

Supplementary Material (SM)**Critical Factors and Their Correlation Affecting Green Industry Performance: Evidences from Small and Medium Enterprises****Phurita Noranarttakun¹, Chanathip Pharino^{2,*}**¹ Interdisciplinary Program in Environmental Science, Graduate School, Chulalongkorn University, Bangkok, Thailand² Department of Environment Engineering, Faculty of Engineering, Chulalongkorn University, Bangkok, Thailand

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SM 1 Reliability analysis of observed variables

Code	Observed variables	Corrected item-total correlation	Cronbach's alpha if item deleted	α Coefficient
Policy	SMEs have an environmentally friendly policy	0.529	0.909	0.912
Target	SMEs aim to be certified for environmental standards such as ISO 14001	0.610	0.906	
Management	Top management supports environmental activities	0.558	0.908	
Personnel	SMEs have environmental experts	0.625	0.906	
Experience	SMEs have personnel with specific experience under various environmental standards such as ISO 14001	0.583	0.907	
Technology	SMEs have the requisite technological tools for environmental operations	0.649	0.905	
Innovation	SMEs implement innovation that supports green development	0.693	0.904	
CSR	SMEs need to conduct business according to the concept of social responsibility	0.554	0.908	
Budget	SMEs have enough budget for green industry implementation	0.558	0.908	
Benefit	Business benefits such as increasing profit, reducing costs and increasing customer base	0.427	0.912	
Law	Stringent environmental and legal measures	0.610	0.906	
Requirement	The green industry is defined as regulations or trade conditions	0.639	0.905	
Incentive	The government provides benefits	0.566	0.907	
Subsidy	The government provides subsidies	0.589	0.907	
Customer	Customers force SMEs to become a green industry	0.559	0.908	
Consumer	Consumers and stakeholders have a greater need for green industries	0.641	0.905	
Competitive	Competitors move towards becoming a green industry	0.542	0.908	
Green	SMEs need to create market opportunities by focusing on green issues	0.474	0.910	

SM 2 Rotated component matrix

Code	Component		
	1	2	3
Personnel	0.800	0.068	0.210
Technology	0.779	0.222	0.113
Management	0.753	0.043	0.178
Policy	0.731	0.175	-0.009
Experience	0.725	0.172	0.112
Target	0.719	0.225	0.110
Innovation	0.674	0.347	0.202
Subsidy	0.192	0.828	0.109
Incentive	0.225	0.806	0.044
Requirement	0.212	0.684	0.349
Benefit	-0.019	0.630	0.296
Law	0.333	0.570	0.251
Consumer	0.336	0.489	0.405
Green	0.109	0.162	0.768
Customer	0.070	0.415	0.704
Competitive	0.097	0.348	0.689
CSR	0.451	0.088	0.545
Budget	0.513	0.030	0.527

Note: The negative value of “Benefit” is the negative correlation.

The negative questionnaire on “Benefit” code caused the negative value.

SM 3 Eigenvalues and total variance explain

Component	Total Variance explained		
	Initial eigen value	% of Variance	Cumulative %
1	7.316	40.644	40.644
2	2.246	12.749	53.123
3	1.251	6.951	60.074

SM 4 Fit indices and their acceptable thresholds [29]

Fit indices	Description	Acceptable threshold levels
Chi-square (X^2)	The chi-square value is the traditional measure for evaluating overall model fit and, assesses the magnitude of discrepancy between the sample and fitted covariances matrices	Low X^2 relative to degrees of freedom with an insignificant p value ($p > 0.05$)
Relative chi-square (X^2/df)	Adjust for sample size	2:1 or 3:1
Root mean square error of approximation (RMSEA)	The RMSEA tells us how well the model, with unknown but optimally chosen parameter estimates would fit the populations covariance matrix	0.06
Root mean square residual (RMR)	MR and ARMV are the square root of the difference between the residuals of the sample covariance matrix and the hypothesized covariance model.	Good models have small RMR
Standardize root mean square residual (SRMR)		SRMR less than 0.08
Normed-fit index (NFI)	This statistic assesses the model by comparing the X^2 value of the model to the X^2 of the null model.	Values greater than 0.95
Tucker-Lewis index (TLI) / Non-normed-fit index (NNFI)	An index prefers simple model	Values greater than 0.95
Comparative fit index (CFI)	The CFI is a revised form of the NFI which takes into account sample size that performs well even when sample is small	Values greater than 0.95

SM 5 International standard industrial classification of all economic activities, UN (ISIC 26, ISIC 27)

ISIC	Industrial Sector
ISIC 261	Manufacture of electronic components and board
ISIC 262	Manufacture of computers and peripheral equipment
ISIC 263	Manufacture of communication equipment
ISIC 264	Manufacture of consumer electronics
ISIC 265	Manufacture of measuring, testing, navigating and control equipment; watches and clocks
ISIC 266	Manufacture of irradiation, electromedical and electrotherapeutic equipment
ISIC 267	Manufacture of optical instruments and photographic equipment
ISIC 271	Manufacture of electric motors, generators, transformers and electricity distribution and control apparatus
ISIC 272	Manufacture of batteries and accumulators
ISIC 273	Manufacture of wiring and wiring devices
ISIC 274	Manufacture of electric lighting equipment
ISIC 275	Manufacture of domestic appliances
ISIC 279	Manufacture of other electrical equipment