

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%.