

Table 1: Baseline estimate and, SO2 emission reduction, policy mandate, individual sector Non-metallic Products

	Dependent variable: SO2 emission					
	(1)	(2)	(3)	(4)	(5)	(6)
working capital <sub>cit</sub>	0.456 (0.365)					
current ratio <sub>cit</sub>		0.026 (0.087)				
cash assets <sub>cit</sub>			1.353 (0.824)			
liabilities assets <sub>cit</sub>				0.513 (0.401)		
return on asset <sub>cit</sub>					-0.006 (0.022)	
sales assets <sub>cit</sub>						0.0001*** (0.00001)
output <sub>cit</sub>	-0.009 (0.009)	-0.005 (0.010)	-0.012 (0.010)	-0.013 (0.010)	-0.009 (0.007)	-0.003 (0.009)
employment <sub>cit</sub>	0.024*** (0.007)	0.010 (0.006)	0.023* (0.012)	0.024** (0.012)	0.026*** (0.008)	0.012* (0.007)
capital <sub>cit</sub>	-0.030 (0.050)	-0.041 (0.058)	-0.074 (0.060)	-0.068 (0.059)	-0.025 (0.055)	-0.035 (0.056)
period × policy mandate <sub>c</sub>	-0.181 (0.217)	-1.436 (1.159)	1.082 (1.145)	0.720 (1.494)	0.219 (0.315)	-0.299 (0.254)
period × working capital <sub>cit</sub>	-0.186* (0.097)					
policy mandate <sub>c</sub> × working capital <sub>cit</sub>	-0.866 (0.654)					
period × policy mandate <sub>c</sub> × working capital <sub>cit</sub>	0.289** (0.113)					
period × current ratio <sub>cit</sub>		-0.286* (0.171)				
policy mandate <sub>c</sub> × current ratio <sub>cit</sub>		0.875 (0.630)				
period × policy mandate <sub>c</sub> × current ratio <sub>cit</sub>		1.090 (1.211)				
period × cash assets <sub>cit</sub>			-0.439 (0.759)			
policy mandate <sub>c</sub> × cash assets <sub>cit</sub>			-7.359 (6.675)			
period × policy mandate <sub>c</sub> × cash assets <sub>cit</sub>			4.974 (5.747)			
period × liabilities assets <sub>cit</sub>				0.059 (0.370)		
policy mandate <sub>c</sub> × liabilities assets <sub>cit</sub>				-3.988 (2.842)		
period × policy mandate <sub>c</sub> × liabilities assets <sub>cit</sub>				-1.122 (2.406)		
period × return on asset <sub>cit</sub>					0.008 (0.022)	
policy mandate <sub>c</sub> × return on asset <sub>cit</sub>					0.218 (0.218)	
period × policy mandate <sub>c</sub> × return on asset <sub>cit</sub>					-0.232 (0.220)	
period × sales assets <sub>cit</sub>						-0.0001*** (0.00001)
policy mandate <sub>c</sub> × sales assets <sub>cit</sub>						-0.001 (0.001)
period × policy mandate <sub>c</sub> × sales assets <sub>cit</sub>						0.001 (0.001)
City	Yes	Yes	Yes	Yes	Yes	Yes
Time	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1,108	1,903	826	826	1,106	1,621
R <sup>2</sup>	0.898	0.832	0.919	0.919	0.897	0.856

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%.