Table 1: Baseline estimate, SO2 intensity emission reduction, financial ratio city-industry-year level, Filter no polluted sector

	Dependent variable: SO2 intensity emission					
	(1)	(2)	(3)	(4)	(5)	(6)
working capital$_{cit}$	0.001					
	(0.001)					
current ratio$_{cit}$		0.012				
		(0.018)				
cash assets$_{cit}$			0.810			
			(1.627)			
liabilities assets$_{cit}$				−0.079		
				(1.116)		
return on asset$_{cit}$					0.003***	
					(0.0004)	
sales assets$_{cit}$						0.00002
						(0.00002)
log(output)	−1.443***	−6.062**	−1.645***	−1.663***	−1.431***	−7.410*
	(0.524)	(2.769)	(0.496)	(0.498)	(0.520)	(4.012)
log(employment)	−0.367	1.904*	0.310	0.325	−0.404	3.105*
	(0.710)	(1.048)	(0.563)	(0.593)	(0.704)	(1.694)
log(capital)	−0.671	0.676	−0.337	−0.335	−0.658	1.536
	(0.458)	(0.962)	(0.312)	(0.280)	(0.462)	(1.737)
working capital$_{cit}$ × period	0.0003					
	(0.0003)					
current ratio$_{cit}$ × period		0.054				
		(0.092)				
cash assets$_{cit}$ × period			−2.941*			
			(1.674)			
liabilities assets$_{cit}$ × period				0.608		
				(0.610)		
return on asset$_{cit}$ × period					0.011	
					(0.010)	
sales assets$_{cit}$ × period						0.00005
						(0.0001)
City-time	Yes	Yes	Yes	Yes	Yes	Yes
city-industry	Yes	Yes	Yes	Yes	Yes	Yes
Observations	11,868	20,800	8,876	8,876	11,835	17,512
R^2	0.775	0.964	0.876	0.876	0.777	0.965

This table estimates eq(3). Heteroskedasticity-robust standard errors clustered at the city level appear inp arentheses. * Significance at the 10%, ** Significance at the 5%, *** Significance at the 1%.