



## Global Scientific and Academic Research Journal of Economics, Business and Management

ISSN: 2583-5645 (Online)

Frequency: Monthly

Published By GSAR Publishers

Journal Homepage Link- <https://gsarpublishers.com/journals-gsarjebm-home/>



### The Integration of UN Sustainable Development Goal 13 in Manufacturing Organizations: A Critical Literature Review

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#### Article History

Received: 15/01/2026

Accepted: 24/01/2026

Published: 27/01/2026

Vol –5 Issue – 1

PP: -38-45

#### Abstract

*This critical literature review examines the integration of United Nations Sustainable Development Goal 13 (SDG 13), climate action within manufacturing organizations, a sector pivotal to both global economic growth and environmental impact. Drawing on peer-reviewed studies from 2015 to 2024, the analysis explores how firms embed climate strategies into operational frameworks, the challenges and opportunities encountered during implementation, and the resulting effects on organizational performance. Findings indicate that manufacturing entities increasingly adopt advanced tools such as life cycle sustainability assessments, renewable energy systems, and data-driven governance mechanisms to align with climate objectives. While larger firms leverage innovation capacity and supply chain leverage, smaller organizations face persistent barriers related to cost, technology access, and regulatory uncertainty. Climate action is shown to enhance environmental outcomes and contribute to financial and reputational gains when supported by leadership commitment and stakeholder collaboration. However, gaps remain in understanding long-term impacts, small enterprise strategies, and interactions with other SDGs. The review highlights the dual nature of SDG 13 as both a compliance imperative and a driver of competitive resilience, offering practical implications for industry practitioners and policymakers aiming to accelerate sustainable transformation in manufacturing.*

**Index Terms-** About four key words or phrases in alphabetical order, separated by commas. **Keywords:** SDG 13, Climate action, Manufacturing organizations, Sustainable integration, Organizational performance

#### INTRODUCTION

The United Nations Sustainable Development Goals (SDGs), adopted in 2015, represent a universal call to action aimed at addressing pressing global challenges by 2030. Among these seventeen interconnected goals, SDG 13 urging urgent action to combat climate change and its impacts stands out as particularly critical for industries with high environmental footprints. Manufacturing, as a cornerstone of global economic activity, contributes significantly to greenhouse gas emissions, resource depletion, and waste generation. According to the International Energy Agency (2023), the industrial sector accounts for approximately 24% of global CO<sub>2</sub> emissions, with manufacturing processes forming the bulk of this share. This dual role both as a driver of economic growth and a major contributor to environmental degradation

positions manufacturing organizations at the heart of the climate action discourse. The integration of SDG 13 into operational frameworks is no longer optional but a strategic imperative that shapes long-term viability, regulatory compliance, and stakeholder expectations.

Historically, manufacturing has prioritized efficiency, cost reduction, and output maximization, often at the expense of ecological considerations. However, the post-2015 era has witnessed a paradigm shift. Regulatory pressures, investor demands, and consumer preferences increasingly compel firms to embed climate resilience into core business models. Studies indicate that companies proactively aligning with SDG 13 not only mitigate risks but also unlock competitive advantages through innovation and operational excellence (Bonfanti et al., 2023). For instance, the adoption of circular



economy principles reducing, reusing, and recycling materials directly supports climate goals while enhancing resource efficiency. Yet, the journey toward meaningful climate action remains fraught with complexities. Large multinational corporations may possess the capital and technological infrastructure to implement renewable energy systems or carbon capture technologies, but small and medium-sized enterprises (SMEs), which constitute over 90% of businesses worldwide (World Bank, 2022), often grapple with financial constraints and limited technical expertise.

The interplay between climate action and manufacturing performance extends beyond environmental metrics. Empirical evidence suggests a positive correlation between sustainable practices and financial outcomes. Firms investing in energy-efficient machinery or low-carbon supply chains frequently report reduced operational costs and improved market positioning (Amarasuriya et al., 2024). Moreover, climate action fosters stakeholder trust. Transparent reporting on emission reductions and sustainability targets strengthens relationships with investors, regulators, and communities, thereby enhancing corporate reputation and access to capital. Nevertheless, the literature reveals a nuanced picture: while some organizations experience immediate gains, others face short-term financial burdens due to high upfront costs of green technologies. This tension underscores the need for a critical examination of how SDG 13 is operationalized across diverse manufacturing contexts.

A growing body of scholarship explores the mechanisms through which manufacturing entities integrate climate action. Life cycle sustainability assessments (LCSA), for example, enable firms to evaluate environmental impacts across product lifespans, from raw material extraction to end-of-life disposal (Reddy et al., 2024). Similarly, the application of big data analytics facilitates real-time monitoring of energy consumption and emissions, supporting data-driven decision-making. Technological innovation emerges as a recurring theme; companies with robust R&D capabilities are better equipped to transition toward renewable energy sources and decarbonized processes (Kraetzig et al., 2024). However, integration is not merely technical it requires cultural and structural transformations. Leadership commitment, employee training, and cross-functional collaboration are essential to overcome inertia and align climate objectives with business strategy.

Despite these advancements, significant gaps persist in understanding the full spectrum of SDG 13's implications. Much of the existing research focuses on large firms in developed economies, leaving the experiences of SMEs in emerging markets underexplored. Furthermore, the long-term effects of climate initiatives beyond three to five-year horizons remain poorly documented. Quantitative studies often emphasize emission reductions or cost savings but neglect qualitative dimensions such as employee morale, supply chain resilience, or adaptive capacity in the face of climate-induced disruptions. Additionally, the synergistic or conflicting interactions between SDG 13 and other goals (e.g., SDG 8 on decent work and economic growth or SDG 12 on

responsible consumption and production) warrant deeper investigation. These lacunae highlight the necessity for a comprehensive review that synthesizes current knowledge while identifying pathways for future inquiry.

This critical literature review seeks to address these complexities by examining the multifaceted impact of SDG 13 on manufacturing organizations. It draws on peer-reviewed studies published between 2015 and 2024, sourced from reputable databases including ScienceDirect, Web of Science, and Scopus. The analysis prioritizes empirical research offering measurable insights into climate action implementation, outcomes, and barriers. By adopting a systematic approach, the review aims to distill actionable insights for practitioners and policymakers alike.

The review is guided by three central research questions. First, how do manufacturing organizations integrate SDG 13 into their operational frameworks? This question probes the strategies, tools, and processes employed to embed climate action from policy development to technological adoption. Second, what challenges and opportunities arise during implementation? Here, the focus shifts to barriers such as cost, regulation, and resistance, alongside enablers like innovation and stakeholder support. Third, how does the implementation of climate action affect organizational performance? This encompasses environmental, financial, and social dimensions, exploring whether sustainability translates into tangible benefits or trade-offs.

The primary objective is to synthesize findings from extant literature on the integration of SDG 13 in manufacturing, elucidating challenges, opportunities, and performance impacts. A secondary aim is to pinpoint knowledge gaps particularly regarding SMEs and long-term outcomes and propose practical recommendations to enhance climate action efficacy. Ultimately, this review contends that while SDG 13 presents formidable hurdles, its strategic adoption can catalyze sustainable transformation, fostering resilience and profitability in an increasingly carbon-constrained world..

## Methodology

This critical literature review adopts a systematic yet interpretive approach to synthesize evidence on the integration of United Nations Sustainable Development Goal 13 (SDG 13) within manufacturing organizations. The methodology is designed to ensure rigour, replicability, and depth, while allowing for critical engagement with diverse epistemological perspectives embedded in the source material. Peer-reviewed journal articles, conference proceedings, and book chapters published between January 2015 – when the SDGs were formally adopted – and December 2024 form the primary corpus. This ten-year window captures the evolution of scholarly discourse in direct response to the 2030 Agenda, avoiding conflation with pre-SDG sustainability frameworks that may lack explicit alignment with climate action targets.

## Search Strategy and Databases

A multi-stage search protocol was implemented across three high-impact academic databases: ScienceDirect, Web of

Science (Core Collection), and Scopus. These platforms were selected for their comprehensive coverage of engineering, environmental science, management, and interdisciplinary sustainability studies. Initial keyword strings combined SDG-specific terms with manufacturing and climate action descriptors:

**Primary string:** ("SDG 13" OR "Sustainable Development Goal 13" OR "climate action") AND (manufactur\* OR industry OR "industrial sector") AND (integration OR implementation OR adoption OR "operational framework")

**Secondary string (performance focus):** ("SDG 13" OR "climate action") AND (manufactur\*) AND ("organizational performance" OR "financial performance" OR "environmental performance" OR "carbon emission\*" OR "energy efficiency")

**Tertiary string (barriers/opportunities):** ("SDG 13" OR "climate action") AND (manufactur\*) AND (challenge\* OR barrier\* OR obstacle\* OR opportunit\* OR enabler\*)

Boolean operators, truncation, and phrase searching were used to maximize recall. To refine precision, filters excluded editorials, commentaries, and non-English publications. Reference lists of high-citation articles were snowballed to identify seminal works potentially missed in database searches.

### Inclusion and Exclusion Criteria

A two-tier inclusion framework was applied (Table 1). **Tier 1** required explicit mention of SDG 13 or direct proxies (e.g., "urgent action to combat climate change," Paris Agreement alignment, decarbonization targets). **Tier 2** demanded empirical grounding quantitative, qualitative, or mixed methods with clear methodological transparency. Studies relying solely on conceptual models or opinion-based assertions were excluded.

Criterion	Inclusion	Exclusion
Publication type	Peer-reviewed journals, conference papers, book chapters	Grey literature, theses, working papers
Time frame	2015–2024	Pre-2015 or post-2024
Language	English	Non-English
SDG alignment	Explicit reference to SDG 13 or equivalent climate action	General sustainability without climate specificity
Empirical basis	Quantitative, qualitative, or mixed-methods data	Purely theoretical or speculative
Sector focus	Manufacturing (discrete, process, or hybrid)	Service, agriculture, extractive industries

### Screening and Quality Appraisal

The search yielded 1,834 records after deduplication. Title and abstract screening eliminated 1,619 irrelevant entries. Full-text assessment of the remaining 215 articles resulted in 43 studies meeting all criteria. Quality was evaluated using an adapted version of the **Mixed Methods Appraisal Tool (MMAT)** (Hong et al., 2018), assigning scores across five domains: clarity of research question, data adequacy, methodological coherence, analytical rigour, and interpretive depth. Only studies scoring  $\geq 4/5$  were retained, ensuring robust evidentiary value.

### Analytical Framework

Synthesis proceeded in three phases:

- Thematic coding:** NVivo 14 facilitated inductive coding of integration mechanisms, implementation barriers, performance outcomes, and stakeholder dynamics.
- Critical synthesis:** Findings were triangulated across study designs (e.g., case studies vs. large-N surveys) to distinguish contextual from generalizable insights.
- Gap mapping:** A visual matrix plotted research density by firm size (SME vs. large), geographic region, and time horizon to expose under-researched domains.

This methodology balances systematicity with critical reflexivity, acknowledging that SDG 13 implementation is not a technocratic exercise but a socio-technical transition shaped by power, culture, and institutional context.

### Literature Analysis and Discussion

#### Organizational Integration of Climate Action

Manufacturing organizations have increasingly woven SDG 13 into the fabric of their operational strategies, moving beyond compliance-driven rhetoric toward systemic transformation. A recurring mechanism is the deployment of life cycle sustainability assessments (LCSA), which enable firms to quantify environmental burdens across product lifecycles from raw material extraction to end-of-life management. Reddy et al. (2024) demonstrate how LCSA, when coupled with big data analytics, enhances resource traceability and supports dynamic decision-making in real time. For instance, sensor-enabled production lines in automotive assembly plants now predict energy peaks and adjust machinery loads accordingly, reducing carbon intensity by up to 18 % in pilot implementations. This integration is not merely technical; it demands strategic alignment. Gazzola et al. (2024) analyzed 50 leading European manufacturers and found that firms embedding SDG 13 within enterprise resource planning (ERP) systems achieved 2.4 times higher goal attainment rates than those treating sustainability as a peripheral function. Leadership plays a pivotal role here executives who tie climate targets to key performance indicators (KPIs) foster cross-functional accountability, particularly in R&D units where innovation pipelines prioritize low-carbon materials.

Technological adoption emerges as a cornerstone of integration. Kraetzig et al. (2024) highlight that organizations with dedicated sustainability innovation labs are 40 % more likely to operationalize renewable energy transitions. Case studies from the electronics sector reveal hybrid microgrid systems combining solar photovoltaic arrays with battery storage, stabilizing energy costs while slashing Scope 2 emissions. Yet, integration extends into supply chain governance. Bonfanti et al. (2023) document how tier-1 suppliers are contractually bound to Science-Based Targets initiative (SBTi) commitments, creating cascading climate accountability. Smaller firms, however, often rely on industry consortia to access shared decarbonization platforms, illustrating a collaborative pathway to integration where individual capital constraints are mitigated through collective action. These findings collectively suggest that successful integration hinges on three interdependent pillars: technological infrastructure, strategic embedding, and ecosystem partnerships each reinforcing the others in a virtuous cycle of climate responsiveness.

### Quantitative Impact Assessment

Empirical studies provide robust quantitative evidence linking SDG 13-aligned practices to measurable environmental and economic outcomes, though effect sizes vary by context and implementation maturity. Liu et al. (2024) conducted a panel analysis of 27 EU countries from 2016–2022, revealing that a 1 % increase in green patent filings within manufacturing correlates with a 0.63 % reduction in production-based CO<sub>2</sub> emissions per unit of industrial value added. This relationship strengthens in nations with stringent carbon pricing, underscoring the amplifying role of policy. At the firm level, Amarasuriya et al. (2024) examined 312 publicly listed manufacturers and found that those achieving ISO 50001 certification for energy management systems reported a median 12.7 % improvement in energy intensity (MJ/\$ output) alongside a 7.3 % rise in return on assets (ROA) over three years. The causality appears bidirectional: operational efficiency drives cost savings, which are reinvested into further decarbonization.

Sector-specific metrics further illuminate impact pathways. In heavy industry, Suresh et al. (2024) quantified carbon footprint reductions from process electrification steel producers adopting electric arc furnaces reduced emissions by 1.8 tCO<sub>2</sub>e per tonne of crude steel compared to blast furnace baselines. Textile manufacturers, conversely, achieve gains through water recycling loops; closed-loop systems cut water-related emissions by 22 % while lowering treatment costs by €0.14 per cubic meter (Gazzola et al., 2024). Meta-analytic approaches reinforce these patterns. A synthesis by Judijanto et al. (2024) of 89 studies estimates that comprehensive SDG 13 implementation yields an average 9.4 % reduction in Scope 1 and 2 emissions within 24 months, with financial payback periods averaging 3.8 years for energy efficiency investments. However, heterogeneity is notable SMEs exhibit slower emission declines (4.1 % median) due to scale limitations, highlighting a performance gap that quantitative models must account for when projecting sector-wide transitions.

### Implementation Challenges and Strategic Responses

Despite evident benefits, SDG 13 integration confronts entrenched barriers that threaten to derail progress, particularly in resource-constrained settings. Kumar et al. (2023) identify financial capital scarcity as the predominant obstacle, with 68 % of surveyed SMEs citing upfront costs exceeding 15 % of annual turnover as prohibitive for renewable energy adoption. Technological lock-in compounds this legacy equipment designed for fossil fuel inputs resists retrofitting, creating stranded asset risks estimated at \$1.2 trillion globally by 2030 (IEA, 2023). Human dimensions are equally critical. Ramadhani et al. (2024) document workforce resistance in Industry 4.0 transitions, where fears of job displacement reduce adoption rates of digital twins for emission monitoring by up to 50 % in unionized plants.

Regulatory volatility adds another layer of complexity. Kraetzig et al. (2024) note that inconsistent carbon tax regimes across jurisdictions distort investment signals, delaying projects with IRR thresholds above 12 %. In developing economies, Gupta and Barua (2021) map internal barriers using interpretive structural modeling (ISM), revealing that managerial inertia drives a cascade of deficiencies in green skills training and R&D allocation. Strategic responses, however, are emerging. Policy integration aligning national SDG roadmaps with industrial subsidies has proven effective; China's Top Runner program accelerated energy-efficient motor adoption by 160 % in targeted sectors (Liu et al., 2024). At the firm level, modular innovation allows incremental upgrades e.g., LED lighting retrofits yielding 6–9 month paybacks building momentum for larger investments. Collaborative platforms such as the SME Climate Hub provide diagnostic tools and peer benchmarking, reducing perceived risk. Leadership commitment remains the linchpin: firms with C-suite sustainability officers overcome barriers 2.7 times faster than those without (Kumar et al., 2023). These responses illustrate that while challenges are systemic, targeted interventions can reframe constraints as catalysts for adaptive transformation.

### Organizational Performance and Climate Action

The nexus between climate action and organizational performance has matured into a central theme in sustainability scholarship, with mounting evidence that SDG 13 alignment can simultaneously advance environmental stewardship and economic resilience. Amarasuriya et al. (2024) provide compelling longitudinal data from 312 manufacturing firms listed on major stock exchanges, demonstrating that a one-standard-deviation improvement in carbon efficiency (kg CO<sub>2</sub>e per \$1,000 revenue) correlates with a 4.8 % increase in return on assets (ROA) and a 3.2 % rise in Tobin's Q over a five-year horizon. This financial premium stems from operational leverage: energy-efficient processes reduce variable costs, while waste minimization enhances material yield. For example, chemical manufacturers adopting continuous-flow reactors cut energy intensity by 28 % and boosted gross margins by 6.4 percentage points within two years (Suresh et al., 2024). Such gains are not confined to large enterprises; mid-sized precision engineering firms report

similar trajectories when scaling modular decarbonization technologies.

Beyond direct financial metrics, climate action strengthens intangible assets. Machingura et al. (2024) employ structural equation modeling across 180 lean-green manufacturing plants in Southern Africa, revealing that environmental performance mediates 62 % of the pathway from sustainability practices to social legitimacy and 41 % to market valuation. Firms disclosing Science-Based Targets (SBTi)-validated pathways experience a 15 % lower cost of capital, reflecting investor confidence in long-term viability (Minhas et al., 2024). Consumer-facing manufacturers further capitalize on green branding: Alcivar-Soria (2023) documents a 9.7 % sales uplift for eco-labeled durable goods, driven by millennial and Gen-Z purchasing preferences. However, performance dividends are contingent on execution quality. Poorly managed transitions marked by greenwashing or supply chain opacity erode trust and trigger boycotts, negating up to 40 % of projected gains (Inamdar et al., 2024). Thus, authenticity in climate governance emerges as a critical moderator of performance outcomes.

Risk mitigation constitutes another performance dimension. Proactive decarbonization insulates firms from carbon border adjustment mechanisms (CBAM) and volatile fossil fuel prices. European steel producers aligning with EU ETS Phase IV benchmarks reduced earnings volatility by 22 % compared to laggards (Liu et al., 2024). Moreover, climate-resilient operations enhance supply chain continuity; firms with diversified renewable energy portfolios maintained 18 % higher uptime during the 2022 energy crisis (Gazzola et al., 2024). These findings converge on a nuanced conclusion: while initial investments may depress short-term earnings, strategic climate action generates compounding returns across financial, reputational, and operational domains provided implementation is systematic and transparent.

### Stakeholder Engagement and Reporting

Effective stakeholder engagement transforms climate action from a compliance exercise into a collaborative value-creation process, with transparent reporting serving as the connective tissue. Velnampy (2024) introduces the CSR Engagement Map, a diagnostic framework applied to 42 Asian manufacturers, showing that structured dialogue with local communities increases project approval rates for renewable installations by 71 %. Trust, cultivated through regular town halls and digital dashboards, reduces opposition to facility expansions and accelerates permitting critical in jurisdictions where social license to operate is contested. Similarly, Ezech et al. (2024) examine energy transition projects in West Africa, finding that participatory design workshops lower conflict costs by \$0.8 million per gigawatt of installed capacity, while boosting employee retention by 14 % through shared ownership of sustainability goals.

Reporting mechanisms amplify these dynamics. The Task Force on Climate-related Financial Disclosures (TCFD) framework, now adopted by 68 % of Fortune 500 manufacturers, enables scenario-based risk disclosure that

aligns investor expectations with operational realities (Judijanto et al., 2024). Firms publishing integrated reports linking SDG 13 metrics to financial statements secure 12 % higher ESG fund inflows (Minhas et al., 2024). Digital platforms further democratize engagement: blockchain-verified carbon ledgers allow suppliers and customers to trace emission reductions in real time, fostering ecosystem-wide accountability (Reddy et al., 2024). Yet, engagement is not universally positive. Bala and Singh (2023) caution that excessive stakeholder pressure can induce short-termism, prompting symbolic rather than substantive action. Effective firms counter this through materiality assessments that prioritize high-impact stakeholders while maintaining strategic focus.

Employee engagement emerges as an underappreciated lever. Internal carbon pricing schemes, paired with incentive-aligned bonuses, increase participation in energy-saving suggestion programs by 250 % (Sari et al., 2024). Moreover, transparent reporting empowers frontline workers to identify inefficiencies shop-floor teams in Japanese automotive plants reduced idle energy waste by 1.2 GWh annually through data-driven kaizen events (Kraetzig et al., 2024). Collectively, these studies affirm that stakeholder engagement, when institutionalized through robust reporting and inclusive governance, not only de-risks climate initiatives but also unlocks innovation and loyalty across the value chain.

### Future Directions and Research Gaps

Despite substantial progress, critical blind spots persist in the SDG 13–manufacturing nexus, demanding targeted research agendas. First, longitudinal depth remains limited; fewer than 8 % of studies track outcomes beyond five years, obscuring the durability of performance gains amid technological obsolescence or policy shifts (Kraetzig et al., 2024). Second, SME-centric inquiry is strikingly absent only 11 of 43 reviewed papers focus on firms with <250 employees, despite SMEs comprising 70 % of manufacturing employment in emerging markets (World Bank, 2022). Third, inter-SDG synergies and trade-offs are underexplored; for instance, aggressive decarbonization may strain SDG 8 (decent work) if automation displaces low-skill labor, yet such tensions are rarely modeled (Ruhana et al., 2024).

Methodological gaps further constrain generalizability. Cross-national comparative designs are scarce, limiting insights into how institutional contexts e.g., China's state-led industrial policy versus EU's market-based mechanisms shape implementation pathways (Liu et al., 2024). Additionally, qualitative dimensions of resilience, such as adaptive capacity during climate-induced disruptions, are overshadowed by quantitative emission metrics. Future scholarship should prioritize mixed-methods panel studies, real-time data from IoT-enabled factories, and participatory action research with SME clusters. Theoretical advancement is equally pressing: integrating institutional theory with socio-technical transitions frameworks could elucidate how power dynamics influence climate governance at the plant level.

Emerging technologies warrant scrutiny. The convergence of

AI, digital twins, and blockchain promises predictive decarbonization, yet ethical implications data privacy, algorithmic bias, job displacement remain unaddressed (Reddy et al., 2024). Finally, the Global South perspective is underrepresented; only 14 % of studies originate from Africa, Latin America, or South Asia, despite these regions hosting 60 % of manufacturing growth (UNIDO, 2023). Addressing these gaps will require interdisciplinary collaboration, open-access data repositories, and funding mechanisms prioritizing applied research in resource-constrained settings

## Findings

This critical review synthesizes evidence from 43 peer-reviewed studies (2015–2024) to reveal a coherent yet multifaceted picture of SDG 13 integration in manufacturing organizations. The analysis confirms that climate action is no longer peripheral but increasingly embedded in core operational, strategic, and governance systems driven by a convergence of regulatory mandates, market signals, and technological feasibility. Manufacturing firms operationalize SDG 13 through a constellation of interdependent practices: life cycle sustainability assessments (LCSA) and big data analytics provide the diagnostic backbone for emission hotspot identification; renewable energy microgrids, process electrification, and circular material flows constitute the primary abatement levers; and Science-Based Targets (SBTi), internal carbon pricing, and supplier sustainability clauses institutionalize accountability across value chains. Larger firms with dedicated R&D budgets and digital infrastructure achieve integration at scale, whereas SMEs leverage industry consortia and modular retrofits to bridge capability gaps. Collectively, these mechanisms have enabled median reductions of 9.4 % in Scope 1 and 2 emissions within 24 months of adoption, with energy intensity improvements ranging from 12–28 % across sub-sectors (Judijanto et al., 2024; Amarasuriya et al., 2024).

Quantitative performance linkages are robust and bidirectional. Firms attaining ISO 50001 certification or equivalent energy management standards register 7.3 % higher ROA and 12.7 % lower energy intensity over three years, with payback periods averaging 3.8 years for efficiency investments (Amarasuriya et al., 2024). Environmental performance mediates 41–62 % of the pathway to financial and social outcomes, underscoring operational efficiency as the fulcrum of value creation (Machingura et al., 2024). Risk-adjusted returns are further enhanced through 15 % lower cost of capital for TCFD-compliant disclosers and 22 % reduced earnings volatility under carbon pricing regimes (Minhas et al., 2024; Liu et al., 2024). Consumer markets reward authenticity: eco-labeled products command 9.7 % price premiums, while greenwashing erodes up to 40 % of projected gains (Alcivar-Soria, 2023; Inamdar et al., 2024). These metrics converge on a central insight strategic climate action generates compounding returns only when implementation is systematic, transparent, and aligned with core business logic.

Implementation remains constrained by a triad of barriers: financial (upfront costs >15 % of SME turnover),

technological (legacy asset lock-in), and human (workforce resistance and skill deficits). Regulatory volatility and inconsistent carbon pricing amplify uncertainty, delaying projects with IRR thresholds above 12 % (Kumar et al., 2023; Kraetzig et al., 2024). Strategic responses mitigate these frictions: policy subsidies accelerate adoption by 160 % in targeted sectors; modular innovation delivers sub-12-month paybacks; and C-suite sustainability officers shorten barrier traversal by 2.7 times (Liu et al., 2024; Kumar et al., 2023). Stakeholder engagement emerges as a force multiplier structured dialogue via CSR Engagement Maps raises renewable project approvals by 71 %, while blockchain-verified carbon ledgers enable real-time ecosystem accountability (Velnampy, 2024; Reddy et al., 2024). Employee incentive schemes tied to internal carbon prices boost energy-saving suggestions by 250 %, transforming shop-floor culture (Sari et al., 2024).

Despite progress, structural asymmetries persist. SMEs lag larger peers by 5.3 percentage points in emission reduction velocity due to capital and expertise constraints, while only 14 % of studies originate from the Global South home to 60 % of manufacturing growth (UNIDO, 2023). Long-term impacts beyond five years are documented in fewer than 8 % of cases, leaving resilience under climate tipping points untested (Kraetzig et al., 2024). Inter-SDG dynamics particularly tensions between decarbonization and decent work (SDG 8) remain largely unmapped.

Overall, SDG 13 integration in manufacturing is technically viable, financially rewarding, and socially legitimizing when orchestrated with leadership commitment, digital infrastructure, and inclusive governance. Yet its full potential hinges on closing the SME capability gap, stabilizing policy frameworks, and expanding research horizons to capture long-term, contextual, and synergistic outcomes. Climate action, far from a cost center, emerges as a strategic imperative for resilience and competitive differentiation in a carbon-constrained economy..

## Conclusion

This critical review establishes that SDG 13 integration in manufacturing organizations is both a strategic necessity and a viable pathway to enhanced performance. Main findings reveal that firms embedding climate action through LCSA, renewable microgrids, process electrification, and SBTi-aligned governance achieve median 9.4 % emission reductions within 24 months, alongside 7.3 % higher ROA, 12.7 % lower energy intensity, and 15 % reduced cost of capital (Amarasuriya et al., 2024; Judijanto et al., 2024; Minhas et al., 2024). These gains are mediated by operational efficiency and reinforced by transparent stakeholder engagement structured dialogue accelerates project approvals by 71 %, while internal carbon pricing catalyzes 250 % more energy-saving innovations (Velnampy, 2024; Sari et al., 2024). However, SMEs trail larger firms by 5.3 percentage points in decarbonization pace due to financial and technical constraints, and regulatory volatility delays high-IRR investments (Kumar et al., 2023). Limitations include the

review's reliance on studies up to 2024, potentially missing 2025 developments; the underrepresentation of Global South contexts (only 14 % of sources); and the scarcity of longitudinal data beyond five years, which obscures resilience under climate tipping points. The focus on peer-reviewed empirical work excludes practitioner reports that may capture real-time SME adaptations. Implications are threefold. For practice, manufacturing leaders must institutionalize climate metrics within ERP systems, appoint sustainability officers, and leverage modular retrofits to democratize access for SMEs. For policy, stable carbon pricing and subsidy alignment with SDG roadmaps are critical to de-risk transitions. For research, future agendas should prioritize mixed-methods panel studies in emerging markets, inter-SDG trade-off modeling, and real-time IoT data to track long-term adaptive capacity. Ultimately, SDG 13 is not a compliance burden but a resilience multiplier its strategic pursuit can secure manufacturing's social license and economic relevance in a decarbonizing world.

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