

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

	Dependent variable: SO2 emission						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
output <sub>cit</sub>	-0.043 (0.056)	-0.050 (0.049)	-0.050 (0.045)	-0.046 (0.051)	-0.049 (0.045)	-0.059 (0.045)	-0.047 (0.045)
employment <sub>cit</sub>	0.009 (0.010)	0.009 (0.009)	0.010 (0.009)	0.009 (0.009)	0.009 (0.009)	0.010 (0.009)	0.011 (0.009)
capital <sub>cit</sub>	0.144 (0.091)	0.138 (0.091)	0.136 (0.093)	0.140 (0.092)	0.138 (0.096)	0.165** (0.083)	0.116 (0.091)
period × policy mandate <sub>c</sub>	-0.130 (0.594)	-0.267 (0.584)	-4.729 (5.227)	0.097 (1.834)	5.098 (7.481)	-4.932** (2.467)	-0.175 (0.727)
period × working capital <sub>ci</sub>	-0.041 (0.287)						
period × policy mandate <sub>c</sub> × working capital <sub>ci</sub>	0.015 (0.201)						
period × asset tangibility <sub>ci</sub>		0.041 (0.235)					
period × policy mandate <sub>c</sub> × asset tangibility <sub>ci</sub>		0.024 (0.200)					
period × current ratio <sub>ci</sub>			-0.270 (0.480)				
period × policy mandate <sub>c</sub> × current ratio <sub>ci</sub>			3.848 (4.317)				
period × cash assets <sub>ci</sub>				-0.011 (1.564)			
period × policy mandate <sub>c</sub> × cash assets <sub>ci</sub>				1.030 (8.421)			
period × liabilities assets <sub>ci</sub>					-0.346 (1.033)		
period × policy mandate <sub>c</sub> × liabilities assets <sub>ci</sub>					-9.204 (13.150)		
period × return on asset <sub>ci</sub>						-0.059 (0.101)	
period × policy mandate <sub>c</sub> × return on asset <sub>ci</sub>						2.055** (1.017)	
period × sales assets <sub>ci</sub>							-0.004*** (0.001)
period × policy mandate <sub>c</sub> × sales assets <sub>ci</sub>							0.003 (0.008)
City	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	655	652	657	654	654	655	657
R <sup>2</sup>	0.766	0.767	0.767	0.766	0.768	0.772	0.769

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%.