

Table 1: Baseline estimate, SO2 emission reduction, policy mandate, individual sector Footwear

	Dependent variable: SO2 emission					
	(1)	(2)	(3)	(4)	(5)	(6)
working capital _{cit}	0.511 (0.438)					
current ratio _{cit}		0.285*** (0.083)				
cash assets _{cit}			2.312* (1.183)			
liabilities assets _{cit}				0.944 (0.976)		
return on asset _{cit}					0.048 (0.092)	
sales assets _{cit}						-0.0002 (0.0003)
output _{cit}	-0.061 (0.055)	-0.049 (0.046)	-0.153*** (0.056)	-0.131** (0.050)	-0.067* (0.039)	-0.047 (0.046)
employment _{cit}	0.012 (0.010)	0.009 (0.009)	0.021 (0.017)	0.017 (0.016)	0.014 (0.010)	0.006 (0.011)
capital _{cit}	-0.325 (0.223)	0.146 (0.089)	-0.176 (0.207)	-0.137 (0.195)	-0.348 (0.232)	0.133 (0.103)
period × policy mandate _c	0.413 (0.684)	-5.632 (3.788)	-4.444 (3.246)	12.465* (6.772)	-3.072 (2.030)	0.015 (0.524)
period × working capital _{cit}	-0.212 (0.248)					
policy mandate _c × working capital _{cit}	-1.073 (1.110)					
period × policy mandate _c × working capital _{cit}	0.312 (0.363)					
period × current ratio _{cit}		-0.775** (0.311)				
policy mandate _c × current ratio _{cit}		-1.250 (1.370)				
period × policy mandate _c × current ratio _{cit}		4.442 (2.979)				
period × cash assets _{cit}			0.194 (1.471)			
policy mandate _c × cash assets _{cit}			15.138 (10.204)			
period × policy mandate _c × cash assets _{cit}			-19.584 (12.932)			
period × liabilities assets _{cit}				0.211 (0.821)		
policy mandate _c × liabilities assets _{cit}				8.041 (10.801)		
period × policy mandate _c × liabilities assets _{cit}				-21.031* (11.959)		
period × return on asset _{cit}					-0.018 (0.071)	
policy mandate _c × return on asset _{cit}					-1.519* (0.891)	
period × policy mandate _c × return on asset _{cit}					1.453* (0.804)	
period × sales assets _{cit}						0.001** (0.0004)
policy mandate _c × sales assets _{cit}						0.001 (0.002)
period × policy mandate _c × sales assets _{cit}						-0.002 (0.002)
City	Yes	Yes	Yes	Yes	Yes	Yes
Time	Yes	Yes	Yes	Yes	Yes	Yes
Observations	377	656	287	287	376	565
R ²	0.862	0.770	0.887	0.890	0.865	0.780

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%.