

Table 1: Baseline estimate, SO2 emission reduction, policy mandate, individual sector Raw Chemical Materials

	Dependent variable: SO2 emission					
	(1)	(2)	(3)	(4)	(5)	(6)
working capital _{cit}	0.058 (0.088)					
current ratio _{cit}		0.110 (0.177)				
cash assets _{cit}			-1.594 (1.385)			
liabilities assets _{cit}				-1.137* (0.673)		
return on asset _{cit}					0.133** (0.063)	
sales assets _{cit}						-0.0001 (0.0001)
output _{cit}	-0.006 (0.009)	-0.002 (0.006)	0.0001 (0.011)	-0.002 (0.010)	-0.006 (0.008)	-0.003 (0.006)
employment _{cit}	0.011 (0.014)	0.001 (0.004)	0.019 (0.021)	0.022 (0.020)	0.014 (0.013)	0.003 (0.005)
capital _{cit}	-0.026 (0.024)	-0.029 (0.026)	-0.049 (0.033)	-0.068* (0.035)	-0.025 (0.024)	-0.032 (0.024)
period × policy mandate _c	0.039 (0.347)	-0.035 (1.143)	-1.067 (1.635)	1.113 (1.390)	-0.548 (0.529)	-0.072 (0.284)
period × working capital _{cit}	-0.068 (0.051)					
policy mandate _c × working capital _{cit}	0.057 (0.122)					
period × policy mandate _c × working capital _{cit}	0.029 (0.049)					
period × current ratio _{cit}		-0.196 (0.128)				
policy mandate _c × current ratio _{cit}		-0.796 (0.870)				
period × policy mandate _c × current ratio _{cit}		-0.119 (1.020)				
period × cash assets _{cit}			0.486 (1.373)			
policy mandate _c × cash assets _{cit}			11.644 (8.845)			
period × policy mandate _c × cash assets _{cit}			-4.812 (6.859)			
period × liabilities assets _{cit}				0.542 (0.599)		
policy mandate _c × liabilities assets _{cit}				6.120* (3.557)		
period × policy mandate _c × liabilities assets _{cit}				-2.106 (2.451)		
period × return on asset _{cit}					-0.133** (0.063)	
policy mandate _c × return on asset _{cit}					-0.288 (0.222)	
period × policy mandate _c × return on asset _{cit}					0.286 (0.224)	
period × sales assets _{cit}						0.0001 (0.0001)
policy mandate _c × sales assets _{cit}						-0.001 (0.001)
period × policy mandate _c × sales assets _{cit}						0.001 (0.001)
City	Yes	Yes	Yes	Yes	Yes	Yes
Time	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1,096	1,879	820	820	1,094	1,601
R ²	0.900	0.859	0.924	0.925	0.901	0.870

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%.