

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}	-0.010*** (0.003)	-0.010*** (0.003)	-0.010*** (0.003)	-0.010*** (0.003)	-0.010*** (0.003)	-0.010*** (0.003)	-0.010*** (0.003)
employment _{cit}	0.010*** (0.002)	0.010*** (0.002)	0.010*** (0.002)	0.010*** (0.002)	0.010*** (0.002)	0.010*** (0.002)	0.010*** (0.002)
capital _{cit}	0.038*** (0.014)	0.037*** (0.014)	0.037*** (0.014)	0.037*** (0.014)	0.037*** (0.014)	0.038*** (0.014)	0.037*** (0.014)
working capital _i × period × policy mandate _c	-0.241 (0.434)						
asset tangibility _i × period × policy mandate _c		0.031 (0.160)					
current ratio _i × period × policy mandate _c			0.199 (0.239)				
cash assets _i × period × policy mandate _c				-0.880 (2.061)			
liabilities assets _i × period × policy mandate _c					-1.804 (2.446)		
return on asset _i × period × policy mandate _c						0.032 (0.057)	
sales assets _i × period × policy mandate _c							-0.001 (0.002)
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	31,723	31,723	31,723	31,723	31,723	31,723	31,723
R ²	0.864	0.864	0.864	0.864	0.864	0.864	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%.