

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

	Dependent variable: SO2 emission						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
output _{cit}	0.006 (0.004)	0.004 (0.005)	0.007 (0.004)	0.007 (0.004)	0.007 (0.004)	0.007 (0.004)	0.007 (0.004)
employment _{cit}	0.018*** (0.004)	0.020*** (0.004)	0.018*** (0.004)	0.018*** (0.004)	0.018*** (0.004)	0.018*** (0.004)	0.018*** (0.004)
working capital _i × period × policy mandate _c	0.766* (0.426)						
asset tangibility _i × period × policy mandate _c		-0.148 (0.201)					
current ratio _i × period × policy mandate _c			0.001 (0.010)				
cash assets _i × period × policy mandate _c				-2.030 (2.940)			
liabilities assets _i × period × policy mandate _c					1.240 (0.898)		
return on asset _i × period × policy mandate _c						-0.006 (0.004)	
sales assets _i × period × policy mandate _c							-0.0002 (0.001)
City-industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time-industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes
City-time	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	66,859	58,505	75,983	66,859	66,859	66,859	75,294
R ²	0.853	0.861	0.865	0.853	0.853	0.853	0.864

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