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

	Dependent variable: SO2 emission						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
output$_{cit}$	−0.013	−0.017	−0.012	−0.016	−0.017	−0.017	−0.017
	(0.015)	(0.015)	(0.014)	(0.014)	(0.015)	(0.014)	(0.014)
employment$_{cit}$	0.017***	0.018***	0.015***	0.017***	0.017***	0.017***	0.018***
	(0.006)	(0.006)	(0.005)	(0.005)	(0.005)	(0.005)	(0.005)
capital$_{cit}$	0.005	0.006	0.006	0.007	−0.002	0.006	0.003
	(0.074)	(0.074)	(0.074)	(0.073)	(0.074)	(0.072)	(0.074)
period ×policy mandate$_c$	0.530	0.549	5.627*	1.972	1.910	0.715	0.478
	(0.435)	(0.449)	(3.139)	(1.815)	(2.049)	(0.843)	(0.392)
period ×working capital$_{ci}$	−0.027						
	(0.041)						
period ×policy mandate$_c$ × working capital$_{ci}$	0.007						
	(0.030)						
period ×asset tangibility$_{ci}$		0.008					
		(0.097)					
period ×policy mandate$_c$ × asset tangibility$_{ci}$		−0.023					
		(0.068)					
period ×current ratio$_{ci}$			1.364***				
			(0.483)				
period ×policy mandate$_c$ × current ratio$_{ci}$			−4.890*				
			(2.870)				
period ×cash assets$_{ci}$				0.240			
				(1.398)			
period ×policy mandate$_c$ × cash assets$_{ci}$				6.162			
				(7.046)			
period ×liabilities assets$_{ci}$					−0.376		
					(0.784)		
period ×policy mandate$_c$ × liabilities assets$_{ci}$					−2.100		
					(2.932)		
period ×return on asset$_{ci}$						0.047	
						(0.161)	
period ×policy mandate$_c$ × return on asset$_{ci}$						−0.186	
						(0.626)	
period ×sales assets$_{ci}$							0.0001*
							(0.0001)
period ×policy mandate$_c$ × sales assets$_{ci}$							−0.005
							(0.004)
City	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1,366	1,349	1,368	1,357	1,357	1,366	1,366
R^2	0.762	0.766	0.765	0.762	0.762	0.762	0.763

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%.