



2021 ESG REPORT

KALRAY

June 2022

www.kalrayinc.com

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"Kalray is growing, and we want it to be sustainable, for a better world. In 2021, we have therefore initiated a CSR process and carried out a carbon footprint, with the following key objectives:

- To offer our teams and future employees a healthy, safe and stimulating working environment. Our wealth is our teams, their involvement, their expertise, their energy and their passion to innovate and always offer the best products and solutions. The quality of life at work and the motivation and involvement of our teams are therefore fundamental pillars of our success.*
- Taking stock of our greenhouse gas emissions, controlling, limiting and evaluating our impacts and preserving our environment and our planet.*
- To be exemplary in our compliance with national and international regulations and to guarantee our stakeholders reliability and ethics.*

We now need to raise awareness among our employees and make changes. This metamorphosis is everyone's business, all the women and men who, through their dedication, energy and creativity, have brought Kalray to where it is today and who, through their commitment, are driving the company towards sustainability.

Together, let's commit to a better and more sustainable world."



Eric BAISSUS
CEO, Kalray

KALRAY IN A NUTSHELL

Intelligent Data Processing, from Cloud to Edge

Kalray offers a new type of **processor** (DPU¹) and solutions targeting the booming markets of **edge computing** and **intelligent data processing**



LEADER IN MANYCORE TECHNOLOGY

3rd

Generation of MPPA[®] processor

+ €100m

R&D investment

30

Patent families

A GLOBAL PRESENCE



INDUSTRIAL INVESTORS



- Public Company (ALKAL)
- Support from European Govts
- Working with 500 fortune companies

⁽¹⁾ DPU : Data Processor Unit

RECENT KEY FACTS

Arcapix Holdings Ltd Acquisition

A STRATEGIC ACQUISITION

Arcapix Holdings Ltd is a leading provider of Software-defined Storage Solutions for Data-intensive Applications. A strategic transaction that would:

- Strengthen Kalray's position as a key player in the fast-growing storage and intelligent data processing market;
- Accelerate the market penetration of Kalray's acceleration cards and storage solutions;
- Give Kalray access to a broad customer base, world leading organizations and strategic resellers such as Dell Technologies – operating within Kalray's core markets (Media & Entertainment, HPC, AI, life sciences, and others);
- Complement Kalray's customer propositions and skillset and produce cross-selling opportunities for Kalray's Flashbox™ All-Flash-Array and K200-LP™ acceleration cards;
- Represent a change of dimension for Kalray (+ >50 R&D, sales and support professionals in the UK and US);
- As a profitable business, Arcapix is expected to positively impact Kalray's top and bottom line.



arcapix®
Holdings Limited

RECENT KEY FACTS

2 New Projects Funded by French Government

① CARAIBE PROJECT

This project aims to develop the next generation of MPPA® Coolidge™ processor (Coolidge2).

Relocation of production stages of acceleration cards in France

② PIRANA PROJECT / 5G

An open optimized and sovereign solution, based on Kalray acceleration cards, for the next generation of 5G infrastructures.



KALRAY, A SOVEREIGN EUROPEAN LEADER FOR EDGE COMPUTING

- Strong Support from French & European Administrations
- Part of the European Processor Initiative
- Part of 10+ gov funded projects
- Work with large corporations in strategic domains (Airbus, Safran, Thales ...)



1 CUSTOMERS

- Datacenter market
- Automotive market with Renault, Nissan, Mitsubishi and NXP who manufacture integrated systems for electronics in cars
- As of today, Kalray has not received any CSR requests from its customers. However, Kalray is subject to the ROHS standard for the use of lead. Some customers have also established a score card with, among others, a criterion on the ISO140001 standard.



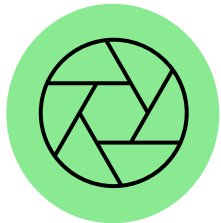
2 SHAREHOLDERS/ INVESTORS

- Shareholders and investors are increasingly interested in CSR strategy.
- Some of Kalray shareholders have already expressed their wish to receive a CSR report outlining Kalray's future actions on social and environmental aspects.
- What shareholders are looking for is therefore a strategic positioning in terms of CSR and maximum transparency.



3 SUPPLIERS

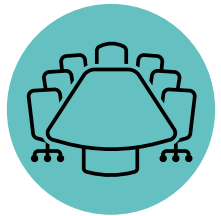
- For production, Kalray is at the centre of an ecosystem set up with microelectronics partners. Kalray is a fabless company but retains control of each stage of testing and assembly. Today, the chips can be sent back and forth between France and Taiwan. In the short term, Kalray will be able to significantly reduce transport.



- Kalray chose to use DELL as its IT partner for its sustainable approach
- Kalray always chooses local partners when possible.

4 RECYCLERS

- Recycling our old IT materials with specific companies
- Recycling processes for dysfunctional boards with local partners in order to recover rare raw materials
- Recycling processes with our daily waste in all our locations.



IDENTIFICATION OF STAKEHOLDERS



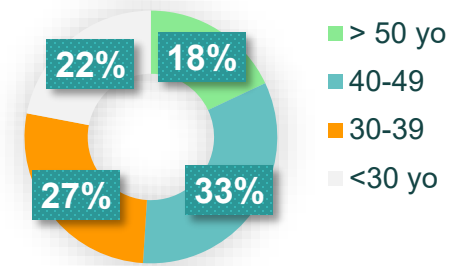
5 EMPLOYEES

- For an effective CSR strategy, everyone must feel involved.
- Since Kalray's business model is not directly linked to the ecological transition, most employees do not really know what CSR is or do not feel concerned.
- Nevertheless, a large majority of employees would like to be more informed and aware of environmental and social aspects within Kalray*.

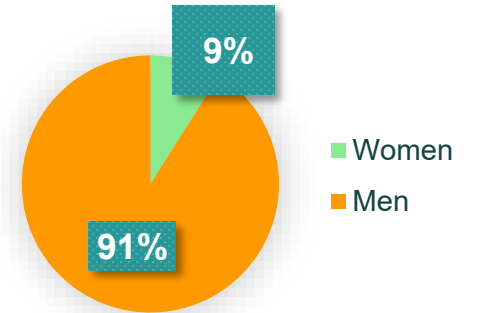


*source : Internal study, June 2021

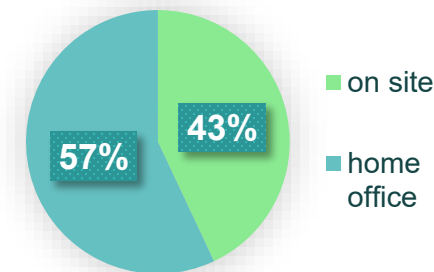
Age repartition



Mix at Kalray



Home office average



STAKEHOLDERS EXPECTATIONS



Legend :

High

Medium

Low

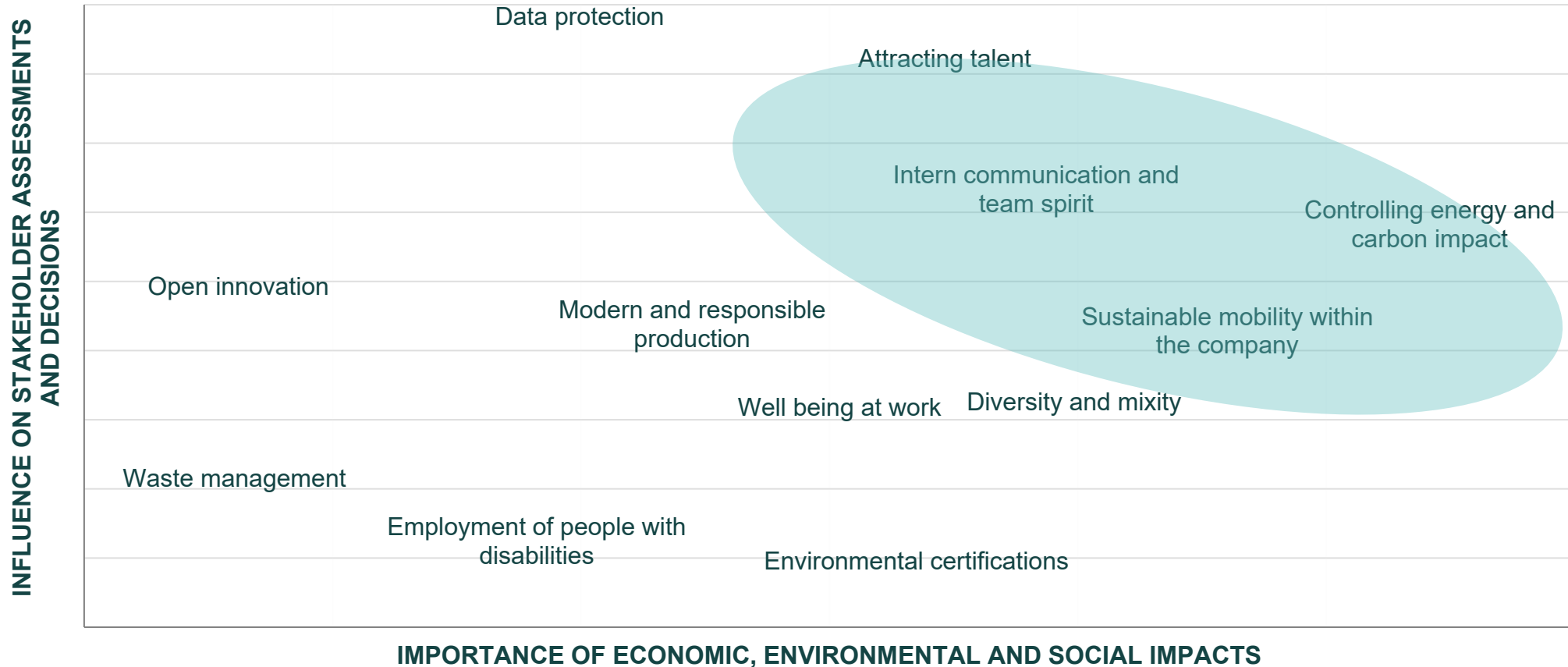
Stakeholders	Contribution	Legitimacy	Willingness to participate in dialogue	Expected of the company	Actions by the company
Shareholders/investors	High: they will dictate what their expectations are.	High : they are directly linked to Kalray's CSR strategy.	High: some investors are proactive and have already started the dialogue	CSR Report, Transparency, Adoption of a CSR strategy	First version of the CSR report.
Employees	High: their contribution and commitment is essential to the functioning of an internal CSR strategy.	High: they are directly concerned by the CSR strategy.	Medium: some employees are concerned about CSR, some do not know what it is but want to learn more about it and some are not interested in getting involved in Kalray's CSR activities.	more sensibilization	Preparation of interventions by specialists on certain CSR-related topics, intern communication on Kalray CSR-strategy.
Clients	Low: Given the market in which Kalray is positioned, customers are not the main contributors to the CSR strategy.	Medium: Customers can expect Kalray to make an effort, especially on the environmental side.	Low : For the time being, Kalray's customers have not expressed any demand for Kalray's CSR strategy although some are beginning to take certain aspects into account in their final purchasing decisions.	Transparency throughout the value chain	Provision of the CSR report for interested companies.
Suppliers	Low : Given the market Kalray has little choice regarding its suppliers and cannot afford to select them according to their CSR commitment.	Low : Suppliers are not directly concerned with Kalray CSR strategy.			

Source : interview with stakeholders.

5. MATERIALITY MATRIX



Materiality Matrix

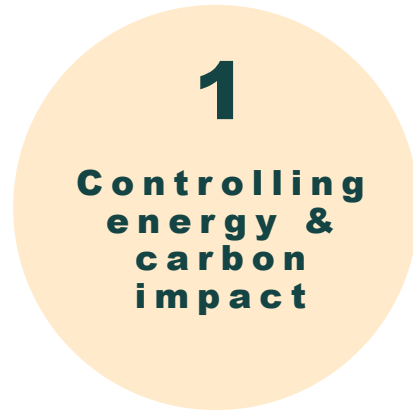


This materiality matrix of ESG issues prioritizes economic, financial, societal and environmental issues in relation to the company's ambition and the expectations of our main stakeholders.

THE SELECTED ISSUES



Using the materiality matrix, these are the main issues on which to focus our attention on:



KALRAY'S CSR STRATEGY IS JUST STARTING!

- The current aim is not to try to work on all the issues at the same time but to focus on a few main issues with immediate actions.
- We will track indicators to see where we are starting from and to set achievable objectives on a defined time scale.

THE SELECTED ISSUES



According to the Materiality Matrix

	Stake	Information to be published	Indicators	Actions to be taken	Current state 2022	1-year target
1	Controlling energy and carbon impact	Carbon Assessment	tCO2e	Decrease our carbon footprint	15 tCO2e/employee	-3% decrease
2	Sustainable mobility within the company	Mobility plan set up	Number of employees coming by bicycle, public transport or carpooling	Communicate more on the mobility plan, encourage employees to find an alternative to their car	Soft ways of transportation used: Bike Carpooling Public Transports	Do better
3	Attracting talent		Number of young graduates/trainees hired per year	Participating to more Schools Open House events, recruitment forum, increase youth awareness about our technical jobs	Good communication on medias (TV, press, social media...)	
4	Internal communication and team spirit		Number of resignations	More social actions Social place	Ski day External activities Coffee break room	More sport & team building activities

2021 GENERAL INDICATORS



**GENERAL
INFORMATIONS**



SOCIAL



**GOVERNANCE &
SHAREHOLDER
STRUCTURE**



ENVIRONMENT

GENERAL INDICATORS

General Information



GENERAL INFORMATION

- Code NACE: 2611Z
- Siret: 507 620 557 00045
- Consolidate revenue in 2021: 1 454 000€



GENERAL INDICATORS

Governance & Shareholder Structure



GOVERNANCE & SHAREHOLDER STRUCTURE

- Applying to Middlednext Code
- Separation of the functions between chairman and CEO
- 3 independant board members at the supervisory board (out of 10)
- Audit Commitee
- The biggest shareholder in 2020 represents 9,3% - in 2021: 8,6%
- Executive board : 8 members, including 2 women (in 2021, 3 in march 2022)



SOCIAL INDICATORS



SOCIAL

EMPLOYEE PROFILE

- 95% of permanent contract
- 36 new employees & 21 departures => turn over: 28%
- 10% women
- Salary equity between men & women
- Average gap salary between men & women: 2,4%
- 10% of women among the 10 highest salary
- 14% employees get a job training in 2021
- 9 different nationalities
- An average of 57% of home office for the global company, saving time and energy on commute

ACHIEVEMENTS

- HR Director arrived in March 2022
- Employee shareholder scheme
- A brand new break room for a good social life
- CSE, mutuelle, tickets restaurants
- Awareness of disabilities with games, quiz, competition



OTHER INDICATORS

- No work accident declared
- No absenteeism





ENVIRONMENT INDICATORS



ENVIRONMENT

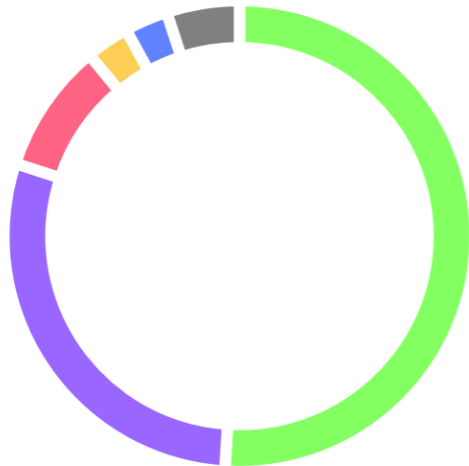


- Carbon Assessment done:
Greenhouse Gas emissions for 2021 in tCO₂e: *Scope1: 30 / Scope2: 10 / Scope3: 190*
- Maximizing recycling for IT items, everyday products with different companies
- On site waste management 
- Sustainable use of resources
- Finding closer suppliers
- Support, promote and reward the use of public transportation, cycling and carpooling 
- Employee training and awareness about environment and better everyday habits (with quiz, surveys, games...)
- An average of 57% of home office for the global company to save CO₂



All categories

Répartition par catégorie

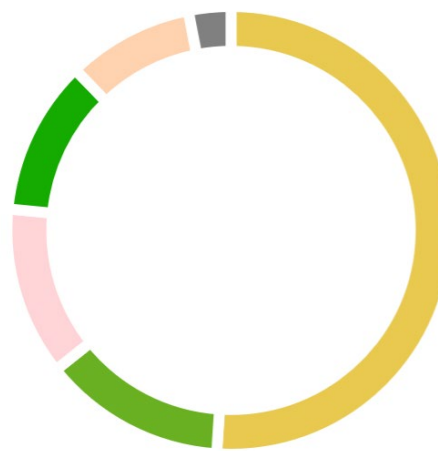


51%	29%	9%	3%	3%	5%
Achat de produits	Immobilisations	Achat de services	Déplacements	Numérique	Autre

Total Emissions : 2 ktCO₂e
Emissions by employee: 20 tCO₂e

Trips

Répartition par catégorie

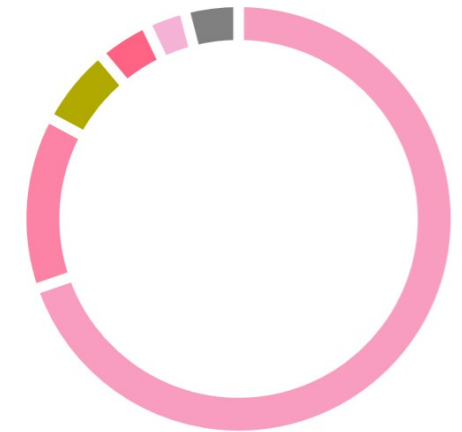


50%	13%	12%	11%	9%	3%
Déplacements domicile - travail	Vols	Hôtels et autres hébergements	Notes de frais (transport / logement / restauration)	Indemnités kilométriques	Autre

Total emissions: 69 tCO₂e
Emissions by employee: 1,9 tCO₂e

Services

Répartition par catégorie



69%	13%	6%	4%	3%	4%
Prestations intellectuelles et honoraires	Publicité	Frais de recrutement	Frais et services bancaires	Réparation et installation de machines et d'équipements	Autre

Total emissions: 175 tCO₂e
Emissions by employee: 3,1 tCO₂e

ACTIONS PLANNED

Next Steps

- Always improve the quality of life at work with home office, annual appraisal interviews, continue to support sport events (running, padle, ski, sail boat...)
- Always help our employee to reduce their footprint during their commute: Participate to the mobility Challenge
- Improve our way to travel for business trip (more train)
- Seeking for eco-compatibility of building materials
- Always trying to find closer and eco suppliers
- Plan a climate fresco design workshop with voluntary employees
- Send disabilities and environment quiz all the year along
- Communication of our Carbon Assessment on several websites (Ademe, Greenly, Udimec)





FOR A MORE SUSTAINABLE WORLD

THANK YOU



KALRAY

THE POWER OF MORE

www.kalrayinc.com