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Review

Sustainability target setting and incentive design: A literature review

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Abstract: The integration of sustainability targets and their connection to executive compensation is emerging as a new facet of corporate strategies in response to the low-carbon transition, ESG-driven demands from institutional investors, regulatory mandates, and commitments to corporate social responsibility (CSR). The purpose of this research is to explore issues related to sustainability target-setting and the associated methodologies. This paper summarizes the prior work on target setting and sustainability targets, and the results from previous studies on the reason and rationality of setting sustainability targets were discussed. It also pointed out the issues in sustainability targets and related incentive design. Based on this, several suggestions are offered to assist companies in developing and setting sustainability targets and goals.

Keywords: sustainability targets; executive compensation; management incentives

1. Introduction

In recent years, sustainable development issues have raised awareness among intergovernmental organizations, non-governmental organizations, public sectors, and enterprises [1,2]. To respond to their pressure, the sustainability goals formulated for environmental, social, and inequality challenges are imperatives for public policy and commercial companies. Target setting is an efficient management control instrument in corporate governance and executive incentives [3]. By setting appropriate targets, corporate executives at all levels of the organizations can identify their focus of efforts and productively achieve their short-term and long-term strategies [4]. The managers can only get bonuses or other incentives if they meet or exceed the previous objective. Furthermore, the target can play a benchmark role in the performance evaluation of executives. Thus, the objective can encourage the executives to show better performance within the assessment period [5,6]. Although goal-setting theory broadly supports the idea that specific and challenging goals can enhance executives, employees, and organizational performance, unintended negative consequences have also emerged in corporate practice [7,8]. When goals are set in an excessively ambitious or unreasonable manner, they may encourage short-termism among corporate management and even provoke unethical or fraudulent behaviors [9,10]. Therefore, when establishing targets, companies must thoroughly consider their operational capabilities, resource availability, and the governance structures and transparency required to implement goals. By doing so, companies can avoid overly ambitious or unrealistic target-setting, effectively preventing potential adverse outcomes.

The targets related to corporate sustainable development, carbon mitigation, and climate change risk mitigation can be defined as the sustainability targets in corporations; many companies, beyond those in heavy-polluting industries, set sustainability targets not only to promote green transformation, reduce carbon and other pollutant emissions, and enhance waste recycling, but also to improve employee well-being, foster organizational cohesion, and strengthen internal engagement [11–14]. These targets aim to enhance resource efficiency, mitigate operational and reputational risks, respond to stakeholder and regulatory expectations, drive innovation, and support long-term value creation. From a strategic perspective, sustainability targets are an integrative mechanism to align environmental and social priorities with corporate performance and workforce development [15]. Thus, their environmental performance and social responsibility improve, which can enhance corporate image, attract favor from the shareholders and creditors from capital markets, and bring support from other stakeholders, including their customers, supplies, employees, governments, communities, and other non-governmental organizations [15]. However, setting sustainability targets is a complex process, and this process is different from setting financial objectives; setting sustainability targets involves more stakeholders, and as a non-financial target, it is not easy to conduct a quantitative measurement and refer to a benchmark [16]. With the concern of environmental problems and the increasing demand for sustainable development targets in future strategies and incentive plans, the research of sustainable development target setting in corporations has become an important field that attracts the attention of academics.

This paper aims to review the literature on sustainability target setting, find out the target setting process and the sustainability targets, find the reasons behind the setting process, and help companies find appropriate methods to establish objectives. This study adopts a qualitative case-based review approach, with literature selection conducted by the PRISMA 2020 guidelines to ensure methodological transparency and rigor. A comprehensive search was carried out across Web of Science, Springer Nature Link, EBSCO, Wiley Online Library, ScienceDirect, JSTOR, CNKI, and Google Scholar using keywords such as “target-setting”, “sustainability target-setting,” “corporate ESG goals,” “performance incentives and ratchet effect,” and “stakeholder engagement in SDGs.” In addition, some of the legal and regulatory requirements and official reports referenced in this study were obtained from the official websites of governments and international organizations. Corporate case examples were sourced from credible news outlets, official company websites, publicly available corporate reports, and academic literature databases to ensure the authenticity and reliability of the information presented. This review relaxed the restrictions on publication year during the literature search process to ensure comprehensive coverage of relevant research and retain both foundational theoretical works and representative empirical studies. The search covered publications from 1950 to 2024 and was limited to peer-reviewed English-language sources. After removing duplicates, titles and abstracts were screened to exclude studies unrelated to corporate-level sustainability goal-setting. Inclusion criteria required that studies focus on corporate practices, be grounded in empirical or theoretical frameworks, and address performance management, incentive design, or stakeholder integration elements. 150 full-text articles were assessed for eligibility, of which 109 were included in the final synthesis. These publications comprise global case studies and conceptual literature examining behavioral responses to sustainability performance targets, including the ratchet effect. The remainder of this paper is organized as follows: the next part will discuss what target setting and sustainability targets are and introduce the role of targets in business management and the incentive process; the third part will illustrate the reasons for setting such kinds of objectives from theoretical and practical aspects; the fourth part will analyze how the company sets its sustainability targets and what fundamental principles and rules can be followed; and the final part will give the conclusion of the paper and the suggestion for future research.

2. Target setting and sustainability targets

2.1. Target setting

Target setting is a critical management process used in organizations to establish specific, measurable goals that are intended to guide employees and departments toward effective performance and strategic alignment with broader organizational objectives [17,18]. In the corporation, target-setting refers to the process of defining specific, measurable, and time-bound goals that guide the activities and priorities of the corporation. These goals are designed to propel the organization toward its strategic vision [19]. By adding performance targets in incentive contracts and building the linkage between the performance target and their annual bonus plan, the managers at all company levels can acknowledge the direction of their efforts and feel motivated by the incentives. The target can work as a standard to measure the executive's performance during a specific period [20]. In the theoretical field, the classic goal-setting theory illustrates that specific and challenging goals lead to higher performance than vague or "do your best" goals; the theory also argues that achieving particular goals not only meets external performance targets but also aligns with personal goals, enhancing satisfaction from both the accomplishment and any potential external rewards [21–23]. The goal-setting theory offers valuable insights into the mechanisms of motivation and performance enhancement through specific and challenging goals. Adapting and balancing goal specificity and challenge level according to the task and role complexity is crucial for maximizing effectiveness and satisfaction in organizational settings [24]. Practical target-setting aligns the corporation's short-term actions with its long-term strategic goals, ensuring that every level of the organization contributes toward overall success. In the practice field, the company may set a variety of targets and link the target with the incentives in executive compensation, such as sales targets, revenue targets, profit targets, cash flow targets, return on assets targets, etc. The targets of companies can be classified as follows: by the duration, the target can be classified as long-term and short-term targets. The long-term targets may align with the company's vision and strategic plans and focus on sustainability and long-term growth, giving a comprehensive image of future development [25]. The balanced scorecard approach can assist the company in setting long-term strategic objectives from financial outcomes, customer, internal business processes, learning, and growth perspectives [26–28]. Importantly, the BSC strengthens the connection between day-to-day operations and long-term targets by making abstract strategic intentions measurable and actionable. Through continuous feedback and performance monitoring, organizations can adapt and refine their strategies and targets while maintaining alignment with their core mission [29,30]. Unlike traditional goal-setting mechanisms focusing narrowly on financial outcomes, the BSC provides a multi-dimensional framework incorporating financial, customer, internal process, and learning and growth perspectives. This integration ensures organizational alignment, as it cascades strategic priorities across all levels of the enterprise, enabling employees to understand how their roles and responsibilities contribute to overarching business goals [31,32]. Moreover, the BSC enhances employee engagement by clarifying performance expectations beyond short-term financial metrics and linking them to personal development, innovation, and customer value creation. This not only increases motivation and accountability but also cultivates a sense of strategic purpose among employees [25,33,34]. The short-term target focuses on immediate goals expected to be achieved within a fiscal year; companies' immediate development needs can be met by realizing short-term objectives. Besides, the targets can also be classified as financial objectives and non-financial objectives. The financial targets are widely used in executive compensation contracts and are typically quantifiable, as well as monetary goals such as revenue, profit margins, ROI, and cost reduction [35]. Moreover, the non-financial targets include customer satisfaction, brand reputation, employee engagement, and corporate social responsibility; monetary standards do not measure them. However, they are crucial for organizational culture enhancement, shareholder relationship improvements, and employment satisfaction. Moreover, non-financial targets can drive the sustainability of companies' innovation and development [36].

2.2. Sustainability targets

The United Nations 2030 Agenda for Sustainable Development highlights companies' critical role in driving sustainability through their ability to mobilize financial resources, technology, and other assets. It underscores that achieving sustainable development requires collaborative efforts not only from governments but also from the private sector and society as a whole [37,38]. Thus, to effectively contribute to the United Nations 2030 Agenda for Sustainable Development, companies should align business strategies with sustainable development goals and set sustainability targets based on their operational characteristics [39]. By establishing the sustainability target, the firm might perform well in the corporate social responsibility and Environmental, Social, and Governance (ESG)-related activities, which meet the social or environmental obligations of the firm and drive financial success, stakeholder trust, operational efficiency, and long-term sustainability for the companies [40–44].

The firm's sustainability targets align with carbon emissions reduction, waste management, water conservation, biodiversity, employee well-being, product responsibility, etc., and the company's sustainable development target can reflect the company's unique operational context, resources, and stakeholder priorities [45]. Practically, for instance, the largest privately owned oil and gas companies (like BP, Shell, Chevron, etc.) with high pollution, firm intention for green transformation, and high levels of social responsibility awareness have already set sustainability targets within their CEO incentive schemes [46–49]. The sustainability target is set in two types of incentive plans, which are short-term and long-term. In the short-term incentive plan (motivated by annual bonus payment), financial and operating performance targets like cash flow, replacement cost profit, production costs, and production volume metrics are still the main components (over 70%). Meanwhile, the health, safety, and environmental goals account for 20%–30%, including safety metrics, sustainable emissions reduction, methane emissions intensity, GHG (greenhouse gas) emissions intensities, and corporate social responsibility performance. In the long-term incentive plan (motivated by stock-based compensation), these firms are concerned about sustainability in the future and venture into carbon reduction business transition, renewable energy growth, advanced biofuels technology exploration, and net carbon footprint reductions [46]. Moreover, the short-term objectives give the specific aim that the executives should achieve during the evaluation period, and the long-term objectives encompass a significantly broader scope and are more explicitly quantified in the level of ambition. Specifically, sustainability targets are non-financial targets increasingly gaining attention in executive performance measurement and incentive design, which are very different from financial objectives [16]. Firstly, the sustainability target may not bring economic benefits to the firms in the short evaluation period; however, in the longer term, they may get the capacity for sustainable profit, market share, and reputation growth [50]. Secondly, the target-setting process has limited information and experience for reference, and each firm has its unique operational characteristics and target-setting requirements. Moreover, there are no specific standards for setting and auditing standards for this process. Thus, it is hard to find science-based methods and benchmarks for the sustainability target [51]. Thirdly, the sustainability targets may not be quantifiable and refer to a long-term period; these targets also involve multiple stakeholders; after setting these targets, the company may face difficulties and issues in performance measurement, controllability, and contractibility [52].

3. The reason and rationality of setting sustainability targets

The rationality of setting sustainability targets can be supported and explained by classical theories such as agency, stakeholder, and legitimacy theories. Agency theory addresses the relationship between principals (shareholders) and agents (executives), focusing on aligning the interests of both parties through effective mechanisms [53]. The agency problem and the agency cost may rise if there are misaligned interests in sustainability goals between shareholders and executives [54–56]. Executives (agents) may prioritize short-term financial gains, such as profit maximization, over long-term sustainability initiatives, which shareholders (principals) might value for reputation, compliance, and long-term returns [57]. Setting sustainability targets in the executive incentive can work as an alignment tool. This aligns the agents’ actions with the principals’ broader objectives, which may include corporate social responsibility (CSR) and environmental, social, and governance (ESG) outcomes [58]. Companies ensure that executives prioritize these goals alongside financial performance by embedding sustainability targets (e.g., reducing carbon emissions or improving diversity) into executive performance evaluations.

Stakeholder theory points out that companies are responsible not just to their shareholders but to a broader range of stakeholders, including employees, customers, communities, suppliers, and the environment. Moreover, the company should balance the needs and expectations of all stakeholders, not just maximize shareholder profits [59–61]. Setting sustainability targets reflects a company's commitment to addressing the priorities of diverse stakeholders, such as reducing environmental impact for communities, ensuring fair labor practices for employees, or meeting ethical standards for consumers [62]. Linking these targets to executive incentives ensures that management prioritizes these broader stakeholder concerns in strategic decision-making. Moreover, the targets and incentive payments can also work as the alignment machine between executives and stakeholders, which can fulfill the stakeholders' expectations, and trust, loyalty, and long-term value are built for the benefit of all stakeholders [63].

Legitimacy theory emphasizes that organizations operate within a "social contract," where they must align with societal values to gain and maintain legitimacy. This approach centers on aligning organizational actions with societal norms, values, and expectations to sustain legitimacy, which can clearly explain why companies take action in corporate social responsibility [64–66]. Our societal expectations are increasingly focused on environmental protection, social equity, and ethical governance [67]. By setting sustainability targets, companies demonstrate their alignment with these norms, showcasing their commitment to being responsible corporations. Linking these goals to executive incentives ensures that leadership prioritizes actions that close this gap between corporate behavior and societal demands, fostering alignment with societal standards and reinforcing the company's legitimacy.

The company may set the sustainability target to meet the policy regulation requirement and social awareness of carbon reduction, environmental protection, and other actions in sustainable transformations. Many international organizations and agreements promote consensus among countries on sustainable development, climate change governance, ecological improvement, and equity issues. For instance, the United Nations Climate Change Conference is a platform for nations to negotiate and advance international efforts to combat climate change. The United Nations Framework Convention on Climate Change outlines principles for climate action, emphasizing equity, sustainable development, and the differentiated responsibilities of developed and developing nations. Besides, the UN 2030 Agenda outlines 17 Sustainable Development Goals (SDGs) and 169 targets designed to eradicate poverty, safeguard the planet, and promote prosperity for everyone as part of a comprehensive plan for sustainable development. Moreover, the Paris Agreement and the Kyoto Protocol still influence the behavior of climate change impact mitigation. These international organizations' agreements may directly influence the determination of a company's sustainable development goals or indirectly affect corporate target-setting behavior by formulating relevant policies in the countries where the companies operate [68]. For instance, the UK government set a carbon target for carbon emission reduction. They plan to mitigate the carbon inventory by 80% and achieve net-zero GHG emissions by the end of 2050, and the UK also has a mandatory requirement of carbon emissions for listed companies in their annual reports [69,70]. Companies must develop and implement low-carbon strategies in response to environmental policies and carbon emission regulations. Implementing these policies has heightened corporate attention to carbon emissions and encouraged them to take action to achieve better carbon performance. Notably, enhanced environmental policies and public awareness drive companies to set carbon targets and invest more resources in carbon management [71]. The design of sustainability targets and related incentive mechanisms aims to drive companies' low-carbon transition and take more social responsibility through executive actions while meeting stakeholder expectations and global environmental goals. Investors and other stakeholders are increasingly concerned about the impact of climate change on the long-term value of companies and consider that climate risk may impact investment efficiency and return [72]. When companies set appropriate sustainable development goals, integrate sustainability concepts into their long-term strategies, and encourage innovative green transformation, they can effectively address the risks posed by uncertainties such as climate risks and environmental changes. This approach helps meet the demands of investors and other stakeholders while balancing conflicts of interest among various stakeholders.

The COVID-19 pandemic underscored the vulnerability of global supply chains, workforce systems, and environmental management across industries, reinforcing the necessity for companies to embed sustainability into their strategic agendas [73–75]. A relevant consideration is whether the COVID-19 pandemic may significantly impact corporate sustainability targets. On the one hand, the pandemic disrupted global supply chains, reduced industrial activity, caused significant declines in liquidity, increased bankruptcy risk, and forced companies to shift their strategic focus toward short-term survival and operational continuity [76]. As a result, many firms either postponed, scaled back, or deprioritized long-term sustainability initiatives, particularly those not directly linked to financial performance or regulatory compliance. Additionally, resource constraints and workforce restructuring led to reduced investments in environmental and social programs [77,78]. For another, the crisis exposed not only the fragility of short-term profit-driven models but also the limitations of organizations that lacked long-term resilience planning. The COVID-19 pandemic highlighted the dangers of short-termism in corporate governance, where performance systems overly reliant on financial indicators failed to address broader environmental and social risks [79]. In this context, formulating corporate sustainability targets emerges as a rational and necessary response [80]. These targets help firms build adaptability in environmental risk management, employee well-being, stakeholder trust, and operational continuity [81]. Furthermore, setting sustainability goals post-crisis signals a company's commitment to long-term value creation and accountability, enhancing reputational capital and stakeholder confidence [82]. From a strategic management perspective, sustainability target-setting enables firms to proactively manage uncertainty, balance economic, social, and environmental objectives, and align internal performance systems with broader societal expectations [83]. Thus, in the aftermath of a global shock like COVID-19, integrating sustainability targets is reasonable and essential for ensuring corporate resilience and legitimacy in a rapidly evolving business environment.

4. How to set sustainable development goals and related incentive mechanisms

There are not enough clear rules, standards, or referable experiences to set sustainable performance targets, making it challenging for companies to implement them. Furthermore, enterprises cannot directly adopt existing international frameworks (like the Planetary Boundaries framework) related to sustainable development goals; individual differences among enterprises, variations in industries, and regional disparities make the process of designing sustainable development goals for enterprises more complex [45]. The lack of referable design experience also challenges setting sustainable development goals. Large, industry-leading companies in heavily polluting sectors are enthusiastic about designing relevant targets and incentive plans, but their approaches are not widely applicable. Shell's ambitious net-zero targets and executive incentives rely on costly technologies like CCS (Carbon Capture and Storage) and large-scale renewables, creating barriers for smaller firms. Its use of complex carbon offset projects further limits replicability. While enabled by strong resources and global scale, Shell's approach is not easily transferable to less-resourced companies [46]. Many small and medium-sized enterprises lack historical experience in formulating, implementing, and evaluating incentives to achieve sustainable development goals [84,85]. For instance, UK manufacturing SMEs face significant challenges in setting and implementing sustainability goals due to limited historical experience, resource constraints, and short-term operational priorities. Many lack the internal capacity to design incentive mechanisms, conduct carbon accounting, or evaluate environmental performance. As a result, sustainability initiatives often remain informal, underfunded, or disconnected from strategic planning, highlighting the need for external guidance, capacity building, and policy support to facilitate their green transition [86,87]. Sustainable development goals involve a wide range of stakeholders, each with differing interests and demands [88,89]. This leads to diverse content in goal-setting, such as environmental, social, and governance (ESG) aspects, where the definitions and measurement standards for indicators are complex across fields. Additionally, the dynamic change of policies, technological advancements, market demands, and stakeholder expectations adds uncertainty to setting these goals [90]. Patagonia exemplifies a stakeholder-driven approach to sustainability by aligning its corporate mission—"in business to save our home planet"—with clear environmental and social objectives. The company integrates measurable goals related to carbon reduction, responsible sourcing, and employee well-being across its operations and supply chain. These targets are co-developed with stakeholders, regularly assessed through third-party certifications such as B Corp, and embedded into core decision-making. Patagonia's model demonstrates how long-term sustainability can be effectively pursued through value-based governance, transparent reporting, and stakeholder engagement, offering a replicable framework for aligning corporate purpose with sustainable development goals [91]. Formulating sustainable corporate goals may also face typical performance target-setting and incentive plan design issues. Setting sustainable development goals facilitates corporate transformation, upgrading, and innovative restructuring, making enterprises more competitive in the market while achieving long-term financial profitability and social value. This is inherently a challenging process. Companies should establish goals based on their circumstances, external environment, and stakeholder demands. If the goals are challenging, appropriate incentive mechanisms can encourage managers to break free from traditional thinking, find effective ways to achieve the objectives, and deliver additional performance [92,4]. However, there is also the risk of incentive failure, which could lead to efficiency losses [93,90]. For instance, the Tesla labor controversies highlight that in the pursuit of rapid growth and the establishment of ambitious environmental targets, the company did not concurrently ensure proper management of employee welfare and occupational safety. Media and regulatory investigations have revealed that production targets at Tesla's Fremont factory in California were set excessively high, resulting in prolonged overwork among employees and a high incidence of safety-related accidents [94–96]. This case exemplifies how firms may overlook the social dimension in achieving environmental sustainability goals, creating new corporate social responsibility challenges. In addition, sustainable development goals involve long-term planning and strategic formulation for enterprises. Compared to short-term goals, long-term objectives are more challenging regarding motivation and performance evaluation [97]. An overemphasis on short-term objectives while neglecting long-term strategic goals may increase the risk of corporate greenwashing, as firms prioritize superficial sustainability efforts over substantive, enduring environmental commitments [98,99]. Volkswagen positioned its "clean diesel" vehicles as a sustainable solution to meet short-term environmental regulations. However, the use of defeat devices to manipulate emissions tests exposed a lack of genuine investment in long-term low-carbon technologies such as electric mobility, which highlights how prioritizing short-term compliance over substantive sustainability transitions can foster unethical practices and result in significant reputational and financial damage [100].

Moreover, despite the lack of experience, historical data, and benchmark references in setting performance targets, enterprises may still face the problem of the ratchet effect in performance target formulation. When setting and adjusting performance targets, excessive reliance on historical performance data may lead employees or management to adopt conservative strategies to avoid overly aggressive future targets. The ratchet effect can impact the overall efficiency and long-term development of the enterprise [20,101,102]. Several real-world cases demonstrate how the ratchet effect can undermine corporate sustainability efforts and target setting. In S&P 500 firms and utility companies, sustainability performance targets in executive bonus plans are often set below prior-year achievements, encouraging complacency and limiting ambition [103–105].

Target setting and related incentive programs for senior management are crucial in corporate governance. They are often structured around stock-based compensation in large corporations to align the interests of managers with shareholders. While the targets and incentives are theoretically strong motivators, implementing them effectively in practice can be challenging [106]. As a best-practice example, Unilever has embedded sustainability into its core business strategy through the "Unilever Compass," which sets comprehensive targets across environmental, social, and governance (ESG) dimensions. These include commitments to carbon neutrality, waste reduction, inclusive employment, and gender equity. ESG performance accounts for 25% of executive incentive structures, ensuring alignment between sustainability goals and leadership accountability. Unilever employs global reporting standards such as GRI and SASB to monitor progress and enhance transparency. This integrated approach demonstrates how corporations can effectively balance stakeholder interests, long-term value creation, and measurable sustainability outcomes within a unified strategic and incentive framework [107].

In summary of the above case experiences and academic research literature, in the general target-setting principle, target-setting and executive compensation should be closely tied to the company's strategy, which should focus on generating long-term value. The difficulty of the target and the level of performance-based incentives in executive compensation should be carefully calibrated to balance the associated risks and rewards. Besides, the target should have suitable performance measurements to match. These performance metrics should also be designed to ensure they are within the control of top management and can be directly influenced by their actions. Moreover, in the multiple-target situation, incentives are distributed equitably across various tasks and immediate objectives [108,109]. In the sustainable development target design, enterprises must first identify the priority areas for their sustainability goals. This can be achieved by conducting a comprehensive assessment of the current state in terms of environmental factors (e.g., carbon emissions, resource consumption), social aspects (e.g., employee welfare, community impact), and governance (e.g., transparency, compliance). By aligning these insights with the core business characteristics and industry trends, enterprises can pinpoint the sustainability areas most critical to their long-term development and stakeholders' primary concerns. Besides, a company's sustainability goals should align with international sustainability frameworks and standards, as well as the industrial benchmark, and the company needs to consider its unique strategic needs and aspirations in sustainability target setting. Moreover, the formulation of sustainability goals must incorporate the principle of "balance", ensuring harmony among stakeholders' interests, rationality between goal-setting and incentive mechanisms, alignment of financial and non-financial metrics, and equilibrium between long-term and short-term objectives.

5. Conclusion

In conclusion, sustainability targets and related executive compensations are emerging as a novel aspect of the corporate response to the low-carbon transition, ESG-driven pressure from institutional investors, regulatory requirements, and corporate social responsibility (CSR) commitment. Several high-polluting companies have already implemented sustainability targets and related incentives for their senior executives, and similar approaches are under active consideration by other companies. The sustainability targets and related incentives offer significant benefits to businesses that recognize the connection between their long-term value and sustainable performance, which enhances the alignment between corporate strategy and management objectives, ensures that social responsibility and sustainable development considerations are integrated into organizational decision-making, and emphasizes the importance of assessing the environmental and social impact of business decisions. Future research will continue emphasizing sustainable development goal-setting and related incentive mechanisms. With increasing corporate awareness of sustainability and the broader adoption of sustainable development practices, academia will gain access to a growing repository of real-world practical cases and data for analysis. Researchers can utilize firm-level microdata on sustainability goal-setting and incentives to undertake empirical studies, examining the drivers, impact mechanisms, and economic implications of corporate sustainable development goals.

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