Table 1: Baseline estin sector Foods	nate, SO2 emission	n reducti	on, poli	icy man	idate, in	dividual	
		Dependent variable: SO2 emission					
	(1)	(2)	(3)	(4)	(5)	(6)	
working capital $_{cit}$	0.593 (0.581)						
current $ratio_{cit}$, ,	0.006*** (0.001)					
$cash assets_{cit}$, ,	0.701 (1.406)				

liabilities assets_{cit}

return on asset_{cit}

sales assets $_{cit}$

employment_{cit}

period ×policy mandate

period \times working capital_{cit}

period \times current ratio_{cit}

period \times cash assets_{cit}

policy mandate_c \times working capital_{cit}

policy mandate_c \times current ratio_{cit}

policy mandate_c \times cash assets_{cit}

period \times liabilities assets_{cit}

period \times return on asset_{cit}

period \times sales assets_{cit}

City

Time

 \mathbb{R}^2

Observations

period \times policy mandate_c \times working capital_{cit}

period \times policy mandate_c \times current ratio_{cit}

period \times policy mandate_c \times cash assets_{cit}

policy mandate_c \times liabilities assets_{cit}

policy mandate_c \times return on asset_{cit}

policy mandate_c \times sales assets_{cit}

period \times policy mandate_c \times liabilities assets_{cit}

period \times policy mandate_c \times return on asset_{cit}

period \times policy mandate_c \times sales assets_{cit}

the 5%, *** Significance at the 1%.

output_{cit}

capital_{cit}

0.058

(0.045)

0.032

(0.029)

-0.051

(0.158)

0.520

(0.559)

-0.665(0.537)

-1.143* (0.583)

0.434 (0.429)

Yes

Yes

951

0.791

Yes

Yes

1,624

0.696

This table estimates eq(3). Heteroskedasticity-robust standard errors clustered at the city level appear inp arentheses. * Significance at the 10%, ** Significance at

0.005 (0.040) 0.027 (0.030) -0.273* (0.141) 0.295 (1.317)

0.051

(0.114)

-0.348 (0.601) -0.284

(0.842)

0.053

(0.055)

0.045

(0.028)

-0.107

(0.181)

1.232

(1.493)

-1.285

(1.771)

-3.374 (6.357)

4.027 (5.159)

Yes

Yes

714

0.841

-0.153

(0.370)

0.075

(0.053)

 0.047^{*}

(0.028)

-0.100

(0.181)

3.477

(2.543)

1.082 (0.703)

-1.452 (3.633)

-6.001 (4.824)

Yes

Yes

714

0.842

-0.001(0.064)

0.110 (0.395)

-0.122(0.366)

Yes

Yes

947

0.791

 $0.00000 \\ (0.0003)$

0.00004 (0.001)

0.002 (0.003)

Yes

Yes

1.385

0.714

-0.019(0.063)

0.040

(0.045)

0.034

(0.029)

-0.125

(0.160)

0.468

(1.051)

0.00000

(0.0003)

0.040

(0.043)

0.013

(0.033)

-0.304**

(0.137)

-0.019

(0.459)