

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

	Dependent variable: SO2 emission						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
output _{cit}	-0.007 (0.054)	0.038 (0.057)	0.019 (0.046)	0.012 (0.049)	0.019 (0.047)	0.026 (0.048)	0.028 (0.047)
employment _{cit}	-0.004 (0.018)	-0.005 (0.016)	-0.005 (0.016)	-0.001 (0.017)	-0.004 (0.017)	-0.004 (0.017)	-0.003 (0.017)
capital _{cit}	-0.013 (0.131)	-0.028 (0.127)	-0.017 (0.123)	-0.041 (0.125)	-0.033 (0.125)	-0.060 (0.123)	-0.077 (0.121)
period × policy mandate _c	-0.125 (0.842)	-0.043 (0.837)	7.186* (4.084)	-0.455 (2.152)	-6.378 (4.663)	0.212 (1.815)	0.104 (0.664)
period × working capital _{ci}	0.326 (0.224)						
period × policy mandate _c × working capital _{ci}	-0.270 (0.176)						
period × asset tangibility _{ci}		-0.158 (0.213)					
period × policy mandate _c × asset tangibility _{ci}		0.028 (0.154)					
period × current ratio _{ci}			1.226* (0.693)				
period × policy mandate _c × current ratio _{ci}			-6.780* (3.650)				
period × cash assets _{ci}				-1.776 (2.657)			
period × policy mandate _c × cash assets _{ci}				-1.366 (11.408)			
period × liabilities assets _{ci}					-1.692 (1.110)		
period × policy mandate _c × liabilities assets _{ci}					10.954 (8.713)		
period × return on asset _{ci}						-0.027 (0.135)	
period × policy mandate _c × return on asset _{ci}						-0.285 (0.914)	
period × sales assets _{ci}							0.0002 (0.001)
period × policy mandate _c × sales assets _{ci}							-0.009 (0.006)
City	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	819	820	823	819	819	819	823
R ²	0.659	0.658	0.662	0.659	0.659	0.658	0.661

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%.