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

	(1)	(2)	(3)	(4)	(5)	(6)
	Dependent variable: SO2 emission					
$output_{cit}$	0.010*	0.007*	0.005	0.005	0.011**	0.008
	(0.006)	(0.004)	(0.005)	(0.005)	(0.005)	(0.005)
$employment_{cit}$	0.007	0.017***	0.007	0.007	0.006	0.018***
	(0.006)	(0.004)	(0.005)	(0.005)	(0.005)	(0.004)
working capital$_{cit}$	−0.064					
	(0.091)					
working capital$_{cit}$ × period	0.016					
	(0.074)					
working capital$_{cit}$ × policy mandate$_c$	−0.010					
	(0.104)					
working capital$_{cit}$ × period × policy mandate$_c$	0.051					
	(0.057)					
current ratio$_{cit}$ × period		−0.001				
		(0.001)				
current ratio$_{cit}$ × policy mandate$_c$		−0.006				
		(0.005)				
current ratio$_{cit}$		0.001				
		(0.001)				
current ratio$_{cit}$ × period × policy mandate$_c$		0.014				
		(0.022)				
cash assets$_{cit}$ × period			0.085			
			(0.157)			
cash assets$_{cit}$ × policy mandate$_c$			0.726			
			(0.647)			
cash assets$_{cit}$			−0.186			
			(0.168)			
cash assets$_{cit}$ × period × policy mandate$_c$			−0.178			
			(0.398)			
liabilities assets$_{cit}$ × period				−0.082		
				(0.091)		
liabilities assets$_{cit}$ × policy mandate$_c$				0.350		
				(0.422)		
liabilities assets$_{cit}$				−0.004		
				(0.094)		
liabilities assets$_{cit}$ × period × policy mandate$_c$				0.375		
				(0.479)		
return on asset$_{cit}$ × period					−0.0002	
					(0.001)	
return on asset$_{cit}$ × policy mandate$_c$					0.001	
					(0.005)	
return on asset$_{cit}$					0.0002	
					(0.001)	
return on asset$_{cit}$ × period × policy mandate$_c$					−0.001	
					(0.005)	
sales assets$_{cit}$ × period						0.00003
						(0.00003)
sales assets$_{cit}$						−0.00000
						(0.00001)
sales assets$_{cit}$ × policy mandate$_c$						0.00000
						(0.00002)
sales assets$_{cit}$ × period × policy mandate$_c$						−0.0001
						(0.0002)
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	44,986	75,464	34,779	34,779	44,709	58,205
R^2	0.885	0.865	0.908	0.908	0.885	0.876

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%.