



Anchored in Heritage, Shaped by Consumer Trust: Sustainability Disclosure in Family Firms

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Abstract

Title: Anchored in Heritage, Shaped by Consumer Trust: Sustainability Disclosure in Family Firms

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Amid increasing regulatory demands and stakeholder pressure for firms to implement sustainability practices, sustainability disclosure, defined as the communication of environmental, social, and governance information to external stakeholders, has become an important driver of corporate reputation and legitimacy. This is particularly relevant for family firms, whose long-term orientation, emphasis on legacy, and reliance on enduring customer relationships make the consistency of sustainability disclosure essential for sustaining trust and loyalty over time.

This study examined how ownership (i.e., whether a firm is family-owned or not) is associated with consumer trust in sustainability disclosures, considering potential underlying mechanisms such as the perception of negative sustainability information and perceived firm transparency. Based on 191 valid responses obtained from an experimental design involving a fictitious fast-fashion company (RSM), the results indicate that, within this experimental setting, family ownership is associated with higher levels of trust, primarily due to higher perceived transparency. Simultaneously, negative sustainability information, although associated with lower trust, does not mediate the relationship between family ownership and trust, suggesting that reactions to negative disclosures operate independently of ownership type.

These findings indicate that clear and consistent sustainability communication is associated with consumer trust and may be relevant to family firm managers when addressing reputational risk management. The study also outlines potential avenues for future research, including the examination of trust dynamics over time, cross-cultural differences in trust formation, and the role of a firm's life cycle.

Resumo

Título: A ancorada na Herança, Influenciada pela Confiança dos Consumidores: A Divulgação de Sustentabilidade em Empresas Familiares

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Palavras-chave: Propriedade Familiar, Divulgação de Sustentabilidade, Divulgação ESG Negativa, Transparência da Empresa, Confiança do Consumidor

Face ao aumento das exigências regulatórias e pressão dos stakeholders para implementar práticas sustentáveis, a divulgação de sustentabilidade, definida como a comunicação de informação ambiental, social e de governação a partes interessadas, tornou-se determinante para a reputação e legitimidade corporativa. Esta questão é particularmente relevante nas empresas familiares, cuja orientação de longo prazo, ênfase no legado e dependência de relações duradouras com clientes tornam a consistência da divulgação essencial à preservação da confiança e lealdade.

A presente tese investiga de que forma o tipo de propriedade, familiar ou não familiar, influencia a confiança dos consumidores nas divulgações de sustentabilidade, considerando mecanismos subjacentes a este efeito: a perceção de informação negativa e a perceção de transparência da empresa. Com base nas 191 respostas válidas do desenho experimental envolvendo uma empresa fictícia de fast-fashion (RSM), os resultados indicam que, neste contexto, a propriedade familiar se associa a níveis mais elevados de confiança, devido à maior perceção de transparência. A informação negativa sobre práticas sustentáveis, embora associada a níveis inferiores de confiança, não medeia a relação entre propriedade familiar e confiança, sugerindo que as reações a divulgações negativas operam independentemente do tipo de propriedade.

Estes resultados sugerem que uma comunicação de sustentabilidade clara e consistente se associa à confiança dos consumidores, sendo relevante para gestores de empresas familiares na gestão do risco reputacional. O estudo identifica direções de investigação futura, incluindo a evolução da confiança, diferenças culturais na sua formação e a influência do ciclo de vida da empresa na divulgação de sustentabilidade.

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Moving into the next stage of my life, I do so shaped by the knowledge and experiences gained throughout this journey, which have strengthened my resilience and will inform my personal development and professional path in diverse contexts.

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List of Abbreviations

<i>&</i>	<i>And</i>
<i>M</i>	<i>Mean</i>
<i>N</i>	<i>Total number of cases</i>
<i>p</i>	<i>p-value</i>
<i>CI</i>	<i>Confidence Interval</i>
β	<i>Beta</i>
<i>R</i>	<i>Correlation coefficient</i>
R^2	<i>Multiple correlation squared- measure of strength of association</i>
<i>F</i>	<i>F-statistic</i>
<i>t</i>	<i>t-statistic</i>
<i>SE</i>	<i>Standard error</i>
<i>RBV</i>	<i>Resource-Based View</i>
<i>DC</i>	<i>Dynamic Capabilities</i>
<i>ESG</i>	<i>Environment, Social and Governance</i>
<i>SEW</i>	<i>Socioemotional wealth</i>
<i>SMEs</i>	<i>Small and Medium-sized Enterprises</i>
<i>CEO</i>	<i>Chief Executive Officer</i>
<i>CSRD</i>	<i>Corporate Sustainability Reporting Directive</i>
<i>SDGs</i>	<i>Sustainable Development Goals</i>
<i>ESRS</i>	<i>European Sustainability Reporting Standards</i>
<i>GRI</i>	<i>Global Reporting Initiative</i>
<i>IFRS</i>	<i>International Financial Reporting Standards</i>
<i>WCED</i>	<i>World Commission on Environment and Development</i>
<i>SPSS</i>	<i>Statistical Package for the Social Sciences</i>
<i>LLCI</i>	<i>Lower-Level Confidence Interval</i>
<i>ULCI</i>	<i>Upper-Level Confidence Interval</i>

1. Introduction

Over the past decade, corporate sustainability has gained prominence within managerial and corporate decision-making, primarily as a consequence of intensified regulatory requirements and increased scrutiny from investors, consumers, and civil society (Tjahjadi et al., 2021; Grewal et al., 2020). In parallel, the expansion of mandatory non-financial reporting frameworks and the growing emphasis on comparability and verifiability have reshaped the institutional conditions under which firms disclose environmental, social, and governance (ESG) performance (Christensen et al., 2021; European Commission, 2022).

Firms now face increasing pressure to disclose sustainability practices with a high degree of transparency, as stakeholders rely on ESG communication to infer legitimacy and alignment between stated commitments and observable conduct (Christensen et al., 2021; Arvidsson et al., 2022). In this setting, transparency is not assessed solely by the volume of information disclosed, but by the extent to which firms acknowledge both achievements and shortcomings, rather than selectively emphasizing positive outcomes (Jahn et al., 2019; Carroll et al., 2020; Einwiller et al., 2020). The implications of corporate disclosure depend on external audience interpretation, particularly consumers:

“The consumers have spoken: Transparency is now table stakes for modern brands. So, how do we take that idea to the next level? For my business, I’m betting on radical accountability. This means breaking industry norms and setting the bar as high as possible to serve consumers in the way they deserve, then publicizing those standards and goals even when that involves admitting when you haven’t hit them.” (Ben Lewis, 2025).

Lewis’ statement exemplifies how disclosure may be framed as a trust-oriented approach. This perspective points to a broader managerial tension identified in recent literature, namely how ESG disclosure can simultaneously enhance reputational exposure and function as a strategic instrument for building trust and long-term relationships in competitive markets (Duan et al., 2025; Kaakeh et al., 2025).

Accordingly, sustainability disclosure constitutes a timely and consequential issue for family firms, insofar as communication choices in this domain shape consumer trust in sustainability claims, particularly in ownership contexts where reputational effects tend

to persist across generations and are difficult to reverse (Arduino et al., 2024; Caccialanza, 2025; Zapata-Cantu et al., 2023).

1.1. Relevance of the Topic, Problem Statement and Research Question

Literature on corporate sustainability has expanded considerably over the past decade, establishing ESG disclosure as a key mechanism to safeguard reputation, reduce information asymmetries, and address regulatory and market pressures (Aureli et al., 2020; Freiberg et al., 2020; Pranugrahaning et al., 2021). Despite its prominence as a topic of discussion, sustainability remains comparatively underexplored in the context of family firms, even though these firms represent the most ubiquitous form of business across global economies (Marques et al., 2014; Miroshnychenko et al., 2021; Ratten, 2023).

Family firms hold unique characteristics, such as a shared vision and the ability of family members to drive firm development, differentiating them from non-family businesses (Porfirio et al., 2020; Stephens, 2024). These firms aim not only for financial success but also to be perceived as responsible by society, given the close ties between the firm's reputation and the broader community (Giner et al., 2020).

Prior research shows that consumers generally associate family firms with higher levels of consumer trust when compared to non-family firms, which can constitute a reputational advantage (Beck et al., 2018). It remains unclear whether this advantage persists when family firms disclose sustainability information, particularly when such disclosures involve negative information and across contexts where expectations of transparency and accountability vary (Einwiller et al., 2020). This tension is central to the present study: while family firms' reputational advantages are closely tied to perceptions of trust (Deferne et al., 2023), sustainability performance disclosure may be selectively constrained in order to preserve non-imitable competitive advantages (Caccialanza, 2025).

Recent scholarship identifies several domains that require more extensive inquiry to deepen the understanding of sustainability communication within family firms. First, there remains a need for a more comprehensive analysis about the mechanisms through which family firms cultivate and maintain consumer trust (de Groote et al., 2021). Also, although transparency is generally associated with favorable consumer responses, the

effects of disclosing negative sustainability-related information remain insufficiently understood (Cambier et al., 2020; Jahn et al., 2019).

This study sought to address these gaps by proposing a serial mediation model to examine the mechanisms through which family ownership influences consumers' trust in sustainability claims, specifically focusing on the mediating roles of consumers' interpretations of negative sustainability disclosures and perceived firm transparency.

The study's research question is thus formed: "Does family ownership influence consumers' trust in sustainability claims through perceived negative corporate sustainability disclosure and perceived firm transparency?"

1.2. Overview of the Dissertation's Structure

This study follows a conventional dissertation structure and comprises five chapters. Chapter 1 introduces the topic, establishes its relevance, and presents the problem statement and research question. The following chapter provides a literature review, synthesizing findings on family firms, perceived negative corporate sustainability disclosure, perceived firm transparency, and consumer trust, while highlighting relationships among these variables. Chapter 3 details the methodology, including the survey design, implementation, and a description of each variable and its respective measurement. The subsequent chapter presents the results, conducts hypothesis testing, and identifies the analytical model employed. Chapter 5 discusses the findings in relation to existing literature, highlighting similarities and potential nuances. The final chapter outlines theoretical and managerial contributions, addresses limitations, and provides recommendations for future research.

2. Literature Review

2.1. Family Business

The definition of family firms has been widely debated in the literature, leading to the emergence of multiple conceptualizations (Chua et al., 1999; A. De Massis et al., 2012). According to Gómez-Mejía et al. (2011), family firms are organizations in which a family or families exercise substantial influence on the firm's affairs, focusing primarily on

control. Other definitions highlight different aspects: some emphasize the intention of the owning family to transmit its vision across generations (Chua et al., 1999), while others underscore the importance of involving the next generation in the business (Salvato et al., 2019). Nordqvist et al. (2014) underline the different levels of family involvement in ownership (i.e., controlling owners, sibling partnerships, and cousin consortia) and in management (i.e., family operators, family supervisors, and family investors). More recently, Miroshnychenko et al. (2022) have argued that sustainability should be included in family firms' contemporary definition. Such heterogeneity in definitions has contributed to inconsistencies in empirical findings and hindered the cumulative development of theory in this field (Díaz-Moriana et al., 2018).

Amid this diversity in definitions, family firms represent the dominant organizational structure globally, comprising nearly two-thirds of all business entities worldwide (De Massis et al., 2018; McKinsey & Co, 2023). Their economic influence is estimated to generate on the order of 80% of the world's annual GDP (De Massis et al., 2018), with total annual turnover projected to range between \$60 and \$70 trillion (Asaf et al., 2023). Moreover, family firms account for around 65% of total employment in most countries (De Massis et al., 2018).

Research on family businesses has identified distinctive characteristics that set them apart from non-family firms, with family involvement preserving values and traditions, ownership ensuring financial control, and management driving operational efficiency (Davis, 2008). Family directors often maintain close emotional and social ties to the firm, which serves as a source of family income, security, prestige, and legacy (Gómez-Mejía et al., 2011; Jaskiewicz et al., 2015). Family firms are further distinguished from non-family firms by the relationships among family members, which are characterized by long-term commitment, interdependence, and trust (Ratten, 2023). Additionally, many family firms, often bearing the name of the founding family, heighten members' sensitivity to their public image (Zientara, 2017), and foster a perception of the firm as an intrinsic extension of the family (Berrone et al., 2012). As a result, the behavior of family firms is often motivated by the desire to maintain the family's identity, compelling them to address a broader set of supporting stakeholders essential for the company's longevity (Firfiray et al., 2018; Miller et al., 2014). Consequently, family firms do not focus solely on economic objectives but also pursue socioemotional priorities (Holt and Popp, 2013), often prioritizing relationships with employees and customers and thereby fostering

loyalty and trust (Birdthistle et al., 2023). The long-term orientation and commitment to preserving the family legacy not only guide the strategic behavior of family firms but also highlight the significance of sustainability as a critical concern for these firms (Deferne et al., 2023; Gjergji et al., 2021; Sansome et al., 2025).

2.2. Sustainability

Sustainable development, as defined in the Brundtland Report, entails meeting the needs of the present without compromising the ability of future generations to meet their own needs (WCED, 1987), and constitutes a primary objective of the United Nations 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDGs) (United Nations, 2015).

Corporate sustainability functions as a guiding principle for firms, shaping their efforts to maintain and advance social, environmental, and economic performance, commonly conceptualized through the Triple Bottom Line: people, planet, and profit (Elkington, 1997; Shields et al., 2018). In recent years, sustainability has moved from a peripheral concern to a strategic imperative for firms across sectors, as companies increasingly use environmental and social initiatives to secure long-term competitive advantage (Bari et al., 2022; Ioannou et al., 2019; Rodrigues et al., 2019).

Concurrently, escalating environmental degradation, widening social inequalities, and more stringent regulatory requirements have amplified external pressures on firms to engage in sustainable development, leading to the progressive integration of sustainability into corporate strategies and governance frameworks (Grewal et al., 2020; Enciso-Alfaro, 2023; Khan et al., 2016). In implementing sustainability initiatives, research indicates that such firms may be positioned to attain enhanced access to international markets (Hawn, 2016), promote superior and more effective innovation outcomes (Flammer et al., 2016), and achieve greater employee and customer satisfaction as a result of a reduced environmental footprint (Delmas et al., 2013).

2.2.1. Family Business & Sustainability Orientation

Corporate sustainability is frequently examined through the lens of the Dynamic Capabilities (DC) framework, which explains how firms mobilize, adapt, and reconfigure

resources to address changing environmental, social, and economic demands (Ortiz-Avram et al., 2024). Unlike perspectives that focus primarily on resource possession such as the Resource-Based View (Barney, 1991), DC emphasizes how firms leverage and transform both tangible and intangible resources over time to sustain competitive advantage (Bari et al., 2024). This emphasis on resource reconfiguration and deployment can be applied to family firms, whose unique resource endowments, commonly referred to as familiness (Mahmad et al., 2023), provide distinctive inputs that can be leveraged to support the adoption of sustainability practices.

The sustainability orientation of family firms is often associated with their transgenerational intent and consequent long-term horizon (Bammens et al., 2022). Davis et al. (2010) argue that family firm members exhibit higher levels of interpersonal trust than non-family peers, which foster a long-term orientation and enable the accumulation of intangible assets that can be leveraged in sustainability practices focused on long-term survival.

Concerns about preserving the family's and the firm's reputation - often framed as "dynastic motives" (Chua et al., 1999) - and avoiding perceptions of social irresponsibility guide the dynamic reallocation of resources toward sustainable practices (Dyer et al., 2006). With a long-term orientation, family firms tend to display higher risk tolerance and greater entrepreneurial behavior (Chrisman et al., 2012; Lumpkin et al., 2010), conditions that can facilitate the dynamic orchestration of resources in favor of sustainability initiatives. This can in turn reinforce the firm's reputation, supporting the ongoing capacity to reconfigure resources for sustained advantage (Perrini et al., 2008). Recent empirical work even describes SEW as moderating the relationship between dynamic capabilities and performance in family firms, implying that high SEW strengthens the dynamic capabilities and therefore the performance link (Hernandez et al., 2025).

Specific family-related factors may also constrain the effective deployment of dynamic capabilities. Socioemotional wealth (SEW), which encompasses family identity, affective ties, and desire for control, exerts a strong influence on strategic decision-making in family firms (Gómez-Mejía et al., 2007). Although the protection of SEW may encourage socially responsible conduct aimed at safeguarding family reputation and legitimacy, it can simultaneously induce behaviors that lead family members to act opportunistically and prioritize personal interests (Firfiray et al., 2018). Consequently, these firms often

display risk-averse behavior (Miller, 2014) and exhibit a reduced willingness to invest in sustainability initiatives that lack immediate financial returns (Le Breton-Miller et al., 2016).

Conversely, SEW-driven dynamics may limit professionalization: a preference for hiring family members, regardless of merit, may restrict experimentation and risk-taking, thereby constraining resource reconfiguration required for implementing sustainability practices (Chrisman et al., 2014; Kidwell et al., 2012; Kim et al., 2017). Additional challenges for the effective deployment of dynamic capabilities arise from the costs of sustainability reporting and communication, which some family owners may perceive as disproportionately high relative to expected benefits (Gjergji et al., 2021).

As outlined by Blodgett et al. (2011) when comparing family business values across countries, family-owned firms tend to be more inclined towards a sustainably responsible behavior than non-family firms. In a study of small and medium-sized enterprises (SMEs), Herrero et al. (2024) state that, despite the potential limitations associated with family involvement, in a sample of Spanish manufacturing SMEs, family firms outperform non-family firms on a social sustainability scale, reflecting greater attention to close and external stakeholders, although the study does not measure broader social impact beyond the firm. Dyer et al. (2006) demonstrate that family firms' higher level of social engagement compared to non-family firms contributes to building a reputation for "doing good," ensuring lenient treatment in challenging situations and safeguarding their assets during periods of crisis.

From an environmental perspective, Bendell (2022) points out that family firms implement environmental innovations in response to regulatory pressures and reputational risks from government and competitors. However, Herrero et al. (2024) report no significant difference between family and non-family SMEs, which may be explained by the intense family involvement and limited professionalization typical of family SMEs, leading to a stronger focus on family-centered, non-economic objectives rather than environmental initiatives. In large firms, family influence has been found to negatively affect environmental sustainability practices, as wealth preservation often takes priority (Dal Maso et al., 2020; Miroshnychenko et al., 2022). Dyck et al. (2024), analyzing 3,832 firms across 35 countries, emphasize that family control does not uniformly affect environmental sustainability disclosure, highlighting cross-country heterogeneity and discrepancies between reported and implemented practices.

Evidence from Pakistan and Austria corroborates that sustainability in family firms often depends on specific contextual factors: Jamil et al. (2025) report that Pakistani family SMEs manage sustainability unsystematically due to limited resources, financial pressures, and operational priorities, with family support, social capital, and committed leadership occasionally acting as enablers. The contextual specificity of this study cautions against broad generalizations, as socioemotional motives do not necessarily translate into formalized or observable sustainability practices when resources and institutions are weak. Similarly, Kallmuenzer et al. (2018), in a study of 152 rural tourism family firms in Western Austria, find that ecological and social priorities are generally pursued only once economic survival is secured, indicating that the timing of sustainability initiatives may vary according to firm context.

In this study, DC and SEW serve as interpretive lenses to contextualize expected differences in sustainability disclosure by family firms, rather than as constructs subject to empirical measurement.

2.3. Sustainability Disclosure

Firms tend to disclose their sustainability practices through the formal reporting of non-financial information on environmental, social, and governance (ESG) performance, allowing stakeholders to evaluate their alignment with sustainable development principles and assess their societal and environmental impact (Christensen et al., 2021). ESG disclosure constitutes a means of managing corporate reputation, addressing stakeholder concerns, attracting ESG-focused investors, and ensuring regulatory compliance (Arvidsson et al., 2022).

The growing relevance of sustainability information has led to the proliferation of both mandatory and voluntary sustainability reporting frameworks, shaping the institutional context in which firms disclose ESG-related information (Molnár et al., 2025). In the European Union, regulatory initiatives such as the Corporate Sustainability Reporting Directive (CSRD) have expanded and consolidated sustainability disclosure requirements through the introduction of the European Sustainability Reporting Standards (ESRS), incorporating the principle of double materiality and mandating that sustainability information be publicly available and subject to third-party assurance to ensure accuracy and completeness (European Commission, 2022).

Alongside regulatory developments, multiple voluntary standards continue to coexist: the GRI (Global Reporting Initiative) remains widely adopted for stakeholder-oriented reporting of social and environmental impacts (Michelon et al., 2015), while standards developed under the IFRS Foundation increasingly emphasize investor-focused sustainability information and financial materiality (Molnár et al., 2025). Prior research documents that the coexistence of multiple reporting frameworks, in the absence of a globally unified standard, is associated with substantial variation in the scope, depth, and content of sustainability disclosures across firms (Cho et al., 2012; Shaikh et al., 2025).

The context in which firms operate, defined by industry-specific challenges, shapes the breadth and depth of sustainability information disclosed (Shaikh et al., 2025). Industries differ in public scrutiny and stakeholder expectations for transparency and compliance (Banerjee., 2019). Previous studies confirmed this heterogeneity: in aviation, vague carbon-offset claims reduced brand evaluation (Neureiter et al., 2024), and in fast fashion unverifiable claims related to production processes and raw-material traceability led to reputational risk (Henninger et al., 2016; Schiaroli et al., 2024). In the energy sector, environmental disclosure was even found to correlate negatively with firm value, while no significant link appeared in healthcare, illustrating that environmentally sensitive industries could be penalized for risky disclosures (Constantinescu et al., 2021). Xu et al. (2025) reported that manufacturing firms suffered larger value losses from greenwashing news when compared to service firms. Conversely, Friske et al. (2023) found that in high-impact sectors (transportation, utilities) sustainability reporting became consistently value-enhancing, likely because stakeholders expected these heavy industries to disclose more environmental risk data. Among consumers, younger generations (Gen Z and Millennials) were more likely to reward sustainable practices, with Theocharis et al. (2025) noting that Gen Z's purchase decisions were driven, among others, by trust in sustainability, suggesting that younger consumers favored firms demonstrating transparency in their environmental and social practices to a greater extent than older generations.

2.3.1. Family Business & Sustainability Disclosure

Both family firms and non-family firms benefit from corporate sustainability disclosure, as it reduces the cost of capital and ultimately generates financial advantages that

outweigh the costs of producing these reports (Gjergji et al., 2021). Family firms in particular tend to disclose more sustainability information, a behavior attributed to informal stakeholder expectations and the opportunity to enhance the family's visibility and the firm's legitimacy in society (Campopiano et al., 2015). Sustainability disclosures by family firms tend to exhibit superior informational quality compared to those of non-family firms, with greater reliability and accuracy, as family owners are motivated to safeguard their reputation and intergenerational legacy, thereby ensuring that reported practices closely reflect actual sustainability practices (Parra-Domínguez et al., 2021). Furthermore, the active participation of the founder on the board or a relative serving as CEO positively impacts sustainability reporting, especially regarding environmental and labor matters, reflecting the family's deeper commitment to the firm (Gavana et al., 2017).

In contrast, family involvement in management may adversely impact the disclosure of sustainability (Venturelli et al., 2021). Maggi et al. (2023) find that Italian family SMEs provide less environmental information compared to non-family counterparts. Similarly, in France, Nekhili et al. (2017) report that family firms disclose less information due to lower motivations to minimize information asymmetry. Reflecting the typical reticence of family firms to disclose information, certain aspects of their performance, particularly efficiency gains from sustainable practices, are often intentionally withheld to safeguard hard-to-imitate competitive advantages (Caccialanza, 2025).

The absence of a single globally mandated framework leaves management with discretion over whether to disclose exclusively positive or also negative sustainability information (Stedman, 2025). This discretion is relevant for family firms, as Nekhili et al. (2017) highlight that, unlike non-family firms, their financial performance is positively linked to sustainability disclosure, suggesting that reporting remains beneficial even when incentives to disclose are diminished.

2.3.2. Family Business & Negative Sustainability Disclosure

Drawing on Einwiller et al. (2020) definition, the present study adapts the construct to the ESG domain, defining negative corporate sustainability disclosure as any corporate statement referring to factual environmental, social, or economic conduct that has, or may have, a negative impact on the realization of sustainability. Empirical evidence shows that sustainability reports with external assurance disclose a higher proportion of negative

content, and that such disclosures primarily concern environmental (35%) and labor-related issues (29%), most frequently framed through corrective action strategies (59%) with varying levels of specificity (Einwiller et al., 2020)

Negative disclosure, including failures, setbacks, or self-criticism, functions as a costly signal, reducing information asymmetry by showing stakeholders that brands are willing to bear reputational costs (Spence., 1973; Kirmani et al., 2000). For a signal to convey quality, a mechanism must discourage imitation by low-quality actors, creating a separating equilibrium where genuinely transparent brands disclose adverse information, distinguishing themselves from opportunistic actors (Kirmani et al., 2000; Bergh et al., 2014). Empirical evidence suggests that revealing negative aspects enhances perceived transparency more than withholding information or communicating only positive actions (Sansome et al., 2025).

Although disclosure is often described at the brand level, responsibility and reputational consequences are borne by the firm as the operationally accountable entity (Lange et al., 2012). Thus, negative sustainability disclosure should be conceptualized as a firm-level strategic choice about how performance is emphasized or downplayed (Kim et al., 2015).

Research on negativity bias shows that negative information is more salient and has greater impact on judgments of organizational competence and character, contradicting expectations and triggering schema revision that increases the likelihood of stakeholders updating their beliefs (Fiske et al., 1991; Folkes et al., 1999). In the ESG context, this asymmetry is amplified, as evidence of unsustainable practices evokes tangible risks and ethical concerns that intensify stakeholder reactions (Nyilasy et al., 2014). Paradoxically, disclosure of negative aspects can increase perceptions of informational coherence, signaling a proactive and honest reporting approach that reduces suspicions of cover-ups and over-positivity (Reimsbach et al., 2015; Carroll et al., 2020).

Conversely, exclusively positive sustainability disclosure may raise skepticism about reliability and accountability, failing to represent authentic corporate performance (Hahn et al., 2014; Carroll et al., 2020). When negative disclosure is not supported by verifiable evidence or a credible remediation plan, immediate reputational costs may outweigh potential medium-term trust benefits, resulting in reduced perceptions of competence (Dike., (2025); Nyilasy et al., 2014; Connelly et al., 2011). The institutional and regulatory context reinforces this ambivalence, since in many countries sustainability

reporting remains largely voluntary and weakly standardized, with limited mandatory requirements for the disclosure of setbacks (Deegan., 2002; Manetti., 2011).

Family firms introduce additional considerations. Ownership concentration, family involvement, and reputational concerns may interact to shape disclosure behavior (Srinidhi et al., 2020; Zellweger et al., 2012). Concentrated ownership may enable entrenchment, allowing controlling owners to preserve control and extract private benefits, which can reduce transparency and delay the communication of adverse information (Ali et al., 2007; Srinidhi et al., 2020). Empirical studies provide nuanced insights: Lisboa (2016) finds that during financial distress, family firms may smooth losses and postpone recognition of negative outcomes, while Murni et al. (2023) document that family control correlates with higher informational opacity.

Nonetheless, family governance can also incentivize proactive disclosure. Concerns for family reputation and transgenerational continuity may encourage timely and candid reporting of negative outcomes (Gómez Mejía et al., 2014). Jiang et al. (2020) show that having a family member as board chair reduces stock-price crash risk, suggesting lower incentives to conceal adverse information. Active family involvement in management and governance increases reputational stakes, reinforcing the propensity for transparent communication of setbacks (Zellweger et al., 2012).

2.3.3. Family Business & Perceived Brand Transparency

Transparency has emerged as a strategic tool for combating consumer uncertainty towards brand communication (Blake 2024) and goes beyond information disclosure: it reflects the perception that the brand communicates clearly, honestly, and intentionally, acknowledging both its successes and the challenges it faces (Sansome, 2024). As mentioned by Cambier et al. (2020), brand transparency can be analysed from two angles: objective transparency, focused on the amount of information shared, and perceived transparency, which depends on consumers' subjective interpretations of the signals emitted by the brand.

The conceptual structure of perceived brand transparency was developed by Montecchi et al. (2024), based on three dimensions: observability, comprehensibility and intentionality. According to these authors, observability refers to the perceived visibility of the brand's value-creation and delivery processes, enabling consumers to understand

what the brand does well and poorly, and how products are designed, produced and distributed (Montecchi et al., 2024). Transparent brands provide tangible evidence of their practices, including raw-material traceability, explanations of costs, and the impacts of their operations (Sodhi et al., 2019). By providing such visibility, brands reduce perceived risk and reinforce consumers' sense of control and empowerment (Kanagaretnam et al., 2014). Comprehensibility concerns the clarity and accessibility of communicated information, reflecting an informational perspective on transparency focused on mitigating information asymmetry and enhancing communicative quality (Schnackenberg et al., 2020). Intentionality refers to the motivations behind information disclosure, with consumers associating transparency with brands that voluntarily communicate about relevant issues, such as working conditions, environmental impact, or community engagement, beyond legal requirements (Walker, 2016; Tan et al., 2022). This dimension reflects a governance perspective on transparency, centred on openness and relationship-building (Foscht et al., 2018), signalling the brand's willingness to expose information for scrutiny (Berry et al., 2018).

While perceived brand transparency encompasses multiple aspects of a brand's operations, this study specifically examines its application in sustainability practices, given the growing demand from stakeholders for clear and credible ESG (de Ruyter et al., 2022; Verbeeten et al., 2016). In this setting, the literature remains divided regarding the behavioral impact of perceived transparency: while it generally reinforces perceived authenticity and strengthens emotional bonds with the brand (Yang et al., 2021), excessive emphasis on sustainability claims can provoke skepticism if perceived as self-serving (Du et al., 2010).

A critical challenge in this area is greenwashing, first coined by environmentalist Jay Westerveld in 1986 to describe the deliberate dissemination of false or exaggerated environmental information with the intent to mislead stakeholders (Santos et al., 2024). Consumer trust diminishes sharply when consumers perceive inconsistencies between sustainability claims and actual corporate practices (Daou et al., 2025; Wagner, (2009). Differentiating between intrinsic motivations (genuine concern for sustainability) and extrinsic motivations (opportunism aimed at profit) (Gupta et al., 2024), consumers tend to attribute opportunistic motives to the brand when greenwashing is perceived, resulting in reduced trust and loyalty (Montero-Navarro et al., 2021). A study demonstrates that greenwashing precipitates public skepticism toward environmental claims, which may, in

turn, propagate more generalized uncertainty regarding collective sustainability endeavors (Koch et al., 2025).

In family firms, often perceived as more authentic, honest, and credible than non-family firms (Sekerci et al., 2022), corporate sustainability disclosure operates as a mechanism of accountability to stakeholders (Curado et al., 2021), with transparency commonly reflected in its implementation. However, transparency management in these firms frequently reveals a tension between openness and the protection of family control and privacy, as implementing transparency can increase operational costs and expose brands to leaks of proprietary information (Arduino et al., 2024; Suddaby et al., 2022). This tension, described as a “veil of secrecy,” means that family firms, despite valuing trust and long-term relationships, often disclose less sustainability information, fearing excessive exposure (Arduino et al., 2024).

Such ambivalence suggests that perceived brand transparency can act both as a reputational asset and as a potential vulnerability, depending on the coherence between communicated values and actual practices (Cambier et al., 2020). Recognition of transparency by consumers contributes to greater appreciation of the brand’s initiatives and value propositions (Lin et al., 2017) and ultimately is linked to the formation of trust and related behavioral intentions (Parris et al., 2016).

2.3.4. Family Business & Trust

Trust is defined in multiple ways within the management literature, with a shared understanding that it comprises both cognitive and affective dimensions and operates across multiple levels of analysis (Costa et al., 2018; Schilke et al., 2023).

One definition focuses on the inherent riskiness of trust, framing it as a state of vulnerability arising from uncertainty about the motives and intentions of others. From this angle, Johnson-George et al. (1982) describe trust as the “willingness to take risk”, a characteristic present in nearly all trust relationships, while Lewis et al. (1985) define it as the “undertaking of a risky course of action on the confident expectation that all persons involved in the action will act competently and dutifully.” A different perspective emphasizes trust’s normative and social dimensions, describing it as “the expectation of ethically justifiable behavior, that is, morally correct decisions and actions based upon ethical principles of analysis” (Hosmer, 1995). Likewise, Morgan et al. (1994) interpret

trust as “existing when one party has confidence in an exchange partner's reliability and integrity”, illustrating approaches that highlight the relational and behavioral dimensions of the concept, while emphasizing perceptions of integrity and reliability in organizational exchanges.

With respect to the antecedents of trust, various factors are discussed in existing literature. According to Morgan and Hunt (1994), having shared values and engaging in genuine communication act as precursors to establishing trust. A prior study indicates that consumers are more inclined to trust organizations that reflect values compatible with their own interests and personal choices (Zhang et al., 2008). Nevertheless, three characteristics of the trustee perceived by the trustor - competence, integrity, and benevolence - are frequently mentioned in scholarly discussions, underscoring the multifaceted nature of trust (Besley et al., 2025). Competence pertains to the organization's capability to fulfill expectations through its knowledge, expertise, and skills; integrity involves adhering to a code of principles deemed acceptable by the trustor, ensuring morally consistent actions; and benevolence signifies the trustee's sincere intention to act in the trustor's best interest, demonstrating care and concern (Lee et al., 2024).

The cognitive dimension of trust is based on rational judgments of competence and integrity, whereas the affective dimension relies on emotional bonds and perceptions of closeness (Mayer et al., 1995). As a result, although each of these three factors can vary along a continuum, negative perceptions of any of them tend to reduce trust, as well as confidence in the information provided (Mayer et al., 1995; Perloff, 2010).

In this context, the importance of corporate communication regarding sustainability activities is highlighted, as it has been shown to capture the interest of external stakeholders and influence their intention to engage with the firm (Stutz et al., 2022).

For the purposes of the present study, within the broader framework of organizational trust, this concept is operationalized as consumer trust in corporate sustainability disclosures, since stakeholders' perceptions of an organization's sustainability efforts influence trust (Lee et al., 2022). Among other factors, trust is a determinant of the strength of these unique relationships (Greenwood et al., 2010).

The consumer-level trust represents one dimension of a broader trust structure in family-owned firms, where trust simultaneously develops at multiple levels: personal trust

among family members, organizational trust among consumers, and interorganizational trust with partners and suppliers (Deferne et al., 2023). Evidence suggests that trust cultivated within family firms extends beyond internal boundaries, as the values guiding relationships with family members and employees often shape interactions with external stakeholders, thereby reinforcing coherence and consistency in organizational trust (Cabrera-Suárez et al., 2015). Research based on a longitudinal study of listed companies indicates that family firms demonstrate greater stakeholder focus than non-family firms and actively cultivate trust-based relationships with them to foster corporate sustainability (Cennamo et al., 2012; García-Sánchez et al., 2021). Consumers often perceive a “family firm trust advantage,” attributing higher levels of trust to family businesses, particularly when the family’s identity and values are actively communicated, unlike in non-family firms (Beck et al., 2018). This phenomenon is explained by consumers’ tendency to humanize family businesses, attributing authenticity, benevolence, and closeness that enhance trust perceptions (Lude et al., 2018). In the context of sustainability communication, however, family firms are sometimes evaluated as more self-serving and less trustworthy than non-family firms (Hsueh, 2018), suggesting that stakeholders’ trust perceptions may depend not only on family ownership but also on the nature and context of the information disclosed.

Nonetheless, the relationship between family ownership and trust is not universally positive. While family association can enhance stakeholder trust, it may also raise concerns such as nepotism, lack of professionalism, or conflicts between family and business interests (Astrachan et al., 2019). Thus, the “trust advantage” of family firms (Beck et al., 2018) is contingent, varying across cultural and market contexts. For instance, in countries like the United States or Germany, family involvement may signal stability and a genuine commitment to quality, strengthening stakeholder confidence, whether in markets where family businesses are widespread, such as India, this association may not provide any additional differentiation or assurance to consumers (Jaufenthaler et al., 2023).

2.4. Hypotheses Development

Consumers’ evaluations of sustainability communications are shaped not only by the information disclosed but also by how it is interpreted under conditions of uncertainty

(Feghali et al., 2025). Because sustainability claims are difficult to verify *ex ante*, consumers rely on observable organizational cues and disclosure strategies to infer firms' underlying trust (Christensen et al., 2021; Rawlins, 2008).

When consumers learn that a firm is family-owned, they are exposed to an ownership signal consistently associated with long-term orientation, reputational concerns, and the preservation of family identity (Gómez-Mejía et al., 2011; Deferne et al., 2023). This information may shape initial expectations regarding sustainability communication, as family firms are often perceived as more authentic, benevolent, and socially embedded than non-family firms (Beck et al., 2018; Lude et al., 2018). In sustainability contexts marked by information opacity, this ownership signal frames consumers' interpretations of sustainability claims as less opportunistically motivated (Campopiano et al., 2015). Consequently, consumers may be more likely, within such contexts, to express higher levels of trust in sustainability claims made by family firms. This direct association is proposed as a baseline relationship, serving as a point of departure for examining the mechanisms through which trust is formed.

H1: Family ownership is positively related to consumers' trust in sustainability claims.

The mediating role of perceived negative corporate sustainability disclosure

In sustainability contexts characterized by heightened skepticism and growing concerns about greenwashing (Hahn et al., 2014; Santos et al., 2024), consumers are particularly attentive to how firms handle unfavorable information. Given their limited ability to verify sustainability claims directly, consumers rely on the disclosure of negative corporate sustainability practices as a cue for assessing corporate transparency (Rawlins, 2008; Sansome et al., 2024).

In the context of family firms, where family identity and firm reputation are closely intertwined, consumers may infer that acknowledging shortcomings reflects a deliberate and costly choice aimed at protecting long-term legitimacy rather than managing short-term impressions (Zellweger et al., 2012; Gómez-Mejía et al., 2014). Such interpretations reduce suspicions of selective reporting and greenwashing, leading consumers to perceive the firm's sustainability communication as more sincere. Accordingly, perceived negative corporate sustainability disclosure is expected to explain how family ownership translates into trust in sustainability claims and the following hypothesis is proposed:

H2: Perceived negative corporate sustainability disclosure mediates the relationship between family ownership and consumers' trust in sustainability claims.

The mediating role of perceived firm transparency

Beyond individual disclosure choices, consumers form holistic assessments of a firm's transparency in sustainability communication, evaluating whether information is conveyed in an open and coherent manner rather than selectively framed (Cambier et al., 2020; Montecchi et al., 2024). These judgments reduce information asymmetry and shape perceptions of integrity and competence, which constitute core antecedents of trust (Mayer et al., 1995; Besley et al., 2025). Rather than operating as an isolated communication attribute, perceived transparency functions as an interpretative lens through which consumers form trust judgments regarding sustainability claims (Parris et al., 2016).

For family firms, perceived transparency plays a role in confirming or rejecting expectations associated with family ownership. While family involvement can signal authenticity, it may also raise concerns related to secrecy, control, and limited disclosure (Arduino et al., 2024). When consumers observe transparent sustainability communication from a family firm, they are more likely to interpret its claims as aligned with actual practices, thereby strengthening trust (Winit et al., 2023). This reasoning provides the basis for the following hypothesis:

H3: Perceived firm transparency mediates the relationship between family ownership and consumers' trust in sustainability claims.

The serial mediating role of perceived negative corporate sustainability disclosure and perceived firm transparency

Building on the individual mediations, perceived negative corporate sustainability disclosure and perceived firm transparency are proposed to act sequentially as a serial mediation mechanism, consistent with prior studies that have adopted similar sequential mediation frameworks (e.g., Guo et al., 2025; Samadieh et al., 2024). In this serial mediation, by openly acknowledging negative practices, firms first signal accountability and reduce concerns about selective communication; this, in turn, creates a context in

which subsequent sustainability communication is more likely to be perceived as transparent, thereby enhancing consumer trust (Sansome et al., 2025).

For family firms, the combination of acknowledging shortcomings and communicating transparently reinforces the perception that sustainability claims are embedded in a long-term reputational and legitimacy-building orientation, rather than short-term, communication-led approaches to sustainability. In summary, hypothesis H4 is proposed:

H4: Perceived negative corporate sustainability disclosure and perceived firm transparency play a serial mediating role in the relationship between family ownership and consumers' trust in sustainability claims.

3. Methodology

This chapter provides a comprehensive account of the methodological approach employed in this study. It begins by outlining the research design and its underlying rationale, followed by a detailed description of the sampling procedures, participants, and data collection process. The final sections present the operationalization and measurement of all study variables, including the independent, dependent, mediating, and control variables.

3.1. Research Design

A between-subjects experimental vignette design was adopted to assess how family ownership shapes consumers' trust in sustainability claims under conditions of negative sustainability disclosure and firm transparency.

To empirically test the proposed relationships, the experiment was administered through Qualtrics. Within this platform, participants were randomly assigned to either a family-owned or non-family-owned condition. All content, visuals, and the sequence of questions held unchanged across conditions, except for a minimal textual cue (“our family” vs. “we”), allowing ownership perceptions to be isolated and strengthening causal interpretability.

3.2. Participants

The survey was distributed through social media platforms, specifically via WhatsApp, Instagram and LinkedIn, to reach a broad audience. The survey remained open between October 28 and November 11. Participation in the survey was voluntary, anonymous and took approximately 8 minutes.

A total of 197 responses were collected, of which 191 were considered valid. A manipulation check was implemented to ensure that participants correctly perceived the ownership cue. Individuals who accurately identified whether the company was presented as family-owned or non-family-owned were subsequently retained for analysis. Additionally, a brief comprehension question ensured that participants demonstrated a basic understanding of sustainability claims. These eligibility criteria safeguarded construct validity and mitigated the risk of systematic noise arising from inattentive or conceptually uninformed respondents. Consequently, six entries were excluded: four due to failure in the attention check (which required participants to click on the number 2) and two due to insufficient comprehension of the concept of sustainability claims.

3.3. Procedure

Participants were first presented with an informed consent form and provided their approval to participate in the study before continuing. They were instructed to adopt the perspective of a consumer who regularly purchases from the firm, thereby ensuring that evaluations were anchored in a realistic consumption context and that respondents approached the stimuli with an already formed general perception of the company.

Participants were then exposed to information about a fictitious company operating in the fast fashion sector, named RSM, which was described as either a family-owned or a non-family-owned firm – depending on the respondent's attributed condition. The sector was intentionally chosen to enhance contextual realism and avoid cross-sector interpretive variance.

To elicit perceptions of negative sustainability disclosure, firm transparency, and trust, participants were shown three Instagram posts simulating a realistic corporate communication flow. The first post provided a self-critical disclosure highlighting challenges in meeting environmental objectives, functioning as the negative disclosure

stimulus. The second post emphasized the company's commitment to international sustainability standards and invited consumers to follow its progress online, encouraging perceptions of transparency. The third post presented a concrete sustainability action incorporating circular economy principles, enabling the assessment of consumers' trust in the firm's claims.

A question assessing comprehension of sustainability claims was included to ensure consistent interpretation of the concept. An attention check followed the second post, requiring participants to click on a specific number as instructed. The survey concluded with demographic and organizational-level questions, followed by a brief message thanking the participants for their contribution to the study.

3.4. Variable Measurement

This section outlines each variable examined in this study, describing both their conceptual foundations and the respective measures.

3.4.1. Independent Variable

The only independent variable, Family Ownership, was manipulated using a between-subjects vignette adapted from Stutz et al. (2022) and was dummy-coded (1 = family firm; 0 = non-family firm).

In the Family Ownership condition, participants read a description portraying: "RSM is a family-owned company in the fast fashion sector, founded and managed by the Ribeiro family since 1958. The shares (more than 55%) are held by the family. The family members (blood relatives and in-laws) also hold various management and supervisory board positions". Conversely, in the Non-Family Ownership condition, participants were presented with the subsequent description: "RSM is a listed company (a non-family owned firm) in the fast fashion sector. The shares are widely spread. This means that there are no shareholders who hold more than 5% of the shares. The management as well as the supervisory board are staffed with people who are in an employment relationship with the company."

A manipulation check followed immediately after the vignette. Participants responded "Yes/No" to the statement "I perceive the company RSM as a family business". In the

main study, 100% of respondents correctly identified the condition to which they had been assigned, indicating a fully successful manipulation.

These results confirm that participants' perceptions aligned with the experimental conditions, ensuring the internal validity of the manipulation.

3.4.2. Dependent variable

The dependent variable, Trust in Sustainability Claims, was measured using an adapted form of the trusting beliefs scale proposed by McKnight et al. (2002). The authors frame trusting beliefs as the perception that the trusted party possesses attributes (firm) that can be relied upon, namely benevolence, integrity, and competence. The dimensions of benevolence and integrity were retained as they reflect the evaluative basis of consumer trust in firms within contexts that involve moral or value-based assessments, such as sustainability disclosure. The competence dimension was not included, as it relates to perceptions of technical ability, which lie outside this study's focus on consumers' beliefs regarding firms' intentions and perceived consistency in their conduct and cannot be easily assessed in an experimental context measuring trust.

The final scale consists of seven items rated on a seven-point Likert scale (1 = Strongly disagree, 7 = Strongly agree), with higher scores indicating higher consumers' trust in firms' sustainability claims. An example item is: "Company RSM is interested in my well-being, not just its own".

3.4.3. Mediators

Two mediators were used in the analysis. The first one is Perceived Negative Corporate Sustainability Disclosure, treated as a scale variable. It reflects the extent to which negative sustainability information, particularly when a firm acknowledges its own shortcomings, influences consumers' overall perception of the firm and the degree to which they feel affected by such information. To analyze it, I relied on a scale developed by Eisingerich et al. (2011). Each item was rated on a 7-point Likert scale (1 = Strongly disagree; 7 = Strongly agree), with higher scores reflecting a more pronounced change in consumers' perceptions of the firm and a stronger personal impact of the negative sustainability information. Sample items include: "Disclosure of negative information

about RSM does not change my general view of the company.”; and “Disclosure of negative information about RSM has no effect on me. (If you select 1, 2, 3, or 4, please explain the effect that the disclosure of negative information has on you”). Other two items were included on a separate page, as consistency checks, to ensure stable responses and avoid demand effects.

The second mediator is Perceived Firm Transparency, also treated as a scale variable, measured using the scale developed by Montecchi et al. (2024), who conceptualize transparency as a second-order reflective construct composed of three dimensions: observability, comprehensibility, and intentionality. For the purpose of this study, the dimensions of comprehensibility and intentionality were retained, as they capture how consumers perceive the clarity, openness, and voluntariness with which firms disclose sustainability claims. In contrast, observability, which refers to tangible operational evidence such as production or sourcing visibility, was excluded because it concerns the exposure of internal processes rather than the way such information is communicated to external audiences.

The “brand” terminology was replaced with “firm” to ensure conceptual precision. This adjustment reflects the conceptual proximity between brand and firm, as consumers tend to evaluate transparency of sustainability disclosures in a comparable way, whether it is presented at the brand or company level (Dapko, 2012; Kang et al., 2014). Similar terminological adjustments have been applied in prior research: Kim and Kim (2016) adapted Hustvedt and Kang’s scale for hotel companies by replacing “brand” with “company” to assess corporate social responsibility-related transparency, and Eun-Jung and Ji-hyung (2021), who applied the same modification to measure production-process transparency in fashion firms.

The final scale is comprised of eight items scored on a seven-point Likert scale (1 = Strongly disagree, 7 = Strongly agree), with higher scores indicating higher perceived firm transparency. A typical item is: “The company RSM provides clear information”.

3.4.4. Control Variables

Several socio-demographic and organizational variables were collected: gender, age, nationality, education, employment status, sector of employment, and whether respondents worked in a family or non-family firm (Cooksey, 2020). Although these

variables were included to rule out alternative explanations and contextualize the sample, they were not included in the statistical model because they did not exhibit significant correlations with the primary variables.

Respondents reported their gender by selecting one of four options. Age was measured through a seven-category item, and nationality was recorded using an open-ended field. Educational attainment was captured through eight predefined categories. Current work situation was assessed through five options. Participants also indicated the sector in which their employer operates by selecting one of seven categories, with an additional open field for alternative responses. Finally, they reported whether they worked in a family-owned firm through a binary “yes/no” item.

4. Results

This chapter outlines the descriptive statistics and examines the reliability of the measurement scales. Subsequently, the employed model is presented, followed by the testing of the hypotheses and an analysis of the results.

4.1. Descriptive Statistics

The analysis of the 191 valid responses revealed that the participants' ages ranged from under 18 to over 64 years, with the largest group aged between 18 and 24 years (31.9%). The sample was predominantly female, comprising 120 women (62.8%), 70 men (36.6%), and 1 respondent (0.5%) who preferred not to disclose their gender. Regarding educational background, most participants held a bachelor's degree (31.4%) and/or were pursuing a master's degree (33.5%). As for employment, the majority were employed (63.9%), while smaller proportions were students (22.5%) or working-students (11%). Participants mainly worked in the service industry (46.1%), followed by technology (10.5%) and manufacturing/production (9.9%). Finally, among those 143 participants currently employed, a larger share worked in non-family-owned firms (63.6%).

Perceived Firm Transparency was positively correlated with Trust in Sustainability Claims ($p < .01$). Perceived Negative Corporate Sustainability Disclosure showed negative correlations with Perceived Firm Transparency ($p < .05$) and with Trust in Sustainability Claims ($p < .001$). Correlations between the main variables and demographic variables were weak or non-significant.

Family Ownership, operationalized as an experimental dummy variable, is not included in Table 1. Its bivariate correlations with the mediating and outcome variables are reported separately in Table 2.

Table 2: Correlation matrix between the main variables.

		Correlations			
		Family Ownership	Perceived Firm Transparency	Trust in Sustainability Claims	Perceived Negative Corporate Sustainability Disclosure
Family Ownership	Correlação de Pearson	1	,310***	,300***	-,067
	Sig. (2 extremidades)		<,001	<,001	,360
	N	191	191	191	191
Perceived Firm Transparency	Correlação de Pearson	,310***	1	,612***	-,180*
	Sig. (2 extremidades)	<,001		<,001	,013
	N	191	191	191	191
Trust in Sustainability Claims	Correlação de Pearson	,300***	,612***	1	-,336***
	Sig. (2 extremidades)	<,001	<,001		<,001
	N	191	191	191	191
Perceived Negative Corporate Sustainability Disclosure	Correlação de Pearson	-,067	-,180*	-,336***	1
	Sig. (2 extremidades)	,360	,013	<,001	
	N	191	191	191	191

***. Correlation at 0.001 (2-tailed)

*. The correlation is significant at 0.05 level (2 ends).

Family Ownership was positively correlated with Perceived Firm Transparency ($r = .310$, $p < .001$) and with Trust in Sustainability Claims ($r = .300$, $p < .001$). No significant relationship was found between Family Ownership and Perceived Negative Corporate Sustainability Disclosure ($r = -0.067$).

4.3. Hypothesis Testing

This section presents the specified model and reports the empirical results obtained from testing the proposed hypotheses.

4.3.1 Model Specification

With the aim of performing the Conditional Process Analysis, the PROCESS macro for SPSS, developed by Andrew F. Hayes, was employed. Model 6 in the SPSS PROCESS

macro was used to test the serial mediation effect (Figure 1). The hypotheses are evaluated using regression coefficients (β), t-statistics (t), p-values (p), confidence intervals (CI), and coefficients of determination (R^2), allowing for a comprehensive assessment of the results. Analyses were conducted with 5,000 bootstrap samples and bias-corrected 95% confidence intervals. Indirect effects were considered statistically significant when the confidence interval did not include zero. All results reported in the following section are based on these bootstrap estimates.

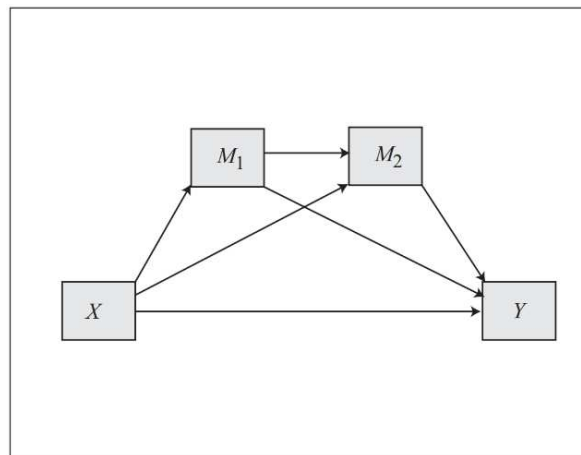


Figure 2: Model 6 of Hayes PROCESS macro (Hayes, 2013).

In this study, the independent variable (X) is represented by Family Ownership, while the dependent variable (Y) is captured by Trust in Sustainability Claims. The first mediator (M1) is represented by Perceived Negative Corporate Sustainability Disclosure, and the second mediator (M2) reflects Perceived Firm Transparency (as illustrated in Figure 2).

4.3.2. Testing the Serial Mediation Effect

The results of the regression analysis (Figure 3) show that family ownership was not significantly associated with perceived negative corporate sustainability disclosure ($\beta = -0.1619$, $p = 0.3603$). The 95% confidence interval ($CI = [-0.5101; 0.1863]$) included zero, further reinforcing the lack of a significant effect, with 0.44% of the variability in perceived negative corporate sustainability disclosure attributable to family ownership. In contrast, family ownership was positively and significantly associated with perceived firm transparency ($\beta = 0.5880$, $p < 0.0001$), with a 95% $CI = [0.3223, 0.8538]$ further

supported these findings, as it remained entirely positive, excluding zero. Approximately 12.14% of the variability in perceived transparency could be explained by family ownership alone. Perceived negative corporate sustainability disclosure was negatively associated with perceived firm transparency ($\beta = -0.1293$, $p = 0.0206$), with a 95% CI = [-0.2386; -0.0200]), confirming the statistical significance of the effect.

Regarding the effect of the mediators on the outcome variable, perceived negative corporate sustainability disclosure had a significant negative effect on trust ($\beta = -0.1984$, $p < 0.001$), with a 95% CI [-0.2923, -0.1045]) corroborated these results as it excluded zero, whereas perceived firm transparency had a significant positive effect on trust ($\beta = 0.5652$, $p < 0.001$). Finally, family ownership had a positive direct effect on trust ($\beta = 0.2479$, $p = 0.0400$).

Table 3: The regression equation of chain mediation.

Regression equation (N = 191)		Fit indicator			Coefficient and significance	
Outcome variable	Predictor Variable	R	R ²	F	β	t
Perceived Negative Corporate Sustainability Disclosure	Family Ownership	0.0666	0.0044	0.8409	-0.1619	-0.9170
Perceived Firm Transparency	Family Ownership	0.3484	0.1214	12.9863	0.5880***	4.3650
	Perceived Negative Corporate Sustainability Disclosure				-0.1293*	-2.3342
Trust in Sustainability Claims	Family Ownership	0.6635	0.4402	49.0235	0.2479*	2.0687
	Perceived Negative Corporate Sustainability				-0.1984***	-4.1661
	Perceived Firm Transparency				0.5652***	9.1440

Note: * $p < 0.05$; *** $p < 0.001$.

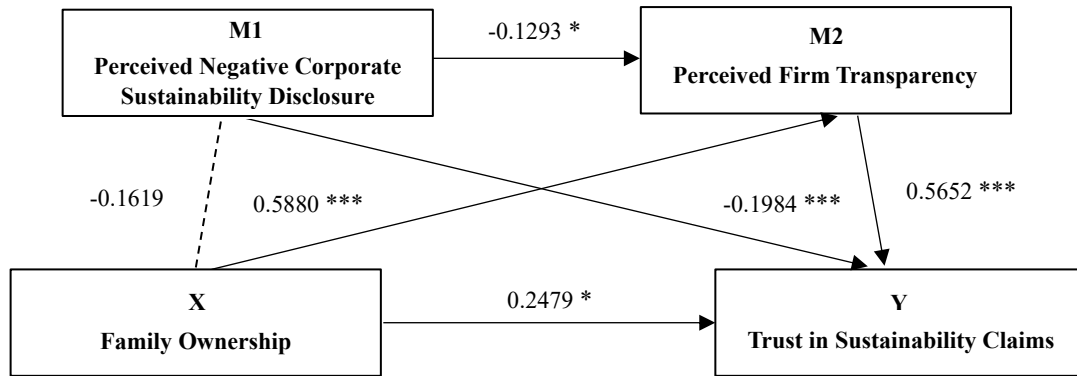


Figure 3: The serial mediation effects (model 6) for perceived negative corporate sustainability disclosure and perceived firm transparency as mediators.

Note: The dotted line indicates nonsignificant pathways. * $p < 0.05$; *** $p < 0.001$.

The bootstrap test results (Table 4) showed that the total indirect effect of family ownership on trust was positive and significant (effect = 0.3763, BootSE = 0.1037, 95% CI [0.1839, 0.5908]). As the confidence interval excluded zero, this result provides statistical evidence for the presence of indirect pathways linking family ownership to trust, thereby supporting H1 as a baseline relationship. This total indirect effect comprised three pathways:

(1) family ownership → perceived negative sustainability disclosure → trust (effect = 0.0321, 95% CI [-0.0360, 0.1137]), was not significant and accounted for approximately 8.5% of the total indirect effect. The confidence interval included zero, further confirming the absence of a mediating effect of perceived negative sustainability disclosure. Accordingly, H2 is not supported;

(2) family ownership → perceived firm transparency → trust (effect = 0.3324, 95% CI [0.1627, 0.5327]), was the only significant indirect effect, accounting for 88% of the total indirect effect. These results support H3;

(3) family ownership → perceived negative sustainability disclosure → perceived firm transparency → trust (effect = 0.0118, 95% CI [-0.0140, 0.0473]), was also non-significant and contributed about 3% of the total indirect effect. As the confidence interval included zero, there is no evidence supporting a sequential transmission of effects through perceived negative sustainability disclosure and perceived firm transparency. Therefore, H4 is not supported.

Additional details and statistical findings are provided in Appendix 4.

Table 4: *The direct and indirect effect of family ownership on trust in sustainability claims.*

	Effects	Boot SE	Boot LLCI	Boot ULCI
Direct effect	0.2479		0.0115	0.4843
Total indirect effect	0.3763	0.1037	0.1839	0.5908
Indirect effect 1	0.0321	0.0379	-0.0360	0.1137
Indirect effect 2	0.3324	0.0941	0.1627	0.5327
Indirect effect 3	0.0118	0.0149	-0.0140	0.0473

Note: Boot SE, Boot LLCI, and Boot ULCI refer to the standard error and the upper and lower bounds of the 95 % confidence intervals of the indirect effects estimated by the bootstrap method, respectively. Indirect effect 1: family ownership → perceived negative corporate sustainability disclosure → trust in sustainability claims; indirect effect 2: family ownership → perceived firm transparency → trust in sustainability claims; indirect effect 3: family ownership → perceived negative corporate sustainability disclosure → perceived firm transparency → trust in sustainability claims.

5. Discussion

This chapter discusses the findings of the study and compares them to existing and previously outlined research approaches.

5.1. Results Overview

While family firms are often associated with continuity and long-term orientation (Bammens et al., 2022), disclosure practices are heterogeneous, with some firms exhibiting limited transparency (Borralho et al., 2022; Campopiano et al., 2015). Accordingly, this study examined the relationship between family ownership and consumers' trust in sustainability claims, considering the roles of perceived negative corporate sustainability disclosure and perceived firm transparency as mediators.

The first hypothesis (H1) examined whether family ownership positively affects consumers' trust in sustainability claims. This finding indicates that, in the context examined, family ownership is associated with higher levels of trust. Prior research indicates that consumers often attribute authenticity, benevolence, and long-term

orientation to family firms, which may shape favorable interpretations of sustainability disclosure (Zellweger et al., 2012; Beck et al., 2018). Family ownership can therefore function as a heuristic cue, enabling consumers to infer trust when sustainability-related information is presented (Lude et al., 2018).

The second hypothesis (H2) tested whether perceived negative corporate sustainability disclosure mediates the relationship between family ownership and trust. Contrary to expectations, H2 was not supported. Although perceived negative disclosure had a significant negative effect on trust, within the scope of this study, negative sustainability information does not act as a transmission mechanism between ownership structure and consumer trust. Participants' responses indicate that negative disclosure was interpreted inconsistently, limiting its mediating role: some viewed it as a sign of honesty and improvement, while others reacted with ambivalence or mild concern. While balanced ESG communication, encompassing the transparent disclosure of both adverse and favorable aspects, remains an important principle (Einwiller et al., 2020), the findings suggest that negative disclosure alone does not systematically enhance trust in family firms' sustainability claims.

The third hypothesis (H3) investigated the mediating role of perceived firm transparency. The results supported this hypothesis, indicating that perceived transparency was the primary mechanism identified in this study linking family ownership to consumers' trust in sustainability claims. Transparent communication, characterized by clarity, accessibility, and verifiability, reduces informational ambiguity and enhances confidence in firms' sustainability claims (Yang et al., 2021; Tang et al., 2022). In this context, family ownership seems to signal higher transparency to consumers, even though prior literature shows that family firms may not always be objectively more transparent in their disclosures (Arduino et al., 2024), suggesting that consumer perceptions of transparency are influenced not only by the information disclosed but also by reputational cues linked to ownership.

The fourth hypothesis (H4) proposed a serial mediation through perceived negative disclosure and perceived transparency. This hypothesis was not supported. Even when a firm acknowledges shortcomings, the effectiveness of such communication depends on additional factors, such as the declared intent, the pre-existing credibility of the firm, and the clarity of the message (Sansome et al., 2025). Consequently, negative disclosure did not function as a reliable antecedent of perceived transparency in this study. Trust appears

to be shaped by the combined effects of disclosure content, framing, and consumer predispositions, rather than by a sequential process linking negative disclosure to transparency.

These findings should be interpreted within an experimental setting designed to capture consumers' immediate reactions to sustainability disclosure, rather than long-term trust formation processes.

As a result, the empirical results indicate that the proposed research question is not supported. The effect of family ownership on trust in sustainability claims is mediated exclusively by perceived firm transparency. Exploratory qualitative comments collected through an optional open-ended item provide additional contextual insight into how negative sustainability disclosure was interpreted by respondents (Appendix 5).

5.2. Theoretical Implications

This study provided theoretical insight into the literature on ESG-oriented sustainability disclosure and trust formation in family firms. While prior research has consistently highlighted the prevalence of family-owned firms worldwide, scholarly attention to how these firms manage and disclose sustainability practices has not evolved proportionally to their economic and organizational significance (Clauß et al., 2022; Traxler et al., 2023). By examining how consumers interpret sustainability information when communicated by family versus non-family firms, this study contributed to clarifying the exploratory mechanisms through which ownership structure may influence trust in sustainability claims.

The central theoretical implication of this study concerns the role of perceived firm transparency as the explanatory mechanism linking family ownership to consumer trust in ESG communication. Although previous research has emphasized disclosure practices and internal and external dynamics in family firms (Brunelli et al., 2024), the pathways through which these characteristics translate into stakeholder trust have remained insufficiently specified (de Groote et al., 2021). The findings indicated that the association observed between family ownership and trust in sustainability claims (Hypothesis 1) is explained by perceived transparency, suggesting that the so-called "family-firm effect" operates primarily through interpretative processes rather than through ownership-based assumptions alone. In this context, perceived alignment between family firms' values and

ESG requirements, an avenue explicitly suggested by Aureli et al. (2020), does not emerge as an independent driver of trust. Instead, such alignment appears as an outcome of disclosure practices that allow consumers to perceive coherence between stated values and sustainable actions, reinforcing the view that trust in ESG communication is contingent upon how sustainability information is communicated and interpreted.

With regard to negative corporate sustainability disclosure, the findings offer a conceptual clarification rather than a distinct theoretical contribution. While prior literature has suggested that the acknowledgment of shortcomings may enhance perceptions of honesty and completeness (Jahn et al., 2019), existing research remains inconclusive regarding the effects of negative ESG information (Cambier et al., 2020). The present study indicates that negative disclosure does not function as a consistent mechanism linking family ownership to trust. Although exposure to negative sustainability information influenced consumer evaluations, its effects were ambivalent and did not systematically enhance perceived transparency or trust. This suggests that negative disclosure alone is insufficient to generate trust benefits and that its impact is likely dependent on contextual factors such as framing, perceived intent, and the broader credibility of the firm. Accordingly, these results caution against treating negative disclosure as a universally beneficial strategy in ESG communication and underscore the importance of examining its effects within specific interpretive contexts.

5.3. Managerial Implications

The findings of this study suggest practical implications for managerial decision-making in sustainability communication within family-owned firms. Rather than prescribing uniform disclosure practices, managers should consider how transparency and framing choices shape reputational outcomes and trust formation.

For family firm owners and management, the findings are consistent with the view that sustainability disclosure in family firms benefits from perceived firm transparency, identified in this study as the primary mechanism linking ownership and trust. In this sense, sustainability communication appears most effective when internal practices and external messages are interpreted by stakeholders as coherent. Given the symbolic association between family ownership and legacy, maintaining such coherence may be particularly important to avoid interpretations of ambiguity or selectivity. To reduce this

risk, family firms could consider periodically assessing whether their sustainability communication is interpreted as transparent and coherent by key stakeholder groups and making incremental adjustments to messaging and format where misalignment is perceived.

For managers responsible for sustainability reporting and corporate communication in family firms, the findings indicate that the interpretation by consumers of sustainability disclosure is driven less by the inclusion of specific content elements and more by how information is framed and contextualized. In particular, the results suggest that acknowledging limitations or setbacks may, under certain conditions, introduce interpretive ambiguity rather than unambiguously enhancing transparency. Communication managers may therefore benefit from embedding negative information within a clearly articulated disclosure rationale that specifies the decision criteria underlying disclosure choices, the scope and relevance of the issues addressed, and the actions taken in response. Repetitive or formulaic communication formats may weaken perceived transparency, as standardized ESG narratives risk being interpreted as generic rather than substantive, thereby undermining trust.

The findings also carry implications for reputational risk management in family firms, where organizational reputation is often closely intertwined with family identity and long-term legacy considerations. While family firms often benefit from a baseline trust advantage, this advantage may amplify reputational exposure when transparency is perceived as insufficient or misaligned with stakeholder expectations. Proactively identifying sustainability issues that are particularly sensitive to external interpretation and establishing shared communication priorities and lines of responsibility may help family firms preserve trust when adverse information emerges. In this way, sustainability disclosure can serve as a forward-looking risk management instrument rather than a reactive response, supporting the preservation of trust under conditions of heightened interpretive uncertainty.

6. Conclusion, Limitations and Future Research

The formation of consumer trust in corporate sustainability claims represents a growing challenge for firms facing heightened stakeholder scrutiny and rising expectations regarding ESG communication. This challenge is particularly salient for family-owned

firms, whose ownership structure is commonly associated with long-term orientation, reputational concerns, and relational ties with stakeholders. Against this backdrop, this study examined whether family ownership influences consumers' trust in sustainability claims and identified the mechanisms through which such trust is formed.

Using an experimental design involving a fictitious fast-fashion company and Hayes' PROCESS Macro (Model 6), the findings indicate that the proposed model is only partially supported. Within the experimental setting of this study, family ownership was associated with higher consumer trust in sustainability claims, an effect explained by perceived firm transparency. In this sense, family ownership functions as a reputational cue, but trust formation depends primarily on how sustainability information is perceived, namely whether it is clear, intentional, and verifiable. Perceived transparency emerges as the key mechanism linking ownership structure to trust, whereas perceived negative disclosure does not mediate this relationship, either independently or as part of a serial mediation.

Several limitations should be acknowledged when considering these contributions. First, the cross-sectional design limits the ability to capture the dynamic and temporal nature of trust, which is particularly relevant in the context of family firms given their long-term orientation. Consequently, the study does not account for how trust is built or eroded across repeated exchanges over extended periods. Additionally, the operationalization of certain scales was partial, with dimensions such as competence in the trust scale and observability in the transparency measure excluded to maintain focus. Although conceptually justified, these exclusions may have constrained the understanding of nuances, particularly regarding the role of verifiable operational evidence such as documentary proof or supply chain traceability. Furthermore, while negative disclosure was modelled as the initial mediator, reflecting the notion that consumers may infer transparency from the reporting of negative outcomes, perceived transparency and negative disclosure may influence each other reciprocally, forming a potentially bidirectional dynamic. Empirical evidence suggests that transparent communication of negative information can mitigate distrust, whereas the absence of transparency amplifies perceptions of opportunism. Moreover, the use of a fictitious fast-fashion firm limits the generalizability of the findings, as this sector is subject to heightened public scrutiny and well-established interpretive frames that may not apply to other industries. In addition, respondents had no prior knowledge of the firm and therefore did not hold baseline levels

of trust or pre-existing perceptions typically associated with established family firms, which in real-world contexts may shape both the interpretation of sustainability disclosures and the initial formation of trust.

Future research could investigate several avenues to build upon these findings. Longitudinal designs would be particularly valuable for examining how trust evolves over time in response to both positive and negative sustainability disclosures, including whether transparency buffers trust erosion following adverse events. Cross-cultural and cross-country studies could further explore whether the role of transparency as a trust mechanism varies across institutional and cultural contexts, especially in settings where expectations of accountability and disclosure differ. Extending the experimental design to other industries would also help assess the boundary conditions of the findings and clarify whether the limited role of negative disclosure is sector-specific. Additionally, future research could examine how firm size and life-cycle stage shape disclosure capacity and transparency perceptions, thereby clarifying structural differences between small and large family firms and elucidate how factors such as technological infrastructure and higher resources influence the interplay between ownership and consumer trust. Also, future research could build on the heterogeneity of family firms by considering sustainability maturity as a moderating factor in the relationship between family ownership and consumer trust in sustainability claims. Finally, future studies could investigate how multiple digital and traditional channels, such as corporate websites, social media, journalistic outlets, and user-generated reviews, interact to shape consumer perceptions of firm transparency and influence consumer trust. By focusing on transparency as the central interpretive mechanism, future research can further refine understanding of how sustainability communication shapes consumer trust in family firms. This may, in turn, inform how family firms can leverage their inherent trust advantage through transparent sustainability disclosure.

7. References

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8. Appendix

8.1. Research Survey

Consent Form:

You are invited to participate in a research study conducted by Sara Martins, under her master thesis project, supervised by Prof. Liliana Dinis, at Católica-Lisbon School of Business and Economics. The study is about disclosure of corporate sustainability practices.

Your participation is anonymous and will involve completing a questionnaire that takes approximately 10 minutes. We ensure that all information provided will be treated with full confidentiality, and your identity will not be disclosed in any publication resulting from this research.

Participation is entirely voluntary. You are free to decline participation or withdraw your consent at any time, without any consequences.

If you have any questions, concerns, or need further information, please do not hesitate to contact Sara Martins at: s-sagomartins@ucp.pt

Q1: I confirm that I have read and understood the above and freely agree to participate in this study.

- Yes
- No

Please imagine that you are responding as a consumer of a company from which you frequently purchase various products. There are no right or wrong answers; we are solely interested in your personal perspective. You will now be presented with information about a company named RSM. Please review the brief description and the company statement carefully before responding to the following questions.

RSM is a **family-owned company** in the **fast fashion sector**, founded and managed by the Ribeiro family since 1958. The shares (more than 55%) are held by the family. The

family members (blood relatives and in-laws) also hold various management and supervisory board positions.

OR

RSM is a **listed company (a non-family-owned firm)** in the **fast fashion sector**. The shares are widely spread. This means that there are no shareholders who hold more than 5% of the shares. The management as well as the supervisory board are staffed with people who are in an employment relationship with the company.

Q2: I perceive the company RSM as a family business.

- Yes
- No

Please view RSM's Instagram post "Let Us Be Transparent".



**LET US BE
TRANSPARENT**

THINGS WE HAVE DONE
BADLY THIS YEAR

We are discontinuing a fast-track production line that failed to meet our environmental standards. Unfortunately, operational issues at this line caused a 15% rise in emissions and inconsistent waste handling, leading to a 10% increase in unsold stock and a temporary 3% price hike on selected items.

Our family takes full responsibility for these shortcomings. We are reviewing the issues, will release a remediation plan within 60 days, and report progress quarterly.



LET US BE TRANSPARENT

THINGS WE HAVE DONE
BADLY THIS YEAR

We are discontinuing a fast-track production line that failed to meet our environmental standards. Unfortunately, operational issues at this line caused a 15% rise in emissions and inconsistent waste handling, leading to a 10% increase in unsold stock and a temporary 3% price hike on selected items.

We take full responsibility for these shortcomings. We are reviewing the issues, will release a remediation plan within 60 days, and report progress quarterly.



Q3: Consider that a sustainability claim is any statement or representation regarding the environmental, social, or economic impacts of a company or product, whether positive, neutral, or negative, aimed at conveying its sustainability performance to relevant stakeholders (e.g., consumers, investors, regulators, employees, or NGOs).

In its previous post, the company RSM included a sustainability claim.

- Yes
- No

Q4: For each of the following statements, indicate the extent to which you agree or disagree by selecting a number from 1 to 7, where 1 = Strongly disagree and 7 = Strongly agree.

	1 = Strongly disagree	2 = Disagree	3 = Somewhat disagree	4 = Neither agree nor disagree	5 = Somewhat agree	6 = Agree	7 = Strongly agree
Disclosure of negative information about RSM does not change my general view of the company.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Disclosure of negative information about RSM has no effect on me. (If you select 1, 2, 3, or 4, please explain the effect that the disclosure of negative information has on you). <input type="text"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please review RSM's Instagram post "Let Us Be Transparent".

Q5: For each of the following statements, indicate the extent to which you agree or disagree by selecting a number from 1 to 7, where 1 = Strongly disagree and 7 = Strongly agree.

	1 = Strongly disagree	2 = Disagree	3 = Somewhat disagree	4 = Neither agree nor disagree	5 = Somewhat agree	6 = Agree	7 = Strongly agree
I readily change my view of RSM based on the disclosure of negative information about it.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am affected by the disclosure of negative information about the company RSM.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please view RSM's Instagram post "Sustainability in Action".

SUSTAINABILITY IN ACTION

Our company follows international sustainability standards, including the UN Sustainable Development Goals.

We have set clear targets:

Reduce water usage 40% by 2028

Lower carbon emissions 30% by 2030

Follow our progress in the sustainability section of our website, updated regularly.



Q6: For each of the following statements, indicate the extent to which you agree or disagree by selecting a number from 1 to 7, where 1 = Strongly disagree and 7 = Strongly agree.

	1 = Strongly disagree	2 = Disagree	3 = Somewhat disagree	4 = Neither agree nor disagree	5 = Somewhat agree	6 = Agree	7 = Strongly agree
The company RSM communicates in a straightforward way.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The company RSM provides clear information.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This company's communications are easy to understand.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The company RSM communicates essential information clearly.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The company RSM discloses information with me on purpose.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The company RSM actively shares information with me.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The company RSM acts intentionally to disclose information.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The company RSM deliberately shares information with me.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q7: Please select the number 2.

- 1
- 2
- 3
- 4

Please view RSM's Instagram post "Old Fashion, New Vision".

Q9: What is your gender?

- Male
- Female
- Non-binary / third gender
- Prefer not to say

Q10: What is your age?

- <18
- 18-24
- 25-34
- 35-44
- 45-54
- 55-64
- >64

Q11: What is your nationality? (if you have more than one, pick the one with which you resonate the most culturally)

Q12: What is your highest level of education?

- Primary school (up to 4th grade)
- Middle school (up to 9th grade)
- Secondary school
- Some university studies
- Bachelor's degree
- Master's degree
- PhD or MBA
- Other (please specify)

Q13: Which of the following best describes your current situation?

- Student

- Employed
- Employed-Student
- Unemployed
- Retired

Q14: In which sector does the organization operate?

- Manufacturing / Production
- Service Industry
- Agriculture
- Construction
- Technology
- Other (please specify)

Q15: Is the company you work for a family-owned business?

- Yes
- No

8.2. Sample Descriptive Statistics

Gender

		Frequência	Porcentagem	Porcentagem válida	Porcentagem acumulativa
Válido	Male	70	36,6	36,6	36,6
	Female	120	62,8	62,8	99,5
	Prefer not to say	1	,5	,5	100,0
	Total	191	100,0	100,0	

Age

		Frequência	Porcentagem	Porcentagem válida	Porcentagem acumulativa
Válido	<18	4	2,1	2,1	2,1
	18-24	61	31,9	31,9	34,0
	25-34	30	15,7	15,7	49,7
	35-44	27	14,1	14,1	63,9
	45-54	57	29,8	29,8	93,7
	55-64	9	4,7	4,7	98,4
	>64	3	1,6	1,6	100,0
	Total	191	100,0	100,0	

Nationality

		Frequência	Porcentagem	Porcentagem válida	Porcentagem acumulativa
Válido	Portuguese	182	95,3	95,3	95,3
	German	4	2,1	2,1	97,4
	Finnish	1	,5	,5	97,9
	South African	4	2,1	2,1	6,3
	Total	191	100,0	100,0	100,00

Education

		Frequência	Porcentagem	Porcentagem válida	Porcentagem acumulativa
Válido	Primary school (up to 4th grade)	1	,5	,5	,5
	Middle school (up to 9th grade)	3	1,6	1,6	2,1
	Secondary school	28	14,7	14,7	16,8
	Some university studies	27	14,1	14,1	30,9
	Bachelor's degree	57	29,8	29,8	60,7
	Master's degree	64	33,5	33,5	94,2
	PhD or MBA	8	4,2	4,2	98,4
	Other (please specify)	3	1,6	1,6	100,0
	Total	191	100,0	100,0	

Sector of activity

		Frequência	Porcentagem	Porcentagem válida	Porcentagem acumulativa
Válido	Retail	11	5,8	7,7	7,7
	Manufacturing / Production	19	9,9	13,3	21,0
	Service Industry	40	20,9	28,0	49,0
	Agriculture	1	,5	,7	49,7
	Construction	6	3,1	4,2	53,8
	Technology	20	10,5	14,0	67,8
	Other (please specify)	46	24,1	32,2	100,0
	Total	143	74,9	100,0	
Omisso	Sistema	48	25,1		
Total		191	100,0		

Type of ownership of the company (where the participant works)

		Frequência	Porcentagem	Porcentagem válida	Porcentagem acumulativa
Válido	Yes	52	27,2	36,4	36,4
	No	91	47,6	63,6	100,0
	Total	143	74,9	100,0	
Omisso	Sistema	48	25,1		
Total		191	100,0		

8.3. Scale Reliability

Perceived Firm Transparency Scale

Alfa de Cronbach	N de itens
,894	8

Trust in Sustainability Claims Scale

Alfa de Cronbach	N de itens
,927	7

Perceived Negative Corporate Sustainability Disclosure Scale

Alfa de Cronbach	N de itens
,707	4

8.4. Testing Hypothesis with Hayes PROCESS macro (Model 6)

Run MATRIX procedure:

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This version of PROCESS requires SPSS version 26 or later
Workshop schedule available at haskayne.ucalgary.ca/CCRAM
In SPSS 29 and later, change default output font to Courier New for tidier
output. More information about PROCESS at processmacro.org/faq.html.
This beta release has not been completely tested. Use at your own risk.

***** PROCESS Procedure for SPSS Version 5.0 *****

Written by Andrew F. Hayes, Ph.D. www.afhayes.com
Documentation available in Hayes (2022). www.guilford.com/p/hayes3

Model: 6
Y: TSC
X: NF_F
M1: PNCSD
M2: PFT

Sample
Size: 191

Variable descriptive statistics

	TSC	NF_F	PNCSD	PFT
Mean	4,8197	,5236	3,7971	5,1636
SD	1,0427	,5008	1,2179	,9846
Min	1,0000	,0000	1,0000	1,0000
Max	7,0000	1,0000	7,0000	7,0000

Variable intercorrelations (Pearson r)

	TSC	NF_F	PNCSD	PFT
TSC	1,0000	,2998	-,3356	,6123
NF_F	,2998	1,0000	-,0666	,3097
PNCSD	-,3356	-,0666	1,0000	-,1798
PFT	,6123	,3097	-,1798	1,0000

OUTCOME VARIABLE:

PNCSD

Model Summary

	R	R-sq	Adj R-sq	F	p	SEest
	,0666	,0044	-,0008	,8409	,3603	1,2184

	SS	df	MS
Regress	1,2483	1,0000	1,2483
Residual	280,5776	189,0000	1,4845
Total	281,8259	190,0000	1,4833

Model

	coeff	se	t	p	LLCI	ULCI
constant	3,8819	,1277	30,3925	,0000	3,6299	4,1338
NF_F	-,1619	,1765	-,9170	,3603	-,5101	,1863

Covariance matrix of regression parameter estimates:

	constant	NF_F
constant	,0163	-,0163
NF_F	-,0163	,0312

OUTCOME VARIABLE:

PFT

Model Summary

	R	R-sq	Adj R-sq	F	p	SEest
	,3484	,1214	,1120	12,9863	,0000	,9278

	SS	df	MS
Regress	22,3587	2,0000	11,1793
Residual	161,8409	188,0000	,8609
Total	184,1996	190,0000	,9695

Model

	coeff	se	t	p	LLCI	ULCI
constant	5,3467	,2360	22,6558	,0000	4,8811	5,8122
NF_F	,5880	,1347	4,3650	,0000	,3223	,8538
PNCSD	-,1293	,0554	-2,3342	,0206	-,2386	-,0200

Covariance matrix of regression parameter estimates:

	constant	NF_F	PNCSD
constant	,0557	-,0114	-,0119
NF_F	-,0114	,0181	,0005
PNCSD	-,0119	,0005	,0031

Test(s) of X by M interaction:

	F	df1	df2	p
M1^X	,0328	1,0000	187,0000	,8564

OUTCOME VARIABLE:

TSC

Model Summary

	R	R-sq	Adj R-sq	F	p	SEest
	,6635	,4402	,4313	49,0235	,0000	,7864
	SS	df	MS			
Regress	90,9487	3,0000	30,3162			
Residual	115,6413	187,0000	,6184			
Total	206,5900	190,0000	1,0873			

Model

	coeff	se	t	p	LLCI	ULCI
constant	2,5247	,3863	6,5353	,0000	1,7626	3,2868
NF_F	,2479	,1198	2,0687	,0400	,0115	,4843
PNCSD	-,1984	,0476	-4,1661	,0000	-,2923	-,1045
PFT	,5652	,0618	9,1440	,0000	,4433	,6872

Covariance matrix of regression parameter estimates:

	constant	NF_F	PNCSD	PFT
constant	,1492	,0038	-,0112	-,0204
NF_F	,0038	,0144	,0001	-,0022
PNCSD	-,0112	,0001	,0023	,0005
PFT	-,0204	-,0022	,0005	,0038

Test(s) of X by M interaction:

	F	df1	df2	p
M1*X	,1136	1,0000	186,0000	,7364
M2*X	,0277	1,0000	186,0000	,8679

***** CORRELATIONS BETWEEN MODEL RESIDUALS *****

	PNCSD	PFT	TSC
PNCSD	1,0000	,0000	,0000
PFT	,0000	1,0000	,0000
TSC	,0000	,0000	1,0000

```

***** DIRECT AND INDIRECT EFFECTS OF X ON Y *****

Direct effect of X on Y
      Effect      se      t      p      LLCI      ULCI
      ,2479      ,1198      2,0687      ,0400      ,0115      ,4843

Indirect effect(s) of X on Y:
      Effect      BootSE      BootLLCI      BootULCI
TOTAL      ,3763      ,1037      ,1839      ,5908
Ind1      ,0321      ,0379      -,0360      ,1137
Ind2      ,3324      ,0941      ,1627      ,5327
Ind3      ,0118      ,0149      -,0140      ,0473

Indirect effect key:
Ind1 NF_F      ->      PNCSD      ->      TSC
Ind2 NF_F      ->      PFT      ->      TSC
Ind3 NF_F      ->      PNCSD      ->      PFT      ->      TSC

***** ANALYSIS NOTES AND ERRORS *****

Level of confidence for all confidence intervals in output:
 95,0000

Number of bootstrap samples for percentile bootstrap confidence intervals:
 5000

----- END MATRIX -----

```

8.5. Exploratory Qualitative Insights on Negative Sustainability Disclosure

To provide illustrative context to the quantitative findings, this appendix presents exploratory qualitative insights derived from an optional open-ended survey item. These insights are descriptive in nature and do not constitute a formal qualitative analysis.

As part of the Perceived Negative Corporate Sustainability Disclosure measure, respondents who selected values between 1 (strongly disagree) and 4 (neither agree nor disagree) on the corresponding Likert-scale item were invited to briefly describe how the disclosed negative sustainability information influenced their perceptions as consumers.

Three general response patterns were identified. First, a substantial number of respondents interpreted negative sustainability disclosure as indicative of openness and a commitment to improvement. Several comments described the disclosure as a “demonstration of honesty and transparency” or stated that it “made me trust the company more because they acknowledge their sustainability challenges.” One respondent noted

that sharing such information “improves my view of the company, as they are willing to show where things did not go as planned.” Second, some responses reflected more ambivalent evaluations, combining appreciation for transparency with caution or a desire for further clarification. Participants reported feeling “more attentive and slightly suspicious,” or “simultaneously positive about the transparency but motivated to look deeper into why the results were not achieved.” Others described the disclosure as “unexpected but ultimately positive, as failures matter as much as successes.” Finally, a smaller subset of respondents expressed concern regarding the implications of the disclosed information, particularly when sustainability outcomes diverged from prior expectations. These responses did not reject disclosure per se but reflected more cautious evaluations of the firm’s sustainability performance, such as statements indicating that the information “prompted reconsideration depending on the seriousness of the issue” or “led to questioning continued support if the shortcomings contradicted prior assumptions about the firm’s sustainability efforts.”