

4. ESG IN PRACTICE: CASE STUDIES FROM THE MANUFACTURING SECTOR

Having explored the principles, strategies, and enablers of ESG integration, it is important to see how these concepts come to life in real business settings. The following case studies showcase how manufacturers are applying ESG in practical, impactful ways—across different industries, business models, and stages of maturity. These examples highlight the diverse approaches companies are taking to embed sustainability into their operations, and the tangible benefits they are achieving in the process.

In addition, the case studies classify each company according to its ESG archetypes, providing insights into how their strategic priorities and operational capabilities shape their approach to ESG transformation. The four Malaysian manufacturers presented below illustrate these distinctions.



A manufacturer specializing in spices, herbs, and seasoning products for both retail and industrial markets.



A producer of advanced, low-VOC nanotechnology-based coatings under the IGL Coatings brand.



A printing and packaging company offering a wide range of sustainable paper-based packaging solutions.



A provider of modern office furniture solutions with a strong focus on green manufacturing practices.

CASE STUDY 1: HEXA FOOD SDN. BHD.

FROM FARM TO FUTURE: ESG LEADERSHIP THROUGH SMART SUPPLY CHAINS



Green Material Innovators	Clean Energy & Efficiency Champions	Circular Economy Innovators	ESG Tech & Data Enablers
Ethical Supply Chain Stewards	Lean / Operational Excellence Leaders	Responsible Design Champions	Responsible Employer & Community Builders

ESG JOURNEY





Hexa Food Sdn. Bhd. is a home-grown food manufacturing company based in Shah Alam, Malaysia. Established in 1997, the company produces over a hundred different types of products, including herbs, spices, seasonings, marinades, and ready-to-cook premixes.




Hexa Food’s products hold HALAL, Hazard Analysis and Critical Control Point (HACCP), and ISO 22000 certifications. It serves various market segments, including consumers, food services, food manufacturers, supplying retail chains and multinational clients across Southeast Asia and the Gulf region.



The company was founded by Gary Gan, who transformed a struggling family venture. By 2007, Gan had started Hexa Food from scratch, driven by a simple “survival mindset” that was fundamental to his approach to operational discipline.



What differentiates Hexa Food is how sustainability has been woven into its core operations, not as a checklist, but as a core strategy for continuity and competitiveness.



For an agri-food manufacturer operating in Malaysia, Hexa Food’s ESG materiality is defined by the resilience of its supply chain, food safety, and the stability of its partner ecosystem.



ENVIRONMENTAL

Material risks include waste minimisation, particularly product spoilage and error margins in production. A long-term material issue is reducing the carbon footprint and increasing supply chain resilience by reducing reliance on imported ingredients from South America, India, China, and Turkey.



SOCIAL

The company identifies financial empowerment of its staff and suppliers, particularly local farmers and SMEs, as highly material. This focus is linked to strengthening the value chain, especially in a community context facing socio-economic challenges. Maintaining high standards for product safety and quality is also essential to uphold consumer trust, which is a critical concern in the food industry.



GOVERNANCE

Materiality includes transparent traceability across the production chain and upholding stringent standards to meet the compliance demands of major international retailers.

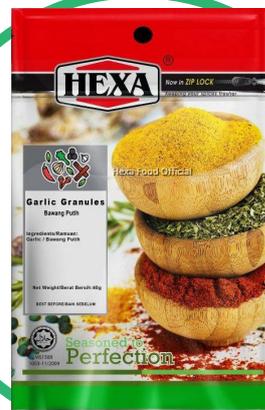
Hexa Food systematically integrates sustainability across its operations, moving from a pragmatic focus on operational discipline to long-term strategic transformation.

Environmentally, integration focuses on minimising waste and enhancing supply chain resilience. The company was an early adopter of sustainable packaging in Malaysia, introducing resealable packaging for its herbs and spices in 2011.

For long-term environmental sustainability and to reduce its carbon footprint, Hexa Food is actively pursuing the localisation of sourcing for high-value specialty crops through contract farming, aiming to replace imported ingredients from countries such as China, India, and South America. Operational efficiency is further enhanced by Hexa-IoT systems that monitor shelf life and production cycles to reduce errors and product waste.

Socially, Hexa Food prioritises the financial empowerment and stability of its stakeholders. It offers internal zero-interest loan schemes to employees for purchasing property, education, or emergencies, which supports long-term staff retention. The company also ensures the financial viability of its smallholder farmers by paying local suppliers ahead of schedule and is exploring risk-sharing models, such as offering monthly payments to help farmers absorb agricultural risks. The core commitment to consumer safety is reflected by holding HALAL, HACCP, and ISO 22000 certifications for all its products.

Minimised Waste for consumers



Reduced Spoilage

Extended Product Freshness



Governance is strengthened through transparency, technology, and strategic compliance. Hexa Food established the spin-off Hexa-IoT to develop affordable, traceability-driven systems that monitor raw material flow and automate inventory control. This traceability software can link each batch of ingredients down to the specific farm and field method. Crucially, the company views meeting the stringent ESG audits demanded by major retailers, which cover environmental impact, wages, and safety standards, as a business opportunity that drives high standards and positions the company for growth, both in scale and exports.

CHALLENGES

Hexa Food faces challenges typical of companies transitioning into emerging agri-food markets:



SCALING SUSTAINABLE FARMING

Implementing contract farming requires significant patience, capital, and partnerships. The company must evolve farming models to ensure long-term stability, such as exploring monthly payments to farmers instead of solely paying per harvest, to help share the inherent agricultural risks.



OPERATIONAL TRANSITION

While Hexa Food prioritises local sourcing to reduce imports, scaling up local production for specialty crops while ensuring quality and competitive economics remains a continuing focus.



CULTURAL SHIFT AND LITERACY

Embedding ESG principles requires sustained change management across diverse teams and suppliers with varying levels of ESG literacy.

KEY LEARNINGS

Hexa Food's journey provides key takeaways for businesses in emerging markets, particularly within the agri-food sector:



Pragmatic sustainability

ESG must be “rooted in a company’s core purpose” and applied practically within the business’s means; the business must be sustainable financially before pushing environmental or social goals.



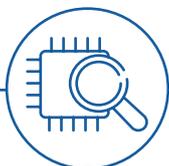
Compliance as competitive advantage

Viewing stringent regulatory requirements (like ESG audits for large retailers) as opportunities for scale and performance improvement rather than administrative hurdles is crucial for long-term competitiveness.



Ecosystem-level engagement

Meaningful ESG impact requires collaborating across the value chain. Hexa Food demonstrates this through deep engagement with smallholder farmers, offering financial support and risk-sharing models.



Technology as an enabler

Investing in affordable, dedicated traceability technology (Hexa-IoT) allows a medium-sized company to achieve high standards of transparency and control, strengthening resilience against risks like food waste.