

Progress Report Aleph inc. 2011/2012 To the Leadership Declaration of the 'Biodiversity in Good Company' Initiative

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

Aleph inc. has not statistically analyzed all the influences to biological diversity.

However we have considered the most important issue to be the reduction of our impact on biological diversity through our business activity to be the procurements of food resources and materials for our restaurant chain. We have chosen less agrochemical food resources and materials that are recyclable or low impact to produce such as '*Shou-Nou-Yaku-Mai**₁', 'Living-Things-Friendly Rice Paddy*₂', 'Repairable Wooden Dishes*₃', and so on.

We have also implemented the reduction of energy, water consumption and kitchen refuses*4 which connects to CO₂ emission and landfill problem.

2. Include the protection of biological diversity within their environmental management systems;

Aleph inc. set up the original 'Aleph Environmental Action Plan'. The policy consists of the eight targets including the protection of biological diversity.

The policy is: Our aim is to contribute to building a

■ Aleph Environmental Action Plan

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 Targets of the Environmental Action Plan fiscal 2012-2014 (reviewed every three years)

- CO2 emission from energy usage per sales will be reduced annually by 2.0% every year.
- ●The water usage per sales will be reduced by 1.0% every year.
- •The recycling rate of kitchen refuse will be 90% by fiscal 2014 and maintain the rate thereafter.
- The recycling loop of kitchen refuse will be consisted of 2 areas with 3 groups.
- Aleph Inc. will supply merchandise to all group restaurants and shops with consideration of environment purposes.
- Aleph Inc. agree the purpose of the Convention on Biological Diversity and keep challenging Biodiversity Conservation.
- We will provide the atmosphere which all employees can be aware and consider environmental issues and achieve by themselves.
- We will work with customers and local people for a better sustainable society.

sustainable recycle-oriented society, to reduce environmental loads resulting from our business activities, and to facilitate conservation of nature and environment.

The target of the protection of biological diversity is: Aleph inc. agrees the purpose of the Convention on Biological Diversity and keeps challenging biodiversity conservation.

Other targets refers to: CO₂ emission from energy usage, reducing the water usage, recycling rate of kitchen refuse, formation of the recycling loop of kitchen refuse, supply merchandise with consideration of environment purposes, education of employees and working together with customers and the local community to achieve an awareness for a sustainable society.

Recycle volume of Kitchen refuse from restaurants increased up to 86.7% in 2011 (from 71.1% in 2009).

Recycling used vegetable oils from customers and restaurants are continuing with Rapeseed project involving five elementary schools.

Our main project 'Living -Things-Friendly Rice Paddies' is challenging to develop biodiversity indicators (q.v. 4.).

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

Eco-team leader, Mr. Sasaki has been appointed to this position.

4. Define realistic, measurable objectives that are monitored and adjusted every 2 to 3 years;

Aleph inc. Succeeded in achieving the increase of the farming area of 'Living-Things-Friendly Rice Paddy' up to 100ha (10% of our current procurement volume) in 2011. We are serving the rice in 22 "Bikkuri Donkey" restaurants in 2012. Our next target will be to increase the farming area up to 120ha by 2014.

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

Aleph publishes all information relating to Biodiversity Activity in the Aleph Environmental Report, every year in Japanese.

http://www.aleph-inc.co.jp/Company_outline/outline.html

Aleph Activity Summery, which describes our main biodiversity conservation action in English.

http://www.aleph-inc.co.jp/english_business/outline_en.html

This was last revised August 2012.

6. Inform suppliers about the company's biodiversity objectives and integrating them accordingly and step by step;

We have held a conference with direct contracted rice farmers every December since 2009 to discuss and exchange their experiences and information about more efficient methods and for the encouragement of less agrochemical farmers.

Eradication campaign of naturalized buff-tailed bumblebees (which is an alien species introduced as pollinator for greenhouse farming) continues every spring in Hokkaido, Japan since 2005. Our contracted farmers who produce cherry tomatoes all over the country have not used this alien species since 2010*5.

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

We have connections with Tokyo University for the buff-tailed bumblebee eradication, and Hokkaido Department of Biodiversity, but we do not at present have dialogue with any NGO's discussing our activities.

We renewed an exhibition area in Eniwa-city, Hokkaido last spring 2012, to create awareness with visitors about the conservation of biological diversity throughout Hokkaido (Northern Japan), including our connection with the indigenous Ainu culture of Hokkaido's deep knowledge of native wild plants that's used for medicine, coloring, food resources etc.

References:

- *1: Aleph Activity Summery, p6. p13. http://www.aleph-inc.co.jp/english_business/outline_en.html
- *2: Aleph Activity Summery, p7. p13.
- *3: Aleph Activity Summery, p3
- *4: Aleph Activity Summery, p3
- *5: Aleph Activity Summery, p6