Table 1: Baseline estimate, SO2 emission reduction and industry financial ratio, city-industry-year level

	Dependent variable: SO2 emission					
	(1)	(2)	(3)	(4)	(5)	(6)
log(output)	0.049	0.060**	0.068	0.073	0.057	0.022
	(0.042)	(0.027)	(0.052)	(0.051)	(0.042)	(0.029)
log(capital)	0.005	0.006	0.008	0.001	0.007	0.017
	(0.030)	(0.022)	(0.035)	(0.035)	(0.030)	(0.021)
log(employment)	0.043	0.205***	0.043	0.041	0.045	0.209***
	(0.054)	(0.036)	(0.067)	(0.066)	(0.055)	(0.037)
working capital$_{cit}$	0.001**					
	(0.0004)					
working capital$_{cit}$ × period	−0.0002					
	(0.0002)					
working capital$_{cit}$ × period × policy mandate$_c$	0.0002*					
	(0.0001)					
working capital$_{cit}$ × policy mandate$_c$	−0.001*					
	(0.0003)					
current ratio$_{cit}$ × period		−0.013				
		(0.020)				
current ratio$_{cit}$		0.001				
		(0.002)				
current ratio$_{cit}$ × period × policy mandate$_c$		0.077				
		(0.100)				
current ratio$_{cit}$ × policy mandate$_c$		−0.043				
		(0.071)				
cash assets$_{cit}$ × period			−0.370			
			(0.235)			
cash assets$_{cit}$			0.004			
			(0.007)			
cash assets$_{cit}$ × period × policy mandate$_c$			1.286			
			(1.409)			
cash assets$_{cit}$ × policy mandate$_c$			1.141			
			(1.928)			
liabilities assets$_{cit}$ × period				−0.079		
				(0.157)		
liabilities assets$_{cit}$				−0.031		
				(0.152)		
liabilities assets$_{cit}$ × period × policy mandate$_c$				−1.186		
				(0.950)		
liabilities assets$_{cit}$ × policy mandate$_c$				0.664		
				(1.080)		
return on asset$_{cit}$ × period					0.0005	
					(0.0003)	
return on asset$_{cit}$					0.00003	
					(0.0001)	
return on asset$_{cit}$ × period × policy mandate$_c$					−0.004	
					(0.005)	
return on asset$_{cit}$ × policy mandate$_c$					−0.001	
					(0.004)	
sales assets$_{cit}$						0.00001
						(0.00001)
sales assets$_{cit}$ × period						−0.00001
						(0.00001)
sales assets$_{cit}$ × policy mandate$_c$						−0.00001
						(0.0001)
sales assets$_{cit}$ × period × policy mandate$_c$						0.00002
						(0.0001)
City-industry	Yes	Yes	Yes	Yes	Yes	Yes
Time-industry	Yes	Yes	Yes	Yes	Yes	Yes
City-time	Yes	Yes	Yes	Yes	Yes	Yes
Observations	18,246	31,603	13,679	13,679	18,204	26,726
R^2	0.906	0.865	0.925	0.925	0.906	0.878

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%.