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

	Dependent variable: SO2 emission						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
$\log(\text{output}_{cit}+1)$	0.158***	0.166***	0.160***	0.158***	0.159***	0.157***	0.162***
	(0.038)	(0.038)	(0.038)	(0.038)	(0.038)	(0.038)	(0.038)
$\log(\text{employment}_{cit}+1)$	0.279***	0.275***	0.276***	0.284***	0.281***	0.280***	0.276***
	(0.035)	(0.035)	(0.035)	(0.035)	(0.036)	(0.035)	(0.035)
$\log(\text{capital}_{cit}+1)$	0.140**	0.129**	0.139**	0.138**	0.137**	0.140***	0.138**
	(0.054)	(0.055)	(0.053)	(0.053)	(0.054)	(0.054)	(0.053)
working capital_{ci} × period	−0.005						
	(0.018)						
working capital_{ci} × period × policy mandate_c	0.013						
	(0.013)						
asset tangibility_{ci} × period		−0.004					
		(0.013)					
asset tangibility_{ci} × period × policy mandate_c		−0.006					
		(0.009)					
current ratio_{ci} × period			−0.003				
			(0.004)				
current ratio_{ci} × period × policy mandate_c			0.097				
			(0.151)				
cash assets_{ci} × period				0.013***			
				(0.004)			
cash assets_{ci} × period × policy mandate_c				0.301			
				(1.284)			
liabilities assets_{ci} × period					−0.175		
					(0.135)		
liabilities assets_{ci} × period × policy mandate_c					−0.382		
					(0.755)		
return on asset_{ci} × period						0.0002	
						(0.0003)	
return on asset_{ci} × period × policy mandate_c						0.004	
						(0.011)	
sales assets_{ci} × period							0.0001***
							(0.00002)
sales assets_{ci} × period × policy mandate_c							−0.0004***
							(0.0001)
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	31,425	30,360	31,694	31,253	31,253	31,405	31,611
R^2	0.864	0.865	0.865	0.864	0.864	0.864	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%.