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)
output$_{cit}$	−0.006	−0.010***	−0.003	−0.003	−0.004	−0.011***
	(0.006)	(0.003)	(0.007)	(0.007)	(0.004)	(0.003)
capital$_{cit}$	0.004	0.037***	−0.001	−0.004	0.011	0.042***
	(0.014)	(0.014)	(0.016)	(0.016)	(0.013)	(0.013)
employment$_{cit}$	0.006**	0.010***	0.005	0.005	0.006**	0.010***
	(0.003)	(0.002)	(0.004)	(0.004)	(0.003)	(0.002)
working capital$_{cit}$	0.102**					
	(0.040)					
working capital$_{cit}$ × period	−0.031					
	(0.026)					
working capital$_{cit}$ × period × policy mandate$_c$	0.041**					
	(0.016)					
working capital$_{cit}$ × policy mandate$_c$	−0.085***					
	(0.032)					
current ratio$_{cit}$ × period		−0.014				
		(0.019)				
current ratio$_{cit}$		0.001				
		(0.001)				
current ratio$_{cit}$ × period × policy mandate$_c$		0.096				
		(0.093)				
current ratio$_{cit}$ × policy mandate$_c$		−0.052				
		(0.062)				
cash assets$_{cit}$ × period			−0.406*			
			(0.235)			
cash assets$_{cit}$			0.003			
			(0.006)			
cash assets$_{cit}$ × period × policy mandate$_c$			1.460			
			(1.348)			
cash assets$_{cit}$ × policy mandate$_c$			1.304			
			(1.819)			
liabilities assets$_{cit}$ × period				−0.070		
				(0.153)		
liabilities assets$_{cit}$				−0.071		
				(0.139)		
liabilities assets$_{cit}$ × period × policy mandate$_c$				−1.241		
				(0.958)		
liabilities assets$_{cit}$ × policy mandate$_c$				0.778		
				(1.073)		
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	18,292	31,652	13,702	13,702	18,238	26,775
R^2	0.905	0.864	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%.