

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

	Dependent variable: SO2 emission					
	(1)	(2)	(3)	(4)	(5)	(6)
working capital <sub>cit</sub>	−0.392*** (0.137)					
current ratio <sub>cit</sub>		0.025 (0.029)				
cash assets <sub>cit</sub>			1.386* (0.758)			
liabilities assets <sub>cit</sub>				0.200 (0.308)		
return on asset <sub>cit</sub>					−0.021 (0.032)	
sales assets <sub>cit</sub>						−0.00001*** (0.00000)
output <sub>cit</sub>	0.022 (0.044)	−0.006 (0.036)	0.071 (0.072)	0.034 (0.067)	0.010 (0.041)	−0.013 (0.033)
employment <sub>cit</sub>	0.027 (0.033)	0.038 (0.024)	−0.040 (0.055)	−0.051 (0.052)	0.035 (0.033)	0.041* (0.024)
capital <sub>cit</sub>	−0.138 (0.127)	−0.150 (0.116)	−0.018 (0.211)	−0.029 (0.182)	−0.195 (0.150)	−0.154 (0.121)
period × policy mandate <sub>c</sub>	0.022 (0.347)	−0.077 (0.836)	2.158** (0.955)	0.132 (1.185)	−0.317 (0.523)	−0.377 (0.354)
period × working capital <sub>cit</sub>	0.179 (0.149)					
policy mandate <sub>c</sub> × working capital <sub>cit</sub>	0.216 (0.910)					
period × policy mandate <sub>c</sub> × working capital <sub>cit</sub>	−0.649 (0.396)					
period × current ratio <sub>cit</sub>		0.045 (0.073)				
policy mandate <sub>c</sub> × current ratio <sub>cit</sub>		−0.722 (0.905)				
period × policy mandate <sub>c</sub> × current ratio <sub>cit</sub>		−0.400 (0.736)				
period × cash assets <sub>cit</sub>			0.043 (0.761)			
policy mandate <sub>c</sub> × cash assets <sub>cit</sub>			−0.199 (7.998)			
period × policy mandate <sub>c</sub> × cash assets <sub>cit</sub>			9.583** (4.001)			
period × liabilities assets <sub>cit</sub>				−0.440 (0.327)		
policy mandate <sub>c</sub> × liabilities assets <sub>cit</sub>				6.824* (3.536)		
period × policy mandate <sub>c</sub> × liabilities assets <sub>cit</sub>				−0.282 (2.074)		
period × return on asset <sub>cit</sub>					0.008 (0.027)	
policy mandate <sub>c</sub> × return on asset <sub>cit</sub>					0.103 (0.279)	
period × policy mandate <sub>c</sub> × return on asset <sub>cit</sub>					0.072 (0.243)	
period × sales assets <sub>cit</sub>						0.00000 (0.00001)
policy mandate <sub>c</sub> × sales assets <sub>cit</sub>						0.0002 (0.0005)
period × policy mandate <sub>c</sub> × sales assets <sub>cit</sub>						−0.0003 (0.0004)
City	Yes	Yes	Yes	Yes	Yes	Yes
Time	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1,043	1,772	783	783	1,040	1,512
R <sup>2</sup>	0.804	0.753	0.837	0.832	0.804	0.768

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%.