



While the metal stamping industry is a cornerstone of manufacturing, it also has environmental impacts as it is one of the main contributors to greenhouse gas (GHG) emissions. As the world grapples with the urgent need for sustainable practices, the metal stamping industry is not exempt from scrutiny.

Rather than looking at the environmental, social and governance (ESG) principles as a challenge, Jotech Metal Fabrication Industries Sdn Bhd has embraced ESG and adopted sustainability in its operations.

The founders of Jotech kick-started their ESG journey through social give-back practices in their business. This evolved into embedding ESG principles into the business, emphasising on how the company's products can be environmentally friendly.

Jotech then focused on developing solar-related products using its expertise in metal fabrication. The company aims to have its existing and pipeline of products be energy-efficient.

Jotech is a locally established metal supplier and manufacturer based in Johor Bahru. The company serves the entire Malaysian market in the field of metal stamping, focusing on heavy-duty metal stamping, precision laser cutting, automated and robotic metal stamping, and quality assurance customised for the production of goods across key sectors including medical, solar, electrical and electronic (E&E) enterprises, as well as industrial and precision-cut products.

"Jotech adopted sustainability practices and operations in these main areas. First, we have been certified with ISO 14001 environmental control management for over 10 years. ISO 14001 is a certification for the environmental management system, which is part of Jotech's early adoption of ESG, aiming to minimise waste impact on the environment," says Jotech



Jotech founders Anna Liew Cheng York (third from right) and Alan Lim Siok Hui (third from left) with Jotech director Leong Lup Yan (second from left)

director Leong Lup Yan.

ISO 14001 represents the leading global framework specifying the criteria for an environmental management system. It assists entities in enhancing their environmental performance by optimising resource utilisation and minimising waste, ultimately resulting in a competitive edge and earning the confidence of their stakeholders. Jotech specifically minimises waste through recycling practices and practising energy efficiency.

"Next, since 2019, Jotech has focused on solar-related businesses by reinvesting its resources to expand production capacity and enhance production capabilities to get into the solar energy sector," says Leong.

The transition towards sustainability goes beyond years. The company recently also started producing renewable energy solutions such as solar heaters. Currently, the solar heater business is contributing about 20% to its revenue and is expected to grow beyond its existing metal stamping business in 2024. "The solar heaters can achieve an industry-leading thermal conversion rate efficiency of around 80%," he says.

The company also aims to develop solar and other environmentally friendly products that will serve as its main products and business over the next five years.

Leong observes that Jotech needs to play a role in transforming business strategies and since the metal industry is one of the significant contributors to

global carbon emissions, the company wants to transition to lower and more sustainable operations.

"Jotech has been transitioning since 2019, from adopting green environmental management initiatives to providing social needs for the communities. We are also mindful of our operational carbon emissions and their impact as we can see what happens when companies are not vigilant about the environment — natural disasters have become rampant around the world," he says.

"I believe the adoption of green initiatives is important. But the main challenge would be the investment in capital for green or sustainable transition," Leong adds.

To facilitate operational transformation, funding is essential. While the company was on the fence regarding whether or not to transition, RHB Bank stepped in to provide Jotech with financial advisory services and support.

"In this respect, I must thank RHB for giving us invaluable advice on our financial needs and supporting us financially via the term loan as well as the business loan for us to embark on this solar energy system and business expansion into the green industry," he says.

Furthermore, the RHB team initiated discussions with Jotech regarding its sustainable products and services. This stemmed from RHB's provision of extended business loans and fixed-rate term loans for capital expenditure

(capex) with Jotech previously. When the company embarked on its journey into solar-powered systems, RHB became the ideal partner to obtain the necessary financing and guidance.

"RHB helped us understand that as a manufacturer, we play an important role in manufacturing solar-related or green products to help the low carbon and sustainable transition in Malaysia and globally, especially since Jotech is also exporting to foreign countries," he says.

RHB continues to accelerate the adoption of sustainable practices among small and medium enterprises (SMEs) by introducing RHB SME Sustainable Financing. Through this, the bank targets to extend a total of RM1.5 billion in sustainable financing to businesses, particularly SMEs by 2024.

RHB SME Sustainable Financing forms part of the bank's existing Sustainable Financing Programme (SFP), which focuses on green product offerings comprising five financing schemes.

The available financing facilities allow access to working capital of up to RM10 million with a repayment period of up to 10 years at preferential rates. This includes SME Green Renewable Energy Financing, SME Green Construction Financing, SME Green Commercial Property Financing, SME Green Working Capital Financing and SME Green Capex Financing facilities.

With the advent of SME Green Renewable Energy Financing, Jotech was able to tap into the Low Carbon Transition Facility (LCTF) funds. RHB's LCTF funds are designed to encourage and help SMEs accelerate their transition to low-carbon operations by adopting sustainability practices for business resilience.

This includes financing for renewable energy, construction, management and maintenance of green buildings, the manufacturing of biodegradable and eco-friendly products from recycled materials, as well as improved efficiency to reduce waste. RHB SME Sustainable Financing enables SMEs to tap into the

LCTF initiative, which was mooted by Bank Negara Malaysia.

Additionally, the bank is intensifying its efforts to support SMEs in adopting sustainable practices through knowledge sharing, advisory and innovative products and services. It is part of the financial institution's five-year Sustainability Strategy and Roadmap.

The bank is on track to achieving its 2026 aspirations under its Sustainability Strategy and Roadmap, with a cumulative achievement of nearly RM17 billion as of June 2023 in Sustainable Financial Services, equivalent to 85% of its 2026 target of RM20 billion.

RHB SME Sustainable Financing has four pillars, namely green building, green products, green energy and green process. These pillars showcase RHB's commitment to ensuring sustainable progress is possible for all businesses.

RHB is also committed to promoting sustainability and consistently encourages its clients to incorporate the best ESG practices into their business activities and operations.

The bank's dedication to guiding its clients along their ESG journey extends beyond offering sustainable and green financing products. Serving as a trusted partner and finance provider, the Bank facilitates businesses in navigating the path of sustainability, enabling seamless transitions and holistic adoption by tailoring packages that meet the companies' needs.