



HOW ESG TRANSFORMS CORPORATE GOVERNANCE AND CULTURE

By: Harsya Denny Suryo, MSc.

VP Investor Relations Group Head

December 2023



Garuda Indonesia



INTRODUCTION



Industry Overview

Garuda Indonesia aims to become a more sustainable aviation company



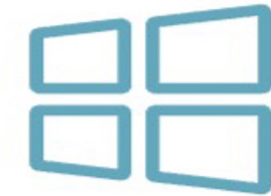
Sustainable Expansion Initiative

Garuda Indonesia pledges to balance business expansion with [Social and Environmental Responsibility \(SER\)](#), marking its dedication with the launch of its first sustainability report in 2014.



SER Committee Formation

In a move to solidify its commitment, the company is setting up a [SER \(TJSL\) Committee](#) with 12 units and 60+ professionals to weave ESG principles deeply into all business facets.



Commitment to Transparency

Garuda Indonesia aims to transparently showcase its [strategic approach](#) to fulfilling its [social and environmental responsibilities](#), signaling a clear direction for its [sustainable](#) future.

Garuda Indonesia



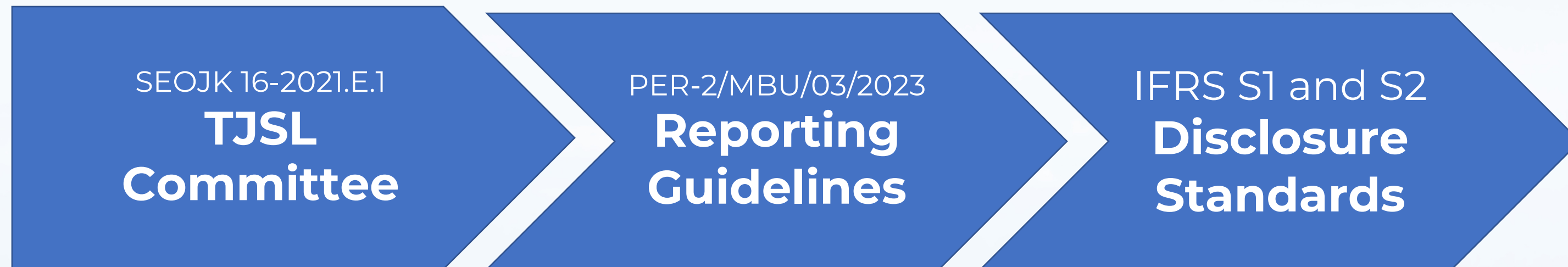
Garuda Indonesia

Road and Framework



Charting a Sustainable Future: Strategic Initiatives at the Forefront

How ESG Investment Enhance Value and Resilience



Garuda Indonesia



Garuda Indonesia

ESG IMPLEMENTATION

Environmental Management System



PLANTATION AND BIODIVERSITY

- Mangrove Planting with Jejakin "Ayo Jaga Bumi Kita Bersama" (GA Miles, TJSL, Employee)
- Coffee Planting Movement (Gertak) in Ciwidey
- Flores Eagle Conservation

RESOURCE USE

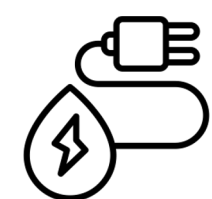


- Reducing the use of light by installing glass walls
- Arrangement of lights according to location to get optimal lighting
- Turning off air conditioners, lights, computers, and other electrical equipment when they are not in use
- Signing of a commitment to gradually replace LED lamps in offices
- Controlling and reducing water usage
- Earth Hour Program, collaborate with subsidiaries and partners
- Optimize gasoline or diesel fuel usage



WASTE SOLUTION MANAGEMENT

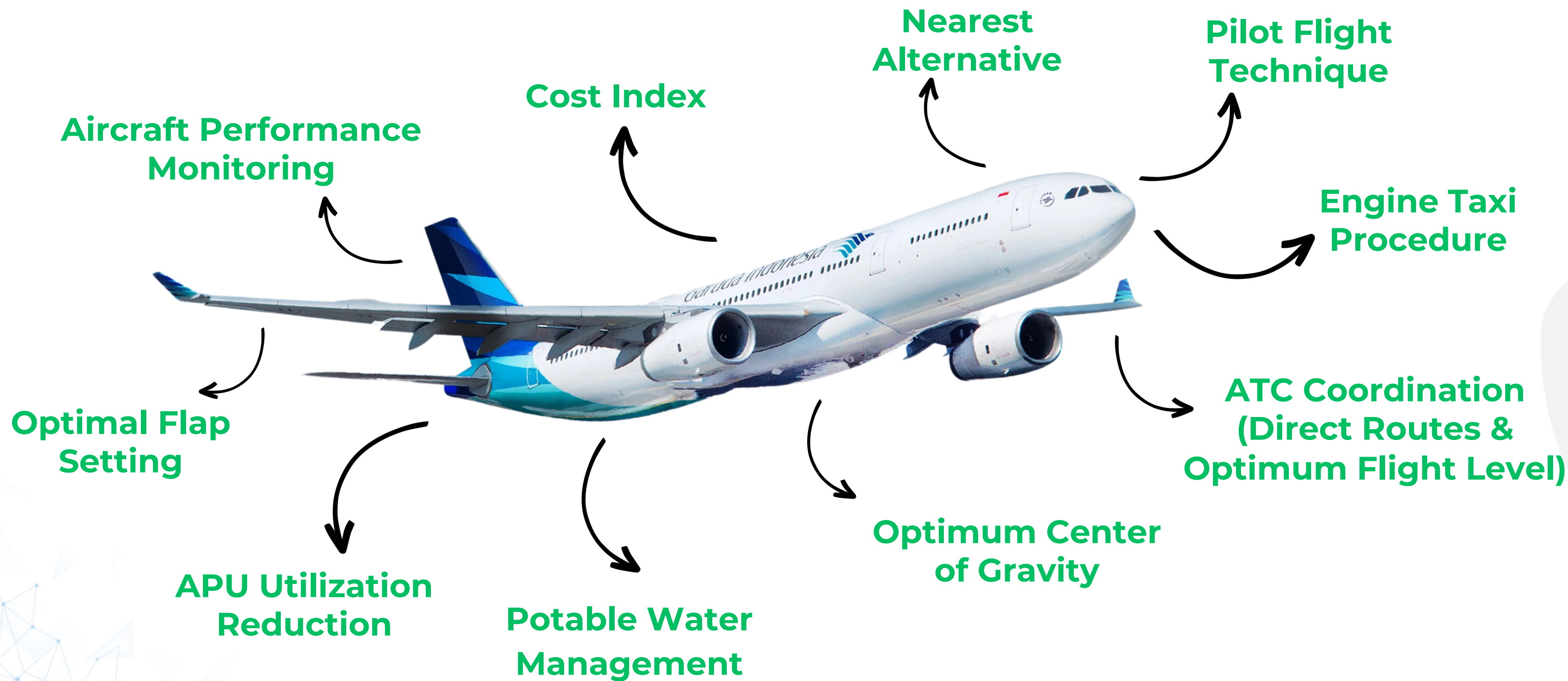
- Recycle in-flight materials
- Monouse to Multi-use Program (Linen economy class headrest cover and pillow cover)
- Digital Reading Materials
- Business class multi-use cutleries



ENERGY & WATER MANAGEMENT

- Office waste management
- Inflight material waste management
- Clinic hazardous waste management
- Drop box Reverse Vending Machine (new initiative)
- Waste station (new initiative)

Aircraft Energy Management



Environmental Report



SUSTAINABILITY REPORT

List of Disclosures According to POJK
51/POJK.03/2017 and GRI Content
Index Standard 2021
Reporting scope 1, 2 and 3 GHG
emissions



EMISSIONS AND VERIFICATION REPORT

Monitoring, Reporting, and Verification (MRV) of fuel
burn from international flights in accordance with
ICAO CORSIA provisions (report to Indonesian DGCA /
Ministry of Transportation)



ICAO

Environmental Regulation Related to Airline Industry



- **Law No. 32/2009** on Environmental Protection and Management and other derivative regulations.



- **Law Number 16 of 2016** on the Ratification of the Paris Agreement to the United Nations Framework Convention on Climate Change.



- **Presidential Regulation No. 98 of 2021** on the Implementation of Carbon Economic Value (NEK) for Achieving Nationally Determined Contribution Targets and Controlling Greenhouse Gas Emissions in National Development.



- **Minister of Environment and Forestry Regulation Number 21 of 2022** on the Implementation of Carbon Economic Value.



- **Decree of the Minister of Transportation Number KM 8 Year 2023** on the Determination of Climate Change Mitigation Actions in the Transportation Sector to Achieve the Nationally Determined Contribution Target.



- **Government Regulation Number 33 Year 2023** on Energy Conservation.



- **Law Number 4 of 2023** on Development and Strengthening of the Financial Sector (Carbon Exchange)

Indonesian Regulations (Related to Aviation and Environment)



DECREE OF THE MINISTER OF TRANSPORTATION NUMBER KM 8 YEAR 2023 ON THE DETERMINATION OF CLIMATE CHANGE MITIGATION ACTIONS IN THE TRANSPORTATION SECTOR TO ACHIEVE THE NATIONALLY DETERMINED CONTRIBUTION TARGET.

AIR TRANSPORTATION SECTOR MITIGATION ACTIONS (For Operators / Airlines):

- Air Transportation Rejuvenation
- Improvement of System and Procedure for Operation and Maintenance of Transport Category Aircraft for Passenger Air Transport
- Use of biofuel in aircraft fuel (Implementation in accordance with ICAO guideline)
- Development and implementation of navigation service procedures based on Performance Based Navigation (PBN)
- Creation and implementation of User Preferred Routes (UPR) routes
- Implementation of the ICAO Carbon Offsetting and Reduction Scheme for International Aviation (CORSA) scheme.

Environmental Awards & Score



Garuda Indonesia has won an award from TrensAsia ESG Award 2023 for the category "Transportation" with the title "Action"



Second place winner in the Excellence in Management category with the title GarudaMiles Carbon Offset Redemption Program: The Pioneer for Garuda Indonesia Sustainable Journey



Garuda Indonesia received the "2023 Corporate Emissions Transparency Award", by B-Universe, BGK Foundation, Investor Daily "Transparansi Penurunan Emisi Korporasi 2023", category: GREEN" Transparansi Perhitungan Emisi Korporasi 2023", category: GOLD



The ESG factor assessment by BPKP at PT Garuda Indonesia (Persero) Tbk in 2022 covers four ESG factors, including environmental factors, social factors, governance factors, and financial factors with the result of the quality of implementation: "Good".

Flight Test Using Bioavtur

Production of Bioavtur



July 2023



Pertamina's Refinery, Cilacap



Lab Test of Bioavtur Sample (extended req. ASTM D1655)

September 2023



Lab LEMIGAS



Lab Test of Bioavtur Sample (refer to ASTM D1655)



July 2023



Lab LEMIGAS



Engine Ground Run Test with Boeing 737-800NG Aircraft

October 2023



Run Up Bay Area, GMF



Engine Test Cell (CFM56-7B)



July 2023



Test Cell Building, GMF



Flight Test with Boeing 737-800NG Aircraft

October 2023



Runway GMF



Development and Initiatives



The establishment of the **TJSL Committee** refers to the regulation of the Minister of State-Owned Enterprises of the Republic of Indonesia No. PER-1/MBU/03/2023. (**ESG Committee**).



Create **Renewable Energy & Energy Conservation** implementation plan.



Development of **Carbon Calculator**.



Plan for **GHG report verification** implementation.



Sustainable Aviation Fuel implementation plan.



CORSIA Carbon Offsetting Implementation plan.

Garuda Indonesia 

THANK YOU

Garuda Indonesia 

