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

	Dependent variable: SO2 emission						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
output$_{cit}$	0.046**	0.044**	0.029	0.027	0.030*	0.025	0.028
	(0.020)	(0.020)	(0.018)	(0.019)	(0.018)	(0.018)	(0.019)
employment$_{cit}$	−0.012	−0.012	−0.009	−0.008	−0.009	−0.008	−0.008
	(0.009)	(0.009)	(0.009)	(0.009)	(0.009)	(0.009)	(0.009)
capital$_{cit}$	0.112	0.120	0.070	0.065	0.049	0.072	0.065
	(0.131)	(0.133)	(0.136)	(0.137)	(0.130)	(0.135)	(0.136)
period ×policy mandate$_c$	−0.027	0.130	2.803	0.826	−3.196	−0.511	−0.756**
	(0.524)	(0.595)	(2.313)	(1.611)	(3.795)	(1.104)	(0.383)
period ×working capital$_{ci}$	−0.272*						
	(0.151)						
period ×policy mandate$_c$ × working capital$_{ci}$	−0.534*						
	(0.297)						
period ×asset tangibility$_{ci}$		−0.532*					
		(0.320)					
period ×policy mandate$_c$ × asset tangibility$_{ci}$		−0.918					
		(0.644)					
period ×current ratio$_{ci}$			0.288				
			(0.266)				
period ×policy mandate$_c$ × current ratio$_{ci}$			−3.678				
			(2.473)				
period ×cash assets$_{ci}$				−1.174			
				(1.427)			
period ×policy mandate$_c$ × cash assets$_{ci}$				6.409			
				(6.155)			
period ×liabilities assets$_{ci}$					−2.291**		
					(0.888)		
period ×policy mandate$_c$ × liabilities assets$_{ci}$					4.318		
					(5.848)		
period ×return on asset$_{ci}$						0.060	
						(0.062)	
period ×policy mandate$_c$ × return on asset$_{ci}$						−0.057	
						(0.402)	
period ×sales assets$_{ci}$							0.0002
							(0.003)
period ×policy mandate$_c$ × sales assets$_{ci}$							0.011
							(0.007)
City	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1,670	1,610	1,670	1,670	1,670	1,670	1,667
R^2	0.738	0.731	0.737	0.737	0.739	0.737	0.737

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%.