Appendix B: Measurement Model Assessment

	CR	AVE	MSV	MaxR(H)	GP	ECOP	SOCP	ENVP	IEM	CC	IR	ED
ED	0.755	0.517	0.030	0.834								
GP	0.962	0.835	0.020	0.964	**0.914**							
ECOP	0.867	0.524	0.047	0.876	0.076	**0.724**						
SOCP	0.940	0.760	0.032	0.968	0.025	0.079	**0.872**					
ENVP	0.852	0.535	0.047	0.854	0.141	0.127	0.093	**0.731**				
IEM	0.870	0.626	0.047	0.870	-0.105	-0.028	0.158	0.216	**0.791**			
CC	0.829	0.547	0.038	0.830	0.123	0.076	0.179	0.194	0.092	**0.740**		
IR	0.776	0.541	0.047	0.813	0.059	0.217	0.008	0.195	-0.094	0.133	**0.736**	
ED	0.755	0.517	0.030	0.834	0.003	0.092	-0.070	0.173	0.030	-0.016	0.173	**0.719**

Notes: CR=composite reliability; AVE=average variance extracted; MSV = maximum shared variance; MaxR(H)=maximum reliability; (H) and Bold diagonal = square root of AVE.

Table 2: Reliability, validity, and Fornell-Larcker criterion

Before analysing the structural equation model, we used confirmatory factor analysis (CFA) to test and validate the EFA results. The results in Table 2 indicated good internal consistency and convergent and discriminant validity. All composite reliability (CR) and maximum H reliability (MaxR (H)) values exceeded 0.7 (Cheung et al., 2023), and all average variance extracted (AVE) values exceeded 0.5 (Sarstedt et al., 2022). The MaxR(H) value was higher than the CR value, and the square roots of the AVE values were higher than the off-diagonal correlations (Fornell & Larcker, 1981). The maximum-shared variance (MSV) values were also lower than the AVE values.

	GP	ECOP	SOCP	ENVP	IEM	CC	IR	ED
GP								
ECOP	0.078							
SOCP	0.029	0.072						
ENVP	0.147	0.140	0.091					
IEM	0.098	0.026	0.180	0.206				
CC	0.128	0.075	0.204	0.193	0.091			
IR	0.090	0.210	0.012	0.219	0.075	0.161		
ED	0.025	0.125	0.090	0.178	0.002	0.006	0.185	

Notes: *CC*=customer cooperation; *ECOP*=economic performance; *ED*=eco-design; *GP*=green purchasing; *IEM*=internal environmental management; *SOCP*=social performance; *IR*=investment recovery; *ENVP*=environmental performance

Table 3: Heterotrait-monotrait (HTMT) ratio

We tested heterotrait-monotrait (HTMT) for extra discriminant validity. A lack of discriminant validity is indicated if the HTMT ratio exceeds 0.85 (Rönkkö & Cho, 2022). As indicated in Table 3, the HTMT values for all latent constructs are less than the 0.85 cut-off value. Hence, the study demonstrated discriminant validity among the constructs, meaning that the latent variables were distinct from each other.

Measures	Cut-off Criteria	References	Estimates	Interpretation
CMIN/DF	Between 1 and 3	(Hu & Bentler, 1999)	1.381	Excellent
SRMR	< 0.08	(J. F. Hair et al., 2019; Xia & Yang, 2019)	0.039	Excellent
CFI	> 0.95	(Kline, 2016; Xia & Yang, 2019)	0.971	Excellent
TLI	> 0.95	(J. F. Hair et al., 2019; Hu & Bentler, 1999)	0.967	Excellent
RMSEA	< 0.06	(J. F. Hair et al., 2019; Hu & Bentler, 1999)	0.034	Excellent
PClose	> 0.05	(Hu & Bentler, 1999)	1.000	Excellent

Table 4: Goodness-of-fit indices indicators of the measurement model
Notes: *CMIN/DF = Chi-square test statistic; SRMR = Standard root mean residual; CFI = Comparative fit index; TLI = Tucker–Lewis index; RMSEA = Root mean square error of approximation; PClose = P-value of the model chi-square test.*

The measurement model fit was evaluated through the assessment of various fit indices that have been widely used in previous research: Chi/df (< 5), CFI (>0.95), TLI (> 0.95), SRMR (< 0.08), and RMSEA (< 0.06). Based on the model fit indices presented in Table 4, which all exceeded the recommended cut-off criteria, we can conclude that the model is reasonably fit to the data and is appropriate for explaining the research hypotheses.