



Signalling Mandatory Due Diligence in the Textile Industry: The Impact of Certification Labels on Purchase Behaviour

Hanna Kölsch

Dissertation written under the supervision of professor Filipa Lancastre

Dissertation submitted in partial fulfilment of requirements for the MSc in
Management with Specialization in Strategy, Entrepreneurship and Impact at the
Universidade Católica Portuguesa, 31 May 2024.

Abstract

Title: Signalling Mandatory Supply Chain Due Diligence in the Textile Industry: The Impact of Certification Labels on Purchase Behaviour

Author: Hanna Kölsch

In response to the pressing need for transparency, accountability, and sustainability in the European fashion industry, policymakers have realised the importance of mandatory due diligence practices for global supply chains instead of voluntary guidelines. Certification labels not only ease a company's compliance with regulations but are also frequently used to signal a product's sustainable attributes. For labels to be accepted by consumers, they should successfully enhance trust in the product's sustainability claims.

This research adopted an in-between experimental study design to investigate the role of certification labels signalling compliance with mandatory supply chain due diligence in shaping purchase intentions and the mediating role of consumer trust. In a quantitative online survey, participants were presented with a purchasing scenario featuring a clothing item either with or without a certification label.

The results show that despite legal backup, fashion consumers are more willing to buy a product if it has a label that indicates compliance with due diligence. Furthermore, consumer trust has been found to mediate the relationship between label disclosure and purchase behaviour fully, thus playing a fundamental role in shaping consumer decisions.

Therefore, by connecting regulations and consumer perspectives, a literature and practice gap has been addressed. Firstly, the findings hold valuable implications for stakeholders in the fashion industry, including policymakers and retailers, thereby advocating for adopting transparent and credible labelling practices to promote the sector's sustainability. Secondly, the study contributes to the existing knowledge of sustainable fashion and purchase behaviour by uncovering mechanisms underlying consumer perceptions of certification labels.

Keywords: Mandatory Supply Chain Due Diligence, Due Diligence, Certification Labels, Green Consumer Trust, Purchase Intention, Textile Industry, Signalling Theory

Sumário

Título: Sinalização da obrigação de diligência devida na cadeia de abastecimento na indústria têxtil: O impacto dos rótulos de certificação no comportamento de compra

Autor: Hanna Kölsch

Em resposta à necessidade urgente de transparência, responsabilidade e sustentabilidade na indústria da moda europeia, as políticas têm evoluído para práticas obrigatórias de diligência devida, superando as diretrizes voluntárias. Etiquetas de certificação facilitam a conformidade regulatória das empresas e são usadas para sinalizar atributos sustentáveis dos produtos. Para aceitação dos consumidores, é essencial que essas etiquetas reforcem a confiança nas alegações de sustentabilidade do produto.

Este estudo empregou um design experimental para examinar como as etiquetas de certificação que indicam conformidade com a diligência devida obrigatória influenciam a confiança do consumidor e as intenções de compra em moda sustentável. Através de uma pesquisa online quantitativa, os participantes foram apresentados a um cenário de compra de um item de vestuário, com ou sem etiqueta de certificação.

Os resultados demonstram que, mesmo com respaldo legal, os consumidores preferem produtos etiquetados, indicativos de conformidade. A confiança do consumidor mostrou mediar totalmente a relação entre a divulgação da etiqueta e o comportamento de compra, sendo crucial para as decisões dos consumidores compra, desempenhando assim um papel crucial na formação das decisões do consumidor.

Assim, ao vincular regulamentações e a perspectiva do consumidor, a pesquisa abordou uma lacuna significativa, contribuindo para o conhecimento sobre comportamento de compra sustentável e enfatizando a importância de práticas de rotulagem transparentes e credíveis para promover a sustentabilidade na indústria da moda. Este estudo lança bases para investigações futuras e ações práticas no setor.

Palavras-chave: Diligência devida obrigatória na cadeia de abastecimento, Diligência devida, Rótulos de certificação, Confiança do consumidor verde, Intenção de compra, Indústria têxtil, Teoria da sinalização

Acknowledgements

This dissertation journey was an enriching and transformative experience for me, both personally and academically. When I reflect on this experience, I am grateful for the people who supported me on my way.

First, I would like to thank my supervisor, Professor Filipa Lancastre, whose guidance, expertise, and support were the cornerstone of this work. Your feedback, encouragement, and belief in my abilities have motivated me and pushed me to new levels on my academic journey. Thank you for reviewing my work, clarifying my doubts, and challenging my ideas.

I am also grateful to my friends, whose friendship, laughter, and encouragement have made this master an unforgettable experience. Your presence has made Lisbon feel like a second home, and I am grateful for the many beautiful moments we have shared together.

Finally, I am thankful to my family, whose love, support, and encouragement strengthened me throughout my studies. Your belief in me, even in the most challenging moments, reminded me of what matters.

To all those who have contributed to this chapter of my life, whether through guidance, friendship, or support, thank you. This achievement would not have been possible without each one of you.

Table of Contents

ABSTRACT	I
SUMÁRIO	II
ACKNOWLEDGEMENTS	III
TABLE OF CONTENTS	IV
LIST OF FIGURES	VI
LIST OF TABLES	VII
LIST OF ABBREVIATIONS	VIII
1. INTRODUCTION	1
2. THEORETICAL BACKGROUND	4
2.1 THE ROLE OF SUPPLY CHAIN DUE DILIGENCE IN THE EUROPEAN TEXTILE INDUSTRY	4
2.1.1 <i>The Critical Importance of Sustainability in Fashion Supply Chains</i>	4
2.1.2 <i>Evolution Towards MSCDD in Europe</i>	5
2.1.3 <i>The Importance of MSCDD for the Fashion Industry</i>	6
2.2 FACTORS DRIVING PURCHASE INTENTIONS: CERTIFICATION LABELS AND TRUST.....	8
2.2.1 <i>Signalling Compliance through Certification Labels</i>	8
2.2.1.1 Signalling Theory	8
2.2.1.2 Labels: Definition, Purpose & Process.....	9
2.2.1.3 Effects of Certification Labels on Purchase Intentions	10
2.2.2 <i>Green Consumer Trust</i>	10
2.2.2.1 Definition and Underlying Theory	10
2.2.2.2 Trust through Certification Labels	12
2.2.2.3 Effects of Trust	13
2.2.3 <i>Purchase Intention</i>	14
2.3 CHALLENGE & OPPORTUNITY: LABELS FOR SIGNALLING MSCDD TO CONSUMERS	15
3. METHODOLOGY	17
3.1 OVERALL RESEARCH APPROACH.....	17
3.2 DATA COLLECTION AND SURVEY DESIGN	18
3.2.1 <i>Experimental Stimulus</i>	18
3.2.2 <i>Measurement and Scales</i>	20
3.2.2.1 Mediating Variable: Green Consumer Trust	20
3.2.2.2 Dependent Variable: Purchase Intention	20
3.2.2.3 Control Variable: Familiarity with Sustainability Issues in Textile Supply Chains	21
3.2.2.4 Other Measurements.....	21
3.2.3 <i>Procedure and Questionnaire</i>	22
3.3 SAMPLE STRATEGY AND DATA CLEANING	23

4. FINDINGS.....	25
4.1 DESCRIPTIVE STATISTICS.....	25
4.2 RELIABILITY OF THE CONSTRUCTS	26
4.3 RESULTS FROM THE HYPOTHESIS TESTING.....	26
4.3.1 <i>The Effect of MSCDD Certification Labels on Purchase Intentions</i>	26
4.3.2 <i>Mediating Effect of Green Consumer Trust</i>	27
5. GENERAL DISCUSSION.....	30
5.1 INTERPRETATIONS OF THE FINDINGS	30
5.2 CONTRIBUTIONS TO THEORY	31
5.3 CONTRIBUTIONS TO PRACTICE	33
5.4 LIMITATIONS AND FUTURE RESEARCH.....	34
6. CONCLUSION	38
REFERENCES	39
APPENDIX 1: TASKS AND RESULTS OF THE FOCUS GROUP	I
APPENDIX 2: SURVEY QUESTIONNAIRE.....	IV
APPENDIX 3: SAMPLE CHARACTERISATION.....	XII
APPENDIX 4: DESCRIPTIVE STATISTICS	XIV
APPENDIX 5: RELIABILITY STATISTICS – CRONBACH’S ALPHA	XV
APPENDIX 6: INDEPENDENT SAMPLES T-TEST (H1)	XVI
APPENDIX 7: MEDIATION ANALYSIS WITH HAYES PROCESS MODEL 4 (H2A, B & H2) INCLUDING THE CONTROL VARIABLE FAMILIARITY	XVII
APPENDIX 8: MEDIATION ANALYSIS WITH HAYES PROCESS MODEL 4 (H2A, B & H2) EXCLUDING THE CONTROL VARIABLE FAMILIARITY	XVIII

List of Figures

Figure 1: Conceptual Model	17
Figure 2: Mean Difference of Trust and Purchase Intention based on Label Disclosure	25
Figure 3: Statistical Mediation Model with Coefficients	29

List of Tables

Table 1: Variables and Measurement Items	22
Table 2: Summary of Results	29

List of Abbreviations

BAFA	Federal Office for Economic Affairs and Export Control
BMZ	German Federal Ministry for Economic Cooperation and Development
CSDDD	Corporate Sustainability Due Diligence Directive
EEA	European Environmental Agency
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
ITC	International Trade Centre
LkSG	German Supply Chain Due Diligence Act
MSCDD	Mandatory Supply Chain Due Diligence
M	Mediating Variable
NAP	National Action Plan for Business and Human Rights
OECD	Organization for Economic Cooperation and Development
PI	Purchase Intention
SMETA	SEDEX Members Ethical Trade Audit
T	Trust
TPB	Theory of Planned Behaviour
UN	United Nations
UNEP	United Nations Environmental Program
UNGP	United Nations Guidelines on Business and Human Rights
X	Independent Variable
Y	Dependent Variable

1. Introduction

“Closely focusing on supply chains and the activities of business partners and contractual partners – and providing transparent information about these issues – not only enables companies to score points with customers and partners, but also gain a competitive advantage.” (PricewaterhouseCoopers, 2024)

Topic

Associations with the textile industry and sustainability often seem contradictory. Persistent negative headlines about the sector – human rights violations and significant ecological footprints – raise a critical question: Can this industry fundamentally change to become more sustainable? The deadly collapse of the Rana Plaza factory in Bangladesh in 2013 was a decisive moment for the textile industry (Sinkovics et al., 2016). Before this accident, organisations like the Organization for Economic Cooperation and Development (OECD) introduced voluntary guidelines to promote corporate due diligence across sectors, particularly in high-risk industries like textiles (OECD, 2018b; Sinkovics et al., 2016). Despite these efforts, adherence to these guidelines remained low (Schilling-Vacaflor & Lenschow, 2023), causing European policymakers to introduce mandatory supply chain due diligence (MSCDD), such as the German Supply Chain Due Diligence Act (LkSG) or the European Corporate Sustainability Due Diligence Directive (CSDDD), to ensure that companies address their supply chain’s social and environmental impacts (BAFA, 2024; European Commission, 2022).

Simultaneously, over the years, the fashion industry has witnessed a significant shift in consumer preferences towards sustainability and ethical sourcing (European Commission, 2020; White et al., 2019). Increasing consumer awareness and demand for sustainable fashion prompted brands to implement sustainable practices, resulting in the emergence of certification schemes as communication tools. These schemes enable corporations to signal a product’s commitment to ethical standards (e.g. Atkinson & Rosenthal, 2014; Erdem & Swait, 1998) and have been empirically found to influence purchase decisions (e.g. Atkinson & Rosenthal, 2014; Thøgersen et al., 2010). They can influence choices and build trust within the brand-consumer relationship, affecting overall business outcomes (Sigurdsson et al., 2022; Sun et al., 2021).

Relevance of the Topic

European countries are global leaders in establishing stringent climate and human rights regulations, setting standards that inspire legislation worldwide. France and Germany were the first to make companies responsible for their supply chain activities by mandating due diligence. This precedent was soon followed by an EU-wide directive (Gustafsson et al., 2023). Thus, together with the fashion industry – a sector identified by the European Commission

(2022) and the OECD (2018b) as high-impact – Europe provides a compelling context to investigate the effects of MSCDD regulations on consumer perceptions.

Due to MSCDD's relative novelty, research in this area is limited and focuses primarily on its effects and challenges for organisations and companies (e.g. Gustafsson et al., 2023; Rajavuori et al., 2023). Hence, a critical gap remains in understanding MSCDD's influence on purchase behaviour, despite recommendations for such studies in related areas like conflict minerals due diligence (Hofmann et al., 2018).

As purchase decisions contribute to improving product manufacturing, consumers can have an impact “by consciously buying products whose production demonstrably complies with human rights and environmental standards” (Ertl & Schebesta, 2020, p.5). Evidence shows that consumers are inclined to support companies that act responsibly (Kang & Hustvedt, 2014). To this end, labels are pivotal, as they make a company's sustainability efforts visible and may thus influence buying decisions (Erdem & Swait, 1998; White et al., 2019). Nevertheless, the effectiveness of these labels in shaping purchase behaviour remains a topic of debate. Many consumers find them confusing and struggle to understand their meaning. Furthermore, in the company-consumer relationship, trust plays an important role. Consumers favour brands they perceive as trustworthy (Delgado-Ballester et al., 2003; Kang & Hustvedt, 2014). However, due to the widespread greenwashing activities of fashion companies, trust can be diminished, and scepticism may increase (Y.-S. Chen & Chang, 2013), which makes an investigation in the MSCDD context relevant.

In the context of MSCDD, certifications can simplify compliance, enhance transparency, and potentially increase sales by reassuring consumers about product compliance (Gustafsson et al., 2023; OECD, 2019). However, the conflicting results regarding label effectiveness and trust underscore the need for further investigation within the new context of MSCDD. Moreover, most research on labels has been conducted in the food and packaging industries, highlighting the uncertainty of applying these findings directly to the textile sector, where the impact of labels may differ (Gorton et al., 2021; Sigurdsson et al., 2022).

Research Objective

Thus, given the research gap about the direct impact of the MSCDD on consumer behaviour, this study focuses on how these regulations are received by consumers and aims to explore the role of certification labels in this relationship. Such labels may not only symbolise compliance

but can also influence consumers' purchasing decisions and trust by communicating a product's adherence to ethical standards. Thus, this study addresses the research question:

What is the impact of signalling MSCDD through a certification label on consumer purchase intentions for textile products?

Additionally, to understand the relationship's underlying dynamics, this study also explores a complementary research question:

What role does the concept of trust play in mediating the relationship between MSCDD certification labels and consumer purchase intentions in the textile industry?

This research adopts an in-between controlled experiment to answer these questions. Participants are randomly assigned to one of two experimental conditions presenting a clothing item with or without a certification label. Quantitative data is collected through a structured online survey and statistically analysed with a t-test and mediation analysis to assess the impact of the experimental manipulations on participants' trust and purchase intentions.

The study has three main objectives: Firstly, the study aims to contribute to the broader discussion on consumer responses to labels. By additionally analysing trust in a product's sustainability claims communicated through a label, its debated role in influencing purchase decisions will be explored. Secondly, to provide a novel consumer perspective on the regulations, the effectiveness of labels as communication tools within MSCDD frameworks and the textile industry will be evaluated. Finally, the study aims to provide companies with new insights into the benefits of using labels to signal compliance and generate insights to inform policy discussions and regulatory initiatives about the importance of uniform label guidelines and industry standards.

Structure of the Dissertation

Following the introduction, chapter two lays the theoretical groundwork by presenting the transition from voluntary practices to binding regulations and their impact on the European fashion industry. Additionally, the chapter investigates how these regulations may shape purchase behaviour through certification labels and consumer trust. Chapter three outlines the experimental methodology, followed by a statistical analysis of the collected data in chapter four. Chapter five discusses the findings and their theoretical and practical implications while addressing limitations and suggesting future research. Lastly, chapter six concludes the thesis.

2. Theoretical Background

This chapter lays the theoretical foundations for analysing the impact of *European MSCDD regulations* on purchasing behaviour in the *fashion industry*. It combines the topic of MSCDD with factors influencing *purchase intentions: certification labels* and *green consumer trust*.

2.1 The Role of Supply Chain Due Diligence in the European Textile Industry

2.1.1 The Critical Importance of Sustainability in Fashion Supply Chains

Its value and workforce make the textile industry one of the largest industries in the world. Currently, 300 million people work in the sector worldwide (UN Alliance for Sustainable Fashion, 2024). The industry is highly globalised, with many items manufactured in low-cost countries (Pedersen & Gwozdz, 2013). Additionally, the European Union (EU) imports 5.2 million tons of textiles yearly, mainly from Asia (EEA, 2021).

The high degree of globalisation, however, is not without constraints. Long, fragmented, and complex supply chains lack transparency as the network of the different actors is hardly controllable (Pedersen & Gwozdz, 2013; Schilling-Vacaflor & Lenschow, 2023). This leads to environmental and social issues along the textile chain. ***Social challenges*** are, for instance, poor labour conditions, including insufficient wages, a lack of safety and health standards, or long working hours (OECD, 2018b; UN Alliance for Sustainable Fashion, 2024). These conditions can lead to deadly accidents, such as the collapse of the Rana Plaza building in Bangladesh (Sinkovics et al., 2016). Child labour, in particular, highlights the ongoing disregard for human rights within the industry (French & Wokutch, 2005; Islam & McPhail, 2011). Moreover, the sector faces ***environmental challenges*** in all lifecycle stages. For instance, vast amounts of water and pesticides are used to grow cotton. During the manufacturing process, used chemicals affect the environment and people (Pedersen & Gwozdz, 2013). Furthermore, the sector generates significant amounts of waste in the EU annually. Only one-third of discarded textiles are collected for recycling or reuse each year. The remaining two-thirds, 4 million tons, are disposed of as waste (EEA, 2021). Additionally, the industry's emission footprint is the third largest in the world, contributing 2% to 8% to global greenhouse gas emissions (UN Alliance for Sustainable Fashion, 2024).

Due to the complexity of the supply chain, it is difficult for companies and their stakeholders to assess and address the environmental and social impact of their operations. Frequently, sustainability issues in the supply chain are publicly criticised. Examples like Rana Plaza have led to various corporate social responsibility initiatives, campaigns, and regulations by

organisations, companies, and governments over the years to combat the industry's adverse effects (Islam & McPhail, 2011; Pedersen & Gwozdz, 2013). As these initiatives develop, fashion companies are occasionally accused of greenwashing their activities by making misleading or incorrect claims about products' sustainable attributes to appear environmentally friendlier than they are (Cobbing et al., 2023; Laufer, 2003).

Although the terms “textile”, “fashion”, and “garment” have slightly different meanings regarding product affiliation, they are used synonymously in this dissertation for simplicity.

2.1.2 Evolution Towards MSCDD in Europe

The institutionalisation of due diligence highlights a shift in corporate responsibility in the EU and aims to ensure that companies address social and environmental issues in their supply chains more effectively (Gustafsson et al., 2023; Moser & Leipold, 2021; Schilling-Vacaflor & Lenschow, 2023). The mandatory regulations evolved from voluntary regulations, “soft laws”, like the United Nations Guidelines on Business and Human Rights (UNGP) and OECD guidelines, to binding laws initialised by governments (Schilling-Vacaflor & Lenschow, 2023). They define due diligence as a process for companies “to identify, prevent, mitigate and account for how they address these actual and potential adverse impacts in their operations, their supply chain and other business relationships” (OECD, 2018b, p.15).

Despite their intent, voluntary guidelines have significant shortcomings. Firstly, they do not refer to the complete supply chain (Ertl & Schebesta, 2020). Secondly, due to their voluntary character, companies use the guidelines little or not at all. For example, a study on implementing the National Action Plan for Business and Human Rights (NAP) guidelines in Germany found that only 13% to 17 % of the companies surveyed met the guideline's requirements (German Federal Foreign Office, 2020). Moreover, as governments face capacity constraints, there has been a trend towards privatising responsibilities. Thus, with growing demands from organisations like the OECD and consumers, states are increasingly pressured to fulfil their regulatory duties (Moser & Leipold, 2021; OECD, 2018c).

In response to these challenges, Germany enacted the LkSG in 2021 (BAFA, 2024), following France's pioneering Law on the Duty of Vigilance of 2017 (LOI n° 2017-399 du 27 mars 2017 relative au devoir de vigilance des sociétés mères et des entreprises donneuses d'ordre (1), 2017). Similar but much more detailed than the French law, the LkSG requires companies to carry out human rights and environmental due diligence, including risk analyses and

management, preventive and remedial measures, and thorough documentation and reporting. The Federal Office for Economic Affairs and Export Control (BAFA) oversees compliance and offers guidance (BAFA, 2024; LkSG, 2021). Following Germany's and France's example, the European CSDDD was decided in 2024 and will come into force in the next years. Targeting a wider range of companies, the CSDDD will tighten existing regulations and expand their scope. Unlike French and German law, it will include civil liability penalties for non-compliance (European Commission, 2022).

In the MSCDD context, the research to date, though limited due to recent developments, highlights possible challenges: The regulations risk ignoring potential downsides for businesses and the global south. The rules could force responsible companies out of high-risk areas previously identified as part of the risk analysis. This potentially leads to economic repercussions in these areas (Gustafsson et al., 2023). Enforced accountability practices could also result in social disadvantages, such as job losses or increased poverty (Ertl & Schebesta, 2020; Sinkovics et al., 2016). Additionally, the regulations might reduce the attractiveness or competitiveness of European companies by increasing operational costs. A potential price rise could lead consumers to buy cheaper, non-compliant foreign products (Ertl & Schebesta, 2020; Gustafsson et al., 2023). The complexity of global supply chains further complicates compliance with MSCDD. Among other researchers, Ertl & Schebesta (2020), therefore, emphasise the need for robust international implementation measures to ensure accountability and transparency (Gustafsson et al., 2023; Rajavuori et al., 2023).

2.1.3 The Importance of MSCDD for the Fashion Industry

Given its substantial environmental and social footprint, the textile industry is uniquely positioned under new regulatory pressures. The EU-CSDDD categorises this sector as significantly impactful, resulting in stringent compliance requirements for “smaller” companies¹ from the start (European Commission, 2022). This prioritisation reflects the urgent need to overcome the industry's long-standing challenges:

Accountability issues are a major challenge in the textile industry. Examples include label greenwashing, where sustainability labels do not reflect actual practices (Cobbing et al., 2023) or factory accidents, such as the Rana Plaza collapse (Kolev-Schaefer & Neligan, 2024; Sinkovics et al., 2016). Historically, holding responsible actors accountable has been

¹ “Big” companies have above 3000 employees, and “smaller” companies have above 1000 employees (European Commission, 2022).

challenging, whether for catastrophes or misinformation (Behnam & MacLean, 2011; Sinkovics et al., 2016). Therefore, MSCDD “hold the promise to contribute to ‘foreign corporate accountability’ in the global supply chain” (Gustafsson et al., 2023, p.891). As Mulgan (2000) states, accountability encompasses external accountability for actions, the imposition of sanctions, and a commitment to improvement. To date, fragmented legal frameworks and the rarely-applied voluntary standard sanctions have had a limited impact on corporate responsibility in the textile sector (Islam & McPhail, 2011; Schilling-Vacaflor & Lenschow, 2023). This aligns with research suggesting that the absence of sanctions reduces incentives for change (Dando & Swift, 2003). The MSCDD’s inclusion of sanctions – “the core of accountability“ (Mulgan, 2000, pp.1-2) – therefore indicates a stronger commitment to enforcing these regulations. For instance, violations under the LkSG could result in fines of up to 8 million euros or 2% of annual global turnover (BAFA, 2024). Despite differing views on how corporate accountability should be addressed under MSCDD, the regulations aim to strengthen corporate responsibility by requiring companies to address their supply chain impacts proactively (BAFA, 2024; Gustafsson et al., 2023; Rajavuori et al., 2023).

Furthermore, “due diligence focuses on a maximum of *transparency* as an end itself” (Hofmann et al., 2018, p.117). Collecting and exchanging supply chain information has transparency as its primary objective. However, the further down the supply chain, the harder it is to obtain or share information, particularly in the fashion sector, where long, fragmented chains reduce visibility and control (Pedersen & Gwozdz, 2013; Schilling-Vacaflor & Lenschow, 2023). Outsourcing to high-risk countries, common among textile firms, further reduces transparency, making due diligence essential for minimising risks and increasing insight (OECD, 2018c). The LkSG underlines the importance of risk assessment in improving transparency. Companies must collect information on corporate structure and purchasing policies, including the scope and nature of their activities (BAFA, 2022). Thus, MSCDD regulations not only encourage transparency regarding climate-related and social risks but also enhance it across operations (Rajavuori et al., 2023).

Moreover, the multinational nature of textile supply chains further emphasises the need for robust legal frameworks like MSCDD. By aligning with international voluntary standards such as the UNGP, MSCDD helps to standardise the enforcement of companies’ obligations across borders and promotes uniformity and consistency in addressing supply chain issues internationally (Gustafsson et al., 2023; Schilling-Vacaflor & Lenschow, 2023).

In summary, the literature indicates that MSCDD laws are integral to global efforts to address sustainability issues in textile supply chains (Gustafsson et al., 2023; Rajavuori et al., 2023). Additionally, enhancing accountability and transparency in textile supply chains could affect consumer perceptions. The following section explores the rationale behind consumer choices.

2.2 Factors Driving Purchase Intentions: Certification Labels and Trust

As European consumers increasingly favour ethically produced fashion, understanding purchase behaviour is essential to promoting sustainability in the fashion industry (European Commission, 2020; Kang & Hustvedt, 2014). Decision-making when buying clothes is influenced by several factors, particularly certification labels and consumer trust, which play central roles in shaping preferences and choices (e.g. Atkinson & Rosenthal, 2014; Gorton et al., 2021).

2.2.1 Signalling Compliance through Certification Labels

2.2.1.1 Signalling Theory

Disclosing the sustainability of a product through labelling can significantly impact consumer's purchasing decisions (Atkinson & Rosenthal, 2014; Sun et al., 2021). The *signalling theory* helps to understand how brand signals, "firm's past and present marketing mix strategies and activities associated with that brand" (Erdem & Swait, 1998, p.135), validate an advertiser's environmental and ethical efforts. Such signals enhance consumer perceptions of the product, increase trust in the source of the claim, and boost credibility. The signal thus contributes to the consumer considering a purchase of the product (Erdem & Swait, 1998). The need for signalling, rooted in information economics, arises from information asymmetries that occur in the market exchange of two parties, in this case, the seller and buyer (Erdem & Swait, 1998; Spence, 1973). Companies often have a deeper knowledge of the product's characteristics than the buyers. This information gap leaves consumers at a disadvantage, unable to precisely evaluate essential product characteristics such as environmental and social responsibility without additional information (Boulding & Kirmani, 1993).

In this context, labels serve an important function by mitigating information asymmetries. They act as a direct communication tool from brands to consumers and provide "information to consumers about a product's environmental impact" (Darnall et al., 2018, p.954). Labels are particularly effective compared to other branding strategies due to their directness and ease of use, making them a practical choice for conveying complex information (Sharma et al., 2022; White et al., 2019). The *signalling theory*, therefore, is often used to explore the relationship

between labels and purchase behaviour (Atkinson & Rosenthal, 2014; Sigurdsson et al., 2022). Its application also extends to sustainability in fashion, where the theory is applied in research on label effectiveness (Y. Lee & Lin, 2021; Williams & Hodges, 2022).

2.2.1.2 Labels: Definition, Purpose & Process

Nowadays, labels are prevalent across various industries, including food, textiles, and energy, where they play a crucial role in signalling a product's environmental and social attributes (Gorton et al., 2021; Sigurdsson et al., 2022; White et al., 2019). However, their varied forms, sponsors, ownership structures, and verification processes increase complexity (X. Chen et al., 2018; Darnall et al., 2017). In general, labels are primarily differentiated by the verification of the provided information. Some labels represent self-reported sustainability claims developed by companies without external verification. In contrast, others, known as “certification labels”, are backed by authoritative bodies or organisations and signify adherence to recognised sustainability standards (FAO, 2003; Sigurdsson et al., 2022). This dissertation focuses specifically on certification labels: Third-party verification is favoured in the market because it is less prone to greenwashing (Grunert et al., 2014). The term “label” will refer exclusively to certification labels for this work.

When applied to products, labels are “a form of communication with the end consumer” (FAO, 2003, p.8) and offer visual confirmation that a product meets sustainability standards (FAO, 2003). They intend to validate advertiser's sustainability claims that products minimise ecological impact and meet specific criteria throughout the supply chain (Atkinson & Rosenthal, 2014; Erdem & Swait, 1998; Sun et al., 2021). To guide companies in communicating their sustainability efforts effectively, the UN Environmental Program (UNEP) and the International Trade Centre (ITC) highlight that providing clear, accurate, substantial and transparent sustainability information is essential (UNEP & ITC, 2017). Consumers can use this information to make informed decisions, identify responsibly produced clothes and distinguish between less and more eco-friendly products (Gorton et al., 2021; Sigurdsson et al., 2022).

The certification process is typically conducted by third-party entities to ensure objectivity and reliability (ISO & IEC, 2004). It often involves comprehensive verification of various aspects of the supply chain (FAO, 2003; ISO & IEC, 2004). For the textile industry, this includes inspection of raw material sourcing, manufacturing processes, chemical usage, energy consumption, or waste management (BMZ, 2022). Manufacturers must adhere to specific

standards set by certifying bodies and may undergo audits or inspections to verify compliance (Darnall et al., 2009).

2.2.1.3 Effects of Certification Labels on Purchase Intentions

Based on the *signalling theory*, research indicates that labels can influence purchase behaviour by serving as stimuli (Jacoby, 2002; E. J. Lee et al., 2020; Sun et al., 2021). Clear, accurate, easy-to-understand, attention-grabbing, and consistently presented labels facilitate well-informed purchasing decisions by enhancing product understanding and perception of environmental impact (Atkinson & Rosenthal, 2014; UNEP & ITC, 2017; White et al., 2019). Moreover, external label verification has been frequently researched. Third-party verification enhances credibility and trustworthiness, thereby positively influencing purchase decisions (Darnall et al., 2018; Gorton et al., 2021; Gosselt et al., 2019). Traceability information on labels also increases purchase intentions (E. J. Lee et al., 2020).

However, the label's effectiveness can differ based on the type of the product, with consumable products like clothing often showing stronger positive effects than non-consumable products (Borin et al., 2011). Despite this, adding a positive environmental message to labels may not always increase purchase intentions compared to products without such messaging (Borin et al., 2011). Furthermore, if consumers struggle with understanding standards and their implications, labels are a perceived barrier in the purchase decision due to a lack of knowledge (Grunert et al., 2014).

In summary, the relationship between certification labels and purchase behaviour seems complex and subject to various influencing factors. While existing research has shed light on this relationship, further exploration is needed, particularly under novel MSCDD frameworks in the textile industry. As purchase intentions have been studied based on the *signalling theory* (Atkinson & Rosenthal, 2014; Thøgersen et al., 2010), this study proposes the following hypothesis:

H1: Signalling MSCDD compliance through certification labels increases consumers' intention to purchase fashion products.

2.2.2 Green Consumer Trust

2.2.2.1 Definition and Underlying Theory

Trust is recognised as a strategic asset in marketing and a critical factor in successful relationships. Therefore, trust is of great interest to the academic community (Moorman et al.,

1992). It influences individuals' decision-making processes when choosing trustworthy partners (McKnight et al., 1998). Based on positive expectations regarding another's intentions or behaviour, trust involves vulnerability (Rousseau et al., 1998). Thus, across diverse research fields, trust is understood as "confidence in an exchange partner's reliability and integrity" (R. M. Morgan & Hunt, 1994, p.23), encompassing fairness, honesty, helpfulness, competency, consistency, benevolence and responsibility, and is characterised by a willingness to act (R. M. Morgan & Hunt, 1994). Summarised from various definitions of trust in literature, three core trust beliefs emerge: the willingness to believe in another's ability to perform tasks, integrity in believing in the trustee's principles, and benevolence towards doing good (Ganesan, 1994; Mayer et al., 1995).

Extending these beliefs to the company-consumer relationship, for a company to be considered a potential exchange partner, it must be perceived as trustworthy. This trustworthiness depends on the expectation that the organisation fulfils its product promise reliably (Doney & Cannon, 1997; Sirdeshmukh et al., 2002). However, failure to meet these product's promises can damage credibility and authenticity (Lewis & Weigert, 1985). For example, greenwashing disrupts trust, resulting in increased consumer risk perception, confusion, and scepticism (Y.-S. Chen & Chang, 2013; Cobbing et al., 2023; Gorton et al., 2021).

Thus, building on the initial trust dimensions, Y.-S. Chen (2010) developed a trust construct specifically tailored to the context of sustainability: *Green consumer trust* is the "willingness to depend on a product, service, or brand based on the belief or expectation resulting from its credibility, benefit, and ability about its environmental performance" (Y.-S. Chen, 2010, p.309). Similar to comparable studies on sustainable consumption (Y.-S. Chen & Chang, 2013; Wei et al., 2017), the *green consumer trust* construct is applied in this dissertation to explore how the communication of MSCDD compliance through product labels influences consumer purchase intentions, as trust is often considered crucial in the company-consumer relationship (Kang & Hustvedt, 2014; Liu et al., 2015; R. M. Morgan & Hunt, 1994).

In the broader context of MSCDD, trust can also extend beyond the products to the institutions that enact and oversee the laws. The previously derived characteristics of consumer trust include similar attributes of *institutional trust*, defined as individuals' confidence in the institution's competence, fulfilment of obligations, responsible behaviour, reliability, adherence to regulations, effective functioning, and dedication to the public welfare (Devos et al., 2003; Lewis & Weigert, 1985). Thus, institutional trust is closely related to consumers' confidence in

the reliability, integrity, and commitment of products to ethical principles, as MSCDD serve as a mechanism to hold companies accountable and enhance transparency through legal obligations (BAFA, 2024; Dando & Swift, 2003; Rajavuori et al., 2023).

While this research acknowledges the intersections between *institutional* and *green consumer trust* and its role in shaping consumer perceptions, it primarily focuses on the impact of *green consumer trust* on purchase intentions in the context of MSCDD-labeled products. One way to enhance trust in the company-consumer relationship is using certification labels to signal compliance with supply chain regulations (Atkinson & Rosenthal, 2014), which will be explored in the following.

2.2.2.2 *Trust through Certification Labels*

Certification labels are considered pivotal in validating advertisers' environmental claims. These labels, which intend to confirm that specific criteria have been met throughout the supply chain, have empirically proven to enhance trust in labelled products (Atkinson & Rosenthal, 2014; Erdem & Swait, 1998; Sun et al., 2021).

Providing relevant and specific label information creates a sense of transparency, an important precursor to trust (Boulding & Kirmani, 1993; Gorton et al., 2021; Kang & Hustvedt, 2014). This transparency helps consumers understand products better and enables them to make informed purchasing decisions (UNEP & ITC, 2017; White et al., 2019). Brand signals such as labels also enhance credibility (Erdem & Swait, 1998). When label compliance is backed by third-party verification, it is perceived as more credible, thereby boosting trust further (Atkinson & Rosenthal, 2014; Gorton et al., 2021; Gosselt et al., 2019).

On the contrary, the effectiveness of labels varies by product involvement; for high-involvement products like fashion items (Warrington & Shim, 2000), self-reported labels have been found to enhance trust effectively (Atkinson & Rosenthal, 2014). Furthermore, research highlights a fine line between trust enhancement and consumer confusion or scepticism. While labels should provide relevant, meaningful and detailed information to be trustworthy (Atkinson & Rosenthal, 2014; UNEP & ITC, 2017), an overload of irrelevant details can confuse consumers and diminish trust (Gorton et al., 2021). Moreover, misleading or inaccurate labelling, often referred to as greenwashing, can erode trust and lead to scepticism (Y.-S. Chen & Chang, 2013; Cobbing et al., 2023; Lewis & Weigert, 1985). Especially in the fashion industry, companies use labels that embellish the ethical attributes of a product. For example,

the criticism of H&M for label-greenwashing its “Conscious Collection” in 2022 highlights how misleading claims can undermine consumer trust and how doubts about the label’s authenticity and reliability can deter sustainable choices (Cobbing et al., 2023; Paton, 2022). Lastly, as many certifications, reporting, and standards have been developed over the last few years, their robustness, reliability, consistency, and, thus, trust in them have been questioned (Dando & Swift, 2003).

While existing literature discusses the effectiveness of labels in enhancing trust, this dissertation suggests that trust can be enhanced through labelling that provides credible, authentic, reliable, transparent, and specific information about a product’s ethical benefits, especially when supported by regulation. This justifies the following hypothesis:

H2a: Signalling MSCDD compliance through certification labels enhances green consumer trust.

2.2.2.3 Effects of Trust

Trust is a crucial element in marketing and branding. It enhances customer satisfaction (Grayson et al., 2008), fosters positive attitudes toward products (Wei et al., 2017), and builds loyalty (Sirdeshmukh et al., 2002). It also fosters commitment and the willingness to sustain relationships (Moorman et al., 1992). As trust involves the willingness to act (R. M. Morgan & Hunt, 1994), it has emerged as an essential precursor to purchase behaviour (e.g. Y.-S. Chen & Chang, 2013; Kang & Hustvedt, 2014; Liobikienė et al., 2016). Therefore, trust serves as a foundation for shaping consumer behaviours and attitudes in various contexts (Grayson et al., 2008), particularly in the context of sustainable products (Wei et al., 2017).

Conversely, a lack of trust can deter purchase intentions, particularly if companies behind the products fail to enhance trust through, for example, miscommunication or scandals (Darnall et al., 2018; Nuttavuthisit & Thøgersen, 2017). Given these dynamics, this dissertation will test the hypothesis:

H2b: Green consumer trust positively influences the intention to purchase a certified fashion product.

Furthermore, trust has been found to mediate the relationship between companies and consumers positively (Y.-S. Chen & Chang, 2013; Kang & Hustvedt, 2014). Research shows that addressing sustainability challenges openly, such as improving factory conditions, can

enhance consumer trust by showing transparency and may lead to greater purchase intentions (Kang & Hustvedt, 2014). Additionally, Sun et al. (2021) identified both system and personal trust as positive mediators of the connection between labels and purchase intention.

The identified connection between trust and purchase behaviour emphasises the need to evaluate trustworthy compliance communication. Research suggests that signalling MSCDD compliance could positively influence consumer trust (BAFA, 2024; Rajavuori et al., 2023), subsequently affecting purchasing decisions (Kang & Hustvedt, 2014; Wei et al., 2017). Hence, given the possible central influence of trust in the suggested relationship, this study combines the two previous hypotheses and will test:

H2: Green consumer trust mediates the relationship between signalling MSCDD compliance through certification labels and the intention to purchase the certified fashion product.

2.2.3 Purchase Intention

The purchase intention concept is the last theoretical component of this work. Purchase behaviour is rooted in consumer behaviour, defined as “the behaviour that consumers display in searching for, purchasing, using, evaluating, and disposing of products and services that they expect will satisfy their needs” (Schiffman et al., 2013, p.4). Understanding this behaviour and the underlying decision-making processes is crucial for retailers as it offers a competitive advantage (Kotler & Keller, 2015).

In the purchase behaviour field, purchase intention serves as a key predictor of actual consumer actions, reflecting the likelihood that a consumer will choose a particular product (Morrison, 1979). According to Ajzen’s *Theory of Planned Behaviour (TPB)* (1991), a significant correlation exists between a consumer’s positive intention and actual behaviour. Behavioural intentions are determined by “attitudes, subjective norms, and perceived behavioural control” (Ajzen, 1991, p.189) and contribute to the likelihood of performing the actual behaviour. Thus, a higher purchase intention increases the chances that a consumer will follow through with buying the product (Ajzen, 1991).

However, transitioning from intention to action can be particularly challenging in sustainable purchasing behaviours. An “attitude-behaviour gap” often emerges, which is influenced by product-related factors such as price, features, availability, purchase inconvenience, brand image, and green marketing efforts. These factors can deter consumers’ purchasing behaviours and prevent the conversion of positive attitudes into actual purchases, as frequently studied in

the organic food industry. Furthermore, diverse studies yield conflicting results, resulting in inconsistent research findings (Sharma et al., 2022; White et al., 2019). These findings highlight the importance of investigating how these dynamics play out in other sectors, particularly how perceived trust and certification labels interact to shape purchase intentions under MSCDD.

2.3 Challenge & Opportunity: Labels for Signalling MSCDD to Consumers

Currently, no certification or normative framework fully demonstrates companies' compliance with MSCDD. Most existing textile certificates focus either on specific social issues, such as Fairtrade (labour conditions) (Fairtrade International, 2024), or environmental challenges, such as OEKO-Tex (chemical usage) (OEKO-Tex, 2024). However, some certifiers have begun to develop further existing measures based on the regulations, as they have realised a potential growing demand for certificates that explicitly reference MSCDD (Gustafsson et al., 2023). Examples of textile certifications that intersect with MSCDD requirements include the German government-run certification Green Button 2.0 or SEDEX Members Ethical Trade Audit (SMETA) (BMZ, 2023; Sedex, 2022; TÜV Nord, 2022).² While these developments suggest a trend towards integrating MSCDD in existing voluntary measures, other certification systems are sticking to their previous certification objectives, as they intentionally want to go beyond specific requirements of MSCDD (Fairtrade Deutschland, 2021). Notably, the German Certification Company TÜV Nord (2022) and Gustafsson et al. (2023) highlight that existing sector standards could be used additionally or as a base for applying due diligence but not yet replacing them. This evaluation aligns with the OECD response to other due diligence regulations, which assesses the suitability of existing compliance schemes (OECD, 2018a). Furthermore, adopting comprehensive certification systems that align with legal due diligence requirements is expected to simplify compliance processes. This is considered particularly beneficial for companies new to certifications or those lacking the resources to navigate complex supply chain data (OECD, 2019; Rajavuori et al., 2023).

While companies are adopting due diligence in their supply chains, the main challenge lies in effectively communicating these practices to consumers. Companies across industries increasingly recognise the need to inform consumers about the sustainability performance of their products to enable informed purchasing decisions and stay competitive. This need arises from the growing consumer demand for transparency and accountability in production processes, especially in sectors like textiles, known for their significant social and

² These findings relate to the German LkSG, as the European law has only been passed and is not yet in force.

environmental impact and complex supply chains (OECD, 2019). As environmental awareness, demand for sustainable products and attention to sustainability standards grow, it is crucial to develop effective communication strategies that align with legal requirements, signal environmental compliance, and show due diligence efforts. Thus, certification labels could be a solution to provide trustworthy sustainability information (UNEP & ITC, 2017). While certifications like Green Button and SMETA are steps toward aligning with MSCDD, there is a significant need for a standardised system that simplifies compliance with supply chain regulations (OECD, 2019). Expected to emerge in the coming years, it could be a powerful marketing tool to inform customers and positively influence purchasing decisions. By aligning consumer interests with sustainable practices through MSCDD certifications, companies may increase sales and contribute to broader goals of sustainable consumption and production (TÜV Nord, 2022).

Therefore, the hypotheses developed in this literature review are considered adequate for addressing the research questions regarding the impact of signalling MSCDD compliance through certification labels on purchase behaviour in the European fashion industry.

H1: Signalling MSCDD compliance through *certification labels* increases consumers' *intention to purchase* fashion products.

H2a: Signalling MSCDD compliance through *certification labels* enhances *green consumer trust*.

H2b: *Green consumer trust* positively influences the *intention to purchase* a certified fashion product.

H2: *Green consumer trust* mediates the relationship between signalling MSCDD compliance through *certification labels* and the *intention to purchase* the certified fashion product.

3. Methodology

This chapter outlines the methodology for answering the research questions. Specifically, it explains the research approach, data collection process, survey design, and sample strategy.

3.1 Overall Research Approach

This study is designed to empirically test the relationships proposed in the literature review based on the *signalling theory*, the *green consumer trust concept* and the *TPB*, following a deductive reasoning approach. It specifically examines how signalling compliance with MSCDD certification labels influences consumer purchase intentions and the mediating role of *green consumer trust*.

The conceptual framework, depicted in Figure 1, outlines the hypothesised relationships between the variables. This framework serves as the basis for the following analysis, guiding the data collection and analysis strategies employed in the study.

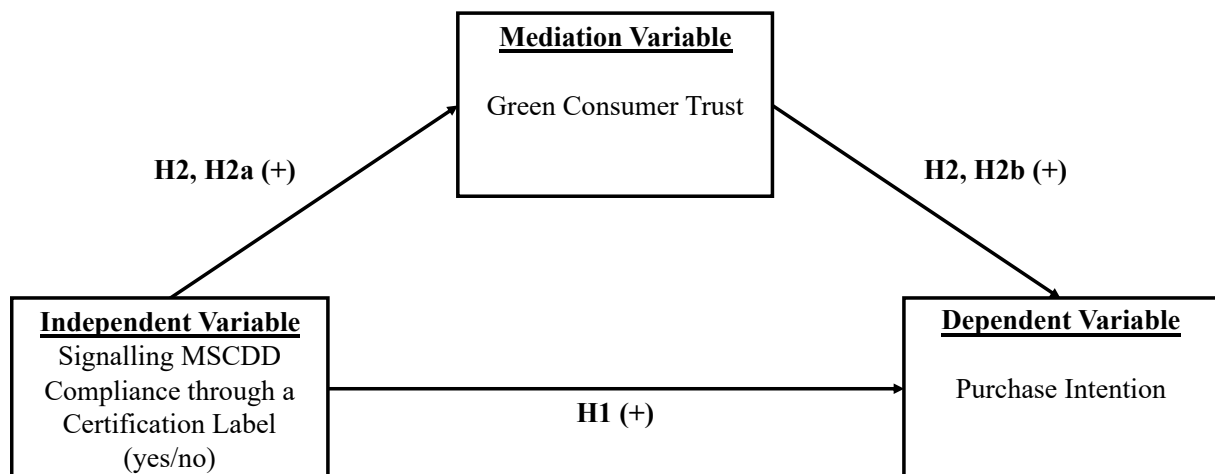


Figure 1: Conceptual Model (Own Development based on Literature Review)

This study employs a survey-based *experimental approach* to explore the impact of MSCDD labels on trust and purchase behaviour. According to Malhotra et al. (2020), this method – manipulating the independent variable while observing the effects on the dependent and mediating variable – is effective for establishing causality in hypothetical scenarios. Similar to previous studies (E. J. Lee et al., 2020; Liu et al., 2015; Sigurdsson et al., 2022), participants engage in a controlled purchasing scenario that simulates real-life decision-making. Utilising *controlled experiments* rather than actual consumer interactions provides the benefit of controlling for variations in participants' prior experiences, thus isolating the label's impact from other influences (Calder et al., 1981; Kim & Jang, 2014). However, this method leads

especially to external validity concerns, which are addressed in the limitations chapter. Furthermore, a *between-subject design* ensures comparability and controls for knowledge and spillover effects across treatment conditions (Charness et al., 2012). For both groups, the purchasing scenarios are identical except for disclosing an MSCDD certification label. Participants are *randomly assigned* to either the treatment or the control group, which is essential to reduce bias and enhance internal validity (Bell et al., 2022; Bhattacharjee, 2012). In the treatment group, participants view a fashion item with a certification label on the hangtag indicating compliance with MSCDD. In contrast, the control group sees the same product featuring a hangtag without certification, allowing a clear assessment of the label's impact on trust and purchase intentions. Before the main data collection, a *focus group* was conducted to specify the content of the purchasing scenario.

Given this research's objective to assess the impact of a marketing tool, specifically a certification label, on consumer transactions, *quantitative data analysis* is considered a suitable approach for obtaining interpretable results (Franses & Paap, 2001). The quantitative data collection for the experiment occurred using a self-administered, structured Qualtrics *online survey*, which offers low administration costs, ease of data collection and the ability to reach a diverse sample efficiently (Evans & Mathur, 2005). Pretesting of experimental designs is not considered necessary due to randomised assignment into the control and treatment groups (Babbie, 2013). However, a *pilot test* with N=10 was conducted before the main analysis to ensure participants understood the questions and to correct spelling mistakes. Furthermore, *ethical considerations*, including informed consent and data privacy, are followed throughout the study (Babbie, 2013).

The entire study design follows established methodologies in quantitative consumer behaviour research that similarly examine the effects of sustainable certification on consumer trust and intentions. This ensures that the study is grounded in proven research practices (Atkinson & Rosenthal, 2014; E. J. Lee et al., 2020; Sun et al., 2021).

3.2 Data Collection and Survey Design

3.2.1 Experimental Stimulus

A purchasing scenario was developed for the experiment to evaluate the label's impact on trust and buying behaviour. The scenario included a fictitious certification label for the treatment group, as no existing certification thoroughly verifies compliance with the MSCDD.

A focus group was employed as a strategic tool to enhance the design of the quantitative experiment, primarily to select a fashion item and label design appropriate for the experimental scenarios. While typically associated with qualitative research, the focus group served a preparatory and operational purpose in this context, directly informing the experimental design rather than exploring broader themes or gathering in-depth insights (D. L. Morgan, 1996). It was an essential part of the research design phase to ensure the selected fashion item was universally recognisable and relevant, thereby preventing any bias toward a specific consumer segment and ensuring the internal validity of the quantitative approach. Eight participants of different nationalities, ages, professions, and genders were selected for the focus group.

First, the participants were shown several pre-selected clothing items, including a t-shirt, a pair of jeans, a sweater, and shoes. This pre-selection was based on a European study by bonprix (2023), which identified people's favourite garments in European countries but did not produce a uniform result. Through discussion, the suitability of the pre-selected clothing items for a purchase scenario was evaluated. To participants, T-shirts and jeans seemed best suited for use: Jeans were favoured for the survey scenario due to their ubiquity, familiarity across demographics, and association with durability, everyday wear, the colour blue and similar fabric. Though highly familiar and often worn, T-shirts were considered less suitable due to perceived variability in durability, price, fabric, and style, which could influence survey responses. For these reasons, the group's final decision was in favour of jeans as the most suitable garment for the shopping scenario. The researcher, therefore, assumes that this product is appropriate for use in the survey. As consumers may be influenced by brand recognition, satisfaction and loyalty, it was decided not to include brand names related to the product (Keller & Swaminathan, 2019).

Secondly, the focus group contributed to the label elements. Participants particularly emphasised using symbols and descriptions of what the certification verifies. The focus group's findings were matched with results from previous studies, indicating that clear and meaningful information are essential criteria for adequate consumer labelling (Atkinson & Rosenthal, 2014; UNEP & ITC, 2017). Furthermore, the label's design incorporated a green colour, which signifies a connection to nature and is frequently used in real-life sustainability labels (Pancer et al., 2017).

Based on the literature review findings and the focus group, the purchase scenario for the survey was specified. To ensure all participants were equally informed, the scenario included a brief

explanation of MSCDD based on definitions from the European Parliament (2023) and OECD (2018b). By ensuring both groups are aware that the fashion item is produced following MSCDD regulations, with only one group seeing the compliance label, the influence of visual compliance signalling on purchase intention and trust is isolated. Moreover, certification labels are often seen as a barrier to decision-making: Many consumers have difficulties understanding their meaning, as companies use certifications extensively (Grunert et al., 2014). Following this insight, the scenario with the label briefly explained the certificate's meaning for clarification and to avoid possible misinterpretation (Schebesta, 2019). The explanation is based on the definition of the certification label of FAO (2003). Previous research added a label definition similarly (Atkinson & Rosenthal, 2014).

The survey questionnaire provided in Appendix 2 includes the final label design. Appendix 1 contains the focus group's tasks and results.

3.2.2 Measurement and Scales

Items and scales for the mediating and dependent variables have been previously employed in similar research and have undergone reliability testing by other authors. The measurements have been slightly modified to reflect the current research background. All constructs are measured using multiple-item scales ranging from 1 to 7, allowing participants a neutral point of view. The measurement approach ensures reliability and validity (Malhotra et al., 2020).

3.2.2.1 Mediating Variable: Green Consumer Trust

Green consumer trust was measured using a scale adapted from Wei et al. (2017) based on Y.-S. Chen (2010) who initially defined the trust concept. This scale was used to evaluate consumers' trust in ethical claims of clothing items labelled with MSCDD compliance certifications, particularly regarding the authenticity and reliability of the claims. Given the focus on the textile industry, the language of the original scale was slightly modified to fit the context better. Participants responded to five statements using a 7-point Likert scale, ranging from 1 (Strongly disagree) to 7 (Strongly agree), to rate their level of trust.

3.2.2.2 Dependent Variable: Purchase Intention

The dependent variable, purchase intention, was measured using three statements to assess participants' willingness to buy a fashion item labelled with an MSCDD compliance certification. These statements were adapted from E. J. Lee et al. (2020) and Thøgersen et al. (2010), with wording modifications to better fit the specific clothing scenario of the study.

Participant responses were collected using a 7-point Likert scale, ranging from 1 (Strongly disagree) to 7 (Strongly agree), to accurately measure their intentions to purchase the labelled clothing item.

3.2.2.3 Control Variable: Familiarity with Sustainability Issues in Textile Supply Chains

In this study, familiarity with environmental and social issues in textile supply chains serves as a control variable due to its potential influence on consumer trust. Familiarity is crucial in trust dynamics, as it forms a basis for setting future expectations and behaviour adjustments. Trust is inherently context-dependent, often requiring understanding past interactions, experiences, and learning outcomes. Familiarity provides insight into these aspects, enabling individuals to understand what, why, where, and when others take specific actions within known contexts (Gefen, 2000; Luhmann, 2000).

To measure familiarity, respondents were asked to assess their understanding of environmental and social issues in textile supply chains using a 7-point Likert scale, ranging from 1 (extremely poor) to 7 (extremely good). This may help to better understand how familiarity might influence trust within the textile industry. Previous studies exploring related topics control for similar factors (Darnall et al., 2018; Kang & Hustvedt, 2014).

3.2.2.4 Other Measurements

Before introducing participants to the MSCDD definition, their initial knowledge of the concept was assessed. Therefore, a 7-point Likert scale was used, ranging from 1 (Extremely poor) to 7 (Extremely good). Although the participants' knowledge was controlled by defining MSCDD, the results could be valuable for future researchers and practitioners.

Table 1 shows the individual items of the main variables used in the questionnaire.

Construct	Coding	Item	Scale	Resource
Label Disclosure (X)	N/A	N/A	Stimuli (yes/no)	Own Development
Purchase Intention (PI) (Y)	PI1	I consider to purchase the Jeans.	7-point Likert Scale	E. J. Lee et al. (2020); Thøgersen et al., (2010)
	PI2	I will possibly purchase the Jeans.		
	PI3	I intent to purchase the Jeans.		
Green Consumer	T1	I feel that this Jeans' sustainable reputation is generally reliable.	7-point Likert	

Trust (T) (M)	T2	I feel that this Jeans' sustainability performance is generally dependable.	Scale	Y.-S. Chen (2010); Wei et al. (2017)
	T3	I feel that this Jeans' sustainability claims are generally trustworthy.		
	T4	This Jeans' sustainability performance meets my expectations.		
	T5	This Jeans keeps promises and commitments for sustainable protection.		

Table 1: Variables and Measurement Items (Based on E.J. Lee et al. (2020); Thøgersen et al. (2010); Y.-S. Chen (2010); Wei et al. (2017))

3.2.3 Procedure and Questionnaire

Based on the later explained convenience sample strategy, the questionnaire was made available in English and German. By default, the researcher first translated the questionnaire from English to German and then had it back-translated by another bilingual person to ensure accuracy. Comparisons of the English versions confirmed that the German translation was suitable for the research without introducing bias (Brislin, 1980; Chidlow et al., 2014). For labels that the same organisation uses in different European countries, the label content is typically required to be in the national language for better understanding (e.g. Fairtrade, 2018). Thus, this dissertation label's content has also been translated into German using the same approach.

The survey consists of four blocks, beginning with the informed consent process. After participants agreed to participate, they answered a screening question regarding their clothing consumption habits. The survey then assesses their knowledge of MSCDD laws and their familiarity with sustainability issues in the textile industry, with each question supported by two contextual examples. Next, participants are introduced to the concept of MSCDD before being presented with one of two buying scenarios: purchasing a fashion item with or without a certification label. Those in the label condition are shown a graphic representation of the certification label and a brief explanation of the label's meaning. Following this, the survey includes five items measuring the participant's level of trust and three items measuring purchase intentions. An attention check was integrated to ensure engagement. The final block collects demographic information, including age, gender, nationality, education, profession, and income.

The online survey was designed to be completed in approximately four minutes. The full questionnaire is available in Appendix 2.

3.3 Sample Strategy and Data Cleaning

This study used a non-random convenience sampling approach, commonly used in online survey research (Dillman et al., 2014). Due to current and future MSCDD regulations, the study focuses on European respondents. Recruitment occurred via social media platforms such as Instagram, WhatsApp, and e-mail from the researcher's personal and professional network. Additionally, to reach more survey attendees, participants were asked to distribute the questionnaire within their network, which created a snowball effect (Babbie, 2013). Participants were not obligated to participate and did not receive any extrinsic incentives.

Given the convenience sampling approach, certain demographics were anticipated to respond more frequently, especially German young adults. Therefore, the sample may not reflect all potential consumers. However, young people still belong to the group of current and future consumers due to their high level of environmental concern, heightened awareness about sustainability issues and active role in changing consumption habits (Atkinson & Rosenthal, 2014; BMUV & UBA, 2022; Hume, 2010). Furthermore, as the MSCDD regulations are currently most widely established in Germany, this demographic background is also relevant.

Moreover, a power analysis was conducted to provide an approximate guide for the necessary sample size. Using GPower for a two-sample t-test (at 0.9 power) and a mediation power analysis for regression assuming moderate effects, the analysis suggested a minimum sample size of 172 participants (Cohen, 1988; Erdfelder et al., 1996; Fritz & MacKinnon, 2007).

The survey, conducted using Qualtrics, was active for ten days in mid-April 2024. Data cleaning and subsequent analyses were done using IBM's statistical software SPSS. Initially, 232 responses were collected, but data cleaning led to adjustments. 38 participants were eliminated due to incomplete responses. The "force responds" function in Qualtrics led to no other missing data in the remaining responses. To check the participants' suitability for the survey, they were asked if they had purchased clothing in the past six months. Ten survey respondents did not pass this question. Additionally, an attention check within the survey assessed attentiveness and ensured active engagement, similar to previous studies (Berinsky et al., 2016). Eight participants failed to select "agree" to the statement "This is an attention check. Please select "agree"." and, thus, were removed from the sample. Furthermore, the data was screened graphically and analytically (z-scores) for extreme values (Field, 2017), but none were found.

After cleaning, the valid sample size was 176, distributed adequately between those exposed to the label ($n_{2: Label} = 91$) and those not ($n_{1: No Label} = 85$). Most respondents were aged 18-24 (52.3%) or 25-34 (25%). 119 females (67.6%) and 56 males (31.8%) answered the survey. As expected, respondents were primarily Germans (89,2%). Educational backgrounds included high school (40.3%), bachelor's (23.9%), and master's degrees (23.3%). Also, most respondents were either students (50,6%) or employed (40,3%). Many participants (40.9%) reported an annual household income of less than €25,000. A detailed overview of the demographics, also per experimental group, can be found in Appendix 3.

4. Findings

This chapter analyses the collected quantitative data. First, the descriptive statistics are presented, followed by an evaluation of the constructs' degree of reliability, Cronbach's Alpha. After verifying the statistical analysis requirements, an independent sample t-test and a mediation analysis were performed to test the proposed hypothesis.

As the constructs consumer trust (T1-5) and purchase intention (PI1-3) were measured by multiple items (Table 1), the items' integrated means were calculated to obtain a single variable, which was then used for all statistical tests. This approach and the type selection of the statistical test were adopted in similar previous research (e.g. E. J. Lee et al., 2020; Liu et al., 2015). For all tests, a 5% significance level was set.

4.1 Descriptive Statistics

Descriptive statistics revealed that participants are moderately familiar with sustainability issues in the textile supply chain, such as labour conditions or environmental footprints, evidenced by an aggregated mean score of 4.26 (scale 1-7). However, knowledge of MSCDD among participants is somewhat lacking, with an aggregated mean of 3.06 (scale 1-7), indicating a moderately negative understanding. Additionally, certification labels are associated with higher means for trust and purchase intention compared to their absence (Figure 2). Descriptive statistics and further sample details are available in Appendix 4.

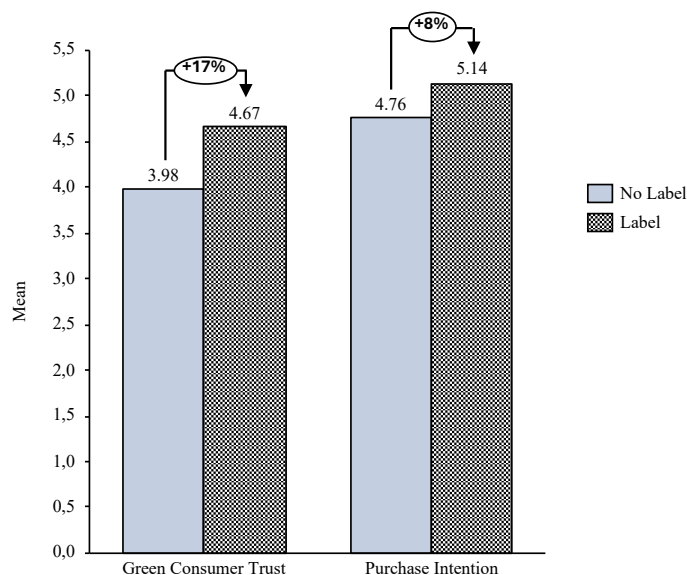


Figure 2: Mean Difference of Trust and Purchase Intention based on Label Disclosure (Own Development)

4.2 Reliability of the Constructs

Given the slight changes in context from the original studies, it was necessary to reconfirm the internal consistency of the constructs for *green consumer trust* and purchase behaviour in this specific study setting.

Reliability was assessed using *Cronbach's Alpha*, a measure recommended for evaluating internal consistency. Values above 0.7 are generally considered acceptable for demonstrating internal reliability (George & Mallery, 2019). In this study, the construct of *green consumer trust*, which includes five items, achieved a *Cronbach's Alpha* of .896, indicating good internal consistency. Similarly, the construct of purchase intention, comprising three items, recorded a *Cronbach's Alpha* of .905, suggesting excellent internal consistency. The results allow the items (T1-5 and P11-3) to be aggregated into one variable each (Blumberg et al., 2014). Appendix 5 provides detailed reliability analysis results.

4.3 Results from the Hypothesis Testing

4.3.1 The Effect of MSCDD Certification Labels on Purchase Intentions

Based on several met key assumptions and conditions relevant to the research design and data nature, an independent samples t-test was selected as the appropriate method to analyse the difference in purchase intentions between the two experimental groups (Field, 2017):

Firstly, a fundamental assumption for the independent sample t-test – the independence of observations – was maintained throughout the experiment as each participant was randomly assigned to one of the experimental groups (Field, 2017). Furthermore, the dependent variable, “purchase intention”, was measured using a 7-point Likert scale, which, despite its ordinal nature, was treated as interval data in this analysis (Blumberg et al., 2014). This treatment is justified when the scale includes five or more points, allowing it to assume a continuous distribution and enabling meaningful calculations of averages and standard deviations (Allen & Seaman, 2007). Additionally, the independent variable was categorical, differentiated by two conditions: the disclosure or non-disclosure of the label. The dichotomy meets the criteria for conducting a t-test. Furthermore, the normality of the data was assessed graphically through *Q-Q* plots, ensuring appropriate conditions for the parametrical tests used in the analysis (Field, 2017). Before executing the t-test, *Levene's Test for Equality of Variances* was performed. It confirmed homoscedasticity between the groups with a p-value of .775 (Lavene, 1960).

The t-test results revealed significant differences in purchase intentions between the two experimental groups ($t(174) = -2.281, p < .05, d = -.344$). Thus, purchase intentions were, on average, higher when a certification label was present ($M = 5.14, SD = 1.09$) compared to its absence ($M = 4.76, SD = 1.13$). Accordingly, **H1** can be verified (Appendix 6).

4.3.2 Mediating Effect of Green Consumer Trust

To explore the mediating role of *green consumer trust* in the relationship between label disclosure and purchase intention, a mediation analysis using Hayes' PROCESS model 4 in SPSS was conducted. This model is designed specifically for simple mediation, based on regression analysis, and frequently applied in similar research and diverse management and marketing disciplines (Gorton et al., 2021; Hayes, 2022; E. J. Lee et al., 2020). It explains the causal effects of the independent variable, label disclosure (X), on the dependent variable, purchase intention (Y), which occurs through the mediator, *green consumer trust* (M) (Hayes, 2022). The analysis also includes the control variable, familiarity with ecological and social issues in the textile industry³.

Several statistical prerequisites were examined to ensure the mediation's validity as a regression analysis. First, linearity between the independent (X) and dependent (Y) variables is assumed (Hayes, 2022). Furthermore, the 7-point Likert scaled variables are treated as metrically scaled, which has been reasoned earlier (Allen & Seaman, 2007). Additionally, multicollinearity among label disclosure and familiarity must be checked for the analysis, which includes the control variable. Results ensure that each variable contributes uniquely without redundancy (Field, 2017; Kutner et al., 2005). Moreover, a *Breusch-Pagan test* verified homoscedasticity ($p = .688$), confirming that the error terms have equal variances (Breusch & Pagan, 1979; Hayes, 2022). The normality of the error terms was verified through graphical tests (Field, 2017). Additionally, the screening for extreme values already happened in the data-cleaning phase. Lastly, the independence of the observations is guaranteed by the randomised allocation of the participants to the test groups (Hayes, 2022).

Starting with the effect of label disclosure on *green consumer trust* (Path a), a significant positive effect is observed, indicating that, on average, a certification label enhances trust significantly ($Coeff_a = .6840, se_a = .1579, P_a < .001$), compared to label absence. Thus,

³ The mediating analysis was also performed, excluding the control variable. However, the results do not change significantly. See Appendix 8 for the analysis excluding the covariate.

H2a can be confirmed. However, this path explained only about 10% of the variance in trust ($R^2 = .1004$).

Path b also showed a significant positive effect, which suggests that *green consumer trust* significantly increases purchase intentions ($Coef_f_b = .4821$, $se_b = .0726$, $P_b < .001$). Based on this result, **H2b** can be confirmed. Path c' is examined using the same model. However, when the *direct effect* of labels on purchase intention in the mediator's presence (Path c') is tested, the effect is non-significant ($Coef_f_c = .0559$, $se_c = .1588$, $P_c = .7252$). The model explains 22.7% of the variance in purchase intention ($R^2 = .2274$). In direct comparison, the *total effect* of label disclosure and purchase intention, path c, is positive and significant ($Coef_f_c = .3857$, $se_c = .1686$, $P_c < .05$, $R^2 = .0294$).

To assess if consumer trust mediates the relationship between label disclosure and purchase intention, the relationship's *total, direct and indirect effect* is evaluated. The analysis indicates that the *indirect effect* of label disclosure on purchase intention is positive and significant, as the confidence interval does not contain zero (CI [.1699, .5111]) (Preacher & Hayes, 2004). Additionally, with paths a and b significant and c' non-significant (though significant without the mediator), full mediation is confirmed (Zhao et al., 2010). Thus, *green consumer trust* mediates the relationship between label disclosure and purchase intention, and **H2** can be confirmed. Furthermore, the *indirect effect* (.3298) substantially outweighs the *direct effect* (.0559), resulting in a *total effect* of .3857. Thus, about 86% of the *total effect* of X on Y is explained by *green consumer trust*.

The control variable did not significantly influence the results. Thus, familiarity neither increases nor decreases consumer trust or purchase intentions based on label disclosure.

Figure 3 summarises the results; additional findings can be found in Appendix 7.

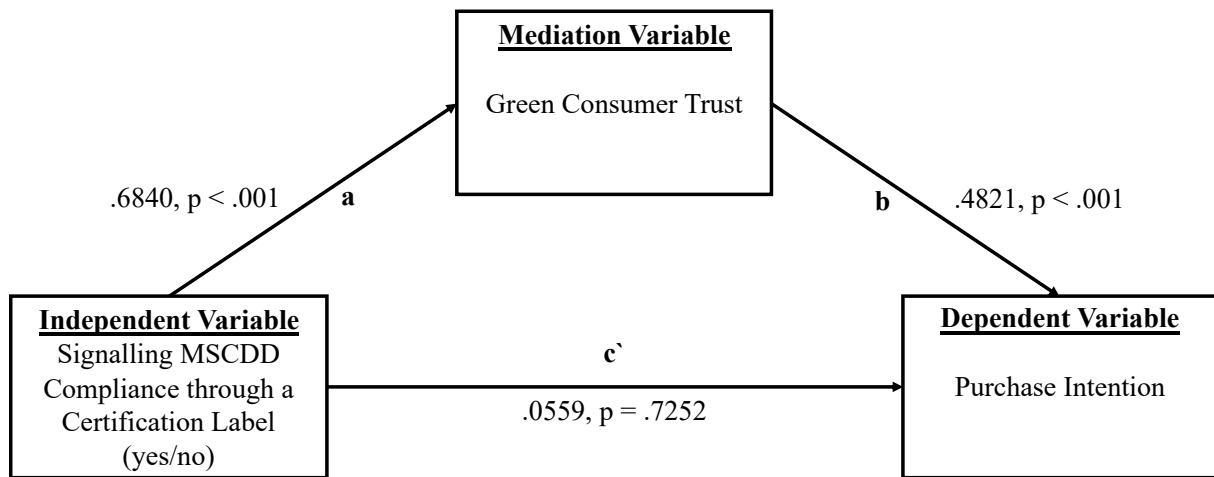


Figure 3: Statistical Mediation Model with Coefficients (Own Development)

Overall, the statistical analysis confirms all hypotheses (Table 2).

Hypotheses	Items	Results
H1	Signalling MSCDD compliance through <i>certification labels</i> increases consumers' <i>intention to purchase</i> fashion products.	accepted
H2a	Signalling MSCDD compliance through <i>certification labels</i> enhances <i>green consumer trust</i> .	accepted
H2b	<i>Green consumer trust</i> positively influences the <i>intention to purchase</i> a certified fashion product.	accepted
H2	<i>Green consumer trust</i> mediates the relationship between signalling MSCDD compliance through <i>certification labels</i> and the <i>intention to purchase</i> the certified fashion product.	accepted

Table 2: Summary of Results (Own Development)

5. General Discussion

This chapter discusses the research findings and provides theoretical and practical contributions. Furthermore, it addresses limitations and future research areas.

5.1 Interpretations of the Findings

This dissertation addresses the challenge of communicating MSCDD to consumers. While previous research indicates that labels can guide consumer decisions effectively and positively influence purchase decisions (e.g., Atkinson & Rosenthal, 2014; Erdem & Swait, 1998), they also may generate scepticism and confusion (Y.-S. Chen & Chang, 2013; Grunert et al., 2014). These contradicting research findings of previous research and the novel context of clothing and MSCDD prompted a re-examination of the relationship between labels and purchase intention. The statistical analysis results confirmed that MSCDD labels increase purchase decisions (**H1**). Thus, it can be assumed that labels are practical communication tools that inform consumers of the sustainability of a product, thus guiding consumers' purchase decisions. Another important finding regarding the variable's connection is the low explanatory power of the independent variable in relation to the dependent variable. As already highlighted by diverse researchers, the relationship between labels and purchase decisions is complex, indicating that labels are rarely the deciding factor for purchase behaviour (Atkinson & Rosenthal, 2014; Grunert et al., 2014).

Moreover, the power of trust has been frequently debated in previous research. While some researchers find that meaningful and credible product information on labels can positively influence consumer trust (Atkinson & Rosenthal, 2014; Gosselt et al., 2019), others highlight that consumers' experience of label-greenwashing often diminishes trust (Y.-S. Chen & Chang, 2013). Since MSCDD was defined in both scenarios, with the certification label disclosure as the only difference, the label serves as an external validation source for assessing *green consumer trust*. Thus, despite possible scepticism and although a regulation backs up MSCDD, a statistically significant increase in consumer trust resulting from label presence was found (**H2a**). This finding aligns with the assumption that a transparent, reliable, authentic, and credible label effectively shapes positive consumer expectations about a product's environmental performance, credibility, and benefits (Atkinson & Rosenthal, 2014; Y.-S. Chen, 2010; Y.-S. Chen & Chang, 2013; Darnall et al., 2017). The increased trust may explicitly result from external verification of compliance with MSCDD regulations stated on the label (Atkinson & Rosenthal, 2014; Gorton et al., 2021). Consequently, the mere presence of the regulation

seems to have a much smaller effect on the confidence in a product's sustainability attributes. Notably, the model's R^2 is relatively low. This suggests that factors beyond label disclosure may contribute to consumer trust perceptions, validating the trust concept's complexity highlighted in previous studies (e.g. Atkinson & Rosenthal, 2014).

Moreover, *green consumer trust* itself can significantly shape consumer decisions within the fashion context (**H2b**). This finding aligns with previous research suggesting that trust can foster or deter purchase intentions depending on whether companies enhance or diminish it through their actions and communications (Darnall et al., 2009; Grayson et al., 2008). Thus, a company's efforts are essential in cultivating consumer trust. Effective trust management can successfully impact purchase behaviour, making it a strategic priority for marketers and policymakers in the sustainability area (Moorman et al., 1992; Wei et al., 2017).

Complementing this, the mediation analysis results underscore the essential role of *green consumer trust* in the MSCDD context. Trust fully mediates the hypothesised relationship (**H2**), illustrating that trust is the fundamental mechanism through which label disclosure affects purchase intentions. Trust's high impact is shown by the fact that it accounts for approximately 86% of the label's effect on purchase intentions. Thus, when the indirect effect is present, the direct impact of label disclosure becomes negligible. These findings align with previous research, suggesting that purchase intentions rise when consumers believe in the sustainability claims communicated by labels (Sun et al., 2021). This emphasises that while labels influence purchasing decisions, trust in these labels is critical for their effectiveness, suggesting also that certifications alone are not decisive.

Moreover, previous literature highlighted that participants who are familiar with environmental and social issues in the supply chain might choose to trust certified products more often (Darnall et al., 2009; Gefen, 2000). Therefore, familiarity was included as a control variable in the mediation model. However, non-significant results suggest that familiarity does not reliably explain trust enhancement.

5.2 Contributions to Theory

While the importance of communicating a company's sustainability efforts continues to grow, as highlighted by the evolving body of literature (European Commission, 2020; White et al., 2019), there has been limited research specifically on MSCDD's role in shaping purchase behaviour and certification labels in the textile industry. This gap is further widened by previous

studies that hold contradicting findings of the analysed variables. Addressing these challenges, this work makes several contributions to the understanding of certification labels, consumer trust, and purchase behaviour in the context of MSCDD and the textile industry:

Firstly, this research has evaluated the effectiveness of label strategies as communication tools within the legal frameworks. To the best of the researcher's knowledge, this study introduces a new angle on MSCDD by incorporating consumer perspectives into discussions about regulatory compliance. Existing research on MSCDD mainly focuses on the weaknesses, strengths, and current development of implementing the regulations in a company's business (Gustafsson et al., 2023; Schilling-Vacaflor & Lenschow, 2023). It further highlights that a controlled frame could provide security and ease regulation compliance for companies (Gustafsson et al., 2023; Rajavuori et al., 2023). Organisations anticipate that communicating MSCDD to consumers may positively influence trust in the sustainability claims of companies and products (OECD, 2019). The latter is suggested in this dissertation: Despite being backed by mandatory regulation, MSCDD certification schemes may effectively influence purchase behaviour by being used as a signalling tool to communicate compliance.

Secondly, exploring the role of labels within the textile industry adds a novel dimension to the existing literature, which predominantly focuses on food products (Nuttavuthisit & Thøgersen, 2017; Sigurdsson et al., 2022). Literature indicates that consumers started to frequently consider labels when shopping for clothes and value the communication of a product's sustainable attributes (European Commission, 2020; Kang & Hustvedt, 2014). Thus, this research contributes to previous studies' findings by successfully transferring label knowledge from the food industry to the textile context and confirming the importance of certification labels in the fashion context. Moreover, as the fashion industry evolves (EEA, 2024), particularly with increasing emphasis on sustainability and circular economy models (European Commission, 2024b), understanding consumer behaviour in this context becomes increasingly relevant.

Lastly, this study addresses the ongoing broader debate about the effectiveness of labels (Y.-S. Chen & Chang, 2013; Grunert et al., 2014). It enriches the theoretical landscape by validating the effectiveness of certification labels in influencing purchase intentions, consistent with theory and prior research (e.g. Atkinson & Rosenthal, 2014; Erdem & Swait, 1998). By additionally analysing the role of trust in relation to labels and consumers, the findings suggest that while labels are influential, their impact is highly dependent on trust. Furthermore, based

on the modest explanatory power of the analysed models, this dissertation's findings provide further evidence for the complexity of purchase decision antecedents.

5.3 Contributions to Practice

In addition to the theoretical implications, this study provides practical insights to inform policy discussions, regulatory initiatives and companies.

Previous research highlights the importance of positioning ethically produced fashion successfully in the market by signalling sustainable benefits and performance attributes (Sun et al., 2021). This study suggests that using MSCDD certification labels as signalling tools, despite regulatory backup, positively influences consumer trust and the intention to buy. Therefore, marketers could leverage labels to demonstrate a company's commitment to verified sustainable practices, thereby enhancing trust through authenticity and reliability. As purchase intentions for labelled products potentially increase, marketers may consider labels as part of a broader strategy to differentiate their products (Menguc et al., 2010), especially in relation to products from non-EU companies that do not have to follow the guidelines (Gustafsson et al., 2023). Regarding the essential role of trust, the findings recommend that companies use a certification label particularly to ensure the trustworthiness of a product's ethical claims, even though there is a regulation behind ethical production.

Moreover, the study found that familiarity with sustainability issues in the textile industry does not influence consumer trust or purchase decisions. This may suggest that companies should prioritise the promotion and use of clear and reliable certification labels over general sustainability education efforts to cultivate trust and influence decisions. Not understanding the label can lead to confusion and diminish trust (Y.-S. Chen & Chang, 2013). Thus, enhancing consumers' knowledge about the credibility, benefits and ability of labels may enhance their motivation for responsible behaviours (Darnall et al., 2018; Wessells et al., 1999) and reduce barriers to decision-making (Grunert et al., 2014).

Given the study's in-store purchase scenario and previous research findings, fashion retailers seem to be in a unique position close to the consumer and can reinforce label effectiveness by highlighting them in stores, encouraging acceptance by offering certified products, and enhancing visibility across product categories (Sun et al., 2021). Their strategy may focus on the specific benefits and authenticity of certified products, using endorsements from trusted organisations to build credibility (Gorton et al., 2021).

On a broader scale, this work suggests practical implementations for national governments and the EU:

In addition to findings about consumer response to MSCDD labels, organisations and researchers see an advantage in a certification framework that simplifies the MSCDD compliance process for companies and supervisory bodies (Gustafsson et al., 2023; OECD, 2019). Therefore, findings from this study may encourage policymakers to support the development of a uniform, transparent, and reliable MSCDD certification scheme, as there is no official certification yet. This scheme could promote industry-wide trustworthy compliance and help maintain a level playing field, particularly helpful at the initial stages of MSCDD adoption and for smaller companies.

Furthermore, consumer scepticism towards labels remains challenging, particularly in light of prevalent greenwashing concerns (Y.-S. Chen, 2010). Regarding the study's findings about the essential role of trust, it seems important to mitigate consumer doubts by delivering straightforward and transparent details on the label about the environmental benefits of products (Atkinson & Rosenthal, 2014). Governmental bodies may contribute to this by regulating deceptive advertising and innovating more effective solutions to address greenwashing (do Paço & Reis, 2012; Moser & Leipold, 2021; OECD, 2018b). One option could be establishing EU-wide uniform guidelines for trustworthy compliance signalling. Such guidelines could improve the utility of labels in marketing and prevent consumer deception (Sun et al., 2021). Additionally, fostered collaborations by environmental and consumer organisations influence the market dynamics in favour of or against certain products. Similar standardising effects have, for example, the recently established guidelines for sustainability reporting (European Commission, 2024a).

In summary, communicating to consumers the benefits of products with trusted certification labels supervised by practical guidelines from government agencies could potentially reduce the challenges associated with ethical purchasing.

5.4 Limitations and Future Research

Despite this research's insights and contributions, several limitations must be acknowledged and addressed in future studies to enhance understanding in this relatively new research field.

The research's primary limitation is the *sampling approach*. While non-probability sampling was justified due to the dissertation's time and resource constraints, it limits the sample's

representativeness, challenging the finding's generalisability (Malhotra et al., 2020; Vehovar et al., 2016). The sample is especially biased towards young German adults, which limits the representation of all potential fashion consumers. Nevertheless, due to the young generations' significant environmental concerns, heightened awareness about sustainability issues, and active role in changing consumption habits, they are recognised as important current and future influential fashion consumers (Atkinson & Rosenthal, 2014; BMUV & UBA, 2022; Hume, 2010). Understanding their reactions to fashion labels provides interpretable insights but cannot be generalised for other age groups. Furthermore, despite the study's European focus, most respondents were German. The pioneering role of German MSCDD regulations adds relevance to the findings but may also limit their applicability to other regions (Malhotra et al., 2020; Vehovar et al., 2016). To combat these limitations, future studies should use a random, larger sample, more representative of potential consumers and geographic regions to address these limitations.

Additionally, several aspects of this study's design limit its *validity*, mainly because it is a controlled laboratory experiment. This affects how findings can be applied to real-world settings as they cannot be controlled for variables not hypothesised (Babbie, 2013). To improve validity generally, future research should consider field experiments.

The between-subject design, adopted from similar previous research, has limitations. For example, individual differences among participants between groups can limit group comparability and, consequently, internal validity. While these challenges have been mitigated to some extent through random group allocation, future research could benefit from addressing individual differences more effectively. An alternative design could be a within-subject approach. This design can further control for these differences by having the same participants make decisions under different conditions. It is important to be aware, however, of potential challenges like participant fatigue and practice effect (Field, 2017; Kirk, 2012).

Another limitation concerning external validity is the choice of one specific fashion item, the jeans. Though well-reasoned through a prior study by bonprix (2020) and focus group discussion, individual consumer choices may change with another garment. Exploring consumer responses across varied product types and price ranges, such as luxury goods or basic apparel, could provide insights into how trust and purchase intentions change based on product attributes.

Moreover, the fictitious nature of the label used in the study may affect the overall experimental context and realism of participants' behaviour, thereby questioning the study's ecological

validity. This limitation is compounded by the absence of brand names, a significant choice criterion. Thus, participants could have overestimated the importance of label content (Grunert et al., 2014). Future research should consider using real, existing MSCDD labels as they become available to increase the realism and applicability of the experimental setup (Schmuckler, 2001).

In addition, the study controls for knowledge of MSCDD by defining it for both experimental groups to isolate the effect of the certification label. However, as the study's descriptive results show that knowledge of MSCDD among participants is moderately low, examining how lack of regulation knowledge affects trust and purchase behaviour could provide additional insights. This is particularly relevant in real-world scenarios where consumers may not be as informed about supply chain regulations.

Further limitations regarding this dissertation's scales and measurements must be highlighted. Although the variable "intention to buy" is used in several acceptance models, such as the TPB (Ajzen, 1991), and similar research as this study (e.g. Atkinson & Rosenthal, 2014; Lee et al., 2020), it reflects only one dimension of purchase behaviour. Furthermore, research into the reasons that hinder consumers with a purchase intention actually to buy the product highlights inconsistency in the findings (Sharma et al., 2022; White et al., 2019). Therefore, future research could incorporate additional dimensions of purchase decisions and explore the attitude-behaviour gap further to provide academic and practical insights, especially in the context of MSCDD (Sun et al., 2021).

Although full mediation of *green consumer trust* was found, this study leaves out further trust dimensions or potential mediators, such as the perceived credibility in the institution awarding the label (Atkinson & Rosenthal, 2014; Gorton et al., 2021; Gosselt et al., 2019) or distinctions between system-based and personal trust (Nuttavuthisit & Thøgersen, 2017; Sun et al., 2021; Thøgersen et al., 2010). As the theory behind trust is complex and previous studies' results on trust show contradictory findings, future studies could include additional mediators to provide a more comprehensive analysis.

The low R^2 value in the models suggests that the independent variable does explain the variance in the independent variable to a limited extent. This indicates that the relationships among the variables are complex, and a more detailed exploration is necessary to understand these dynamics better. A solution could be to include further control variables. For example, the literature suggests that the relationship between trust and buying behaviour is influenced by whether consumers consider certification labels during purchase decisions (Thøgersen et al.,

2010). Incorporating label consideration as a control variable in future studies could enrich insights into the role of certification labels in consumer purchasing patterns.

The certification label's failure or success depends also on other factors, such as the scheme itself, the environment, or consumer attitudes (Thøgersen et al., 2010). Hence, the literature highlights another well-known limitation regarding label research: Labels usually refer to one country. Diverse previous studies underscore the influence of national cultures on trust (Nuttavuthisit & Thøgersen, 2017) and the importance of national preferences, attitudes, and motivations when exploring purchase decisions (Grunert et al., 2014; Sun et al., 2021). Future studies should, therefore, incorporate cultural influences on consumer behaviour to provide more effective practical recommendations, especially if certification companies want to develop a European-wide label (Gorton et al., 2021; Grunert et al., 2014).

Additionally, the study acknowledges existing certification labels that partially cover MSCDD regulations (Gustafsson et al., 2023; TÜV Nord, 2022) but does not explore how these known labels and the companies behind them affect consumer trust and purchase intentions. This might be particularly important as knowing an organisation behind the label may positively influence purchase behaviour (Chaudhuri & Holbrook, 2001; Y.-S. Chen, 2010). Accordingly, future research should compare the impact of new and established certification schemes directly with the evolvement of MSCDD-related certification programs.

This points to another limitation: the dynamic nature of sustainability and MSCDD regulations. Sustainability systems are constantly evolving to comply with changing legal requirements (Castka & Corbett, 2016), potentially changing the future role of certification labels. Therefore, continuous research is needed to keep pace with legislative changes that might affect the label's efficacy (Castka & Corbett, 2016). Additionally, legislative developments point to potential economic implications of MSCDD compliance, suggesting further research into whether companies can pass on certification costs to consumers and if this conflicts with their willingness to pay for a certified product (Hofmann et al., 2018).

Addressing these limitations in future research will provide more robust insights and enhance the practical applicability of the research findings.

6. Conclusion

As consumer preference for ethically produced fashion grows, the evolving regulations around MSCDD present an opportunity to meet these demands. However, based on consumers' experience with greenwashing and the overwhelming amount of sustainability information, ensuring this information is trustworthy and effectively communicated has become challenging. This dissertation contributed to understanding this challenge by exploring the role of certification labels in enhancing consumer trust and purchase intentions in the context of MSCDD. The findings show that labels can effectively communicate the sustainable attributes of fashion products to consumers, thereby increasing the likelihood of fashion purchases. However, the labels' effectiveness highly depends on consumer trust.

These results provide a novel consumer perspective on MSCDD and identify MSCDD certification labels as powerful marketing tools to encourage sustainable consumption and lead the transition towards a greener future. Policymakers and retailers should enhance label awareness and knowledge to shape attitudes and trust perceptions toward sustainable products. Certification labels not only aid in complying with MSCDD but also help consumers recognise and appreciate the social and environmental responsibility in their purchasing decisions. Although this study simplifies the relationship between variables and has limited generalizability, it lays the groundwork for further exploration of consumer behaviour in the context of labelling, MSCDD, and the textile industry. Without significant policy support for trustworthy labelling programmes, consumer-driven environmental demand may only minimally impact the market.

References

- Ajzen, I. (1991). The Theory of Planned Behavior. *Organizational Behavior and Human Decision Processes*, 50(2), 179–211. [https://doi.org/10.1016/0749-5978\(91\)90020-T](https://doi.org/10.1016/0749-5978(91)90020-T)
- Allen, I. E., & Seaman, C. A. (2007). Likert Scales and Data Analyses. *Quality progress*, 40(7), 64-65.
- Atkinson, L., & Rosenthal, S. (2014). Signaling the Green Sell: The Influence of Eco-Label Source, Argument Specificity, and Product Involvement on Consumer Trust. *Journal of Advertising*, 43, 33–45. <https://doi.org/10.1080/00913367.2013.834803>
- Babbie, E. R. (2013). *The practice of social research* (13. ed.). Wadsworth, Cengage Learning.
- BAFA. (2022). *Identifying, weighting and prioritizing risks: Guidance on conducting a risk analysis as required by the German Supply Chain Due Diligence Act 'Lieferkettensorgfaltspflichtengesetz' or 'LkSG.'* https://www.bafa.de/SharedDocs/Downloads/EN/Supply_Chain_Act/guidance_risk_analysis.pdf?__blob=publicationFile&v=2
- BAFA. (2024). *Supply Chain Act – Overview*. Retrieved February 21, 2024, from https://www.bafa.de/EN/Supply_Chain_Act/Overview/overview_node.html
- Behnam, M., & MacLean, T. L. (2011). Where Is the Accountability in International Accountability Standards?: A Decoupling Perspective. *Business Ethics Quarterly*, 21(1), 45–72.
- Bell, E., Bryman, A., & Harley, B. (2022). *Business Research Methods*. Oxford University Press.
- Berinsky, A. J., Margolis, M. F., & Sances, M. W. (2016). Can we turn shirkers into workers? *Journal of Experimental Social Psychology*, 66, 20–28. <https://doi.org/10.1016/j.jesp.2015.09.010>
- Bhattacharjee, A. (2012). *Social science research: Principles, methods, and practices* (2nd ed.). Global Text Project.

- Blumberg, B., Cooper, D. & Schindler, P. (2014). *Business Research Methods* (12th ed.). McGraw Hill.
- BMUV, & UBA. (2022). *Zukunft? Jugend fragen!* (Report No. 1). German Government. https://www.umweltbundesamt.de/sites/default/files/medien/479/publikationen/zukunft_jugend_fragen_2021_bf_0.pdf
- BMZ. (2022). *Green Button Standard 2.0: Requirements for Corporate Due Diligence Processes and Conditions for Product Claims*. Green Button Certificate. <https://gruener-knopf.de/media/687/download>
- BMZ. (2023). *Leitfaden: Umsetzung unternehmerischer Sorgfaltsprozesse im Grünen Knopf (Version 2.0)*. https://gruener-knopf.de/sites/default/files/file/2023-10/Gr%C3%BCner%20Knopf%202.0_Leitfaden_unternehm.Sorgfalt_06.2023.pdf
- bonprix. (2023). *Bonprix Fashion Report 2023* (Report No. 1). bonprix. https://www.bonprix.de/corporate/fileadmin/modestudie/downloads/international/23_12_14_bonprix_Publikation_Fashion_Report_International_Edition.pdf
- Borin, N., Cerf, D. C., & Krishnan, R. (2011). Consumer effects of environmental impact in product labeling. *Journal of Consumer Marketing*, 28(1), 76–86. <https://doi.org/10.1108/07363761111101976>
- Boulding, W., & Kirmani, A. (1993). A Consumer-Side Experimental Examination of Signaling Theory: Do Consumers Perceive Warranties as Signals of Quality? *Journal of Consumer Research*, 20(1), 111–123.
- Breusch, T. S., & Pagan, A. R. (1979). A Simple Test for Heteroscedasticity and Random Coefficient Variation. *Econometrica*, 47(5), 1287–1294. <https://doi.org/10.2307/1911963>
- Brislin, R. W. (1980). Translation and content analysis of oral and written materials. In H. C. Triandis & J. W. Berry (Eds.), *Handbook of cross-cultural psychology: Methodology* (pp. 389–444). Allyn and Bacon.
- Calder, B. J., Phillips, L. W., & Tybout, A. M. (1981). Designing Research for Application. *Journal of Consumer Research*, 8(2), 197. <https://doi.org/10.1086/208856>

- Castka, P., & Corbett, C. (2016). Governance of Eco-Labels: Expert Opinion and Media Coverage. *Journal of Business Ethics*, *135*. <https://doi.org/10.1007/s10551-015-2542-3>
- Charness, G., Gneezy, U., & Kuhn, M. A. (2012). Experimental methods: Between-subject and within-subject design. *Journal of Economic Behavior & Organization*, *81*(1), 1–8. <https://doi.org/10.1016/j.jebo.2011.08.009>
- Chaudhuri, A., & Holbrook, M. B. (2001). The Chain of Effects from Brand Trust and Brand Affect to Brand Performance: The Role of Brand Loyalty. *Journal of Marketing*, *65*(2), 81–93.
- Chen, X., Gao, Z., Swisher, M., House, L., & Zhao, X. (2018). Eco-labeling in the Fresh Produce Market: Not All Environmentally Friendly Labels Are Equally Valued. *Ecological Economics*, *154*, 201–210. <https://doi.org/10.1016/j.ecolecon.2018.07.014>
- Chen, Y.-S. (2010). The Drivers of Green Brand Equity: Green Brand Image, Green Satisfaction, and Green Trust. *Journal of Business Ethics*, *93*, 307–319. <https://doi.org/10.1007/s10551-009-0223-9>
- Chen, Y.-S., & Chang, C.-H. (2013). Greenwash and Green Trust: The Mediation Effects of Green Consumer Confusion and Green Perceived Risk. *Journal of Business Ethics*, *114*. <https://doi.org/10.1007/s10551-012-1360-0>
- Chidlow, A., Plakoyiannaki, E., & Welch, C. (2014). Translation in cross-language international business research: Beyond equivalence. *Journal of International Business Studies*, *45*(5), 562–582. <https://doi.org/10.1057/jibs.2013.67>
- Cobbing, M., Wohlgemuth, V., & Vicaire, Y. (2023). *Greenwash Danger Zone: 10 years after Rana Plaza fashion labels conceal a broken system* (Report No. 1). Greenpeace. https://www.greenpeace.de/publikationen/Greenpeace_Report_Greenwash_Danger_Zone.pdf
- Cohen, J. (1988). *Statistical Power Analysis for the Behavioral Sciences* (2nd ed.). Routledge. <https://doi.org/10.4324/9780203771587>
- Dando, N., & Swift, T. (2003). Transparency and Assurance Minding the Credibility Gap. *Journal of Business Ethics*, *44*(2), 195–200. <https://doi.org/10.1023/A:1023351816790>

- Darnall, N., Ji, H., & Potoski, M. (2017). Institutional design of ecolabels: Sponsorship signals rule strength. *Regulation & Governance*, *11*(4), 438–450. <https://doi.org/10.1111/rego.12166>
- Darnall, N., Ji, H., & Vazquez-Brust, D. (2018). Third party certification, sponsorship and consumers' ecolabel use. *Journal of Business Ethics*, *150*(4), 953–969.
- Darnall, N., Seol, I., & Sarkis, J. (2009). Perceived stakeholder influences and organizations' use of environmental audits. *Accounting, Organizations and Society*, *34*(2), 170–187. <https://doi.org/10.1016/j.aos.2008.07.002>
- Delgado-Ballester, E., Munuera-Alemán, J. L., & Yagüe-Guillén, M. J. (2003). Development and validation of a brand trust scale. *International Journal of Market Research*, *45*(1), 35–53. <https://doi.org/10.1177/147078530304500103>
- Devos, T., Spini, D., & Schwartz, S. (2003). Conflicts Among Human Values and Trust in Institutions. *The British Journal of Social Psychology / the British Psychological Society*, *41*, 481–494. <https://doi.org/10.1348/014466602321149849>
- Dillman, D. A., Smyth, J. D., & Christian, L. M. (2014). *Internet, Phone, Mail, and Mixed-Mode Surveys: The Tailored Design Method*. John Wiley & Sons.
- Do Paço, A. M. F., & Reis, R. (2012). Factors Affecting Skepticism toward Green Advertising. *Journal of Advertising*, *41*(4), 147–155. <https://doi.org/10.1080/00913367.2012.10672463>
- Doney, P. M., & Cannon, J. P. (1997). An Examination of the Nature of Trust in Buyer-Seller Relationships. *Journal of Marketing*, *61*(2), 35–51. <https://doi.org/10.2307/1251829>
- EEA. (2021). *Progress towards preventing waste in Europe – The case of textile waste prevention* (Report No. 15). European Union. https://www.eea.europa.eu/publications/progressing-towards-waste-prevention-in/at_download/file
- EEA. (2024, May 22). *Textiles*. Retrieved April 24, 2024, <https://www.eea.europa.eu/en/topics/in-depth/textiles>
- Erdem, T., & Swait, J. (1998). Brand Equity as a Signaling Phenomenon. *Journal of Consumer*

- Psychology*, 7(2), 131–157. https://doi.org/10.1207/s15327663jcp0702_02
- Erdfelder, E., Faul, F., & Buchner, A. (1996). GPOWER: A general power analysis program. *Behavior Research Methods, Instruments, & Computers*, 28(1), 1–11. <https://doi.org/10.3758/BF03203630>
- Ertl, V., & Schebesta, M. (2020). Sustainability in Global Supply Chains: Arguments For and Against a Legal Obligation for Compliance with Human Rights and Environmental Standards. Konrad-Adenauer-Stiftung e. V. In *Facts & Findings: Vol. No 390*. <https://www.jstor.org/stable/pdf/resrep25299.pdf?acceptTC=true&coverpage=false&addFooter=false>
- European Commission. (2020). *Attitudes of European Citizens towards the Environment: Special Eurobarometer* (Report No. 501). European Commission. <https://europa.eu/eurobarometer/api/deliverable/download/file?deliverableId=72616>
- European Commission. (2022). *Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on Corporate Sustainability Due Diligence and amending Directive (EU) 2019/1937*. <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52022PC0071>
- European Commission. (2024a). *Corporate Sustainability Reporting*. Finance. Retrieved April 24, 2024, from https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/company-reporting-and-auditing/company-reporting/corporate-sustainability-reporting_en
- European Commission. (2024b). *Strategy for textiles*. Internal Market, Industry, Entrepreneurship and SMEs. Retrieved April 24, 2024, from https://single-market-economy.ec.europa.eu/sectors/textiles-ecosystem/strategy-textiles_en
- European Parliament. (2023, December 14). *Corporate due diligence rules agreed to safeguard human rights and environment*. Press Room. Retrieved March 21, 2024, from <https://www.europarl.europa.eu/news/en/press-room/20231205IPR15689/corporate-due-diligence-rules-agreed-to-safeguard-human-rights-and-environment>
- Evans, J. R., & Mathur, A. (2005). The value of online surveys. *Internet Research*, 15(2), 195–

219. <https://doi.org/10.1108/10662240510590360>
- Fairtrade. (2018). *FAIRTRADE Cotton Mark Guidelines*. (3rd ed.)
<https://files.fairtrade.net/FAIRTRADE-Cotton-Guidelines.pdf>
- Fairtrade Deutschland. (2021, June 11). *Lieferkettengesetz: Fairtrade fordert Blick auf Einkommen im globalen Süden*. Newsroom. Retrieved March 21, 2024, from <https://www.fairtrade-deutschland.de/service/newsroom/news/details/lieferkettengesetz-fairtrade-fordert-blick-auf-einkommen-im-globalen-sueden-6853>
- Fairtrade International. (2024). *The fairtrade marks*. About. Retrieved March 21, 2024, from <https://www.fairtrade.net/about/fairtrade-marks>
- FAO. (2003). *Environmental and Social Standards, Certification and Labelling for Cash Crops*. FAO Commodities and Trade Technical Paper.
<https://openknowledge.fao.org/handle/20.500.14283/y5136e>
- Field, A. (2017). *Discovering Statistics Using IBM SPSS Statistics* (5th ed.). SAGE Publications.
- Franses, P. H., & Paap, R. (2001). *Quantitative Models in Marketing Research*. Cambridge University Press.
- French, J., & Wokutch, R. (2005). Child Workers, Globalization, and International Business Ethics: A Case Study In Brazil's Export-Oriented Shoe Industry. *Business Ethics Quarterly*, 15, 615–640. <https://doi.org/10.2307/3857981>
- Fritz, M. S., & MacKinnon, D. P. (2007). Required Sample Size to Detect the Mediated Effect. *Psychological Science*, 18(3), 233–239. <https://doi.org/10.1111/j.1467-9280.2007.01882.x>
- Ganesan, S. (1994). Determinants of Long-Term Orientation in Buyer-Seller Relationships. *Journal of Marketing*, 58(2), 1–19. <https://doi.org/10.2307/1252265>
- Gefen, D. (2000). Gefen, D.: E-commerce: the role of familiarity and trust. *OMEGA* 28(6), 725-737. *Omega*, 28, 725–737. [https://doi.org/10.1016/S0305-0483\(00\)00021-9](https://doi.org/10.1016/S0305-0483(00)00021-9)

- George, D., & Mallery, P. (2019). *IBM SPSS Statistics 26 Step by Step: A Simple Guide and Reference* (16th ed.). Routledge. <https://doi.org/10.4324/9780429056765>
- German Federal Foreign Office. (2020). *Monitoring of the status of implementation of the human rights due diligence obligations of enterprises set out in the National Action Plan for Business and Human Rights 2016-2020 – Final Report*. (Report No. 1). German Federal Office. <https://www.auswaertiges-amt.de/blob/2417212/9c8158fe4c737426fa4d7217436acc7/201013-nap-monitoring-abschlussbericht-data.pdf>
- Gorton, M., Tocco, B., Yeh, C.-H., & Hartmann, M. (2021). What determines consumers' use of eco-labels? Taking a close look at label trust. *Ecological Economics*, *189*, 1-10 <https://doi.org/10.1016/j.ecolecon.2021.107173>
- Gosselt, J., Van Rompay, T., & Haske, L. (2019). Won't Get Fooled Again: The Effects of Internal and External CSR ECO-Labeling. *Journal of Business Ethics*, *155*, 1–12. <https://doi.org/10.1007/s10551-017-3512-8>
- Grayson, K., Johnson, D., & Chen, D.-F. (2008). Is Firm Trust Essential in a Trusted Environment? How Trust in the Business Context Influences Customers. *Journal of Marketing Research*, *45*, 241–256. <https://doi.org/10.1509/jmkr.45.2.241>
- Grunert, K. G., Hieke, S., & Wills, J. (2014). Sustainability labels on food products: Consumer motivation, understanding and use. *Food Policy*, *44*, 177–189. <https://doi.org/10.1016/j.foodpol.2013.12.001>
- Gustafsson, M.-T., Schilling-Vacaflor, A., & Lenschow, A. (2023). Foreign corporate accountability: The contested institutionalization of mandatory due diligence in France and Germany. *Regulation & Governance*, *17*(4), 891–908
- Hayes, A. F. (2022). *Introduction to Mediation, Moderation, and Conditional Process Analysis: A Regression-Based Approach*. Guilford Publications.
- Hofmann, H., Schleper, M. C., & Blome, C. (2018). Conflict Minerals and Supply Chain Due Diligence: An Exploratory Study of Multi-tier Supply Chains. *Journal of Business Ethics*, *147*(1), 115–141. <https://doi.org/10.1007/s10551-015-2963-z>

- Hume, Margee (2010), "Compassion without Action: Examining the Young Consumers Consumption and Attitude to Sustainable Consumption," *Journal of World Business*, 45 (4), 385–94.
- Islam, M. A., & McPhail, K. (2011). Regulating for corporate human rights abuses: The emergence of corporate reporting on the ILO's human rights standards within the global garment manufacturing and retail industry. *Critical Perspectives on Accounting*, 22(8), 790–810. <https://doi.org/10.1016/j.cpa.2011.07.003>
- ISO & IEC. (2004). *ISO/IEC Guide 2:2004: Standardization and related activities – General vocabulary* (8th ed.).
- Jacoby, J. (2002). Stimulus-Organism-Response Reconsidered: An Evolutionary Step in Modeling (Consumer) Behavior. *Journal of Consumer Psychology*, 12(1), 51–57. https://doi.org/10.1207/S15327663JCP1201_05
- Kang, J., & Hustvedt, G. (2014). Building Trust Between Consumers and Corporations: The Role of Consumer Perceptions of Transparency and Social Responsibility. *Journal of Business Ethics*, 125(2), 253–265. <https://doi.org/10.1007/s10551-013-1916-7>
- Keller, K. J., & Swaminathan, V. (2019). *Strategic Brand Management: Building, Measuring, and Managing Brand Equity, Global Edition* (5th ed.). Pearson.
- Kim, J. & Jang, S. (2014). A scenario-based experiment and a field study: A comparative examination for service failure and recovery. *International Journal Of Hospitality Management*, 41, 125–132. <https://doi.org/10.1016/j.ijhm.2014.05.004>
- Kirk, R. E. (2012). *Experimental Design: Procedures for the Behavioral Sciences*. SAGE Publications.
- Kolev-Schaefer, G., & Neligan, A. (2024). *Due Diligence – Effect of Supply Chain Regulation: Data-based results on the effects of the German Supply Chain Act – Research Report* (Report No. 8/24). German Economic Institute. <http://hdl.handle.net/10419/282995>
- Kotler, P. T., & Keller, K. L. (2015). *Marketing Management* (15th ed.). Pearson.
- Kutner, M. H., Nachtsheim, C. J., Neter, J., & Li, W. (2005). *Applied linear statistical models*. McGraw-Hill.

- Laufer, W. S. (2003). Social Accountability and Corporate Greenwashing. *Journal of Business Ethics*, 43(3), 253–261.
- Lavene, H. (1960). Robust tests for equality of variances. In *Contributions to probability and statistics. Essays in honor of Harold Hotelling* (pp. 278–292). Stanford Univ. Press.
- Lee, E. J., Bae, J., & Kim, K. H. (2020). The effect of environmental cues on the purchase intention of sustainable products. *Journal of Business Research*, 120(C), 425–433.
- Lee, Y., & Lin, C. A. (2021). The effects of a sustainable vs conventional apparel advertisement on consumer perception of CSR image and attitude toward the brand. *Corporate Communications: An International Journal*, 27(2), 388–403. <https://doi.org/10.1108/CCIJ-05-2021-0051>
- Lewis, J. D., & Weigert, A. (1985). Trust as a Social Reality. *Social Forces*, 63(4), 967–985. <https://doi.org/10.2307/2578601>
- Liobikienė, G., Mandravickaitė, J., & Bernatoniene, J. (2016). Theory of planned behavior approach to understand the green purchasing behavior in the EU: A cross-cultural study. *Ecological Economics*, 125, 38–46. <https://doi.org/10.1016/j.ecolecon.2016.02.008>
- Liu, L., Chen, R., & He, F. (2015). How to promote purchase of carbon offset products: Labeling vs. calculation? *Journal of Business Research*, 68. <https://doi.org/10.1016/j.jbusres.2014.09.021>
- LkSG (2021). https://www.bmas.de/SharedDocs/Downloads/DE/Internationales/act-corporate-due-diligence-obligations-supply-chains.pdf?__blob=publicationFile&v=4
- LOI n° 2017-399 du 27 mars 2017 relative au devoir de vigilance des sociétés mères et des entreprises donneuses d'ordre (1). (2017). <https://www.legifrance.gouv.fr/jorf/id/JORFTEXT000034290626/>
- Luhmann, N. (2000). Familiarity, Confidence, Trust: Problems and Alternatives. In *Trust: Making and Breaking Cooperative Relations* (pp. 94-107). Basil Blackwell.
- Malhotra, N. K., Nunan, D., & Birks, D. F. (2020). *Marketing research: Applied insight* (6th ed.). Pearson.

- Mayer, R. C., Davis, J. H., & Schoorman, F. D. (1995). An Integrative Model of Organizational Trust. *Academy of Management Review*, 20(3), 709–734. <https://www.jstor.org/stable/258792>
- McKnight, D. H., Cummings, L. L., & Chervany, N. L. (1998). Initial Trust Formation in New Organizational Relationships. *The Academy of Management Review*, 23(3), 473–490. <https://doi.org/10.2307/259290>
- Menguc, B., Auh, S., & Ozanne, L. (2010). The Interactive Effect of Internal and External Factors on a Proactive Environmental Strategy and its Influence on a Firm's Performance. *Journal of Business Ethics*, 94(2), 279–298. <https://doi.org/10.1007/s10551-009-0264-0>
- Moorman, C., Zaltman, G., & Deshpande, R. (1992). Relationships Between Providers and Users of Market Research: The Dynamics of Trust Within and Between Organizations. *Journal of Marketing Research*, 29, 314–328. <https://doi.org/10.2307/3172742>
- Morgan, D. L. (1996). Focus Groups. *Annual Review of Sociology*, 22, 129–152. <https://doi.org/10.1146/annurev.soc.22.1.129>
- Morgan, R. M., & Hunt, S. D. (1994). The Commitment-Trust Theory of Relationship Marketing. *Journal of Marketing*, 58(3), 20–38. <https://doi.org/10.2307/1252308>
- Morrison, D. G. (1979). Purchase Intentions and Purchase Behavior. *Journal of Marketing*, 43(2), 65–74. <https://doi.org/10.2307/1250742>
- Moser, C., & Leipold, S. (2021). Toward “hardened” accountability? Analyzing the European Union’s hybrid transnational governance in timber and biofuel supply chains. *Regulation & Governance*, 15(1), 115–132. <https://doi.org/10.1111/rego.12268>
- Mulgan, R. (2000). ‘Accountability’: An Ever-Expanding Concept? *Public Administration*, 78(3), 555–573. <https://doi.org/10.1111/1467-9299.00218>
- Nuttavuthisit, K., & Thøgersen, J. (2017). The Importance of Consumer Trust for the Emergence of a Market for Green Products: The Case of Organic Food. *Journal of Business Ethics*, 140(2), 323–337.
- OECD. (2018a). *Alignment Assessment of Industry Programmes with the OECD Minerals*

- Guidance*. MNE Guidelines. <https://mneguidelines.oecd.org/alignment-assessment-of-industry-programmes-with-the-oecd-mineral-guidance.pdf>
- OECD. (2018b). *OECD Due Diligence Guidance for Responsible Business Conduct*. MNE Guidelines. <https://mneguidelines.oecd.org/OECD-Due-Diligence-Guidance-for-Responsible-Business-Conduct.pdf>
- OECD. (2018c). *OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector*, OECD Publishing, Paris, <https://doi.org/10.1787/9789264290587-en>
- OECD. (2019, February 14). *A due diligence approach to communicating responsibly with consumers on the sustainability performance of products*. MNE Guidelines. <https://mneguidelines.oecd.org/OECD-Garment-Forum-2019-session-note-A-due-diligence-approach-to-communicating-sustainability-with-consumers.pdf>
- OEKO-Tex. (2024). *Standard: OEKO-TEX Standard 100*. https://www.oeko-tex.com/importedmedia/downloadfiles/OEKO-TEX_STANDARD_100_Standard_EN_DE.pdf
- Pancer, E., McShane, L., & Noseworthy, T. (2017). Isolated Environmental Cues and Product Efficacy Penalties: The Color Green and Eco-labels. *Journal of Business Ethics*, 143. <https://doi.org/10.1007/s10551-015-2764-4>
- Paton, E. (2022, December 28). Eight Important Moments in Responsible Fashion This Year. *The New York Times*. Retrieved February 29, 2024, from <https://www.nytimes.com/2022/12/28/fashion/eight-important-moments-in-responsible-fashion-this-year.html>
- Pedersen, E., & Gwozdz, W. (2013). From Resistance to Opportunity-Seeking: Strategic Responses to Institutional Pressures for Corporate Social Responsibility in the Nordic Fashion Industry. *Journal of Business Ethics*, 119, 1–20. <https://doi.org/10.1007/s10551-013-1630-5>
- Preacher, K. J., & Hayes, A. F. (2004). SPSS and SAS procedures for estimating indirect effects in simple mediation models. *Behavior Research Methods, Instruments, & Computers*, 36(4), 717–731. <https://doi.org/10.3758/BF03206553>

- PricewaterhouseCoopers. (2024). *Supply Chain Due Diligence Law*. Retrieved May 1, 2024, from <https://www.pwc.de/en/sustainability/sustainable-supply-chain/supply-chain-due-diligence-law.html>
- Rajavuori, M., Savaresi, A., & van Asselt, H. (2023). Mandatory due diligence laws and climate change litigation: Bridging the corporate climate accountability gap? *Regulation & Governance*, *17*(4), 944–953. <https://doi.org/10.1111/rego.12518>
- Rousseau, D., Sitkin, S., Burt, R., & Camerer, C. (1998). Not So Different After All: A Cross-discipline View of Trust. *Academy of Management Review*, *23*. <https://doi.org/10.5465/AMR.1998.926617>
- Schebesta, H. (2019). Control in the Label: Self-Declared, Certified, Accredited? In P. Rott (1st Ed.), *Certification – Trust, Accountability, Liability* (pp. 143–161). Springer International Publishing. https://doi.org/10.1007/978-3-030-02499-4_7
- Schiffman, L., O’Cass, A., Paladino, A., & Carlson, J. (2013). *Consumer Behaviour*. Pearson Higher Education AU.
- Schilling-Vacaflor, A., & Lenschow, A. (2023). Hardening foreign corporate accountability through mandatory due diligence in the European Union? New trends and persisting challenges. *Regulation & Governance*, *17*(3), 677–693. <https://doi.org/10.1111/rego.12402>
- Schmuckler, M. A. (2001). What Is Ecological Validity? A Dimensional Analysis. *Infancy*, *2*(4), 419–436. https://doi.org/10.1207/S15327078IN0204_02
- Sedex. (2022). *Sedex: Empowering ethical supply chains*. [Brochure] <https://www.sedex.com/app/uploads/2022/12/Sedex-corporate-brochure-2022-PDF.pdf>
- Sharma, K., Aswal, C., & Paul, J. (2022). Factors affecting green purchase behavior: A systematic literature review. *Business Strategy and the Environment*, *32*. <https://doi.org/10.1002/bse.3237>
- Sigurdsson, V., Larsen, N. M., Pálsdóttir, R. G., Folwarczny, M., Menon, R. G. V., & Fagerstrøm, A. (2022). Increasing the effectiveness of ecological food signaling:

- Comparing sustainability tags with eco-labels. *Journal of Business Research*, 139, 1099–1110. <https://doi.org/10.1016/j.jbusres.2021.10.052>
- Sinkovics, N., Hoque, S. F., & Sinkovics, R. R. (2016). Rana Plaza collapse aftermath: Are CSR compliance and auditing pressures effective? *Accounting, Auditing & Accountability Journal*, 29(4), 617–649. <https://doi.org/10.1108/AAAJ-07-2015-2141>
- Sirdeshmukh, D., Singh, J., & Sabol, B. (2002). Consumer Trust, Value, and Loyalty in Relational Exchanges. *The Journal of Marketing*, 66, 15–37. <https://doi.org/10.1509/jmkg.66.1.15.18449>
- Spence, M. (1973). Job Market Signaling. *The Quarterly Journal of Economics*, 87(3), 355–374. <https://doi.org/10.2307/1882010>
- Sun, Y., Luo, B., Wang, S., & Fang, W. (2021). What you see is meaningful: Does green advertising change the intentions of consumers to purchase eco-labeled products? *Business Strategy and the Environment*, 30(1), 694–704. <https://doi.org/10.1002/bse.2648>
- Thøgersen, J., Haugaard, P., & Olesen, A. (2010). Consumer responses to ecolabels. *European Journal of Marketing*, 44(11/12), 1787–1810. <https://doi.org/10.1108/03090561011079882>
- TÜV Nord. (2022). *Das Lieferkettensorgfaltspflichtengesetz: So können sich Unternehmen jetzt vorbereiten Welche Sorgfaltspflichten Unternehmen erfüllen müssen und wie Zertifizierungen beim Nachweis helfen* [White paper]. TÜV NORD. https://www.tuev-nord.de/fileadmin/Content/TUEV_NORD_DE/zertifizierung/Whitepaper_Lieferketten_gesetz_DE_1122_final_Web.pdf
- UN Alliance for Sustainable Fashion. (2024). *Home - the UN Alliance for Sustainable Fashion*. Retrieved February 25, 2024, from <https://unfashionalliance.org/>
- UNEP, & ITC. (2017). *Guidelines for Providing Product Sustainability Information: Global guidance on Making Effective Environmental, Social and Economic Claims, to Empower and Enable Consumer Choice*. <https://wedocs.unep.org/xmlui/handle/20.500.11822/22395>

- Vehovar, V., Toepoel, V., & Steinmetz, S. (2016). Non-probability Sampling. In C. Wolf, D. Joye, T. W. Smith, & Y. Fu, (Eds.), *The SAGE Handbook of Survey Methodology* (pp. 329-345). SAGE.
- Warrington, P., & Shim, S. (2000). An empirical investigation of the relationship between product involvement and brand commitment. *Psychology & Marketing*, 17(9), 761–782. [https://doi.org/10.1002/1520-6793\(200009\)17:9<761::AID-MAR2>3.0.CO;2-9](https://doi.org/10.1002/1520-6793(200009)17:9<761::AID-MAR2>3.0.CO;2-9)
- Wei, C.-F., Chiang, C.-T., Kou, T.-C., & Lee, B. (2017). Toward Sustainable Livelihoods: Investigating the Drivers of Purchase Behavior for Green Products: The Drivers of Purchase Behavior for Green Products. *Business Strategy and the Environment*, 26. <https://doi.org/10.1002/bse.1942>
- Wessells, C. R., Johnston, R. J., & Donath, H. (1999). Assessing Consumer Preferences for Ecolabeled Seafood: The Influence of Species, Certifier, and Household Attributes. *American Journal of Agricultural Economics*, 81(5), 1084–1089. <https://doi.org/10.2307/1244088>
- White, K., Habib, R., & Hardisty, D. (2019). How to SHIFT Consumer Behaviors to be More Sustainable: A Literature Review and Guiding Framework. *Journal of Marketing*, 83, 22-49. <https://doi.org/10.1177/0022242919825649>
- Williams, A., & Hodges, N. (2022). Signaling Sustainability: Exploring Consumer Perspectives on Communicating Apparel Sustainability Information. *Journal of Sustainable Marketing*, 26–40. <https://doi.org/10.51300/jsm-2022-49>
- Zhao, X., Lynch, J. G., Jr., & Chen, Q. (2010). Reconsidering Baron and Kenny: Myths and Truths about Mediation Analysis. *Journal of Consumer Research*, 37(2), 197–206. <https://doi.org/10.1086/651257>

Appendix 1: Tasks and Results of the Focus Group

Introduction

Hello everyone,

Welcome to today's focus group. Thank you for being here and for supporting me with my thesis.

My research is about Mandatory Supply Chain Due Diligence Laws⁴ and their influence on consumers' purchase behaviours. I am focusing on the European clothing industry. In the survey to collect the data, participants should imagine themselves in a buying situation for a clothing item. This clothing item features a certification label.

The focus group's purpose is to discuss which clothing item would be the best to use in the scenario. Furthermore, we are brainstorming what a certification label for compliance with Due Diligence could look like by discussing the essential elements of the label.

After a small get-to-know, we will start with a few questions about your buying behaviour. We will then move to the central part to discuss different clothing items and their suitability for the purchase scenario. This is followed by brainstorming elements you consider essential to put on the certification label.

In our discussion, I would like you to share your honest thoughts; there are no right or wrong answers. This meeting will take approximately one hour.

Part 1 – Get to Know (5 min)

Before we begin, let us go around and introduce ourselves so we can get to know each other.

Part 2 – Introduction to the Topic (5 min)

- How often do you buy clothes?
→ *most answers were "often" and "when needed"*
- Which category do you buy the most clothes in?
→ *tops, basics*

Note: Men in the group do buy fewer clothes and less often than the women in the group

⁴ While explaining the research topic, the researcher also asked if anyone was unfamiliar with the topic of Due Diligence, which appeared to be the case. Thus, the term was defined according to the definitions of the OECD and the European Commission.

Part 3 – Clothing Item for the Purchasing Scenario (15 min)

- Imagine yourself in a purchasing scenario where you would like to buy a new clothing item. What clothing item comes to your mind?
→ *Jeans, T-shirt, Hoodie, Pants, Underwear*
- Now, please imagine you are creating a survey with a similar purchase scenario. Which of the preselected clothing items – a T-shirt, a Sweater, Jeans, and Shoes – would you think people could easily imagine? Select two of the preselected items you consider the most suitable and find arguments in favour or against their suitability.

<i>Clothing Item</i>	<i>Pro</i>	<i>Con</i>
<i>T-Shirt</i>	<ul style="list-style-type: none"> • <i>Easy to imagine</i> • <i>Everyone has it in their wardrobe</i> • <i>Everyday clothing item</i> 	<ul style="list-style-type: none"> • <i>Not durable/cheap</i> • <i>High variety in form, fabric and colour</i>
<i>Sweater</i>	<ul style="list-style-type: none"> • <i>High-quality</i> 	<ul style="list-style-type: none"> • <i>Variety in form, fabric, colour, print</i>
<i>Jeans</i>	<ul style="list-style-type: none"> • <i>Easy to imagine</i> • <i>Daily worn clothing item of men and women</i> • <i>Everyone has it in their wardrobe</i> • <i>Durable</i> • <i>Jeans=blue</i> 	
<i>Shoes</i>		<ul style="list-style-type: none"> • <i>Too many forms and variety</i>

→ based on the arguments, the group collectively agreed that **jeans** would be the best option

Part 4 – Supply Chain Due Diligence Labels (15 min)

- What do you associate with “mandatory supply chain due diligence”?
→ *collaboration within the supply chain, complicated laws, and challenges for companies to be compliant: make it easy for companies*

Please imagine yourself in this scenario: The jeans have received a certification label for compliance with mandatory supply chain due diligence. The certification was awarded by an organisation specialising in sustainable textile supply chains. In a verification process, independent experts check whether a company's fashion product fulfils the certification requirements.

- What elements/content do you consider essential on the label?
→ *short explaining words, symbols: certification, simplified supply chain, globe, hands (for collaboration), colour green, universally applicable, not packed so that it is easily readable, frame*

Part 5 – Closing (5 min)

Thank you for your valuable participation and your help with my research. If any questions arise after this meeting, please do not hesitate to contact me! Thank you!

Appendix 2: Survey Questionnaire

Dissertation Survey

Informed consent

Dear Participant,

Thank you for participating in this study.

My name is Hanna Kölsch, and I am conducting this research as part of my Master's Thesis at Católica Lisbon School of Business and Economics under the supervision of Dr. Filipa Lancaster.

The study involves a short scenario followed by several related questions. Answering the questions will take around **4 minutes**. Please answer the questions as honestly as possible. There are no right or wrong answers. All the answers you provide will be kept confidential and anonymous. The data collected will be used for research purposes only.

Please complete the survey without interruptions. You may change your mind and drop out at any point during the study's completion.

If you have any questions, please do not hesitate to contact me at s-hkolsch@ucp.pt.

Do you consent to participate in this survey?

- I consent. (1)
- I do not consent. – Your participation will end here. (2)

Participant Suitability Check

How often do you buy clothes for yourself and others?

- At least once in 6 months. (1)
- Less often than once in 6 months. - Your participation will end here. (2)

Control Variables

How would you rate your understanding of ecological and social issues in the textile industry (e.g. labour conditions, environmental footprint)?

- Extremely bad (1)
 - Bad (2)
 - Slightly bad (3)
 - Neither good nor bad (4)
 - Slightly good (5)
 - Good (6)
 - Extremely good (7)
-

How would you rate your knowledge of Mandatory Supply Chain Due Diligence laws (e.g. German Supply Chain Act, European Corporate Sustainability Due Diligence Directive)?

- Extremely bad (1)
 - Bad (2)
 - Slightly bad (3)
 - Neither good nor bad (4)
 - Slightly good (5)
 - Good (6)
 - Extremely good (7)
-

Scenario_No Label

Moving forward, please pay close attention to the following definition for the purpose of this survey:

Mandatory supply chain due diligence legally sets obligations for companies to identify, prevent, mitigate, and account for their actual and potentially negative impact on human rights and the environment, such as child labour, slavery, labour exploitation, pollution, deforestation, excessive water consumption or damage to ecosystems.

Please imagine yourself as precisely as possible in the scenario described next. Thank you!

Imagine you need a new jeans and come across a suitable product in a clothing store. The jeans were produced in accordance with mandatory supply chain due diligence.

Please take your time to look at the picture below.



Scenario_Label

Moving forward, please pay close attention to the following definition for the purpose of this survey:

Mandatory supply chain due diligence legally sets obligations for companies to identify, prevent, mitigate, and account for their actual and potentially negative impact on human rights and the environment, such as child labour, slavery, labour exploitation, pollution, deforestation, excessive water consumption or damage to ecosystems.

Please imagine yourself as precisely as possible in the scenario described next. Thank you!

Imagine you need a new jeans and come across a suitable product in a clothing or online shop. The jeans were produced in accordance with mandatory supply chain due diligence.

The jeans have received a certification label for compliance with the mandatory supply chain due diligence law. The certification was awarded by an organization specializing in sustainable textile supply chains. In a verification process, independent experts check whether a company's fashion product fulfils the certification requirements.

Please take your time to look at the picture below.



Trust & Purchase Behaviour

Thank you! Please try to answer the following question as realistically and honestly as possible regarding the previously described scenario.

To what extent do you agree with the following statements regarding the scenario presented?

	Strongly disagree (1)	Disagree (2)	Somewhat disagree (3)	Neither agree nor disagree (4)	Somewhat agree (5)	Agree (6)	Strongly agree (7)
I feel that these jeans' sustainable reputation is generally reliable.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel that these jeans' sustainable performance is generally dependable.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This is an attention check. Please select "agree".	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel that these jeans' sustainable claims are generally trustworthy.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
These jeans' sustainable performance meets my expectations.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
These jeans keep promises and commitments for sustainable protection.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Assuming you have the option to buy the jeans, please provide your response to the next question:

To what extent do you agree with the following statements regarding the scenario presented?

	Strongly disagree (1)	Disagree (2)	Somewhat disagree (3)	Neither agree nor disagree (4)	Somewhat agree (5)	Agree (6)	Strongly agree (7)
I consider purchasing the jeans.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I will possibly purchase the jeans.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I intend to purchase the jeans.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Demographics

What is your gender?

- Male (1)
 - Female (2)
 - Other (3) _____
 - Prefer not to say (4)
-

How old are you?

- Under 18 (1)
 - 18 - 24 (2)
 - 25 - 34 (3)
 - 35 - 44 (4)
 - 45 - 54 (5)
 - 55 - 64 (6)
 - 65 or over (7)
-

Where are you from?

▼ Afghanistan (1) ... Zimbabwe (1357)

What is your highest level of education?

- Less than high school (1)
 - High school graduate (2)
 - Bachelor's degree (3)
 - Master's degree (4)
 - Doctoral Degree (5)
 - Other (6) _____
-

What is your current employment status?

- Employed (1)
 - Freelancer (2)
 - Unemployed (3)
 - Student (4)
 - Retired (5)
 - Other (6) _____
-

What is your annual household income?

- Less than 25.000€ (1)
 - 25.000 - 49.999€ (2)
 - 50.000 - 99.999€ (3)
 - 100.000 - 200.000€ (3)
 - More than 200.000€ (4)
 - Prefer not to say (5)
-

Do you have any comments or questions you would like to share?

Appendix 3: Sample Characterisation

Demographics	Label Disclosure				Total	
	No Label		Label			
	<i>N</i>	%	<i>N</i>	%	<i>N</i>	%
Total	85	48.3%	91	51.7%	176	100%
Gender						
Male	30	53.6%	26	46.4%	56	31.8%
Female	55	46.2%	64	53.8%	119	67.6%
Other	0	0.0%	1	100%	1	0.6%
Age						
Under 18	1	50.0%	1	50.0%	2	1.1%
18 - 24	40	43.5%	52	56.5%	92	52.3%
25 - 34	24	54.5%	20	45.5%	44	25.0%
35 - 44	5	45.5%	6	54.5%	11	6.3%
45 - 54	13	76.5%	4	23.5%	17	9.7%
55 - 64	2	20.0%	8	80.0%	10	5.7%
Country of Residence						
Belgium	1	33.6%	2	66.7%	3	1.7%
Germany	77	49.0%	80	51.0%	157	89.2%
Greece	0	0.0%	3	100.0%	3	1.7%
Italy	2	100.0%	0	0.0%	2	1.1%
Netherlands	4	80.0%	1	20.0%	5	2.8%
Romania	1	33.3%	2	66.7%	3	1.7%
Spain	0	0.0%	1	100.0%	1	0.6%
Switzerland	0	0.0%	1	100.0%	1	0.6%
Turkey	0	0.0%	1	100.0%	1	0.6%
Level of Education						
Less than high school	4	50.0%	4	50.0%	8	4.5%
High school graduate	30	42.3%	41	57.2%	71	40.3%
Bachelor's degree	23	54.8%	19	45.2%	42	23.9%
Master's degree	22	53.7%	19	46.3%	41	23.3%

Doctoral Degree	1	33.3%	2	66.7%	3	1.7%
Other	5	45.5%	6	54.5%	11	6.3%
Profession						
Employed	34	47.9%	37	51.1%	71	40.3%
Freelancer	2	66.7%	1	33.3%	3	1.7%
Unemployed	2	66.7%	1	33.3%	3	1.7%
Student	43	48.3%	46	51.7%	89	50.6%
Retired	1	50.0%	1	50.0%	2	1.1%
Other	3	37.5%	5	62.5%	8	4.5%
Annual Household Income						
Less than €25,000	32	44.4%	40	55.6%	72	40.9%
€25,000 – €49,999	13	56.5%	10	43.5%	23	13.1%
€100,000 – €200,000	22	48.9%	23	51.1%	45	25.6%
More than €200,000	1	100.0%	0	0.0%	1	0.6%
Prefer not to say	17	48.6%	18	51.4%	35	19.9%

Appendix 4: Descriptive Statistics

Descriptive Statistics of Familiarity and Knowledge for the Total Sample

	N	Minimum	Maximum	Mean	Std. Deviation
Familiarity of Ecological and Social Issues in the Textile Industry	176	1	7	4.26	1.255
Knowledge of Mandatory Supply Chain Due Diligence Laws	176	1	7	3.06	1.344
Valid N (list wise)	176				

Descriptive Statistics of Trust and Purchase Intention based on Label Disclosure

Variables		No Label (n=85)	Label (n=91)
Trust	Mean	3.9835	4.6725
	Std. Deviation	.98136	1.09403
Purchase Intention	Mean	4.7569	5.1392
	Std. Deviation	1.13084	1.09213

Appendix 5: Reliability Statistics – Cronbach’s Alpha

Reliability Statistics

Variables	Cronbach’s Alpha	Cronbach’s Alpha based on	
		Standardized Items	N of Items
Trust	.896	.895	5
Purchase Intention	.905	.907	3

Appendix 6: Independent Samples t-Test (H1)

Group Statistics

	Label Disclosure	N	Mean	Std. Deviation	Std. Error Mean
Purchase Intention	No Label	85	4.7569	1.13084	.12266
	Label	91	5.1392	1.09213	.11449

Independent Samples Test

		Levene's Test for Equality of Variances		t-Test for Equality of Means							
		F	Sig.	t	df	Significance		Mean Difference	St. Error Difference	95% Confidence Interval of the Difference	
						One-Sided p	Two-Sided p			Lower	Upper
Purchase Intention	Equal Variances Assumed	.082	.775	-2.281	174	.012	.024	-.38233	.16759	-.71309	-.05157
	Equal Variances Not Assumed			-2.279	172, 160	.012	.024	-.38233	.16779	-.71351	-.05115

Independent Samples Effect Sizes

		Standardizer	Point Estimate	95% Confidence Interval	
				Lower	Upper
Purchase Intention	Cohen's d	1.11099	-.344	-.641	-.046
	Hedges' correction	1.11581	-.343	-.639	-.046
	Glass' Delta	1.09213	-.350	-.649	-.049

Appendix 7: Mediation Analysis with Hayes Process Model 4 (H2a, b & H2) including the Control Variable Familiarity

Outcome Variable Trust: Path a

Variable	Path	Coeff	SE	t	p
Label_Disclosure	a	.6890	.1579	4.3310	.0000
Familiarity		.0252	.0631	.3992	.6903

Model Summary: $R^2 = .1004$, $F(2,173) = 9.6564$, $p < .001$

Outcome Variable Purchase Intention: Path b & c'

Variable	Path	Coeff	SE	t	p
Label_Disclosure	c'	.0559	.1588	.3521	.7252
Trust	b	.4821	.0726	6.6402	.0000
Familiarity		-.0290	.0603	-.4819	.6305

Model Summary: $R^2 = .2274$, $F(3,172) = 16.8792$, $p < .001$

Outcome Variable Purchase Intention: Path c

Variable	Path	Coeff	SE	t	p
Label_Disclosure	c	.3857	.1686	2.2880	.0233
Familiarity		-.0169	.0673	-.2510	.8021

Model Summary: $R^2 = .0294$, $F(2,173) = 2.6199$, $p = .0757$

Total, Direct and Indirect Effect of Label Disclosure (X) on Purchase Intention (Y)

	Effect	se	t	p	LLCI	ULCI
Total effect of X on Y	.3857	.1686	2.2880	.0233	.0530	.7184
Direct effect of X on Y	.0559	.1588	.3521	.7252	-.2575	.3693
Indirect effect(s) of X on Y through Trust	.3298				.1699	.5111

Appendix 8: Mediation Analysis with Hayes Process Model 4 (H2a, b & H2) excluding the Control Variable Familiarity

The analysis of path a shows a significant positive effect of a certified label on consumer trust ($Coef\!f_a = .6890$, $se_a = .1571$, $P_a < .001$), compared to when no label is present. Thus, attaching a label to a clothing item significantly increases consumer trust, and **H2a** can be confirmed. With an R^2 of .0996 for the model, it is indicated that only 10% of the trust variance is explained through the label disclosure.

Path b also shows a significant positive effect, indicating that trust positively influences purchase behaviour ($Coef\!f_b = .4811$, $se_b = .0724$, $P_b < .001$). Based on this result, **H2b** can be confirmed. Path c' is also examined using the same model. However, in path c', the *direct effect* of labels on purchase behaviour in the presence of the mediator was found to be non-significant ($Coef\!f_{c'} = .0509$, $se_{c'} = .1581$, $P_{c'} = .748$). With an R^2 of .2264, the model explains 22.6% of the variance in purchase intention.

In comparison, the *total effect* of label disclosure and purchase intention, path c, is positive and significant ($Coef\!f_c = .3823$, $se_c = .1676$, $P_c < .05$, $R^2 = .0290$), as already indicated by the t-test confirming H1.

To determine if consumer trust mediates the relationship between label disclosure and purchase intention, the analysis examines the *total, direct, and indirect effects*. The *indirect effect* is significant, as the confidence interval excludes zero (CI [.1744, .5103]) (Preacher & Hayes, 2004). Full mediation of trust is confirmed by paths a and b being significant and path c' being non-significant (Zhao et al., 2010), confirming **H2**. Furthermore, the *indirect effect* (.3315) substantially outweighs the *direct effect* (.0509), with approximately 87% of the *total effect* of label disclosure on purchase intention explained by trust.

Outcome Variable Trust: Path a

Variable	Path	Coeff	SE	t	p
Label_Disclosure	a	.6890	.1571	4.3871	.0000
<i>Model Summary: $R^2 = .0996$, $F(1,174) = 19.2464$, $p < .001$</i>					

Outcome Variable Purchase Intention: Path b & c'

Variable	Path	Coeff	SE	t	p
Label_Disclosure	c'	.0509	.1581	.3217	.7480
Trust	b	.4811	.0724	6.6434	.0000

Model Summary: $R^2 = .2264$, $F(2,173) = 25.3151$, $p < .001$

Outcome Variable Purchase Intention: Path c

Variable	Path	Coeff	SE	t	p
Label_Disclosure	c	.3823	.1676	2.2814	.0237

Model Summary: $R^2 = .0290$, $F(1,174) = 5.2048$, $p < .05$

Total, Direct and Indirect Effects of Label Disclosure (X) on Purchase Intention (Y)

	Effect	se	t	p	LLCI	ULCI
Total effect of X on Y	.3823	.1676	2.2814	.0237	.0516	.7131
Direct effect of X on Y	.0509	.1581	.3217	.7480	-.2612	.3629
Indirect effect(s) of X on Y through Trust	.3315				.1744	.5103