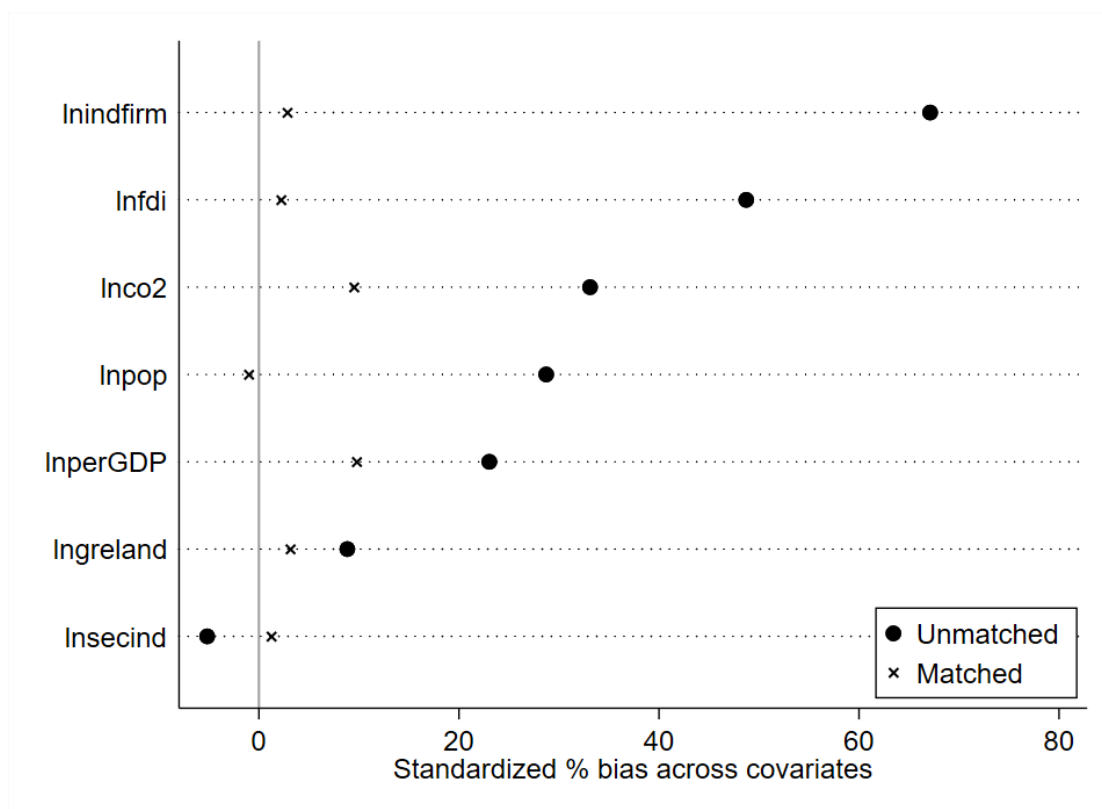
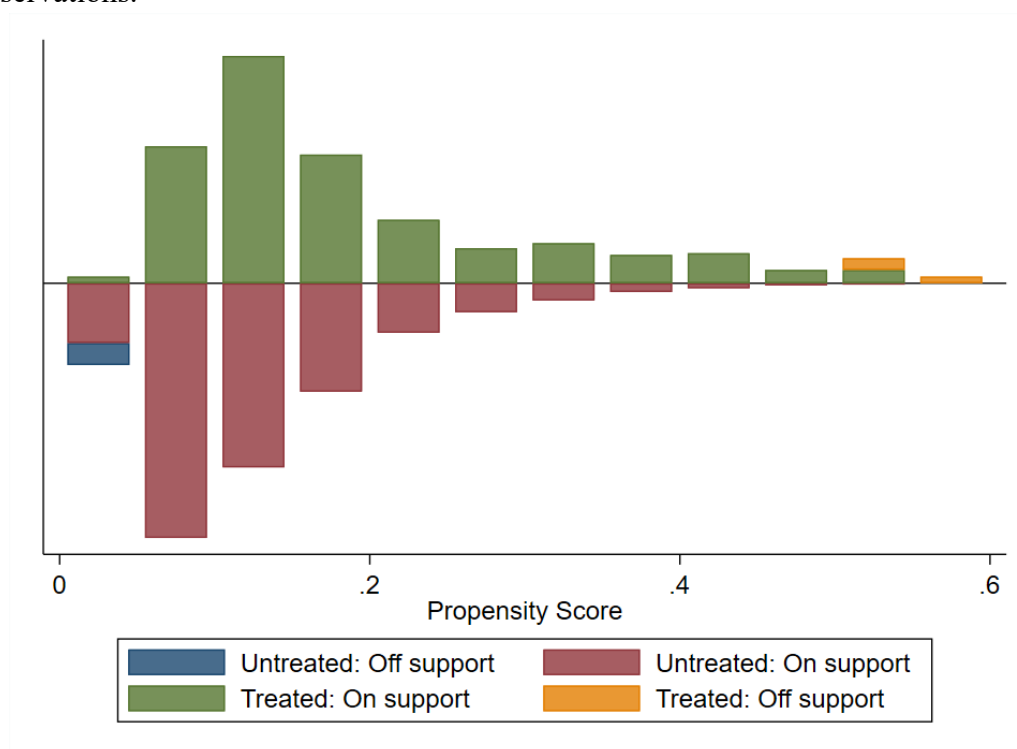


## Supplementary Materials



**Figure S1.** Standardized % bias across covariates between unmatched and matched observations.



**Figure S2.** Common support between treated and untreated observations.

**Table S1.** Robustness of the effects of carbon trading in reducing PM<sub>2.5</sub> concentrations.

Variable	lnPM <sub>2.5</sub> (1)	PM <sub>2.5</sub> (winsor) (2)
ctspost	-0.0950*** (0.0143)	-3.1*** (0.6)
Controls	YES	YES
City fixed-effect	YES	YES
Year fixed-effect	YES	YES
N	3,258	3,400
Adjusted R square	0.9451	0.9336

Notes: Standard errors are clustered at the city level with robust standard errors in parentheses. “N” represents the number of observations. Significance levels: \*\*\*p<0.01.