

Table 1: Baseline estimate and SO2 emission reduction, policy mandate, individual sector Electrical Machine

| | Dependent variable: SO2 emission | | | | | |
|--|----------------------------------|-------------------|-----------------------|-----------------------|----------------------|----------------------|
| | (1) | (2) | (3) | (4) | (5) | (6) |
| working capital _{cit} | -0.231 (0.176) | | | | | |
| current ratio _{cit} | | -0.029 (0.332) | | | | |
| cash assets _{cit} | | | -2.904 (1.962) | | | |
| liabilities assets _{cit} | | | | 1.466 (1.191) | | |
| return on asset _{cit} | | | | | 0.010 (0.122) | |
| sales assets _{cit} | | | | | | 0.003 (0.003) |
| output _{cit} | -0.0001 (0.014) | 0.003 (0.013) | 0.038** (0.017) | 0.045** (0.018) | 0.010 (0.016) | 0.001 (0.017) |
| employment _{cit} | -0.035** (0.014) | -0.009 (0.009) | -0.035*** (0.012) | -0.038*** (0.012) | -0.041*** (0.012) | -0.034*** (0.013) |
| capital _{cit} | 0.583*** (0.154) | 0.241* (0.145) | 0.328** (0.129) | 0.333** (0.138) | 0.530*** (0.163) | 0.518*** (0.156) |
| period × policy mandate _c | -1.217 (1.055) | 2.659 (3.994) | -9.666** (3.747) | -12.616*** (3.500) | 0.886 (1.736) | -0.907 (0.902) |
| period × working capital _{cit} | 0.047 (0.058) | | | | | |
| policy mandate _c × working capital _{cit} | 0.613 (0.518) | | | | | |
| period × policy mandate _c × working capital _{cit} | -0.132 (0.142) | | | | | |
| period × current ratio _{cit} | | 0.323 (0.527) | | | | |
| policy mandate _c × current ratio _{cit} | | -0.857 (1.982) | | | | |
| period × policy mandate _c × current ratio _{cit} | | -2.712 (3.133) | | | | |
| period × cash assets _{cit} | | | 2.712 (2.175) | | | |
| policy mandate _c × cash assets _{cit} | | | 30.709** (15.511) | | | |
| period × policy mandate _c × cash assets _{cit} | | | -36.493** (14.181) | | | |
| period × liabilities assets _{cit} | | | | -1.708 (1.167) | | |
| policy mandate _c × liabilities assets _{cit} | | | | -10.827 (17.232) | | |
| period × policy mandate _c × liabilities assets _{cit} | | | | 19.856*** (5.836) | | |
| period × return on asset _{cit} | | | | | 0.123 (0.134) | |
| policy mandate _c × return on asset _{cit} | | | | | -0.201 (0.657) | |
| period × policy mandate _c × return on asset _{cit} | | | | | -0.754 (0.558) | |
| period × sales assets _{cit} | | | | | | -0.003 (0.003) |
| policy mandate _c × sales assets _{cit} | | | | | | -0.009 (0.007) |
| period × policy mandate _c × sales assets _{cit} | | | | | | 0.011 (0.007) |
| City | Yes | Yes | Yes | Yes | Yes | Yes |
| Time | Yes | Yes | Yes | Yes | Yes | Yes |
| Observations | 573 | 734 | 432 | 432 | 573 | 610 |
| R ² | 0.721 | 0.640 | 0.803 | 0.802 | 0.721 | 0.682 |

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%.