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 inp arentheses. * Significance at the 10%, ** Significance at the 5%, *** Significance at the 1%.