

Storytelling Series — Transition in Action Through a Banker's Lens

An SME Textile Sustainability Journey

A case study of a Dyeing Facility in Penang: How operational efficiency became the bridge to ESG compliance.



By :



THE STARTING POINT: STATUS RED

They supplied dyed fabrics to garment factories and local designers.



Operational Leaks

- Extremely high water consumption
- Frequent and costly dye wastage
- Inefficient legacy machinery

Business Friction

- No effluent quality tracking
- Rising customer complaints (Color mismatch)
- Issues seen as "normal" factory overhead

To them, these weren't "sustainability issues" ...just part of running a textile factory.

| THE RM : A Bridge to Sustainability

A Curious Conversation

During a renewal visit, the Relationship Manager (RM) didn't talk about ESG scores. Instead, he *observed* the high rework rates on the factory floor.

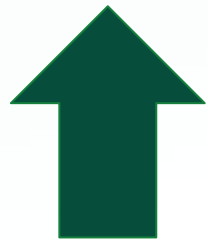
The owner admitted: "Machines are old, water bills are rising, dye wastage is high..."

.....but **what to do?**



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"If you could fix one issue first — water, dye, or consistency — which would save you the most cost?"



That one question opened everything up.

The realization: Sustainability isn't a cost center; it's a profitability driver.

| WHAT LOOKED LIKE PROBLEMSBecame a Pathway...

The owner shared honestly:

- ① Newer dyeing machines use **40–50% less water**
- ② Better dosing systems reduce dye wastage
- ③ Colour consistency is key to securing larger buyers

He wanted to upgrade — but ***didn't know where to start.....***

RM CONNECTING THE DOTS



Efficiency

Less water use directly translates
to lower utility costs.

Less dye wastage = higher margins



Margin

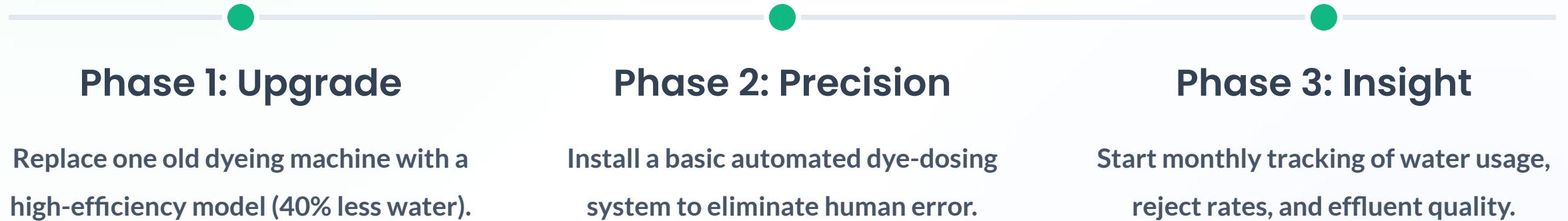
Precision dosing reduces chemical
waste and saves raw materials.



Growth

Consistent color quality secures
high-volume premium buyers.

A PRACTICAL TRANSITION ROADMAP



Phase 1: Upgrade

Replace one old dyeing machine with a high-efficiency model (40% less water).

Phase 2: Precision

Install a basic automated dye-dosing system to eliminate human error.

Phase 3: Insight

Start monthly tracking of water usage, reject rates, and effluent quality.

CREDIT ASSESSMENT & CLASSIFICATION

LENS	ASSESSMENT	TRANSITION STATUS
CCPT Status	High water usage, no tracking, wasteful legacy processes.	RED
Transition Potential	Achievable upgrades, measurable ROI, strong buyer demand.	AMBER
VBIAF Perspective	Reinvestment into production efficiency and local supply chain.	PROSPERITY + PLANET

OPERATIONAL & FINANCIAL RESULTS

Nine Months Later: Tangible Impact

Water Consumption

-30%

Dye Wastage

-25%

Production Yield

+15%

Customer Orders

+40%

| THE "AMBER" BREAKTHROUGH

30%
Less Water Used

Beyond the Numbers

- **Market Resilience:** Secured a major garment buyer previously out of reach.
- **Staff Morale:** Production staff experienced fewer reworks and cleaner processes.
- **ESG Positioning:** Now ready for official green certification audits.

BANKER'S REFLECTION

Efficiency is the gateway.

Textile SMEs often fear sustainability as a "cost of compliance." By focusing on operational pain points, we turned an ESG risk into a competitive advantage.

The transition from Red to Amber doesn't require complex jargon—it requires *one simple question about what matters most to the business owner.*



Any Questions?

Thank you for exploring this SME sustainability journey. Let's discuss how we can drive more Red to Amber transitions.

Efficiency | Quality | Operational Resilience



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