



Progress Report Aleph Inc.
2017/2018

On the Leadership Declaration of the
'Biodiversity in Good Company' Initiative



This progress report features activities that Aleph Inc. has implemented in the last two years (2017/2018) and recognizes the seven points in the Leadership Declaration cited below.

Leadership Declaration

All signatory companies acknowledge and support the three objectives of the international "Convention on Biological Diversity":

1. Conservation of biological diversity
2. Sustainable use of its components
3. Fair and equitable sharing of the benefits that arise out of the utilization of genetic resources.

and commit themselves to:

1. Analyzing corporate activities with regard to their impacts on biological diversity;
2. Including the protection of biological diversity within their environmental management system;
3. Appointing a responsible individual within the company to steer all activities in the biodiversity sector and report to the Management Board;
4. Defining realistic, measurable objectives that are monitored and adjusted every two to three years;
5. Publishing activities and achievements in the biodiversity sector in the company's annual, environmental, and/or corporate social responsibility report;
6. Informing suppliers about the company's biodiversity objectives and integrating suppliers accordingly and step by step;
7. Exploring the potential for cooperation with scientific institutions, non-governmental organizations (NGOs) and/or governmental institutions with the aim of deepening dialogue and continuously improving the corporate management system vis-à-vis the biodiversity domain.

To demonstrate ongoing commitment, member companies will provide the Initiative with a progress report every two years.

1. Analyzing corporate activities with regard to their impacts on biological diversity

■ The Activity for Estimating Impacts on Biological Diversity

In April 2015 when the new three-year term of the Aleph Environmental Action Plan began, we set a new target to estimate our lifecycle environmental load (e.g. carbon and/or water footprint) to clarify our corporate activities that have significant impact on the environment. Then Aleph joined the LCA Academy (the Water Footprint Academy before) that is held by the Corporation "Eco-health-food Laboratory" in order to start estimating our ecological footprint including LCA. We are proceeding the calculation of the environmental load with 5 contracted farms of Aleph Natural Beef in New Zealand since 2017. Also we evaluated rice procurement according to the 'Natural Capital Protocol' and measured how much society cost is reduced every year by using less agrochemical rice.

■ Activities so far

Aleph Inc. has not quantitatively analyzed all the influences of its corporate activities on biological diversity so far. However, we have recognized that the most important impact on biological diversity through our business activity is presumably caused by the procurement of food resources and materials for our



Aleph Inc. manages about 330 restaurant stores all over Japan. Its mainstay is hamburger steak restaurant "Bikkuri Donkey".

restaurant chain. For example, our procurement policy and behavior will affect the environment and biodiversity of rice paddies of approximately 1000 ha through our procurement of rice supplied at our restaurant stores. Then Aleph has summed up the procured amount of food resources and materials and reported them in the Aleph Environmental Report (in Japanese) every year. The procurement volume in 2018 fiscal year was 31,901 t of food resources and 614 t of materials.¹

Aleph also monitored and reported its energy consumption, water consumption, amount of food waste and its recycling rate every year, which are related to CO₂ emissions that indirectly affect biological diversity through climate change.

2. Including the protection of biological diversity within their environmental management system

Aleph Inc. already set up the Aleph Environmental Action Plan as its environmental management system in 2003. It consists of an environment policy and some environmental targets. The targets were reviewed every three years. Aleph included the target of biological diversity within the 8 targets during the review of 2012 for the first time. The policy and the target of biological diversity were as follows:

Aleph Environmental Action Plan (The 4th term, from April 2012 to March 2015)

- Policy
Our aim is to contribute to building a sustainable recycle-oriented society, to reduce environmental loads resulting from our business activities, and to facilitate conservation of nature and environment.
- The target related to biological diversity
Aleph Inc. agrees with the purpose of the Convention on Biological Diversity and will conserve biological diversity.

The very important result of the 5th term was the inclusion of different sections employees in each target. The different peoples involvement spread environmental considerations to a variety of departments. Also it has started to express the relevance of the SDGs from the Environmental report 2016.

In April 2018, when the new three-year term (the 6th term) of the Aleph Environmental Action Plan began, we categorized all our environmental actions in two groups. First group is actions which will cause 'Negative' impact on our company if we haven't done for example legal compliance. Second group is actions which will give us 'Positive' impact if we challenge.

Within the review, we revised the new guidelines and targets sited as next page (5-(1)-(b), 5-(2), 6-(2) and 7-(1) are related to biological diversity).

Targets that are related biological diversity are consisted by education opportunities in 'Eco-ring village' or contracted farms, and sustainable procurement.

Aleph Environmental Action Plan (from April 2018 to March 2020)	
Guidelines (G)	Targets (T)
1. We will reduce energy usage and GHG emissions by our business. (SDGs 13)	(1) Reducing the energy usage from 0.3782kL / a million yen per sales (fiscal 2017) by the annual average 1% to 0.3670kL.
	(2) Achieving the target with operate ISO 50001 at the Hokkaido factory, and going to acquire it at other factories.
	(3) Toward to be CFC-free, Introduce non-CFC equipment such as natural refrigerant in restaurants and factories and set one type as standard equipment.
2. We will operate business using renewable energy. (SDGs 7)	(1) Generating electricity as renewable energy using food waste from own business as a raw material.
	(2) Set a utilization ratio target for renewable energy-derived power.
3. We consider water usage and treatment while doing our business. (SDGs 6)	(1) Reducing the amount of water usage from 13.8L / a thousand yen per sales (fiscal 2017) by the annual average 1% to 13.4L.
	(2) Maintaining N-hexane level of the waste water under the standard by decisions of cleaning method of grease-trap at all restaurants.
4. We will restrain scrapping of our wastes by promoting refusal, reuse and recycling of them (SDGs 12)	(1) Reducing food waste from 54.1kg / a million yen per sales (fiscal 2017) to 50.0kg.
	(2) Increasing usage and recycling percentages of food waste from 92.6% (fiscal 2017) to 95.0%.
	(3) Reducing and controlling plastic waste, promoting separation of sludge and recycling to resource.
5. We procure sustainable materials and supply merchandise to all group restaurants with consideration of environmental issues. (SDGs 2, 12)	(1) We will represent the value of our procurement of food ingredients. (ex. (a) Aleph Natural Beef's GHG emission, (b) Evaluation of less agrochemical procurement according to 'Natural Capital Protocol').
	(2) We sustain and improve our safety and sustainability criteria of food ingredients which are compatible with productivity through discussion with suppliers.

<p>6. We will provide the atmosphere in which all employees can be aware of and consider environmental issues and resolve them by themselves. (SDGs 4)</p>	<p>(1) We will implement education program of relevant environment laws to employees in charge. (2) We will implement visiting program of employees to our contract farms (to make them aware of our procurement policy).</p>
<p>7. We will work with customers and local people for a better sustainable society. (SDGs 15, 17)</p>	<p>(1) We will implement biodiversity conservation program in our eco-theme park "Eco-ring Village".</p>

3. Appointing a responsible individual within the company to steer all activities in the biodiversity sector and report to the Management Board

Aleph EMS commission steers the Aleph Environmental Action Plan and a responsible individual is appointed out of the commission members.

The appointee of this period is:

Mr. Daisuke Watanabe, Manager of Environment Department (called Eco-team) since April 2016, the chairman of Aleph EMS commission since April 2018.

He is in charge of biogas plant in Eco-ring village, all waste managements and food waste disposal machine of restaurants, recycling system with compost using food waste from restaurants, and so on for long while.

Under his responsibility and management of the 6th term, other members are responsible for guidelines and targets related biological diversity as follows:

G5-(1)-(a): Ms. Anzai, G5-(1)-(b): Ms. Takada-Brady, G5-(2): Mr. Kikuchi,
 G6-(2): Mr. Ito, G7-(1): Mr. Kazumata

Special mention:

Ms. Takada-Brady is taking roll in G5-(1)-(a) and G7-(1) as well.
 Also Ms. Araki is promoting G5-(1)-(b), G5-(2), G6-(2) and G7-(1).

■ Revision of Rice Paddy Target

Whereas some reports say that conventional rice farming requires 5-9 times agrochemical application in Japan, Aleph Inc. has served “Less Agrochemical Rice” that is applied only once or no application of herbicide in all *Bikkuri-Donkey* restaurants since April 2006. Also it has not used germicide and insecticide on and around its rice paddy, based on Aleph's strict specification.



Aleph Inc. procures about 6000t of rice a year and has about 580 accredited rice farmers.

After discussion among contracted farmers, in spring 2016 we revised the specification and two subjects were added. One is that rice farmer must research organisms in their own rice paddies. Second is that rice farmer should decide symbol-life of their paddies.

And we set our new midterm targets to enhance biodiversity in rice paddies for our restaurants. The targets are set to increase 3% per year until 2019 based on the 2016 results. The results of each year are shown as below.

Item	2016	2017		2018		2019
	Results	Targets	Results	Targets	Results	Targets
1. Production methods friendly to the organisms in rice paddies (biotopes etc.)	977	1006	1264	1036	981	1075
2. Production methods friendly to the organisms around rice paddies (fishways etc.)	362	373	486	384	626	398
3. Activities to raise awareness of non-farmers (wildlife monitoring etc.)	30	31	30	32	57	33

■ Other Biodiversity Targets

In the 6th Aleph Environmental Action Plan, Aleph has other measurable objectives. Target G6-(2): We will implement visiting program of employees to our contract farms (to make them aware of our procurement policy).

Results of this objective 2017 and 2018 are as follows.

Ingredients	Programs	Results(employees)	
		2017	2018
Rice	Rice planting festival at "Eco-ring Village"	3	6
	Monitoring organisms at contract farm with <i>Bikkuri Donkey</i> customers	12	11
	Making traditional new year's decoration for their restaurants using rice straw at contract farm	18	Canceled (Earthquake)
	<i>Yatsuda</i> restoration with local NPO	11	15
Beef	Aleph Natural Beef seminar	20	27
Others (Onion, mini tomato, etc.)		-	9
Total		64	68

Target G7-(1): We will implement biodiversity conservation program in our eco-theme park "Eco-ring Village". Results for fiscal 2018 of this objective are as follows. 9th June of number 1, 20th May of number 2 and 2nd and 3rd June of number 3 were carried out as the "the Green Wave" related programs.

	Programs	Results fiscal 2018	
		Date or times	Participants
1	Forest management	Jun.9, Sep.22	50, 13
2	Eradicate activity of alien bumblebee	May.20, 31	29
3	Rice planting festival & experience	Jun.2, 3, 5	78, 120
4	Eradicate activities of invasive frogs	Jul.21 – Aug.19	733
5	Monitoring life in rice paddy	Jul.21 – Aug.19	111
	Monitoring life in rice paddy with school trip	May. 21, Jul.18	144, 53
6	Lectures at exhibition of insect	Jul. 21, 22, 27, 28, Aug. 18, 19	404
7	Other education programs related biodiversity	2, 1, 6, 14	45,24,141,394
		Apr. 28-29, Jun. 29	35, 245
Total			2,619

Special mention:

The activity number 4 won the award of conservation of Living-things in Northern Island, Hokkaido in November 2017.

<http://www.pref.hokkaido.lg.jp/ks/skn/hyousyou/H29.htm>

The activity number 2, the eradication and experience activity in Eco-ring Village won a prize of 'Biodiversity Action Award Japan 2018' in 'Show' section (web article below in Japanese) in December 2018.

<http://5actions.jp/show/aleph/>

5. Publishing activities and achievements in the biodiversity sector in the company's annual, environmental, and/or corporate social responsibility report

At the time of publishing the report on the fiscal 2015 year Aleph decided to limit the contents to the progress and achievements in energy consumption, CO₂ and CFC emissions, water and wastes.

Although, Aleph Inc. re-started describing its activities and achievements regarding biodiversity in page 15-16 and 21-22 in the Aleph Environmental Report from on the fiscal 2018 year (covering April 2018 to March 2019).

It will be published in September 2019 and should be available on the Aleph website soon (in Japanese).

We also publish the Aleph Activity Summary, which describes our main biodiversity action in English. This was last revised in November 2016. It is also available on the Aleph website;

https://www.aleph-inc.co.jp/_data/2016_aleph_env_rep_en.pdf

And we report "The Green Wave" related programs of G7-(1) to ministry of the environment though UNDB-J.

Also we publish that newsletter every two weeks to restaurants for part-time employees and monthly magazine to full-time employees to announce how the year's programs results were.

6. Informing suppliers about the company's biodiversity objectives and integrating suppliers accordingly and step by step

■ Informing and integrating activities (1)

According to newly set target G5-(2) of the Aleph Environmental Action Plan "We will sustain and improve our safety and sustainability criteria of food ingredients which are compatible with productivity through discussion with suppliers", and based on our experience of the "Living-Things-Friendly Rice Paddies" project so far, in spring 2015 we started to discuss revision of our biodiversity target for rice procurement with contract farmers, so that we can say that all the rice served in *Bikkuri Donkey* restaurants is life- and environment-friendly. After the discussion, we reviewed our specifications for "Less Agrochemical Rice" to take effect as of 2016. First, we set additional prohibitions that were not included from a biodiversity standpoint in the former specifications. Secondly, we revised the list of herbicides that farmers can use in growing their "Less Agrochemical Rice", and added three herbicides to the list of prohibited agrochemicals. Aleph Inc. notified direct contracted farmers and contracted rice farmers with *Bikkuri Donkey* franchisee companies of the new "Less Agrochemical Rice" specifications in spring 2016.

Aleph Inc. has held a conference with direct contracted rice farmers every December since 2009 to discuss and exchange their experiences and information about the methods of rice farming and biodiversity enhancement. In addition to direct contracted farmers, in 2013 Aleph began to call to contracted rice farmers with *Bikkuri Donkey* franchisee companies about this conference for the purpose of informing all the *Bikkuri Donkey* rice farmers about Aleph's biodiversity objectives. In 2018, 44 farmers in 11 groups of contracted or franchisee participated in the conference.

■ Informing and integrating activities (2)

Bombus terrestris, buff-tailed bumblebee, was introduced in Japan as a pollinator for greenhouse tomatoes in 1992. Since then it had increased for tomato farming because it can efficiently pollinate tomatoes without using hormone drug. However, the anxiety about flight from greenhouse to the wild was raised by researchers from the beginning. In 1996 a natural nest was firstly observed, then they have rapidly spread in Hokkaido. In 2013 this bee was observed in 129 municipalities out of 179 in Hokkaido. As problems of this bee, competition with native species, interference of native floras pollination, hybrid, and introduction of alien parasites are pointed out. It was designated as Invasive Alien Species according to the Invasive Alien Species Act of Japan.



Buff-tailed bumblebee.

Cherry tomatoes are used with our main item "Hamburger steak dish". When we got to know the problems of this bee at the biodiversity symposium in 2003, many accredited cherry tomato farmers used this bee for pollination. Since 2005, we have requested accredited farmers not to use this bee for pollination. The situation of cherry tomato procurement in fiscal 2014 and 2017 is shown below. We have two challenges for reducing the rate of this bee, one is to increase accredited farmers, and another is to have accredited farmers change the pollination method.

Item	Procurement ratio	
	fiscal 2014	fiscal 2017
Without <i>Bombus terrestris</i> pollination	65.3%	79.5%
With <i>Bombus terrestris</i> pollination or not aware (procured from market)	34.7%	20.5%

7. Exploring the potential for cooperation with scientific institutions, non-governmental organizations (NGOs) and/or governmental institutions with the aim of deepening dialogue and continuously improving the corporate management system vis-à-vis the biodiversity domain

■ Cooperation with NGOs for the Aichi Biodiversity Targets

In 2013 Aleph registered its rice paddy project as Rice Paddy Biodiversity Enhancing Decade project² and Double 20 Campaign (*Nijyu-maru*) project³ hosted by the Japan Committee for IUCN (IUCN-J). These projects aim to build a network of active members working together toward the Aichi Biodiversity Targets.

In this term Aleph participated in two side events of international conference held by NPO Ramsar Network Japan that is a member of IUCN-J for the purpose of encouraging all the stakeholders to take action of enhancing biodiversity in rice paddies and to mainstream biodiversity in agriculture; COP12 to the Convention on Wetlands on June 2015 Punta del Este, Uruguay and CBD COP13 on December 2016 Cancun, Mexico. Aleph introduced its rice project for the mainstreaming of biodiversity in rice paddies.

We presented exhibition cooperating with Ramsar Network Japan at COP3 of Niju-maru project (<http://bd20.jp/en/>) in 17th and 18th 2018.

■ Cooperation with NGO for the employee awareness

In 2012, Aleph started the cooperation activities on *yatsuda* restoration with the non-profit organization Tsukuba Environment Forum⁴ in Ibaraki, Kanto district. *Yatsuda* is the Japanese word for a certain type of rice paddies, located at the end of ravine in forest. Many types of wildlife species live in a *yatsuda*. However, the *yatsuda* is liable to be abandoned because it's usually small and hard to cultivate with agricultural machines. Rice paddies stay as wetlands as they are periodically cultivated by farmers. Once abandoned, however, a *yatsuda* will gradually dry out and eventually become forest, following the process of ecological succession. The wetland ecosystem will be lost. That's why a *yatsuda* is a hot spot of biodiversity.

In 2012, we decided to have employees in Kanto district participate in activities to conserve restored *yatsuda* four times a year, such as transplanting, weeding, harvesting, maintenance and using rice straw to

make traditional New Year decorations for their restaurants. It is difficult for restaurant employees in Kanto district to access the rice paddies that produce the rice they serve in their restaurants because we have no contract farmers in the area. This cooperation therefore helps employees to get a feeling for the rich biodiversity of rice paddies and to understand the importance of our rice-procurement policy. This is the advantage that we have gained. On the other hand, Tsukuba Environment Forum has gained by obtaining a stable supply of human resources, the most important factor in maintaining *yatsuda*. We have undertaken these activities for five years and will continue to do so in the future. The number of employee participants in 2017 and 2018 are appeared in chapter 4.



Yatsuda conservation activity by Kanto employees in cooperation with NPO Tsukuba Environment Forum

- Cooperation with scientific institutions and government institutions for the better management of the field and alien species

In 2015 the Hokkaido Council for Promoting Measures for Buff-tailed Bumblebee was established for the purpose of preventing the spread of this alien bee in Hokkaido and making local people aware of the problem. Aleph joined the Council as a member among Hokkaido government, Sapporo city government, Hokkaido Environment Foundation and so on. Hokkaido government and Aleph had jointly held the buff-tailed bumblebee eradication activities in Eniwa city, Hokkaido with local people and employees annually since 2011. Since 2015 the activities have been held by the Council and Aleph. In 2017 and 2018 we also held these activities in Eco-ring Village once a year in May. The number of participants and eradicated bumblebees were as follows:

	participants	Eradicated bees	Number of Queens * highly effective
May 20, 2017	36	67	59
May 20, 2018	20	43	36

Ms. Takada-Brady participated on the panel discussion to present biodiversity activity of Aleph at Hokkaido Biodiversity conservation forum 1st of February in 2018.

<http://www.pref.hokkaido.lg.jp/ks/ksk/dominkw2018/tirashi.pdf>

- Cooperation with an international organization for conservation of biodiversity in forest

A forest maintenance event such as appropriate thinning to help the diversity of fauna and flora. About 50 participants organized mainly by OISCA Hokkaido branch join the activity every year. This is connected to our wooden dish using the white birch tree which is not suitable as building material but is a fast grower in Hokkaido where our head office is located.

- Cooperation with a research Institute, an incorporation of consultant and a professor of University to evaluate Natural Capital

Procurement of 'Less agrochemical rice' should be enhancing biodiversity and the environment around rice paddies. Because it was difficult to quantitatively evaluate by ourselves, we got a cooperation of IGES (<https://iges.or.jp/en>), IDEA consultants, Inc. (<https://ideacon.jp/en/>) and Professor K. Yoshida in Kyusyu University (<https://www.kyushu-u.ac.jp/en/>).

As according to the 'Natural Capital Protocol', the measurement revealed some costs. First we agreed why and what would be the measuring targets (Frame and Scope) to get understanding of board members, other employees in the company, farmers and franchisees. Then we categorized the effect in 4 sections, and we decided two farming groups who have data of rice with less agrochemical and rice using agrochemical in same areas. Those farmers provide about 1/14 of all our rice procurement with 117ha.

(1) Mitigation of global environmental change was impossible to calculate, even though we expected the rice paddies are absorbing GHG or may releasing it. (2) Improvement of environment in rice paddies itself was expected to provide value of 72million 830thousand yen. But this number does not mean the company can require to be paid by customers and also farmers can receive. It is just possibility of value. (3) The environmental impact of downstream was much valuable to know how much society would have paid if we didn't use less agrochemical rice. It was 31million 810thousand yen deduction comparing even specially-cultivated rice. Also we can say it would be 10 times more because of total procurement amount of rice. (4) Utilization as activity or educational field and advertisement weren't so much because there was not much exposure. So it means we should use those resources much more to bring peoples' awareness.

References:

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- 1 Aleph Environmental Report 2018 p.7 (in Japanese)
 - 2 <http://www.ramnet-j.org/tambo10/> (in Japanese),
<http://www.ramnet-j.org/tambo10/tambo/en/> (in English)
 - 3 <http://bd20.jp/> (in Japanese), <http://bd20.jp/en> (brief introduction in English)
 - 4 <http://tef298.sakura.ne.jp> (in Japanese)

All photos: Aleph Inc.