

# Research on ESG Strategies of Multinational Enterprises and Consumer Response Mechanisms under the Wave of Green Consumption

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**Abstract:** Driven by the dual factors of the escalating global climate crisis and the awakening of consumers' environmental awareness, green consumption has evolved from a marginal issue to the core logic of global business. As major participants in economic globalization, the formulation and implementation of ESG (Environmental, Social, and Governance) strategies by multinational enterprises are not only related to their sustainable development but also directly affect consumer trust and market competitiveness. This paper takes Yum China as a typical case to analyze the core framework of its ESG strategy, the internal logic of consumer responses, and the interaction mechanism. The study finds that multinational enterprises need to adopt a three-stage response mechanism of “strategic positioning–value transmission–ecological co-construction” to transform ESG goals into consumer-perceivable value, thereby building competitive advantages in the wave of green consumption.

**Keywords:** Green Consumption; ESG Strategy; Multinational Enterprises; Consumer Response; Yum China

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## Introduction

The rise of green consumption is the result of the combined effects of policy coercion, endogenous market dynamics, and technological innovation. At the policy level, more than 130 countries worldwide have put forward “zero-carbon” or “carbon neutrality” goals. Policy frameworks such as the EU’s Green Deal, the U.S. Inflation Reduction Act, and China’s “dual-carbon” strategy have upgraded sustainable development from a voluntary corporate behavior to a statutory responsibility. At the market level, consumers’ environmental awareness has significantly improved: data from Bain & Company shows that in 2023, 75% of global consumers listed “sustainability” as one of the top three criteria for shopping decisions, with this proportion reaching 89% among the Generation Z (born between 1995–2009). At the technological level, the application of technologies such as blockchain and artificial intelligence has greatly improved supply chain transparency. Consumers can obtain lifecycle environmental data of products by scanning codes, further promoting the transformation of green consumption from an idea to practice.

As the core subjects of global resource allocation, the ESG performance of multinational enterprises directly affects the process of global sustainable development. On the one hand, multinational enterprises control 60% of global industrial output value and 70% of international trade, and their technological, capital, and market influence make them key promoters of

green transformation. On the other hand, multinational enterprises face a complex global operating environment and need to balance policy differences, cultural conflicts, and stakeholder demands in different countries and regions. Therefore, the ESG strategies of multinational enterprises must have both a global perspective and local adaptability, not only complying with international standards but also responding to the core concerns of local consumers.

## **1.The Core Framework of Yum China’s ESG Strategy**

### **1.1 Environmental Strategy: Full-Chain Management from Low-Carbon Operations to Ecological Restoration**

As a leading enterprise in the catering industry, Yum China’s environmental strategy covers the entire life cycle from raw material procurement to end consumption. In terms of energy management, Yum China realizes green power supply for restaurants through distributed photovoltaic power generation projects. In 2023, the company used approximately 8,000 megawatt-hours of renewable energy, avoiding 4,500 tons of greenhouse gas emissions, and over 70 restaurants achieved 100% green power supply. In packaging management, Yum China implements the “Reduction–Circulation–Substitution” strategy: in 2023, it saved about 30,000 tons of packaging materials, 95% of KFC restaurants established a coffee grounds collection and transportation network, and 30% of paper packaging obtained Forest Stewardship Council (FSC) certification. In addition, the company reduces food waste through the “Food Station” project, donating surplus food within the shelf life to community residents, sanitation workers, and other groups. By 2023, it has covered more than 100 cities and over 580 restaurants, benefiting more than 40,000 people.

### **1.2 Social Strategy: From Stakeholder Balance to Social Value Co-Creation**

Yum China’s social strategy focuses on employee rights, community participation, and supply chain responsibility. In terms of employee rights, the company has been rated as “China’s Best Employer” for six consecutive years, providing family medical insurance, accident insurance, and other benefits, and establishing “Angel Restaurants” to provide equal employment opportunities for disabled young people. By 2023, Yum China has opened 36 “Angel Restaurants” in 32 cities. During the Hangzhou Asian Games, the angel employee team provided services for athletes and staff. In terms of community participation, Yum China supports rural children’s nutrition improvement through the “Donate One Yuan” project, raising a total of over 260 million yuan in donations and equipping more than 1,480 schools with modern kitchen equipment. In terms of supply chain responsibility, the company has established “Sustainable Agricultural Standards” covering a variety of agricultural products, and has purchased palm oil certified by the Roundtable on Sustainable Palm Oil (RSPO) for six consecutive years.

### **1.3 Governance Strategy: Institutional Upgrading from Compliance Management to Strategic Leadership**

Yum China’s governance strategy takes the board of directors as the core and builds a three-level management system of “Strategy–Execution–Supervision”. The board of directors has a Sustainable Development Committee, which is responsible for formulating the ESG strategic framework; the operation department decomposes ESG goals into specific KPIs, such as the proportion of green power used in restaurants and the amount of packaging materials saved; the audit department ensures data transparency through third-party certification. For example, the company releases an annual “Sustainable Development Report”, disclosing key indicators such as carbon emissions, packaging management, and community contributions, and accepts audits from internationally authoritative institutions (such as SGS). In addition, Yum China links executive compensation to ESG goals. If the annual emission reduction target is not met, the bonuses of relevant responsible persons will be deducted by 20%.

## **2.The Internal Logic and Behavior Patterns of Consumer Response**

### **2.1 Driving Factors of Consumer Response: From Rational Choice to Emotional Identity**

Consumers’ response to Yum China’s ESG strategy is the result of the joint action of rational calculation and emotional identity. At the rational level, consumers evaluate the environmental cost of products through information such as carbon labels and sustainable certifications <sup>[1]</sup>. For example, Yum China marks “zero-carbon” products (such as oat latte) on

restaurant menus, and consumers can obtain product carbon footprint data by scanning codes. At the emotional level, consumers regard purchasing behavior as an expression of values. A survey by Southern Metropolis Daily shows that 62% of consumers obtain ESG information through social media, and 48% use corporate ESG reports as a basis for purchasing decisions. Yum China conveys environmental protection and public welfare concepts through projects such as “Food Station” and “Angel Restaurant”, attracting a large number of young consumers.

## **2.2 Behavior Patterns of Consumer Response: From Individual Action to Collective Advocacy**

Consumer response shows an upgrading trend from individual purchase to collective action. At the individual level, consumers reduce their personal environmental footprint by choosing green products<sup>[2]</sup>. For example, Yum China’s “Recyclable Dinner Plate” project reduces plastic usage per meal by 80%, and after the project was launched, the sales of related products increased by 30% year-on-year. At the collective level, consumers launch boycotts through social media to force enterprises to improve ESG practices. In 2022, an international fast-food brand was exposed on Weibo for using non-degradable packaging materials, triggering a consumer petition, which eventually prompted the brand to promise to achieve 100% degradable packaging by 2025. Yum China guides consumers to participate in public welfare through the “One-Day Station Master” program (where brand spokespersons act as volunteers to distribute surplus food), enhancing brand loyalty.

## **3. Interaction Mechanism between Yum China’s ESG Strategy and Consumer Response**

### **3.1 Strategic Positioning: Translating ESG Goals into Consumer Value**

In the surging wave of green consumption, consumers’ expectations of enterprises have extended beyond products or services themselves, with growing attention to corporate performance in environmental, social, and governance (ESG) aspects<sup>[3]</sup>. Yum China keenly perceives this market trend and, through a precise and innovative “scenario-based positioning” strategy, skillfully connects ESG goals with consumers’ diverse needs, successfully transforming abstract ESG concepts into tangible, participatory consumption experiences.

Targeting young consumers—a vibrant group passionate about environmental protection—Yum China keenly captured their pursuit of fashion, health, and environmental concepts, innovatively launching the “Zero-Carbon Meal Set”. This set is not merely a combination of food but deeply integrates low-carbon concepts. In ingredient selection, priority is given to local, seasonal organic ingredients to reduce carbon emissions from long-distance transportation and cold storage; energy-efficient equipment and technologies are adopted during cooking to lower energy consumption; even packaging uses degradable and recyclable eco-friendly materials to minimize environmental impact. Meanwhile, to align with young consumers’ fashion-conscious psychology, Yum China invested heavily in the presentation and promotion of the meal set. Stylish packaging designs, creative posters, and interactive marketing on social media quickly made the “Zero-Carbon Meal Set” a “viral” product among young consumers<sup>[4]</sup>. For example, on social platforms, Yum China launched the “Zero-Carbon Life Challenge”, encouraging young consumers to share photos and experiences of choosing the meal set with attractive prizes. The campaign attracted massive participation, boosting both visibility and reputation of the set while letting consumers feel their contribution to environmental protection. Statistics show that in 2023, “Zero-Carbon Meal Set” sales accounted for 15% of KFC China’s total revenue, with Generation Z comprising 60% of buyers—testament to the strategy’s success.

For family consumers, Yum China focused on parent-child interaction and environmental education, launching “Parent-Child Eco-Classrooms”. In these classrooms, children and parents learn waste sorting and resource recycling through engaging games. Activities like waste sorting competitions (matching garbage cards to bin models) and eco-friendly crafts (using recycled materials) foster environmental awareness and creativity in children. Beyond providing quality family time, these activities deepen parents’ understanding of Yum China’s ESG practices, enhancing brand recognition and loyalty. This family-oriented education model not only cultivates environmental awareness in the next generation but also earns Yum China strong social praise.

### **3.2 Value Transmission: Building Transparent and Trustworthy Communication Channels**

In an era of information overload, consumers often approach corporate messages with caution and skepticism. To earn trust in its ESG strategies, Yum China leveraged digital technologies to build transparent communication channels, delivering

comprehensive, accurate, and timely ESG information. The company developed an innovative “Carbon Footprint Calculator”. Diners input their food and drink choices to instantly obtain the carbon emission reduction of their meal. Backed by scientific algorithms and detailed data, the calculator considers emissions from ingredient cultivation, transportation, processing, and restaurant energy use, providing reliable information. This tool helps consumers visualize their environmental impact, encouraging greener choices. For instance, seeing the emission reduction from a “Zero-Carbon Meal Set” strengthens consumers’ recognition of Yum China’s ESG efforts.

Blockchain technology ensures supply chain traceability. Using its decentralized and tamper-proof ledger, Yum China enables full traceability of ingredients from origin to restaurant. Scanning a QR code reveals details such as origin, farming methods, transportation temperature control, and processing hygiene standards. This transparency reassures consumers about food safety and demonstrates Yum China’s commitment to sustainability. For example, KFC customers can check a chicken’s farm origin, eco-friendly breeding practices, and transportation conditions—boosting trust in product quality and the brand.

### 3.3 Ecological Co-construction: Collaborating with Stakeholders to Expand Influence

ESG implementation is a systemic project requiring collaboration among enterprises, governments, NGOs, and consumers. Yum China recognized this, creating a four-party ESG ecosystem (“enterprise–government–NGO–consumer”) to elevate ESG from individual efforts to systemic change, maximizing stakeholder benefits and achieving sustainable win–win development. In cooperation with local governments, Yum China actively promotes “Green Restaurant” certification. It upgrades restaurants to meet government standards—adopting energy-saving equipment, optimizing energy management, and using green packaging. Certified restaurants receive tax incentives and policy support, reducing operational costs while enhancing environmental reputation and competitiveness<sup>[5]</sup>. Joint public awareness campaigns, such as “Green Dining Week” with city governments (featuring eco-exhibitions and materials), encourage consumers to choose green restaurants.

Partnerships with NGOs like WWF provide technical expertise and resources for sustainable agriculture projects. Yum China and WWF train farmers in eco-friendly cultivation, reducing fertilizer and pesticide use to protect soil and water. This improves produce quality, increases farmers’ income, and promotes rural sustainability. Yum China also integrates sustainable agriculture into supply chain management, prioritizing certified ingredients to drive green transformation across the supply chain.

To engage consumers, Yum China created a “Public Welfare Points System” rewarding eco-actions. Points earned through participating in restaurant green activities, choosing eco-meals, or sorting waste can be redeemed for coupons, gifts, or donated to charity. This incentive mechanism motivates consumers to contribute to environmental protection. For example, in 2023, Yum China and suppliers reduced packaging by 12,000 tons—equivalent to protecting 2,000 hectares of forest. This achievement, supported by consumer participation, showcases the ecosystem’s vitality. Through such collaboration, Yum China embeds ESG into societal development, fostering collective participation in sustainability.

## 4. Conclusion

In the wave of green consumption, a two-way interaction has formed between multinational enterprises’ ESG strategies and consumer responses: enterprises meet consumers’ environmental demands through ESG practices, while consumers drive enterprises to upgrade ESG strategies through purchasing behavior and collective actions. The case of Yum China shows that multinational enterprises need to deepen practices in three key areas: technology-driven innovation (using blockchain, AI, and other technologies to enhance supply chain transparency and consumer participation), cultural integration (respecting value differences across markets and customizing ESG strategies and communication approaches), and long-term commitment (integrating ESG into core corporate strategies to avoid “greenwashing” risks).

It is important to note that green consumption is not merely a business trend but an inevitable choice for humanity to address the climate crisis. As key players in global sustainable development, multinational enterprises must foster positive interactions between ESG strategies and consumer responses, collectively building a low-carbon, inclusive, and resilient future economic system.

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## Conflict of Interests

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