

## Lotte Duty Free reduces plastic waste with introduction of tarpaulin bags



PP is durable, does not contain environmental hormones and can be recycle

Lotte Duty Free has announced it will replace disposable plastic bags, including bubble wrap, used for packing duty free goods with reusable tarpaulin bags starting today.

Tarpaulin, made of polypropylene (PP), is a durable material that does not contain environmental hormones, can be recycled and is mainly used for shopping carts and car covers. Lotte Duty Free has produced five types of packaging materials for different products types and sizes, and has added a cushioning material inside to increase safety.

"By introducing tarpaulin bags, we expect to be able to reduce more than 80% of disposable plastic waste generated at the airport delivery site annually. The increase in logistics efficiency will also bring about 41% cost savings," said the company.

However, for fragile products such as cosmetics, perfume, and alcoholic beverages, Lotte Duty Free will continue to use a small amount of bubble wrap and paper packaging to prevent damage.

In addition to the introduction of tarpaulin bag packaging, Lotte Duty Free is its expanding eco-friendly management infrastructure and carrying out various activities to create a sustainable earth based on the slogan of 'Duty 4 Earth.' This includes installation of additional solar power facilities,

expanded operation of electric vehicles and more.

### **Eco-friendly logistics center in full swing**

Lotte Duty Free is also spurring activities to reduce fossil fuel waste and secure carbon credits. In August, Lotte Duty Free started construction of a solar power generation facility with an annual power of 526 megawatt hours and 1,500 pyeong at the second Integrated Logistics Center located in Yeongjongdo, Incheon. Lotte Duty Free has been using eco-friendly electricity since November last year by operating outdoor solar power facilities at the first Integrated Logistics Center. When the additional solar power facilities are completed, a total of 875 tons of carbon emissions can be reduced per year at the first and second integrated logistics centers.

In addition, the introduction of a bonded transport electric vehicle that transports duty-free goods between logistics centers, downtown stores and airport stores has brought about environmental protection effects, such as reducing greenhouse gases by 27 tons per year and reducing fine dust by 13 kilograms.

Branches are also making efforts to reduce unnecessary waste of resources such as branch membership registration forms and parking tickets. Instead of the tributary subscription, which is generated an average of 210,000 per year, it has been replaced with a simple subscription using a tablet. In addition, 4.8 million paper parking tickets, which are generated every year, were also converted to system settlement, greatly reducing paper waste.

Kap Lee, CEO of Lotte Duty Free, said, "Lotte Duty Free is trying to incorporate eco-friendly elements into all business areas."

Meanwhile, Lotte Duty Free established the ESG Value Pursuit Committee for the first time in the domestic duty free industry in March last year and declared the ESG management vision of "the most trusted travel partner." In addition to eco-friendly activities, social contribution activities centered on local tourism and win-win growth for small businesses are being carried out, and management transparency is being enhanced by strengthening the fair-trade voluntary compliance system.

Lotte Duty Free is spurring eco-friendly activities to create a sustainable earth. By replacing packaging materials such as air caps with recyclable tarpaulin bags, it plans to reduce more than 80% of single-use plastic waste generated at the airport delivery area.