PT Garuda Indonesia (Persero) Tbk.
Business and Work Ethics
LEMBAR PENGESAHAN
PEDOMAN ETIKA BISNIS DAN ETIKA KERJA


Pedoman Etika Bisnis dan Etika Kerja berisi hal-hal yang harus ditampilkan dan tidak boleh ditampilkan oleh seluruh Insan Garuda Indonesia serta merupakan acuan bagi seluruh Insan Garuda Indonesia dalam beraktivitas di berbagai fungsi Perusahaan dan dalam berhubungan dengan stakeholder Perseroan.

DEWAN KOMISARIS

JUSMAN SYAFII DJAMAL
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Komisaris Independen

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Direktur SDM & Umum

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NINYA SULISTYOWATI
Direktur Marketing dan Teknologi Informasi

SIGIT MUHARTONO
Direktur Kargo

PUJI NUR HANDAYANI
Direktur Produksi
“Overview of policies and directives on the ethics that guide working relations among us, and business relations with our Stakeholders.”
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MESSAGE FROM THE BOARD OF COMMISSIONER

The aim of Good Corporate Governance (GCG) is to help the Company achieve an outstanding corporate performance company in moral and ethical manner, and in unswerving compliance with the prevailing statutory provisions and regulations.

We should have no doubt that a company that adheres to high moral and ethical standards over the long run will be able to earn the trust of its stakeholders, and that this will result a significant improvement in the performance of the company. Hence, as part of Garuda Indonesia strategy for the upcoming years, the introduction of Garuda Indonesia Business and Work Ethics marks a very significant step forward.

This manual of business and work ethics governs both appropriate and inappropriate behavior by all Garuda Indonesia personnel in their interaction with all Stakeholders, including our customers, employees, suppliers, agents, shareholders and other stakeholders.

In its management supervisory capacity, the Board of Commissioners warmly welcomes the publication of manual of Business and Work Ethics as we believe it will help prevent fraudulent conduct that is detrimental to the Company and its corporate image and reputation, and help avoid conflicts of interest in the management of the Company.

Each and every one of us as a staff member of Garuda Indonesia plays an important role in upholding the ethics within Garuda Indonesia by consistently complying with the prescribed ethics and by reporting any violations through the Company’s Whistle blowing System (WBS). Garuda Indonesia provides protection for whistleblowers and guarantees their anonymity.

With the publication of this manual together with the WBS as a management tool to control ethical violations and the support and active participation of all Garuda Indonesia personnel in reporting violations, we believe that every member of Garuda Indonesia will be able to develop the desired ethical mindset and behavior over the long run.

Therefore we should be working together to do our best to uphold the Business and Work Ethics within the Company. The Board of Commissioners of Garuda Indonesia is fully committed to the long journey ahead of us that we believe will lead to the creation of an ethical, respected, law-abiding and high-performing Garuda Indonesia, as expected by all our Stakeholders.

PT GARUDA INDONESIA (PERSERO) Tbk.
BOARD OF COMMISSIONER
MESSAGE FROM THE BOARD OF DIRECTOR

Our mission at Garuda Indonesia is to provide services as professionals. We must understand that being a professional means the ability to demonstrate top-class capabilities, dedication, and a high level of moral and ethical awareness.

Garuda Indonesia already has a set of core values known as ‘SINCERITY’, and the internalization of those values has been and will continue to be undertaken consistently at all levels of the organization. These corporate core values have been further defined into appropriate and inappropriate behaviors for personnel of Garuda Indonesia in their interactions with customers, employees, shareholders, business partners, creditors, the public and all other stakeholders. These appropriate and inappropriate behaviors for Garuda Indonesia personnel have been compiled in this manual of business and work ethics.

The rationale behind the preparation of the manual is that the Company wishes to avoid breaches of the law, abuses of power, and conflicts of interest that could be detrimental both to the perpetrators and the Company. To that end, the Company has identified certain behaviors that, if conducted in a conscious manner and repeated over time, may eventually lead to breaches of the law, abuses of power or conflicts of interest.

Together, let us purposively and diligently uphold Business and Work Ethics in our business and work. Let us refer to this manual of business and work ethics to guide our decisions and actions throughout our journey so as to achieve the Company’s vision. Let us all work together to build Garuda Indonesia into a company that is known as a high-performing and law abiding organization that adheres to the highest moral and ethical standards.

PT GARUDA INDONESIA (PERSERO) Tbk.
BOARD OF DIRECTOR
INTRODUCTION

This manual of the Company’s business and work ethics sets out a series of commitments that consist of Garuda Indonesia’s business ethics and the work ethics governing the ways we do business with the stakeholders and carry out our professional relationships.

Business Ethics and Work Ethics apply to all elements of the Company acting on behalf of Garuda Indonesia, its subsidiaries and affiliates under common control, shareholders (investors) as well as all stakeholders or partners who do business transaction with Garuda Indonesia.

Garuda Indonesia constantly promotes compliance towards Business Ethics and Work Ethics and is committed to its implementation, as well as requires all Management Personnel from all levels within the Company to be responsible for ensuring that the Company’s Business Ethics and Work Ethics is complied with and effectively carried out by all of Garuda Indonesia’s personnel. Ultimately, all of Garuda Indonesia’s personnel are required to sign a personal commitment to the Company’s Business Ethics and Work Ethics.

The Company’s Business Ethics and Work Ethics is adjusted according to developments regarding legal, social, norms, regulations, and Garuda Indonesia’s business developments. An internalization and dissemination program should be implemented within Garuda Indonesia so that all elements can comprehend as well as effectively support the effective implementation of the Company’s Business Ethics and Work Ethics.

All parties are expected to provide their input towards the development of the Company’s Business Ethics and Work Ethics so as to ensure that they are always in line and in synergy with the values that exist within Garuda Indonesia. The successful implementation of the Company’s Business Ethics and Work Ethics is highly dependent on the spirit, communication and commitment of all elements to jointly apply these throughout their daily activities.

1.1. Business and Work Ethics Principles

This Manual of Garuda Indonesia Business and Work Ethics provides the details of the dos and don’ts that should be observed by Garuda Indonesia personnel as the manifestation of GCG principles, namely:
Transparency

Garuda Indonesia guarantees that it shall at all times disclose all material and relevant information on its performance, financial condition and other informations in sufficient details and clarity, in timely manner by means that are accessible to the stakeholders according to their respective rights. However the principle shall not be construed as to diminish the obligation to protect Garuda Indonesia and customers’ confidential information pursuant to the prevailing laws and regulations.

Accountability

Garuda Indonesia guarantees that each of its organs (General Meeting of Shareholders, Board of Commissioners and Board of Directors) has clear function and performs its responsibilities in accordance with its function for effective management of the Company. Accountability refers to the responsibility of an individual or organ of the Company for the work performed and authorities exercised by him or her or the organ.

Responsibility

Garuda Indonesia guarantees that the Company will be managed in strict compliance with the prevailing laws and regulations and the principles of good corporate governance, and fulfill its obligations to the government in accordance with the prevailing laws and regulations, actively work for mutual benefits and do its best to give real contributions to the public.

Independence

Garuda Indonesia guarantees that it shall at all times manage itself professionally without conflict of interest and shall not submit itself to any influence/pressure from any party that is against the prevailing laws and regulations and the principles of good corporate governance.

Fairness and Equality

Garuda Indonesia guarantees the fairness and equality in the fulfillment of the stakeholders’ rights under any agreement and the prevailing laws and regulations.
I.2. Responsibilities towards Compliance

The Work Ethics and Business Ethics describes Work Ethics and Business Ethics standards that is generally applied within the confines of Garuda Indonesia, which serves as a moral value system used to determine things good and bad, things that are praiseworthy and are reprehensible, and the things that are not valued and appreciated.

Garuda Indonesia takes pride in its honesty, integrity and equality in the conduct of its business and, therefore, prohibits every member of its personnel including their family members in one degree, vertically up or down, or horizontal, and any other parties related to Garuda Indonesia from doing anything illegal, unethical, immoral, or detrimental to the integrity of the Company as a provider of scheduled and non-scheduled commercial airlines.

I.2.1. Responsibilities of Garuda Indonesia Personnel

I.2.1.1. Studying in detail the Company’s Business Ethics and Work Ethics that relates to their scope of work. Every Garuda Indonesia personnel must understand the ethical standards that are incorporated in the Company’s Business Ethics and Work Ethics;

I.2.1.2. Contacting the direct superior or the Corporate Secretary Unit or the Human Capital Management Unit or Internal Audit Unit or parties that are established by the Board of Directors, in the event a Garuda Indonesia personnel has an inquiry regarding the implementation of the Company’s Business Ethics and Work Ethics;

I.2.1.3. Immediately discuss with parties duly established by the Board of Directors regarding every problem discovered pertaining to violations of the Company’s Business Ethics and Work Ethics;

I.2.1.4. Understanding the procedures used to notify or report possible violations of the Company’s Business Ethics and Work Ethics;

I.2.1.5. Willing to cooperate in the investigation of possible violations of the Company’s Business Ethics and Work Ethics.

I.2.2. Responsibilities of Garuda Indonesia Management

I.2.2.1. Build and maintain a corporate culture that comply with the Company’s Business Ethics and Work Ethics by:

(a) Personally encourage subordinate’s compliance to the Company’s Business Ethics and Work Ethics;

(b) Properly supervise programs that encourage compliance by Garuda Indonesia personnel’s towards the application of the Company’s Business Ethics and Work Ethics;
(c) Provide practical examples in terms of behavior and action on a daily basis.

I.2.2.2. Ensure that Garuda Indonesia’s Personnel understands that complying with the Company’s Business Ethics and Work Ethics is as important as accomplishing the work itself;

I.2.2.3. Encourage Garuda Indonesia’s personnel to inquire about issues pertaining to integrity and business ethics;

I.2.2.4. Consider issues pertaining to compliance with the Company’s Business Ethics and Work Ethics in terms of evaluating and extending awards to Garuda Indonesia’s personnel;

I.2.2.5. Prevent any possible violation of the Company’s Business Ethics and Work Ethics through the following actions:

(a) Ensure the systematic and early identification of the risk of possible violations of the Company’s Business Ethics and Work Ethics that are related to the business process;

(b) Identify and report based on established procedures any activities of the subsidiaries, affiliates as well as business partners that may violate the Company’s Business Ethics and Work Ethics;

(c) Ensure the implementation of training and education concerning the Company’s Business Ethics and Work Ethics for all of Garuda Indonesia’s personnel, subsidiary, affiliates, and provide outreach to business partners to ensure that they have a comprehensive understanding and awareness of the Company’s Business Ethics and Work Ethics.

I.2.2.6. Identify possible violations of the Company’s Business Ethics and Work Ethics by:

(a) Implement embedded controls to minimize risks of possible violations of the Company’s Business Ethics and Work Ethics;

(b) Create an appropriate reporting system of possible violations of the Company’s Business Ethics and Work Ethics in order to protect the confidentiality of the Garuda Indonesia’s personnel as a whistle blower;

(c) Ensure that an evaluation of the Company’s Business Ethics and Work Ethics is conducted regularly by the Internal Audit Unit to determine the effectiveness of the implementation and seek ways to correct existing weaknesses.
I.2.2.7. Pursue or follow-up on reported incidences of possible violations of the Company’s Business Ethics and Work Ethics by:

(a) Quickly fix deficiencies that are discovered in the evaluation of the compliance to the Company’s Business Ethics and Work Ethics;

(b) Undertake disciplinary action in accordance with the contributed work activity;

(c) Consult with the Corporate Secretary Unit in the event the violation of the Company’s Business Ethics and Work Ethics that occurs requires the intervention of the law enforcement agencies or the authorities.
II
COMPANY IDENTITY

II.1. Garuda Indonesia Vision and Mission

1. **Garuda Indonesia vision** is to be a sustainable airline company through customer-oriented services and growth in profit.

2. **Garuda Indonesia mission** as maximize shareholder return through strong revenue growth, cost leadership in full service operations, and group synergy while providing the highest value to customers through excellent Indonesian hospitality.

II.2. Garuda Indonesia Corporate Value (SINCERITY)

Garuda Indonesia has formulated a corporate values named SINCERITY which was inaugurated on January 20th, 2017. Corporate values SINCERITY consists of **Synergy, Integrity, Customer Focus, Agility, and Safety**

The values of SINCERITY are further explained into several key behaviors, that are:

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<tr>
<th>Culture Value</th>
<th>Definition</th>
<th>Key Behaviour</th>
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<td><strong>SYNERGY</strong></td>
<td>We are determined to increase company growth by generating a joint effort among its entities and with other potential partners.</td>
<td>Collaborate, Empower Diversity</td>
</tr>
<tr>
<td><strong>INTEGRITY</strong></td>
<td>We highly value strong business ethics, accountability, and social responsibility to create a trustworthy culture.</td>
<td>Honesty, Commitment</td>
</tr>
<tr>
<td><strong>CUSTOMER FOCUS</strong></td>
<td>We continue enhancing customer experience to drive long-term commercial success.</td>
<td>Care &amp; Polite, Fast &amp; Easy</td>
</tr>
<tr>
<td><strong>AGILITY</strong></td>
<td>We build strategic behavior through adaptive and creative actions for strengthening action resilience.</td>
<td>Adaptive &amp; Creative, Persistence</td>
</tr>
<tr>
<td><strong>SAFETY</strong></td>
<td>We provide high quality products by prioritizing safety and security.</td>
<td>Compliance, Risk Management</td>
</tr>
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</table>
II.3. Ten Principle Behaviours of SINCERITY

The aims of the explanation of SINCERITY values into Ten Key Behaviours are to make every Garuda Indonesia employee have a common perception in understanding the values.

Corporate values that serve as guidelines in the pattern of thinking and acting are outlined into Ten Key Behaviors and further elaborated in the Business Ethics and Working Ethics that must be obeyed by every Garuda Indonesia employee in carrying out their daily work.

**Synergy**

The definition of Synergy is we are determined to increase company growth by generating a joint effort among its entities and with other potential partners.

Key Behaviour of the SINERGY are:

1. **Collaborate**
   
   Every employee of Garuda Indonesia have to collaborate to create added value.

2. **Empower Diversity**
   
   Every employee of Garuda Indonesia have to team up and unite the power of diversity upon mutual respect and trust.

**INtegrity**

The definition of Integrity is we highly value strong business ethics, accountability, and social responsibility to create a trustworthy culture.

Key Behaviour of the INTEGRITY are:

3. **Honesty**
   
   Every employee of Garuda Indonesia have to think, speak, and act upon the principle of honesty, ethics, and work professionalism.

4. **Commitment**
   
   Every employee of Garuda Indonesia have to responsible for maintaining the Company’s good reputation before all of the stakeholders.
**Customer Focus**

The definition of Customer Focus is we continue enhancing customer experience to drive long-term commercial success.

Key Behaviour of CUSTOMER FOCUS are:

5. **Care and Polite**

Every employee of Garuda Indonesia have to caring to serve more than passengers’ expectations with personal interactions based on mutual respect.

6. **Fast and Easy**

Every employee of Garuda Indonesia have to deliver services that provide comfort.

**Agility**

The definition of Agility is we build strategic behavior through adaptive and creative actions for strengthening action resilience.

Key Behaviour of AGILITY are:

7. **Adaptive and Creation**

Every employee of Garuda Indonesia have to see and grab the opportunity to produce ideas which makes positive contribution.

8. **Persistent**

Every employee of Garuda Indonesia have to tenacious and persistent.

**Safety**

The definition of Safety is we provide quality products and services by prioritizing security and safety.

Key behaviour of SAFETY are:

9. **Compliance**

Every employee of Garuda Indonesia have to ensure that every product, process, and service complies with the security and safety standards.

10. **Risk Management**

Every employee of Garuda Indonesia have to analyze and mitigate risks in every decision making.
III

COMMENDABLE BEHAVIOR AND STANDARD OF ETHICS
IN RELATIONS WITH STAKEHOLDERS

III.1. Relations among Garuda Indonesia Personnel

Garuda Indonesia has the obligation to bring out the best possible performance from all of its personnel in the context of achieving the Company’s objectives.

Such optimum performance may be elicited by ensuring a conducive working environment that protects and respects the rights of personnel, and helps improve their welfare in accordance with the capacity of the Company.

III.1.1. Security and comfort in the workplace

Garuda Indonesia ensures security and comfort in the workplace for Garuda Indonesia personnel by providing facilities and applying a security system that is based on prevailing laws and regulations. Garuda Indonesia routinely assesses and evaluates the effectiveness of the workplace security system.

Safety and comfort in the workplace is the shared responsibility of all Garuda Indonesia personnel.

III.1.1.1. The following behaviors must be manifested by Garuda Indonesia personnel:

1. Complying with established security policies and systems
2. Immediately reporting any possible threats to the Company’s security
3. Assisting investigations carried out by authorized parties
4. Eliminating the likelihood of a crime or criminal act occurring in the workplace
5. Participating in securing the workplace
6. Using work facilities in accordance with their functions
7. Safeguarding both internally and externally the confidentiality, storage, use, and dissemination of personal data belonging to Garuda Indonesia personnel that could be misused, such as the names of personnel, home and office contact data, salary details, training data, performance records and other relevant data.
III.1.2. The following behaviors should be avoided by Garuda Indonesia personnel:

(1) Engaging in, or not preventing, sexual harassment in the workplace.

(2) Acting in a way that endangers security or comfort in the workplace, such as eating or drinking at one’s desk, littering or drunkenness in the work place.

(3) Engaging in trade transactions in the workplace in one’s personal interest.

III.2. Occupational Safety and Health

Garuda Indonesia ensures the safety and health of Garuda Indonesia personnel in the workplace by providing facilities and implementing an occupational safety and health system that is based on the prevailing laws and regulations. Garuda Indonesia regularly assesses and evaluates the effectiveness of its occupational safety and health system.

Garuda Indonesia personnel are required to understand and apply various occupational health and safety requirements in accordance with the demands of their work.

III.1.2.1. The following behaviors must be manifested by Garuda Indonesia personnel:

(1) Complying with the domestic and international laws and regulations pertaining to occupational health and safety that serve as references/benchmarks for the Company.

(2) Creating and maintaining a safe working environment and preventing accidents in the workplace by:

   (a) Using work equipment and facilities in accordance with the requirements of the occupational health and safety system.

   (b) Maintaining and caring for the Company’s safety equipment.

   (c) Reporting to the authorized parties of incidents/hazards that could potentially result in occupational accidents.

(3) Maintaining their health and fitness, and undergoing medical examinations in accordance with the requirements of their jobs.
III.1.2.2. The following behaviors should be avoided by Garuda Indonesia personnel:

(1) Non-compliance with procedures in performing work that directly affects flight safety.

(2) Alcohol or drug abuse in the workplace.

(3) Smoking at the workplace (closed air conditioned workplace).

(4) Working when not in good health.

(5) Joking or not concentrating during times when high-risk work is being carried out.

(6) Performing work that is not in accordance with his or her function and title and/or not required by his or her superior/company.

III.1.3. Equal Treatment for Employees in terms of Job, Promotion and Termination of Employment

Garuda Indonesia highly upholds the principle of Equal Employment Opportunity by which Garuda Indonesia gives open equal and objective opportunities to all employees of Garuda Indonesia to develop their careers and improve their competencies in accordance with the Collective Work Agreement of Garuda Indonesia and the rules set out in the Human Capital Quality Manual or other company regulations, taking into account the education, experience and competency of the employees.

Garuda Indonesia promotes equality at the workplace by, among others, prohibiting discrimination of any kind. Garuda Indonesia gives equal and fair opportunities to all employees.

III.1.3.1. The following behaviors must be manifested by Garuda Indonesia personnel:

(1) Respecting any decision made by the management regarding transfer, promotion and demotion of employees;

(2) Respecting any employee who is being transferred, promoted or demoted.

(3) Accepting that development priority goes to any employee with greater competence.

(4) Making self improvement at all times through company programs and self learning;
III.1.3.2. The following behaviors should be avoided by Garuda Indonesia personnel:

(1) Preventing/standing in the way of the transfer or promotion of any employee;

(2) Resorting to office politic for the purpose of transfer or promotion

(3) Refusing/neglecting any assignment that is not against the company’s manual, Collective Work Agreement or the law.

III.1.4. Conducive Working Environment

Harmonious relations among Garuda Indonesia personnel is fostered on the basis of mutual respect, mutual trust, mutual encouragement and cooperation in the performance of duties and responsibilities, as well as the creation of a conducive working environment.

Harmonious relations between management and staff must be constantly be maintained on both a formal and informal basis as part of the effort to successfully achieve the goals of line units and the Company’s overall objectives.

III.1.4.1. The following behaviors must be manifested by Garuda Indonesia personnel:

(1) Fostering good communications and coordination to achieve a solid work team.

(2) Providing recognition in appreciation of success achieved by colleagues.

(3) Mutually helping and reminding colleagues to constantly work innovatively and be goal-oriented.

(4) Providing moral support to colleagues that experience a loss or difficulties.

(5) Senior staff should provide clear and readily comprehensible directions and assignments in the context of achieving agreed targets, as provide objective assessments of work performed.

(6) Senior staff and employees must strive to build positive and productive cooperation, and mutual acceptance and respect that is based on sincerity and good faith.

(7) Senior staff should act as role models and mentors, and are responsible for the behavior and performance of their subordinates.
(8) Employees must comply with orders and/or directions of senior staff in the interests of the company (such as working overtime, job placement, business travel, and so forth) as long they do not conflict with ethics, morals or religious obligations.

(9) Employees are required to report to Management any incidents that could potentially result in financial losses or damage to the Company’s image.

(10) Employees are given equal treatment in terms of Job, Promotion and Termination of Employment.

III.1.4.2. The following behaviors should be avoided by Garuda Indonesia personnel:

(1) Defaming a colleague
(2) Gossiping or talking about matters that are not true.
(3) Discrediting colleagues on the basis of ethnicity, race, or religious differences
(4) Not respecting colleagues.
(5) Quarreling with colleagues.
(6) Reporting on performance in a manner that is not in accordance with facts.
(7) Failure by a senior staff member to provide information on the Company’s performance or other vital information to employees.
(8) Provision of false information by a senior staff member on the Company’s performance or other vital issues to employees.
(9) Disclosure of an employee’s weaknesses by a senior staff member to another employee.
(10) Disclosure by an employee of the weaknesses of a senior staff member to another employee.
(11) Senior Staff provides corrections or directions to an employee in an imprudent manner.

III.1.5. Labor Union and Political Rights

Garuda Indonesia guarantees the rights of all of Garuda Indonesia personnel to form labor unions and channel their political aspirations in so far as this does not conflict with the prevailing laws and regulations.
III.1.5.1. The following behaviors must be manifested by Garuda Indonesia personnel:

(1) Consistently prioritizing the Company’s interests.

(2) As regards labor union and political activities, staff must continue to consider, or even enhance, the Company’s performance.

(3) As regards the formation and joining of a labor union, professional association (either internal or external), non-governmental organization, socio-economic organization, or charitable/community organization, staff must inform their membership of such organizations to the Company through their direct superior.

(4) As regards participation in politics and the channeling of political aspirations, personnel must comply with all prevailing laws and regulations within the Company.

III.1.5.2. The following behaviors should be avoided by Garuda Indonesia personnel:

(1) Serving as the leader of a political party.

(2) Using Company facilities and human resources for political activities.

(3) Acting on behalf of the Company or providing contributions on behalf of the Company to a political party.

(4) Become a member of the legislative, executive, or judicial branches of government.

III.2. Relations with Customers

Customers are the principal reason for Garuda Indonesia’s existence. All of Garuda Indonesia’s resources are geared towards fulfilling the needs, desires, and expectations of the customer.

Fundamentally, customer rights must be fulfilled in accordance with the prevailing laws and regulations. Accordingly, customer rights in the form of safety, security, and comfort are the main focus and priority of the service programs of all Garuda Indonesia’s business units and functions.

III.2.1. The following behaviors must be manifested by Garuda Indonesia personnel:

(1) Fulfillment of all of publicized commitments to customers.

(2) Providing optimum services without regard to ethnicity, religion, race, skin color or social status.
(3) Facilitating access to Company flight reservations and transactions.

(4) Providing ease and comfort for customers in terms of flight reporting services.

(5) Punctuality in terms of meeting a customer’s flight schedule.

(6) Protecting the safety, security, and comfort of the customer throughout the flight.

(7) Ensuring that customers and their belongings are safe.

(8) Ensuring the accuracy and completeness of customer freight services.

(9) Maintaining the confidentiality of customer information.

(10) Providing relevant and accurate information to customers regarding the Company’s services.

(11) Resolving customer complaints by providing the best possible solutions.

(12) Showing gratitude for customer suggestions and criticism.

(13) Maintaining good relations with the customers.

(14) Making good use of and managing any feedback from customers.

III.2.2. The following behaviors should be avoided by Garuda Indonesia personnel:

(1) Using vital information on customers for personal gain.

(2) Leaving customers without clear and accurate information.

(3) Failing to respond to customer complaints.

(4) Failing to report the receipt of direct or indirect gratuities from customers.

(5) Accepting a gratuity from a customer.

(6) Putting personal interest or the interest of any family member or colleagues over the customers’ interest.

III.3. Relations with Business Partners

Garuda Indonesia personnel must be aware that to achieve the Company’s goals and objectives, Garuda Indonesia cannot provide all of the resources that it needs by itself, but instead needs the help business partners to satisfy those needs. This interdependence between Garuda Indonesia and its business partners is something that cannot be avoided. For that reason, Garuda Indonesia believes that its partnerships must be based on mutual trust and mutual benefit.
III.3.1. Relationship with Airport Authority

Airport is an essential facility and infrastructure for the existence of Garuda Indonesia. In principle, Garuda Indonesia is obligated to comply with and adhere to any laws and regulations applicable at airports issued by the Airports Authority to fulfill the customers’ right of safety, security and convenience which are the focus and main priority of Garuda Indonesia as a service program in all business units and functional of Garuda Indonesia.

III.3.1.1. The following behaviors must be manifested by Garuda Indonesia personnel:

1. Provide data and information of specification, technical and any other requirement stipulated by the Airport Authority accurately in accordance with the prevailing laws and regulation.
2. Establish and maintain a great and harmonious relationship with Airport Authority.
3. Comply with and adhere to any laws and regulation stipulated by the Airport Authority.

III.3.1.2. The following behaviors should be avoided by Garuda Indonesia personnel:

1. Violate laws and regulation stipulated by the Airport Authority.
2. Providing gratuities to the parties related to the Airport Authority, either directly or indirectly, which may affect the Airport Authority to perform any action which is contrary to its obligation or not to perform any action which is its obligation, although such gifts are intended for the benefit of Garuda Indonesia.
3. Provide any incomplete or inaccurate data, information and documents of Garuda Indonesia required by the Airport Authority and it is not in accordance with the prevailing regulation in the company.

III.3.2. Relations with Suppliers

Garuda Indonesia works closely with vendors in order to obtain goods and services that are commensurate with the costs paid. Any criteria established by Garuda Indonesia personnel for the selection of vendors shall be based on the prevailing laws and regulations.

In order to build trust of the vendors, Garuda Indonesia should act fairly and treat the vendors equally and provide them with the same information. The information shall include the requirements and criteria as stated in every Request for Proposal (RFP). The evaluation for the purpose of selection of vendors shall be based on the quality, cost, delivery and service that best meet Garuda Indonesia’s need.
In order to maintain the quality of Approved Vendor List (AVL), Garuda Indonesia regularly evaluates the AVL based on specified category and the prevailing laws and regulations. The Business Support Unit evaluates Garuda Indonesia’s regular needs and reviews the vendor list and revises it if necessary. The evaluation is conducted annually taking into account the optimization quality and price range offered by vendors, Garuda Indonesia’s requirements and the prevailing laws and regulations.

III.3.2.1. The following behaviors must be manifested by Garuda Indonesia personnel:

(1) Providing accurate data and information on technical specifications and other requirements in accordance with the stages involved in the procurement process.

(2) Selecting suppliers in accordance with the prescribed criteria

(3) Conducting the procurement process in accordance with the prevailing laws and regulations and GCG principles.

(4) Providing equal access to micro, small, and medium enterprises and cooperatives, including subsidiaries, to serve as suppliers.

(5) Avoiding conflicts of interest or choosing suppliers whose owners and/or management are affiliated to the Company.

III.3.2.2. The following behaviors should be avoided by Garuda Indonesia personnel:

(1) Failing to report receipt of a direct or indirect gratuity from a supplier.

(2) Receiving a gratuity from a supplier.

(3) Disclosing the Company’s confidential data and/or information and any personal data to a vendor.

(4) Revealing supplier data or information to other suppliers.

(5) Hampering the fulfillment of supplier rights.

III.3.3. Relations with Agents

In order to meet customer needs, Garuda Indonesia requires a distribution network that is easily accessible in strategic locations, including as regards claims administration settlement services. To fulfill these needs, Garuda Indonesia engages in partnerships with agents based on the principle of mutual benefit.
To achieve a relationship of mutual trust, Garuda Indonesia personnel must act reasonably by providing equal opportunities and information to all agents in accordance with the prevailing laws and regulations.

III.3.3.1. The following behaviors must be manifested by Garuda Indonesia personnel:

1. Providing equal access to data and information to agents.
2. Maintaining the confidentiality of corporate and personal data and information to agents.
3. Avoiding conflicts of interest and favoring agents whose owners and/or management are affiliated with the Company.
4. Maintaining good relations with agents so as to enhance the Company’s earnings.

III.3.3.2. The following behaviors should be avoided by Garuda Indonesia personnel:

1. Selecting agents without taking into account the criteria and procedures set by the Company.
2. Failing to report the acceptance of a direct or indirect gratuity from an agent in violation of the Company’s regulations.
3. Receiving a gratuity from an agent.
4. Disclosing the Company’s confidential data and/or information and any personal data to an agent.
5. Communicating with one or more agents other than those designated by the Company.
6. Revealing an agent’s data and/or information to another agent.
7. Hampering the fulfillment of an agent’s rights.

III.4. Relations with the Shareholders

In conducting its business, the Company requires capital from, among other sources, the Company’s Shareholders. Accordingly, Garuda Indonesia greatly appreciates and values its Shareholders, both minority and majority, in accordance with the prevailing laws and regulations.

Garuda Indonesia maintains good long-term relations with Shareholders that are based on good faith, mutual trust, and mutual benefit.
Garuda Indonesia personnel are committed to continually striving hard to ensure that the Company can grow sustainably based on business standards that are mutually beneficial and thereby contribute maximum value to Shareholders.

III.4.1. The following behaviors must be manifested by Garuda Indonesia personnel:

1. Fulfilling the right of every Shareholder to receive fair and reasonable treatment in accordance with requirements of the laws and regulations.
2. Fulfilling the rights of every Shareholder to vote in accordance their share classification and amount of shares owned.
3. Providing to every Shareholder complete and accurate material information on the Company through the various channels at its disposal.
4. Ensuring that the sale and purchase of shares are conducted openly in accordance with prevailing market mechanisms.
5. Protecting the rights of minority Shareholders against domination by majority Shareholders.
6. Ensuring that optimum performance is achieved and strengthening the Company’s image in terms of providing added value to Shareholders.
7. Ensuring that every report, statement, and information disclosure to investors is transparent, clear, accurate, complete and does not contain aspects that could be wrongly perceived as anything other than information, save where the Board of Directors has valid reasons and justifiable reasons not to provide such information.
8. Ensuring that the dividend determined by the Shareholders through the General Meeting of Shareholders is based on the Company’s interests, taking into consideration various aspects such as business continuity, ongoing or future strategy, and investment plans.

III.4.2. The following behaviors should be avoided by Garuda Indonesia personnel:

1. Allowing shareholders to intervene in the Company’s operations, which are the responsibility of the Board of Directors in accordance with what is specified in the Garuda Indonesia’s Articles of Association and the prevailing laws and regulations.
2. Disseminating inaccurate or incomplete corporate information or data to Shareholders.
3. Violating the rules issued by OJK and the Indonesia Stock Exchange.
4. Communicating with Shareholders in any way other than through the one-door policy mechanism.
(5) Buying/selling Company’s shares or shares of companies that conduct transactions with the Company (what is known as “insider trading”).

(6) Influencing other people to buy or sell the Company’s shares.

(7) Providing insider information to any parties whom it should be reasonably suspected will such information to buy or sell shares (what is known as “insider information”)

(8) Engaging in the buying/selling of Company shares with other employees of the Company.

III.5. Relations with the Competitors

Garuda Indonesia truly believes that healthy competition is a positive factor that can spur the Company to perform optimally while at the same time making continuous improvements.

Garuda Indonesia must actively take the initiative to ensure healthy competition. Therefore, the Company strives to ensure that all Company management policies are based on the principles of fair competition.

III.5.1. The following behaviors must be manifested by Garuda Indonesia personnel:

(1) Establishing an open market for trade and investment.

(2) Encouraging healthy and socially beneficial competition, and mutual respect between competitors.

(3) Respecting the intellectual property rights of competitors.

III.5.2. The following behaviors should be avoided by Garuda Indonesia personnel:

(1) Making improper or illicit payment in order to win a competition.

(2) Resorting to dishonest/illegal or unethical ways in order to get information from a competitor.

(3) Engaging in negative campaigning against competitors.

III.6 Relations with the Creditors

Garuda Indonesia is committed to fulfilling its obligation to pay interest, profit sharing and the principal of each and every long term loan. Every loan agreement between Garuda Indonesia and Creditor must contain terms and conditions and clauses, including repayment schedule, details of obligations to Creditor and covenants during the currency of the agreement, that are binding upon Garuda Indonesia and the Creditor.
III.6.1. The following behaviors must be manifested by Garuda Indonesia personnel:

(1) Performing each and every obligation under any agreement with Creditor.

III.6.2. The following behaviors should be avoided by Garuda Indonesia personnel:

(1) Failing to perform any obligation under any agreement with Creditor.
IV
WORK COMPLIANCE

IV.1. Transparency in Communications and Financial Information

All Garuda Indonesia personnel must have a proper understanding of work processes and scopes, and operational and financial performance in order to increase their work involvement and contribution, as well as to ensure the submission of transparent and accountable reports.

A good understanding must be balanced with corporate strategy and policy in disseminating both material and non-material information in accordance with the respective position of the employee.

IV.1. The following behaviors must be manifested by Garuda Indonesia personnel:

1. Divulging corporate information prudently and in accordance with one’s level of authority.
2. Valuing and upholding honesty, sincerity, and openness, while adhering to prudent principles.
3. Complying with standards for divulging financial information as specified by the prevailing laws and regulations.
4. Constantly providing information that is complete, fair, accurate, timely and easily understood in the form of reports and documents that are archived by Garuda Indonesia, or which are submitted to stakeholders.
5. Using financial information as an activities control tool.
6. Reporting various types of information that has a significant impact on the Company’s image and reputation to direct superiors or authorized work units.
7. Constantly protecting the distribution of material information against potential leaks.

IV. 2. The following behaviors should be avoided by Garuda Indonesia personnel:

1. Providing opinions on the Company’s performance and prospects to external parties through various forums, the print media, electronic media or other information technology media, except in the case of personnel who are specifically assigned by the Company for such purposes.
(2) Discussing with one’s spouse, relative or other unauthorized party information that has a significant impact on the Company, except for information that has been officially disclosed by the Company.

(3) Divulging misleading information.

(4) Discussing any sensitive issues concerning Garuda Indonesia at a public area.

IV.2. Handling Conflicts of Interest

Garuda Indonesia realizes that all Garuda Indonesia personnel have the right to take part in activities pertaining to finance, business, socio-cultural, political, and other activities deemed lawful outside of their jobs at Garuda Indonesia, while at the same time consistently considering their obligations to the Company. These activities must always be legitimate and not conflict with their responsibilities as Garuda Indonesia personnel. Garuda Indonesia personnel must not misuse Garuda Indonesia resources or influence in such a way as to damage Garuda Indonesia’s good name and reputation.

Potential conflicts of interest that arise need to be managed with the aim of preventing the emergence of a non-conducive working environment while at the same time encouraging an independent working spirit and prioritizing corporate interests over the interests of the individual or groups.

IV.2.1. The following behaviors must be manifested by Garuda Indonesia personnel:

(1) Always maintaining one’s integrity so that the image of the Company are maintained.

(2) Reporting to one’s direct superior or Corporate Secretary Unit any business activity or other relations that could potentially result in a conflict of interest.

(3) Avoiding actions or relations that could conflict with the work or interests of Garuda Indonesia.

(4) Obtaining the approval of one’s direct superior before accepting a position as an official on the Board of a Non-Governmental Organization that may have business relations with Garuda Indonesia or where this Organization seeks to secure financial support or other forms of support from Garuda Indonesia.

(5) The Board of Directors and Board of Commissioners shall prepare an annual statement pertaining to conflicts of interest.
IV.2.2. The following behaviors should be avoided by Garuda Indonesia personnel:

1. Using the Company’s resources, information on the Company, intellectual property rights, time and facilities of Garuda Indonesia, including office equipment such as the telephones, facsimile machines, e-mail, computers and other things, in one’s personal interests or the interests of a specific group/party.

2. Taking or doing a part-time job outside the Company which may require him or her to do the said job during working hours of Garuda Indonesia or cause him or her to use Garuda Indonesia’s equipment or material;

3. Exploiting business opportunities with business partners that are related to the Company’s business so as to advance one’s personal interest.

4. Accepting anything of value from any third party having business dealing with Garuda Indonesia.

5. Abusing one’s authority and position in various business activities of the Company for the advancement of one’s personal or group interests.

6. Allowing Garuda Indonesia personnel that are laboring under a conflict of interest to participate in discussions and the decision making process.

7. Accepting offers to buy shares from another company, even though the work of the Garuda Indonesia staff member in question is related to that Company.

8. Giving special preference in hiring or promoting one’s spouse, family member, or close friend.

IV.3. Giving and Receiving Gratuities

The Company’s policy on gratuities has been prepared for the purpose of protecting its reputation as a reliable airline company that acts with integrity and bases all of its decision on business considerations in accordance with the law.

In principle, Garuda Indonesia prohibits its personnel from receiving any gratuity from any party and requires them to reject any gratuity and report the acceptance or rejection. The policy on gratuity is subject to the Company’s regulations.
IV.3.1. The following behaviors must be manifested by Garuda Indonesia personnel:

1. Rejecting any gratuity offered by any third party in connection with his or her position at Garuda Indonesia.

2. Any gratuity offered by Garuda Indonesia Personnel on behalf of Garuda Indonesia shall be in accordance with the Company's policies and shall not be in violation of his or her obligation, duties, and function and shall not be for any state official.

3. Any donation given on behalf of Garuda Indonesia for social or other purposes may be made to the extent not in violation of the prevailing laws and regulations, and in accordance with the Company's policy.

4. Disclosure reports must be provided for all gratuities received / given in accordance with the methods determined by the Company.

IV.3.2. The following behaviors should be avoided by Garuda Indonesia personnel:

1. Offering bribes or directing others to commit bribery.

2. Receiving any form of bribe from any party.

3. Providing gratuities to third parties, either directly or indirectly, with the intent to influence the party that receives the gratuity to carry out that which may conflict with one’s responsibilities, even though the gratuities are given in the interest of Garuda Indonesia.

4. Providing donations with a hidden intent or motive to (negatively) influence other parties and/or which could result in a conflict of interest.

5. Receiving money or its equivalent, prizes or gifts of specific types and forms where it is known, or ought to be known, that this is associated with the specific job or position of the Garuda Indonesia staff member concerned. Restrictions on the receiving of money or its equivalent are waived in the event the provision is of a fair/compliant amount within the context of a donation for victims of natural disaster or in commemoration of a local religious event.

6. Receiving any gratuity from any third party in connection with the recipient’s position and failing to report the acceptance of such gratuity in accordance with the procedure prescribed by the Company.

IV.4. Protection Company Assets

Protection of Company assets is meant to ensure that all physical, financial and intellectual property assets, as well as other assets, are optimally used and protected.
IV.4.1. The following behaviors must be manifested by Garuda Indonesia personnel:

(1) Following the generally accepted accounting and reporting standards in recording and reporting company assets;

(2) Effectively and efficiently using Company assets to achieve the Company’s objectives;

(3) All of the Company’s assets, whether physical, financial, or other types of assets, must be protected from misuse, including embezzlement and fraud;

(4) Optimizing the Company’s intangible assets through effective knowledge management in order to improve the Company’s capability.

(5) Using any of the Company's assets for the interest of the Company only.

(6) Implementing an effective and efficient control process over the use of Company asset so as to avoid possible losses.

(7) Reporting indications or occurrences of fraud within the Company at the earliest possible time to one’s direct superior or the Corporate Secretary Unit or other parties appointed by the Directors.

IV.4.2. The following behaviors should be avoided by Garuda Indonesia personnel:

(1) Using the Company’s assets for purposes other than the Company’s own interests.

(2) The excessive use of physical assets or other resources, or their illegal transfer or removal from the books.

(3) Issuing of new products or services that do not take into account property rights, patent rights, or trademark rights.

(4) Failing to report inventions associated with the Company’s business and produced both during Company working hours or outside working hours.
V
DATA AND INFORMATION SECURITY

V.1. Protection of Confidential Company

Policies on the protection of corporate confidentiality have been formulated to ensure the security of information and ensure that information that is revealed by Garuda Indonesia is done in a fair and equitable basis to interested parties without any special considerations or treatment being accorded to specific parties.

Information that is deemed confidential involves the Company's business plans and strategies, the results of research and development activities used in the production process, corporate standards and operational procedures, internal documents that are signed by senior staff, intellectual property rights and other pertinent information that could affect the Company's performance if it was disseminated outside of Garuda Indonesia, save where the information is officially disclosed.

V.1.1. The following behaviors must be manifested by Garuda Indonesia personnel:

1. Protecting corporate data, information and documents that are deemed confidential from the date they were prepared until the date when they are destroyed.

2. Utilizing corporate data, information and documents that are deemed confidential in accordance with the prescribed authority.

3. Immediately reporting to a superior any information involving the misuse of confidential corporate data, information, and documents.

4. Protecting the rights of shareholders from potential losses resulting from insider trading.

5. Respecting the ownership rights to information of other companies and obeying all laws and regulations pertaining to ownership rights to information.

6. The collection of information from other companies must be carried out with the full knowledge of the direct superior or the Corporate Secretary Work Unit.

7. Contacting the Corporate Secretary Work Unit in the event of doubtful issues that may arise in relation to corporate information matters.
V.1.2. The following behaviors should be avoided by Garuda Indonesia personnel:

(1) Revealing either verbally or in writing any corporate data, information, or documents outside of one’s work, or area of responsibility and authority, including material information that could affect the value of the Company.

(2) Accessing, copying, or reproducing data or information and corporate documents deemed confidential either directly or indirectly, except in the course of performing one’s duties and work for the Company.

(3) Keeping corporate data, information and documents that are deemed confidential in a personal computer or other medium that is not owned by the Company, except where determined otherwise and/or with the consent of one’s direct superior.

(4) Discussing “material information” concerning the Company with anyone. This restriction applies to husbands, wives, partners at home, siblings, partner’s siblings, (stock) brokers and other Garuda Indonesia personnel (with the exception of colleagues that are privy to such information).

(5) Buying or selling the Company’s shares on the basis of information received that affects Garuda Indonesia’s share price.

(6) Unlawfully using, or providing confidential information to external parties, without the knowledge of the Corporate Secretary Unit.

(7) Garuda Indonesia personnel that no longer work with the Company are strictly forbidden from taking with them confidential information prior to leaving the Company. All documents that were made by such Garuda Indonesia personnel become the exclusive property of the Company. Garuda Indonesia personnel are not allowed to take with them any documents prior to leaving the Company.

(8) Compiling external information that was obtained illegally, such as through espionage, information theft, or by falsifying one’s identity.

(9) Garuda Indonesia personnel that are no longer with the Company are strictly forbidden from falsifying their identities by using the name of Garuda Indonesia to obtain confidential information from other companies.

V.2. Protection of Intellectual Property

An intellectual property is an intangible asset resulting from creativity, including patent, copyright and trademark. As a valuable asset, Garuda Indonesia’s intellectual property must be protected and, accordingly, Garuda Indonesia personnel must respect any third party’s intellectual property.
Garuda Indonesia personnel must be careful in creating, protecting and exploiting the Company’s intellectual property and take steps to avoid the infringement of other party’s intellectual property.

Garuda Indonesia personnel must comply with and abide by the prevailing laws and regulations governing intellectual property.

V.2.1. The following behaviors must be manifested by Garuda Indonesia personnel:

(1) Being aware of any obligations in relation with the ownership and confidentiality of Garuda Indonesia’s Intellectual Property.

(2) Reporting to the Legal Department of the Company whenever unauthorized use by any third party of Garuda Indonesia’s intellectual property comes to his or her knowledge;

V.2.2. The following behaviors should be avoided by Garuda Indonesia personnel:

(1) Using any illegal product.
VI
RESPONSIBILITIES OF GARUDA INDONESIA PERSONNEL

VI.1. Responsibilities to the Public

In line with the Good Garuda Citizenship program, the Company will not be able to grow without helping those around us to grow and develop as well.

Garuda Indonesia has the mission of playing the role of an agent of national economic development. In this respect, the Company has a responsibility to the public that resides in the communities in which it operates. The Company’s responsibility to the public takes the form of corporate social responsibility that must be carried out in accordance with the prevailing laws and regulations.

Garuda Indonesia personnel are required to successfully and continuously implement the Company’s corporate social responsibility program, and are expected to act as dignified and responsible citizens.

VI.1.1. The following behaviors must be manifested by Garuda Indonesia personnel:

1. Constantly stressing the commitment that wherever it operates, the Company’s line units will, as the basis for the Company’s long-term success, maintain good relations with and strive to develop the community.

2. Appreciating each partnership activity that contributes to the community and enhances social values, as well as the Company’s image;

3. Building and maintaining cordial and harmonious relations with, and providing benefits to, communities.

4. Assisting communities that are affected by tragic events and natural disasters.

5. Being sincere and responsible in the implementation of corporate social responsibility.

6. Taking part in efforts to foster dignity in accordance with local social and cultural conditions.

7. Serving as a role model for local communities.

VI.1.2. The following behaviors should be avoided by Garuda Indonesia personnel:

1. Being insensitive towards problems in the communities close to the Company’s operations.
(2) Taking advantage for personal interests at a time when donations are being channeled to assist the unfortunate victims of a tragedy or natural disaster.

VI.2. Responsibilities to the Government

In conducting its business, Garuda Indonesia is required to comply with all of the prevailing laws and regulations that are issued by the Government in its position as the regulator. Aside from its role as regulator, the Government is also a Shareholder and so the Company is obliged to maximize Shareholder value for the Government. Consequently, the Company strives to foster and maintain a harmonious partnership with the Government.

Garuda Indonesia personnel must be able to maximize their ability to support the Company in fulfilling its corporate responsibilities to the Government.

Accordingly, Garuda Indonesia personnel must be able to maintain a harmonious and mutual respectful relationship between Garuda Indonesia and the Government so as to ensure that the Company’s business continues to grow and develop in a sustainable manner.

VI.2.1. The following behaviors must be manifested by Garuda Indonesia personnel:

(1) Obeying and complying with all of the prevailing laws and regulations.

(2) Maintaining harmonious, transparent, and constructive relations with Government institutions.

(3) Supporting and successfully carrying out the Government’s policies, particularly in the tourism, cultural, education, and social sectors.

VI.2.2. The following behaviors should be avoided by Garuda Indonesia personnel:

(1) Failing to obey the laws and regulations pertaining to restrictions on providing gifts and other forms of gratuities to Government officials

(2) Providing the Government with corporate data, information and documents that are incomplete or inaccurate or not in accordance with the Company’s regulations.

VI.3. Responsibilities to the Environment

In conducting its business, Garuda Indonesia not only focuses on the economic aspects but also the environmental aspects. Important environmental aspects are the point of departure for the formulation of the Company’s environmental strategies and policies.
Garuda Indonesia personnel have the responsibility to contribute to all of the Company's environmental programs and activities in line with its strategies and policies for controlling environmental impacts. By being continuously proactive and responsive towards controlling environmental impacts, Garuda Indonesia personnel will be seen as respected and responsible members of society.

VI.3.1. The following behaviors must be manifested by Garuda Indonesia personnel:

1. Using operational equipment in accordance with procedures that comply with the laws and regulations pertaining to the environment, particularly pertaining to gas emissions and noise pollution.

2. Taking responsibility for and actively participating in environmental conservation programs, both locally and internationally.

3. Being creative in providing services that provide added value to the economy and the business ecosystem.

VI.3.2. The following behaviors should be avoided by Garuda Indonesia personnel:

1. Being careless in determining the amount of fuel required, thereby resulting in inefficiency and higher gas emissions.

2. Causing environmental damage, whether directly or indirectly, in the performance of any work.
VII

UPHOLDING BUSINESS AND WORK ETHICS

VII.1. Reporting of Violations

With the existence of Garuda Indonesia Business and Work Ethics, it is sometimes difficult to identify when there are issues pertaining to the Business and Work Ethics in the workplace due to the interaction between Garuda Indonesia personnel. There may be different business perspectives and pressures, and this can serve to reduce the awareness and sensitivity of Garuda Indonesia personnel as regards the risk of ethical violation.

Each Garuda Indonesia staff member is responsible for behaving in accordance with the Business and Work Ethics. If a Garuda Indonesia staff member has doubts as to whether a particular action or decision is in accordance with the Business and Work Ethics, he or she can discuss this with their immediate superior or the parties designated in the Business and Work Ethics.

VII.1.1. Guidelines for Reporting Violations

If a Garuda Indonesia staff member discovers that a decision or an action is inconsistent with the Business and Work Ethics, he or she must immediately report this matter to their immediate superior or the parties designated in the Business and Work Ethics.

VII.1.2. Whistleblower System (WBS)

Garuda Indonesia establishes a media or channel by which any stakeholders including Garuda Indonesia personnel and stakeholder’s representative, can report any violation of Garuda Indonesia Business and Work Ethics.

The resolution of violation reports is just one way of enhancing the protection of Stakeholder rights in the context of ensuring that Stakeholders rights are respected in the Company;

A violations report that is submitted by a Stakeholder that is not immediately processed could potentially increase the reputational risk for the Company;

The Company has as part of its efforts to resolve violation reports established policies and procedures that cover:

(1) Receiving reports of violations;

(2) Handling and resolving violation reports;
(3) Protecting those who submit violation reports;

(4) Monitoring the handling and resolution of violation reports.

Garuda Indonesia personnel or the public (“Informant”) can file a report through WBS by completing the form available at Garuda Indonesia’s Official Website at www.ga-whistleblower.com (“WBS”), or any other violation reporting media made available by Garuda Indonesia. Every report entered in WBS will be followed up by WBS Officer. If the reported violation is proven, the matter will be followed up by Investigator. The Information has the right to legal protection from the Company.

Further details about Whistle blowing System will be set out in a Resolution of Board of Directors of Garuda Indonesia on Whistle blowing System.

VII.2. Sanctions for Violations

The following consequences shall arise in respect of violations of the Business and Work Ethics:

(1) A Garuda Indonesia staff member who is proved to have violated the Business and Work Ethics will face disciplinary action in the form of oral or written warnings, stern warnings with suspension, and possible termination of employment in accordance with the Collective Work Agreement.

(2) A Garuda Indonesia business partner that is proved to have violated the Business and Work Ethics will face sanctions in accordance with the policies and regulations adopted by the Company;

(3) If the situation involves a criminal violation, the matter may be forwarded to the authorities;

VII.3. Dissemination

Garuda Indonesia believes that dissemination constitutes a vital part of the implementation of the Business and Work Ethics. The Ethics Bureau or the Corporate Secretary Unit shall be responsible for coordinating effective and comprehensive dissemination by focusing on the following aspects:

(1) The dissemination of information on the Business and Work Ethics through the Garuda Indonesia orientation and refresher programs that are routinely conducted for all of Garuda Indonesia personnel. In support of the dissemination of information on the Business and Work Ethics, Garuda Indonesia will hold briefings, coaching and other event for the purpose of information dissemination or distribute leaflets, emails or Garuda Indonesia internal bulletins.
(2) Building a common commitment among all Business Partners;

(3) Making ethics an integral part of business practices and the performance assessments of all Garuda Indonesia personnel;

VII.4. Integrity Pact

Garuda Indonesia personnel are intelligent and responsible people. As such, Garuda Indonesia personnel are therefore able to adhere and to implement the Business and Work Ethics as determined by the Company. Every member of Garuda Indonesia must, as a sign of compliance and commitment to the application of the Business and Work Ethics, sign an Integrity Pact (Statement of Compliance and Commitment to the Business and Work Ethics) and sign the pact annually.

The type of mindset and action that is in accordance with the Business and Work Ethics will ensure that Garuda Indonesia personnel consistently maintain their dignity and refrain from actions that could damage one's image and the Company’s reputation. As a result, any violation of the Business and Work Ethics will result in the imposition of stringent sanctions.
PT Garuda Indonesia (Persero) Tbk’s Business and Work Ethics are normative rules and represent the minimum standards that must be adhered to by every member of Garuda Indonesia as regards the performance of his or her day-to-day tasks.

The Business and Work Ethics are to be implemented in parallel with other rules in PT Garuda Indonesia (Persero) Tbk and/or the prevailing laws and regulations. If there be any rules in these Business and Work Ethics that are less stringent than those already applied by Garuda Indonesia and/or other rules and regulations, the most stringent shall prevail.

The Company’s Business and Work Ethics may be amended from time to time in line with the needs of the Company. During the amendment process, the existing Business and Work Ethics will continue to be binding until such time the changes take effect.
**GLOSSARY**

**Affiliate** refers to a company in the form of a limited liability company or other similar form of enterprise that is directly or indirectly controlled by the Company through a shareholding of 50% (fifty percent) or less.

**Agent** is a business entity that assists the Company in marketing or selling Garuda Indonesia products.

**Board of Commissioners** is the highest corporate organ and comprises the President Commissioner and a number of Commissioners.

**Board of Directors** is a corporate organ that comprises a number of Directors and is headed by a President Director.

**Business and Work Ethics** are the moral standards developed from the habits and consist of a collection of Garuda Indonesia personnel’s mindsets and daily practices in the Company’s operations to achieve the Company’s visions and missions.

**Business Partner** means any individual or legal entity working with the Company because they need and complement each other.

**Company Asset** is a resource that is owned by the Company and which is expected to provide benefit in the future.

**Company** is PT Garuda Indonesia (Persero) Tbk, abbreviated as Garuda Indonesia.

**Competitor** is an entity that operates in a similar line of business to that operated by the Company.

**Conflict of Interest** means the conflict between Garuda Indonesia’s interest on one hand and the interest of any Garuda Indonesia personnel, individually or collectively, on the other hand that may be detrimental to Garuda Indonesia.

**Customer** is an individual or institution that utilizes products or enjoys the use of services provided by Garuda Indonesia.

**Environment** is the physical environment covering natural resources, such as land, water, solar energy, minerals, and the flora and fauna found above and below ground.

**Employee** is any individual who is legally bound under an employment relationship with the Company.

**Garuda Indonesia personnel** comprise the members of the Board of Commissioners, Board of Directors, senior staff and employees of the Company who are hired either on a permanent or temporary basis.

**Government** is the state executing/governing institution along with its apparatus that covers the legislative, executive, judicial and other agencies, both at the central and regional levels.
Gratuity refers to the giving or receiving of an item, generally in the form of money, a good, a commission, a discount, an interest free loan, a travel ticket, accommodation, a tour, free medical care or other facility.

Guidelines for Reporting Violations refers to the guidelines and references used by the Company in handling reports of violations that are received by the Company.

Mass Media refers to the Institutional communications medium that covers the print and electronic media and which seeks to provide information, education, promotion, social control, and entertainment.

Material Information means basic data and information.

Mission means the basic rules in the conduct of business including the faith, values, and corporate image in the fulfillment of the needs of all stakeholders.

Labor Union is an organization that is formed from, by, and for the Employees of the Company and which is free, open, independent, democratic, and responsible in nature.

Professional Association is an association whose members have a common interest.

Representation is a gift provided on behalf of the Company.

Society is a group of people that form a system whereby most interaction takes place between individuals that form part of this specific group.

Senior Staff are employees that occupy certain positions of authority within a line unit and who are authorized to make decisions as determined by the Company.

Stakeholder refers to Garuda Indonesia personnel, customers, sales agents, private companies, state owned companies, central government and regional government institutions/agencies, suppliers and creditors.

Staff member is a person who works for the Company and assists a Leader in managing a specific type of work.

Supplier is a corporate entity that provides goods and/or services that are required by the Company.

Subsidiary is an entity in the form of a limited liability company, all of whose shares, or more than 50% (fifty percent) of whose shares are held by the Company.

Values are a set of principles that are adhered to by all of Garuda Indonesia’s personnel and which serves as the basis for thought and action in order to accomplish the Company’s vision and mission.

Vision is a general statement about the direction or aspirations and goals that must be achieved within a specific timeframe.

Work Partner means any individual or legal entity working with the Company to achieve the Company’s purposes and objectives.
INTEGRITY PACT FORM

STATEMENT OF COMPLIANCE AND COMMITMENT
TO PT GARUDA INDONESIA (PERSERO) Tbk.
BUSINESS AND WORK ETHICS

I, the undersigned:

Name / Employee ID : ..............................................................
Line Unit : ...........................................................................
Position : ...........................................................................

Hereby declare:

1) That I have read and understood the Manual of Business and Work Ethics of PT Garuda Indonesia (Persero) Tbk.
2) That I shall comply with the Business and Work Ethics applicable within PT Garuda Indonesia (Persero) Tbk.
3) That if I am in breach of this statement, I shall bear consequences as provided for in the Collective Work Agreement of PT Garuda Indonesia (Persero) Tbk. and/or the prevailing laws and regulations.

I therefore knowingly submit this statement, without coercion from any party and am willing to bear all the consequences for violating this statement.

.........................................................

( _______________________)  
Name and Signature