

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

| | Dependent variable: SO2 emission | | | | | |
|--|----------------------------------|----------------------|-------------------|---------------------|---------------------|----------------------|
| | (1) | (2) | (3) | (4) | (5) | (6) |
| working capital _{cit} | -0.074 (0.397) | | | | | |
| current ratio _{cit} | | -0.034 (0.061) | | | | |
| cash assets _{cit} | | | 1.222 (1.109) | | | |
| liabilities assets _{cit} | | | | 0.631 (0.789) | | |
| return on asset _{cit} | | | | | -0.035 (0.091) | |
| sales assets _{cit} | | | | | | 0.001** (0.0002) |
| output _{cit} | -0.064 (0.054) | -0.111*** (0.042) | -0.015 (0.058) | -0.018 (0.061) | -0.092* (0.048) | -0.099** (0.041) |
| employment _{cit} | 0.056* (0.029) | 0.101*** (0.020) | 0.030 (0.041) | 0.033 (0.041) | 0.045 (0.031) | 0.078*** (0.022) |
| capital _{cit} | 0.078 (0.118) | -0.059 (0.060) | -0.063 (0.122) | -0.027 (0.121) | 0.075 (0.111) | -0.034 (0.059) |
| period × policy mandate _c | 0.038 (0.393) | 1.862 (1.515) | 1.376 (1.198) | -4.850** (2.263) | 1.707*** (0.594) | -0.121 (0.351) |
| period × working capital _{cit} | -0.123 (0.120) | | | | | |
| policy mandate _c × working capital _{cit} | 0.180 (0.722) | | | | | |
| period × policy mandate _c × working capital _{cit} | 0.099 (0.112) | | | | | |
| period × current ratio _{cit} | | 0.133 (0.154) | | | | |
| policy mandate _c × current ratio _{cit} | | 1.229 (0.810) | | | | |
| period × policy mandate _c × current ratio _{cit} | | -1.618 (1.246) | | | | |
| period × cash assets _{cit} | | | -0.747 (0.986) | | | |
| policy mandate _c × cash assets _{cit} | | | -3.456 (7.568) | | | |
| period × policy mandate _c × cash assets _{cit} | | | 5.801 (5.004) | | | |
| period × liabilities assets _{cit} | | | | -1.029 (0.633) | | |
| policy mandate _c × liabilities assets _{cit} | | | | -2.916 (5.434) | | |
| period × policy mandate _c × liabilities assets _{cit} | | | | 9.619** (4.355) | | |
| period × return on asset _{cit} | | | | | 0.200*** (0.065) | |
| policy mandate _c × return on asset _{cit} | | | | | 0.256 (0.613) | |
| period × policy mandate _c × return on asset _{cit} | | | | | -1.085** (0.437) | |
| period × sales assets _{cit} | | | | | | -0.001** (0.0002) |
| policy mandate _c × sales assets _{cit} | | | | | | -0.003*** (0.001) |
| period × policy mandate _c × sales assets _{cit} | | | | | | 0.003** (0.001) |
| City | Yes | Yes | Yes | Yes | Yes | Yes |
| Time | Yes | Yes | Yes | Yes | Yes | Yes |
| Observations | 996 | 1,682 | 747 | 747 | 992 | 1,436 |
| R ² | 0.867 | 0.780 | 0.907 | 0.908 | 0.869 | 0.798 |

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%.