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

	Dependent variable: SO2 emission					
	(1)	(2)	(3)	(4)	(5)	(6)
working capital$_{cit}$	0.199**					
	(0.095)					
current ratio$_{cit}$		−0.088				
		(0.059)				
cash assets$_{cit}$			−1.306			
			(1.541)			
liabilities assets$_{cit}$				−0.429		
				(0.818)		
return on asset$_{cit}$					0.036	
					(0.053)	
sales assets$_{cit}$						0.00004**
						(0.00002)
output$_{cit}$	−0.041	−0.018	−0.025	−0.016	−0.027	−0.015
	(0.028)	(0.014)	(0.022)	(0.021)	(0.018)	(0.013)
employment$_{cit}$	0.005	0.017***	0.011	0.007	0.010	0.018***
	(0.011)	(0.005)	(0.019)	(0.019)	(0.011)	(0.005)
capital$_{cit}$	0.145*	0.027	0.092	0.077	0.142	0.005
	(0.078)	(0.073)	(0.086)	(0.084)	(0.086)	(0.068)
period ×policy mandate$_c$	0.421	1.846	1.452	0.087	1.167	0.314
	(0.438)	(1.239)	(3.056)	(2.623)	(0.800)	(0.407)
period ×working capital$_{cit}$	−0.035					
	(0.042)					
policy mandate$_c$ × working capital$_{cit}$	−0.114*					
	(0.066)					
period ×policy mandate$_c$ × working capital$_{cit}$	0.022					
	(0.031)					
period ×current ratio$_{cit}$		−0.104				
		(0.146)				
policy mandate$_c$ × current ratio$_{cit}$		1.117				
		(0.810)				
period ×policy mandate$_c$ × current ratio$_{cit}$		−1.318				
		(1.023)				
period ×cash assets$_{cit}$			1.856			
			(1.749)			
policy mandate$_c$ × cash assets$_{cit}$			−0.625			
			(13.359)			
period ×policy mandate$_c$ × cash assets$_{cit}$			4.360			
			(11.751)			
period ×liabilities assets$_{cit}$				−0.354		
				(0.793)		
policy mandate$_c$ × liabilities assets$_{cit}$				12.618		
				(8.877)		
period ×policy mandate$_c$ × liabilities assets$_{cit}$				0.340		
				(4.039)		
period ×return on asset$_{cit}$					0.042	
					(0.089)	
policy mandate$_c$ × return on asset$_{cit}$					0.233	
					(0.670)	
period ×policy mandate$_c$ × return on asset$_{cit}$					−0.595	
					(0.497)	
period ×sales assets$_{cit}$						0.0001
						(0.001)
policy mandate$_c$ × sales assets$_{cit}$						−0.001
						(0.001)
period ×policy mandate$_c$ × sales assets$_{cit}$						−0.0001
						(0.009)
City	Yes	Yes	Yes	Yes	Yes	Yes
Time	Yes	Yes	Yes	Yes	Yes	Yes
Observations	756	1,368	556	556	755	1,154
R^2	0.837	0.763	0.858	0.858	0.837	0.784

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%.