

Table E2: Measurement Verification 2: Inter- and Within-Sector Variation

Dependent Variable:	PRI_{Refine}						
Model:	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Variables							
Five-Year-Plan	-0.657**						-0.342
	(0.241)						(0.226)
$Sector_{Finance}1$		5.09***					5.18***
		(1.35)					(1.29)
$Sector_{RealEstate}1$			3.75***				3.53***
			(0.796)				(0.821)
Marketization				-0.448***			-0.501***
				(0.096)			(0.098)
FixedAsset					0.034***		0.036***
					(0.010)		(0.009)
Loan						0.023***	0.027***
						(0.007)	(0.006)
midrule *Fixed-effects*							
Year	✓	✓	✓	✓	✓	✓	✓
Ownership	✓	✓	✓	✓	✓	✓	✓
Province	✓	✓	✓	×	×	×	×
Sector	×	×	×	✓	✓	✓	×
Fit statistics							
Observations	9,395	9,416	9,416	9,398	9,416	9,416	9,377
R^2	0.051	0.054	0.058	0.064	0.062	0.062	0.058

*Clustered (Firm) standard errors in parentheses. Signif. Codes: ***: 0.001, **: 0.01, *: 0.05, $^+$: 0.1. Marketization is measured at the province level using the index offered by Fan, Ma and Wang (2019)(https://cmi.ssap.com.cn/); FixedAsset is the share of fixed assets over total assets and Loan is the share of loan over total assets; Finance and RealEstate are dummy variables indicating whether they belong to finance and real estate sectors or not; Five-Year-Plan is a dummy variable where 1 suggests it belongs to key sectors in the five-year provincial industrial development plan.*

F Full Results of Main Findings

Table F1: PRI and Poverty-Alleviation Expenditure

Dependent Variable:	Expenditure				
Model:	(1)	(2)	(3)	(4)	(5)
Variables					
PRI × Post2015	0.019***	0.019***	0.016***		
	(0.003)	(0.004)	(0.003)		
PRI_{Refine} × Post2015				0.021***	
				(0.005)	
$PRI_{before2016}$ × Post2015					0.014***
					(0.004)
PRI	0.0010	-0.009***	-0.007**		
	(0.0008)	(0.002)	(0.002)		
PRI_{Refine}				-0.011**	
				(0.003)	
Post2015	0.590***				
	(0.059)				
Sale			-0.139+	-0.145+	-0.086
			(0.080)	(0.080)	(0.071)
TotalAsset			0.186+	0.186+	0.236**
			(0.097)	(0.098)	(0.085)
TaxRate			-0.009***	-0.009***	-0.010***
			(0.002)	(0.002)	(0.002)
ROE			0.0007	0.001	0.0009
			(0.003)	(0.003)	(0.004)
Age			-0.938*	-0.997*	-0.951**
			(0.456)	(0.458)	(0.336)
PoliConn1			0.051	0.053	0.040
			(0.081)	(0.081)	(0.065)
(Intercept)	0.057***				
	(0.013)				
Fixed-effects					
Firm		✓	✓	✓	✓
Year		✓	✓	✓	✓
Fit statistics					
Observations	9,466	9,466	9,371	9,371	11,433
R^2	0.082	0.555	0.542	0.541	0.471

Clustered (Firm) standard errors in parentheses. Signif. Codes: ***: 0.001, **: 0.01, *: 0.05, +: 0.1.

Table F2: Topic-specific PRI and Poverty-Alleviation Expenditure

Dependent Variable:	Expenditure					
Model:	(1)	(2)	(3)	(4)	(5)	(6)
Variables						
$PRI_{Gov.Fin} \times$ Post2015	0.026*					0.023*
	(0.010)					(0.010)
$PRI_{Gov.Inv.} \times$ Post2015		0.021**				0.021**
		(0.007)				(0.007)
$PRI_{Fin.Reg.} \times$ Post2015			0.026***			0.025***
			(0.007)			(0.007)
$PRI_{Env.Reg.} \times$ Post2015				0.033***		0.031***
				(0.009)		(0.009)
$PRI_{IR} \times$ Post2015					0.010	0.010
					(0.009)	(0.009)
$PRI_{Gov.Fin}$	-0.004					-0.002
	(0.005)					(0.005)
$PRI_{Gov.Inv.}$		-0.007				-0.006
		(0.004)				(0.004)
$PRI_{Fin.Reg.}$			-0.015**			-0.014**
			(0.005)			(0.005)
$PRI_{Env.Reg.}$				-0.014*		-0.013*
				(0.006)		(0.006)
PRI_{IR}					-0.006	-0.005
					(0.006)	(0.006)
Sale	-0.151+	-0.147+	-0.143+	-0.152+	-0.156+	-0.131+
	(0.081)	(0.081)	(0.080)	(0.081)	(0.081)	(0.079)
TotalAsset	0.188+	0.185+	0.173+	0.197*	0.192+	0.187*
	(0.099)	(0.100)	(0.097)	(0.099)	(0.100)	(0.095)
TaxRate	-0.009***	-0.009***	-0.009***	-0.009***	-0.009***	-0.009***
	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)
ROE	0.001	0.0009	0.001	0.0006	0.001	0.0005
	(0.003)	(0.003)	(0.003)	(0.003)	(0.003)	(0.003)
Age	-1.06*	-1.01*	-1.00*	-1.04*	-1.09*	-0.859+
	(0.460)	(0.460)	(0.459)	(0.459)	(0.463)	(0.452)
PoliConn1	0.060	0.049	0.060	0.059	0.059	0.055
	(0.081)	(0.081)	(0.081)	(0.081)	(0.082)	(0.080)
Fixed-effects						
Firm	✓	✓	✓	✓	✓	✓
Year	✓	✓	✓	✓	✓	✓
Fit statistics						
Observations	9,371	9,371	9,371	9,371	9,371	9,371
R^2	0.540	0.541	0.540	0.541	0.539	0.546

Note: Clustered (Firm) standard errors in parentheses. Signif. Codes: ****: 0.001, **: 0.01, *: 0.05, +: 0.1.

Table F3: Heterogeneity: Preexisting Political Connection

DV:				Expenditure		
Sample:	All	Private w/o PC	Others	All Private	W/ Pre2016 PC	W/o Pre2016 PC
Model:	(1)	(2)	(3)	(4)	(5)	(6)
Variables						
PRI	0.006**	0.010***	0.003	0.009**	0.006	0.006*
	(0.002)	(0.003)	(0.003)	(0.003)	(0.004)	(0.003)
PRI × PoliConn1				-0.009*		
				(0.005)		
Sale	-0.033	-0.068	0.167	-0.068	-0.215	0.089
	(0.123)	(0.166)	(0.198)	(0.135)	(0.256)	(0.081)
TotalAsset	0.414*	0.176	0.476+	0.362+	0.781*	0.043
	(0.179)	(0.215)	(0.285)	(0.187)	(0.334)	(0.182)
TaxRate	-0.006***	-0.001	-0.007***	-0.006***	-0.009	-0.006***
	(0.0007)	(0.002)	(0.0005)	(0.0009)	(0.035)	(0.001)
ROE	-0.002	0.001	-0.074***	0.0009	0.135	0.0007
	(0.003)	(0.001)	(0.012)	(0.001)	(0.100)	(0.0009)
Age	-2.54*	-1.61	-2.75	-2.33+	-4.54*	0.050
	(1.07)	(1.53)	(1.70)	(1.21)	(2.07)	(1.63)
PoliConn1	0.040			0.060	-0.038	0.068
	(0.122)			(0.155)	(0.169)	(0.234)
Fixed-effects						
Firm	✓	✓	✓	✓	✓	✓
Year	✓	✓	✓	✓	✓	✓
Fit statistics						
Observations	5,133	2,702	2,431	4,027	1,678	1,726
R^2	0.78	0.77	0.80	0.76	0.73	0.80

Note: Clustered (Firm) standard errors in parentheses. Signif. Codes: ***: 0.001, **: 0.01, *: 0.05, +: 0.1. Model 1 uses the all post-2105 sample; Model 2 uses only private firms without political connections; Model 3 use state-owned enterprises and private firms with political connections; Model 4 use all private firms; Models 5 and 6 use private firms with and without political connections before 2016.

Table F4: Poverty-alleviation Spending and Environmental Regulation

DV:	Environmental Fines (OLS)				Environment Regulation (Logit)			
Model:	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	All Post-2015		LowRisk	HighRisk	All Post-2015		LowRisk	HighRisk
Variables								
Expenditure	-0.020^{+}	-0.031*	-0.005	-0.060*	-0.115^{+}	-0.164*	-0.010	-0.336**
	(0.012)	(0.013)	(0.013)	(0.024)	(0.070)	(0.081)	(0.085)	(0.126)
Sale	-0.004	-0.006	0.016	-0.052	0.597	0.591	0.573	0.740
	(0.023)	(0.023)	(0.019)	(0.085)	(0.546)	(0.547)	(0.750)	(0.914)
TotalAsset	0.043	0.042	0.023	0.082	0.671	0.641	1.21	-0.811
	(0.039)	(0.039)	(0.038)	(0.118)	(0.569)	(0.564)	(0.743)	(1.07)
TaxRate	-5.0×10^{-5}	4.4×10^{-5}	0.0003	-0.010	-0.133	-0.143	-0.023	-0.168
	(0.0004)	(0.0004)	(0.0002)	(0.014)	(0.177)	(0.171)	(0.018)	(0.187)
ROE	-0.0001	-9.9×10^{-5}	-7.4×10^{-5}	-0.005	-0.650	-0.610	-0.812	-0.642
	(0.0003)	(0.0003)	(0.0002)	(0.003)	(0.658)	(0.660)	(0.821)	(1.17)
Age	0.317	0.346	0.556	-0.694	1.14	1.21	4.77	-12.5
	(0.339)	(0.337)	(0.340)	(1.00)	(3.97)	(3.99)	(4.45)	(9.51)
PoliConn1	-0.068^{+}	-0.069^{+}	-0.034	-0.147	-0.155	-0.189	-0.114	0.226
	(0.036)	(0.036)	(0.036)	(0.099)	(0.424)	(0.428)	(0.528)	(0.845)
Monitor1		-0.025				-0.313		
		(0.043)				(0.296)		
Exp.×Monitor1		0.027				0.107		
		(0.018)				(0.096)		
Fixed-effects								
Firm	✓	✓	✓	✓	✓	✓	✓	✓
Year	✓	✓	✓	✓	✓	✓	✓	✓
Fit statistics								
Observations	5,133	5,133	4,099	1,034	1,158	1,158	812	346
Pseudo R^2	0.47	0.47	0.52	0.38	0.10	0.10	0.10	0.14

Note: Clustered (Firm) standard errors in parentheses. ***: 0.001, **: 0.01, *: 0.05, $^{+}$: 0.1

G Robustness Checks

Table G1: Alternative Measurements of PRI

Dependent Variable:	Expenditure						
Model:	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Variables							
$PRI_{Length} \times Post2015$	0.013***						
	(0.003)						
$PRI_{>median} \times Post2015$		0.380***					
		(0.089)					
$PRI_{>3Quantile} \times Post2015$			0.486***				
			(0.106)				
Loan × Post2015				0.013***			
				(0.002)			
FixedAsset × Post2015					0.019***		
					(0.003)		
Marketization × Post2015						-0.251***	
						(0.042)	
$PRI_{Past5Year}$							0.010*
							(0.004)
PRI_{Length}	-0.006**						
	(0.002)						
$PRI_{>median}$		-0.195**					
		(0.062)					
$PRI_{>3Quantile}$			-0.220**				
			(0.069)				
Loan				-0.012***			
				(0.002)			
FixedAsset					-0.007**		
					(0.003)		
Marketization						0.237***	
						(0.038)	
Sale	-0.142+	-0.141+	-0.144+	-0.036	-0.068	-0.066	0.051
	(0.080)	(0.081)	(0.081)	(0.066)	(0.065)	(0.065)	(0.082)
TotalAsset	0.189+	0.186+	0.188+	0.226**	0.286***	0.259***	0.402***
	(0.097)	(0.099)	(0.099)	(0.077)	(0.079)	(0.076)	(0.115)
TaxRate	-0.008***	-0.009***	-0.009***	-0.009***	-0.010***	-0.010***	-0.006***
	(0.002)	(0.002)	(0.002)	(0.002)	(0.003)	(0.002)	(0.0009)
ROE	0.0007	0.0008	0.0007	0.003	0.002	0.002	-0.002
	(0.003)	(0.003)	(0.003)	(0.004)	(0.004)	(0.004)	(0.002)
Age	-0.934*	-0.990*	-0.956*	-0.866**	-1.15***	-0.922**	-2.39**
	(0.457)	(0.458)	(0.458)	(0.328)	(0.325)	(0.317)	(0.811)
PoliConn1	0.050	0.051	0.038	0.020	0.033	0.011	0.018
	(0.081)	(0.081)	(0.081)	(0.060)	(0.061)	(0.060)	(0.084)
Fixed-effects							
Firm	✓	✓	✓	✓	✓	✓	✓
Year	✓	✓	✓	✓	✓	✓	✓
Fit statistics							
Observations	9,371	9,371	9,353	13,471	13,471	13,434	7,221
R^2	0.54181	0.54100	0.54310	0.50093	0.50085	0.50866	0.76552

Note: Clustered (Firm) standard errors in parentheses. Signif. Codes: ***: 0.001, **: 0.01, *: 0.05, +: 0.1

Table G2: Alternative Measurements of Firm Responses

Dependent Variables:	Attention	$\text{TPAWebNews}_{logged}$	TPANews_{logged}	Exp.% Revenue	Exp.% Cost
Model:	(1)	(2)	(3)	(4)	(5)
Variables					
PRI × Post20151	0.020*	0.002***	0.001**	0.001+	0.001+
	(0.009)	(0.0005)	(0.0005)	(0.0008)	(0.0008)
PRI	-0.007	-0.0006	-0.0003	-0.004	-0.004
	(0.005)	(0.0004)	(0.0004)	(0.002)	(0.002)
Sale	-0.306	-0.009	-0.019+	0.047	0.045
	(0.211)	(0.012)	(0.011)	(0.072)	(0.070)
TotalAsset	0.284	0.004	0.017	-0.057	-0.057
	(0.255)	(0.013)	(0.015)	(0.065)	(0.064)
TaxRate	0.0002	0.0002	-0.0005	-0.009	-0.009
	(0.002)	(0.0003)	(0.0008)	(0.011)	(0.011)
ROE	0.647+	0.0002	-0.002	0.0007	0.0007
	(0.333)	(0.0007)	(0.002)	(0.0005)	(0.0006)
lgAge	-1.31	-0.097	-0.050	-0.399	-0.403
	(0.947)	(0.085)	(0.089)	(0.439)	(0.459)
PoliConn1	-0.101	-0.012	0.001	0.085+	0.090+
	(0.178)	(0.015)	(0.015)	(0.049)	(0.054)
$\text{AllWebNews}_{logged}$		0.057***			
		(0.010)			
AllNews_{logged}			0.059***		
			(0.008)		
Fixed-effects					
Firm	✓	✓	✓	✓	✓
Year	✓	✓	✓	✓	✓
Fit statistics					
Observations	1,818	9,512	9,512	9,371	9,371
R^2	0.65895	0.51670	0.54096	0.34178	0.35331

Note: Clustered (Firm) standard errors in parentheses. Signif. Codes: ***: 0.001, **: 0.01, *: 0.05, +: 0.1

Table G3: Alternative Construction of PRI

Dependent Variable:	Expenditure					
Sample:		Full Sample		N_{AllQs}<Q3	N_{AllQs}>M	N_{AllQs}≤M
Model:	(1)	(2)	(3)	(4)	(5)	(6)
Variables						
log(PRI+1)×Post2015	0.159***					
	(0.034)					
N_{PoliQs}×Post2015		0.027***				
		(0.007)				
log(N_{PoliQs}+1)×Post2015			0.267***			
			(0.060)			
PRI×Post2015				0.016***	0.019***	0.011*
				(0.003)	(0.005)	(0.005)
log(PRI+1)	-0.068**					
	(0.023)					
Sale	-0.145+	-0.066	-0.068	-0.121	-0.201+	-0.014
	(0.081)	(0.066)	(0.066)	(0.100)	(0.102)	(0.155)
TotalAsset	0.184+	0.211**	0.202*	0.246*	0.191	0.148
	(0.099)	(0.079)	(0.079)	(0.121)	(0.120)	(0.197)
TaxRate	-0.008***	-0.010***	-0.009***	-0.010	-0.008***	-0.100
	(0.002)	(0.002)	(0.002)	(0.015)	(0.002)	(0.070)
ROE	0.0006	0.002	0.002	0.001	-0.036	0.001
	(0.004)	(0.004)	(0.004)	(0.003)	(0.031)	(0.004)
Age	-0.984*	-1.21***	-1.19***	-0.990*	-1.03+	-1.41*
	(0.458)	(0.328)	(0.323)	(0.480)	(0.598)	(0.590)
Polionn1	0.049	0.010	0.007	-0.024	0.049	0.089
	(0.081)	(0.060)	(0.060)	(0.076)	(0.101)	(0.135)
N_{PoliQs}		-0.010*				
		(0.005)				
N_{AllQs}		0.001+				
		(0.0007)				
N_{AllQs}×Post2015		-0.0003				
		(0.001)				
log(N_{AllQs}+1)			-0.098*			
			(0.040)			
log(N_{AllQs}+1)			0.046*			
			(0.022)			
log(N_{AllQs}+1)×Post2015			-0.051			
			(0.034)			
PRI				-0.006**	-0.012**	-0.004
				(0.002)	(0.004)	(0.003)
Fixed-effects						
Firm	✓	✓	✓	✓	✓	✓
Year	✓	✓	✓	✓	✓	✓
Fit statistics						
Observations	9,371	13,471	13,471	5,875	6,667	2,704
R^2	0.54137	0.49838	0.49901	0.59151	0.58555	0.75672

Note: Clustered (Firm) standard errors in parentheses. Signif. Codes: ***: 0.001, **: 0.01, *: 0.05, +: 0.1. Models 1 to 4 use the full sample; Model 5 only retains samples whose numbers of All Qs fall within the top three quartiles; Model 6 includes only samples with a number of All Qs below the median, while Model 7 retains samples with a number of All Qs at or above the median.

Table G4: Alternative Specifications

Dependent Variable:	Expenditure					
Model:	(1)	(2)	(3)	(4)	(5)	(6)
Variables						
PRI × Post2015	0.0161***	0.0158***	0.0115**	0.0165***	0.0161**	0.0161**
	(0.0030)	(0.0030)	(0.0035)	(0.0033)	(0.0054)	(0.0029)
PRI	-0.0049***	-0.0022*	-0.0050*	-0.0076***	-0.0075*	-0.0075*
	(0.0011)	(0.0010)	(0.0022)	(0.0022)	(0.0033)	(0.0019)
Sale	0.0422	0.0289	-0.1697*	-0.0554	-0.1386	-0.1386
	(0.0451)	(0.0436)	(0.0781)	(0.0667)	(0.1545)	(0.1365)
TotalAsset	0.2858***	0.3134***	0.2567**	0.1226	0.1858	0.1858
	(0.0529)	(0.0505)	(0.0919)	(0.0852)	(0.1214)	(0.1732)
TaxRate	-0.0106*	-0.0107**	-0.0089***	-0.0087***	-0.0086***	-0.0086*
	(0.0044)	(0.0041)	(0.0020)	(0.0023)	(0.0023)	(0.0021)
ROE	-0.0010	-0.0004	-0.0006	0.0010	0.0007	0.0007
	(0.0049)	(0.0048)	(0.0037)	(0.0042)	(0.0040)	(0.0029)
lgAge	0.0011	0.0766	-0.5408	-0.9456*	-0.9377	-0.9377*
	(0.0672)	(0.0695)	(0.4390)	(0.4582)	(0.5967)	(0.2991)
PoliConn1	0.1175*	0.1201*	0.0369	0.0516	0.0507	0.0507
	(0.0493)	(0.0494)	(0.0773)	(0.0809)	(0.0768)	(0.0532)
Fixed-effects						
Province	✓					
Year	✓	✓			✓	✓
Sector		✓				
Firm			✓	✓	✓	✓
Province×Year			✓			
Sector×Year				✓		
Fit statistics						
Observations	9,371	9,371	9,371	9,371	9,371	9,371
R^2	0.18	0.15	0.58	0.55	0.54	0.54

Note: Clustered (Firm) standard errors in parentheses. Signif. Codes: ***: 0.001, **: 0.01, *: 0.05, $^{+}$: 0.1.

Table G5: PRI and CSR Rating

Dependent Variable:	CSR Rating	
Sample:	All	Post2015
Model :	(1)	(2)
Variables		
PRI × Post2015	0.011	
	(0.028)	
PRI	0.004	-0.006
	(0.030)	(0.025)
Sale	4.09***	5.79***
	(0.831)	(1.44)
TotalAsset	0.517	2.72+
	(0.930)	(1.62)
TaxRate	1.29***	0.962***
	(0.210)	(0.183)
ROE	6.10**	4.11*
	(2.21)	(1.78)
Age	-3.50	1.55
	(5.30)	(13.5)
PoliConn1	-0.452	0.268
	(1.03)	(1.76)
Fixed-effects		
Firm	Yes	Yes
Year	Yes	Yes
Fit statistics		
Observations	3,119	1,810
R^2	0.56474	0.61515

Clustered (Firm) standard errors in parentheses. Signif. Codes: ***: 0.001, **: 0.01, *: 0.05, +: 0.1

Table G6: PRI and Poverty Alleviation Expenditure: State-owned Enterprises

Dependent Variable:	Expenditure	
Model:	(1)	(2)
Variables		
PRI	0.007	0.008
	(0.005)	(0.006)
PoliConn1	0.229	0.333
	(0.262)	(0.337)
Sale	0.151	0.147
	(0.385)	(0.387)
TotalAsset	0.494	0.494
	(0.470)	(0.471)
TaxRate	-0.052	-0.054
	(0.070)	(0.070)
ROE	-0.079***	-0.078***
	(0.006)	(0.007)
Age	1.93	1.81
	(3.62)	(3.64)
PRI × PoliConn1		-0.004
		(0.008)
Fixed-effects		
Firm	Yes	Yes
Year	Yes	Yes
Fit statistics		
Observations	1,005	1,005
R^2	0.81486	0.81493

Clustered (Firm) standard errors in parentheses. Signif. Codes:***: 0.001, **: 0.01, *: 0.05, $^{+}$: 0.1

Table G7: Causal Mediation Analysis: Quasi-Bayesian Confidence Intervals

Outcome Mediator		Environmental Fine Expenditure		
Treatment 1		PRI		
	Estimate	95% CI Lower	95% CI Upper	p-value
ACME	-0.000119	-0.000283	0.00	0.026
ADE	0.000321	-0.001809	0.00	0.784
Total Effect	0.000202	-0.001871	0.00	0.870
Prop. Mediated	-0.038534	-2.192508	1.72	0.872
Treatment 2		$PRI_{Env.Reg.}$		
	Estimate	95% CI Lower	95% CI Upper	p-value
ACME	-0.000243	-0.000632	0.00	0.044
ADE	-0.011419	-0.016926	-0.01	<2e-16
Total Effect	-0.011662	-0.017091	-0.01	<2e-16
Prop. Mediated	0.019390	0.000281	0.06	0.044
Treatment 3		$PRI_{Gov.Fin.}$		
	Estimate	95% CI Lower	95% CI Upper	p-value
ACME	-0.000222	-0.000630	0.00	0.10
ADE	0.002477	-0.003774	0.01	0.43
Total Effect	0.002255	-0.003930	0.01	0.48
Prop. Mediated	-0.040014	-0.915353	0.92	0.53
Treatment 4		$PRI_{Gov.Inv.}$		
	Estimate	95% CI Lower	95% CI Upper	p-value
ACME	-0.000140	-0.000371	0.00	0.084
ADE	0.002649	-0.001181	0.01	0.174
Total Effect	0.002509	-0.001361	0.01	0.190
Prop. Mediated	-0.041420	-0.561430	0.31	0.250
Treatment 5		$PRI_{Fin.Reg.}$		
	Estimate	95% CI Lower	95% CI Upper	p-value
ACME	-0.000143	-0.000426	0.00	0.17
ADE	0.001103	-0.003870	0.01	0.64
Total Effect	0.000961	-0.004042	0.01	0.69
Prop. Mediated	-0.030164	-0.863093	0.97	0.74

Note: Causal mediation analysis is based on quasi-Bayesian confidence intervals offered by Imai, Keele and Yamamoto (2010). All models use the post-2015 sample (N=5133) and 1000 times of simulations.

Table G8: Poverty-alleviation Spending and Commerical Lawsuits: Logit Regression

Dependent Variable:	Win the Lawsuits			
Model:	(1)	(2)	(3)	(4)
Variables				
Expenditure	10.2***	11.4***	12.6***	
	(0.629)	(1.04)	(1.69)	
Expenditure>0 (binary)				22.6***
				(2.37)
Sale			-0.042	-0.042
			(1.09)	(1.09)
TotalAsset			-0.579	-0.579
			(1.04)	(1.04)
TaxRate			2.83	2.83
			(5.11)	(5.11)
ROE			9.67	9.67
			(9.91)	(9.91)
Age			1.18	1.18
			(2.05)	(2.05)
PoliConn			0.059	0.059
			(1.99)	(1.99)
Intercept	1.12*			
	(0.495)			
Fixed-effects				
Year		✓	✓	✓
Sicmen		✓	✓	✓
Fit statistics				
Observations	91	68	68	68
R2	0.048	0.05	0.21	0.21

Note: Clustered (Firm) standard errors in parentheses. ***: 0.001, **: 0.01, *: 0.05, $^{+}$: 0.1