

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

	Dependent variable: SO2 emission					
	(1)	(2)	(3)	(4)	(5)	(6)
working capital <sub>cit</sub>	-0.158 (0.833)					
current ratio <sub>cit</sub>		-0.190 (0.246)				
cash assets <sub>cit</sub>			5.500 (5.411)			
liabilities assets <sub>cit</sub>				1.352 (4.276)		
return on asset <sub>cit</sub>					-0.638* (0.366)	
sales assets <sub>cit</sub>						0.005* (0.003)
output <sub>cit</sub>	0.153 (0.176)	0.133 (0.107)	0.333 (0.210)	0.236 (0.217)	0.191 (0.170)	0.216* (0.111)
employment <sub>cit</sub>	0.227* (0.130)	0.063 (0.040)	0.167 (0.138)	0.225 (0.146)	0.162 (0.113)	0.043 (0.053)
capital <sub>cit</sub>	-1.310 (1.148)	-1.159** (0.497)	-0.905 (1.166)	-0.780 (0.928)	-0.950 (1.081)	-1.172* (0.595)
period × policy mandate <sub>c</sub>	-1.420 (0.990)	-4.957 (4.849)	-4.187 (5.214)	-8.102 (8.314)	-2.209 (3.258)	-0.138 (0.806)
period × policy mandate <sub>c</sub> × working capital <sub>cit</sub>	-0.606 (0.506)					
period × current ratio <sub>cit</sub>		-0.113 (0.838)				
policy mandate <sub>c</sub> × current ratio <sub>cit</sub>		-0.119 (0.886)				
period × policy mandate <sub>c</sub> × current ratio <sub>cit</sub>		4.058 (4.051)				
period × cash assets <sub>cit</sub>			-2.271 (4.972)			
policy mandate <sub>c</sub> × cash assets <sub>cit</sub>			-22.941 (16.214)			
period × policy mandate <sub>c</sub> × cash assets <sub>cit</sub>			-2.741 (22.741)			
period × liabilities assets <sub>cit</sub>				-3.551 (3.807)		
policy mandate <sub>c</sub> × liabilities assets <sub>cit</sub>				-17.692 (14.592)		
period × policy mandate <sub>c</sub> × liabilities assets <sub>cit</sub>				9.142 (13.569)		
period × return on asset <sub>cit</sub>					0.518 (0.344)	
policy mandate <sub>c</sub> × return on asset <sub>cit</sub>					0.879 (1.248)	
period × policy mandate <sub>c</sub> × return on asset <sub>cit</sub>					-0.075 (1.243)	
period × sales assets <sub>cit</sub>						0.006 (0.009)
policy mandate <sub>c</sub> × sales assets <sub>cit</sub>						0.015 (0.012)
period × policy mandate <sub>c</sub> × sales assets <sub>cit</sub>						-0.059** (0.026)
City	Yes	Yes	Yes	Yes	Yes	Yes
Time	Yes	Yes	Yes	Yes	Yes	Yes
Observations	180	300	135	135	178	259
R <sup>2</sup>	0.729	0.683	0.867	0.865	0.745	0.692

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%.