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

	Dependent variable: SO2 emission							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
log(output)	0.056**	0.056**	0.056**	0.056**	0.056**	0.056**	0.056**	0.062**
	(0.026)	(0.027)	(0.026)	(0.026)	(0.026)	(0.027)	(0.027)	(0.026)
log(employment)	0.208***	0.208***	0.208***	0.208***	0.208***	0.208***	0.208***	0.207***
	(0.035)	(0.035)	(0.035)	(0.035)	(0.035)	(0.035)	(0.035)	(0.035)
log(capital)	0.007	0.007	0.008	0.007	0.007	0.007	0.007	0.011
	(0.021)	(0.021)	(0.021)	(0.021)	(0.021)	(0.021)	(0.021)	(0.021)
working capital$_i$ × period × policy mandate$_c$	−0.245							
	(0.424)							
asset tangibility$_i$ × period × policy mandate$_c$		−0.094						
		(0.152)						
current ratio$_i$ × period × policy mandate$_c$			0.179					
			(0.252)					
cash assets$_i$ × period × policy mandate$_c$				−2.517				
				(1.801)				
liabilities assets$_i$ × period × policy mandate$_c$					−1.771			
					(2.387)			
return on asset$_i$ × period × policy mandate$_c$						0.031		
						(0.058)		
sales assets$_i$ × period × policy mandate$_c$							−0.001	
							(0.002)	
credit constraint$_i$ × period × policy mandate$_c$								−0.254*
								(0.134)
City-industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time-industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
City-time	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	31,638	31,638	31,638	31,638	31,638	31,638	31,638	31,403
R^2	0.865	0.865	0.865	0.865	0.865	0.865	0.865	0.865

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%.