



2023 Environmental Social Governance Report

September 2024





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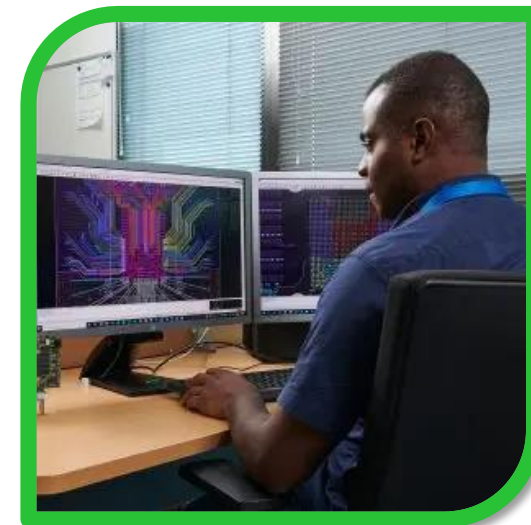


About Kalray

Kalray is a technology innovator specializing in software and hardware solutions to accelerate data-intensive workflows in Media & Entertainment, High-Performance Computing, and Artificial Intelligence. Our comprehensive product range features Ngenea, a leading data acceleration platform, as well as accelerated data processing cards for storage and compute.

With Kalray solutions, customers can scale their infrastructures to efficiently meet the performance and capacity needs of data-intensive tasks, all without being tied to specific data formats or vendors.

Founded in 2008 as a spin-off from the French CEA research lab, Kalray has corporate and financial backing from notable investors such as Alliance Venture (Renault-Nissan-Mitsubishi), NXP Semiconductors, and Bpifrance. Committed to innovation and excellence, we strive to deliver value to our customers, developers, and the planet through technology and expertise.





“At Kalray, we believe that **it is our mission to collaborate to build a better world, for our employees, for our customers, for our shareholders, for all of us. We are actively participating in shaping a future that is both prosperous and sustainable.**”

Eric Baissus, CEO

Our Vision

Become a leader in the development of advanced, high-performance, and energy-efficient hardware-accelerated processing solutions for intensive computing tasks

Our Mission

To democratize access to cutting-edge, scalable and versatile hardware acceleration solutions to help our customers build more sustainable and efficient infrastructures and systems



ESG Policy

In 2021, we initiated a Corporate Social Responsibility (CSR) process. As part of this approach, we engaged with our various stakeholders, including our employees, customers, suppliers, shareholders to understand their expectations and concerns.

The analysis of the results allowed us to identify and prioritize the company's key issues by integrating them into a materiality matrix. This materiality matrix, as a strategic tool, helped us visualize and prioritize CSR issues based on their importance to our stakeholders and impact on our business.

Through this analysis, we were able to define 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, expertise, energy, and 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 reliability and ethics to stakeholders.

Kalray's advancements in non-financial performance have been notable according to the Ethifinance ESG ratings for 2023, which assessed the year 2022. Kalray achieved a score of 57 out of 100, **surpassing the average of the 234 companies evaluated in the information technology industry.** By consistently enhancing its CSR policy, **Kalray has boosted its score by 44 points over the past three years** and aims to keep building on this progress!



“In the coming years, we will continue our efforts and take the appropriate actions to reach our CSR objectives. This transformation 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



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Bodies

In 2023, the Supervisory Board comprises 11 members, including 3 independent members. At Kalray, the roles of Chairman and CEO are separate, enabling each to devote the necessary time and attention to their respective responsibilities and eliminating potential conflicts of interest.

The Audit Committee oversees financial reporting, risk management, and compliance processes. Thanks to its relevant expertise, the audit committee acts as a key safeguard to ensure transparency, integrity, and accountability in company's financial operations.

Kalray's Executive team comprises 12 members, including 2 women, and convenes at least once a month. They play a crucial role in shaping the company's strategy, ensuring its effective implementation, and driving the organization towards its goals. Their active involvement spans across various strategic initiatives, providing guidance and oversight to align the company's operations with its long-term vision.

Kalray is a scale-up listed on Euronext Growth since 2018. As part of our commitment to shareholder dialogue, we actively participate in roadshows, which serve as valuable opportunities to interact with our

shareholders. These events facilitate open discussions, allowing us to exchange insights, address inquiries, and provide updates on our company's performance. Furthermore, we uphold consistent and transparent communication standards that align with the inherent norms of listed companies.

At Kalray, we foster an open and dynamic social dialogue. In 2023, we held over 9 meetings with the employee representatives (CSE). This active engagement nurtures a strong partnership between management and employees, ensuring continuous improvement in workplace conditions and effectively addressing employee concerns.

Business Ethics

“At Kalray, we are committed to be exemplary in our compliance with national and international regulations and to guarantee our reliability and ethics in our business.” Eric Baissus, CEO

Kalray has obtained ISO 9001 quality certification in France since 2018. This European standard ensures that our products and services comply with customer, legal and regulatory requirements.

As part of our drive for continuous improvement and customer satisfaction, we plan to extend this certification to the UK in 2024.

Kalray fights corruption in the workplace. To reinforce this commitment, we are working on an anti-corruption charter for 2024, which will formalise the rules to be respected by all Group employees, whether permanent or temporary, to ensure ethical and responsible conduct of our business.

In the meantime, we have already set up a whistleblowing system as part of our ongoing drive to strengthen our ethical commitments. It is accessible to all Kalray employees and stakeholders to report acts or behaviour that may violate the integrity and/or rights of individuals, affect the company's activity or seriously engage its responsibility (health/safety, environment, human rights, corruption, respect for individuals, privacy, etc.).

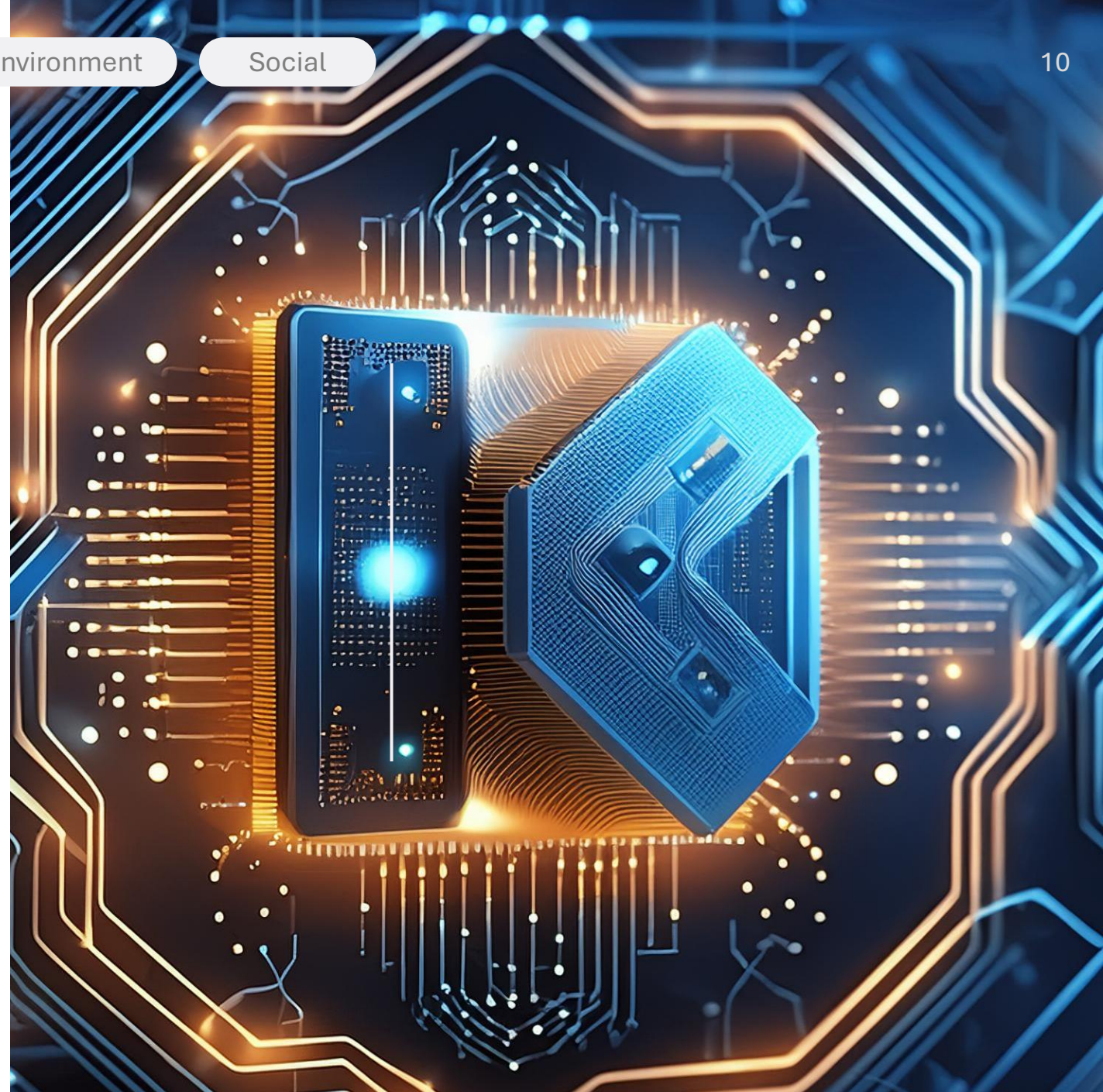


Cyber Security

Given the increasing number of cyberattacks worldwide, cybersecurity has become a critical aspect of our operations. Consequently, in 2024, we are evaluating our information security management system to ensure compliance with ISO 27001 standards. This ISO 27001 certification will confirm that we have put in place an effective and appropriate information security management system (ISMS): defining a methodology for cyber threats identification, controlling the risks associated with our organization's critical information, and putting in place the appropriate

“The rigorous evaluation of our information security management system initiated in 2024 reaffirms our commitment to safeguarding the confidentiality, availability, and integrity of our critical information.”

Eric Baissus, CEO





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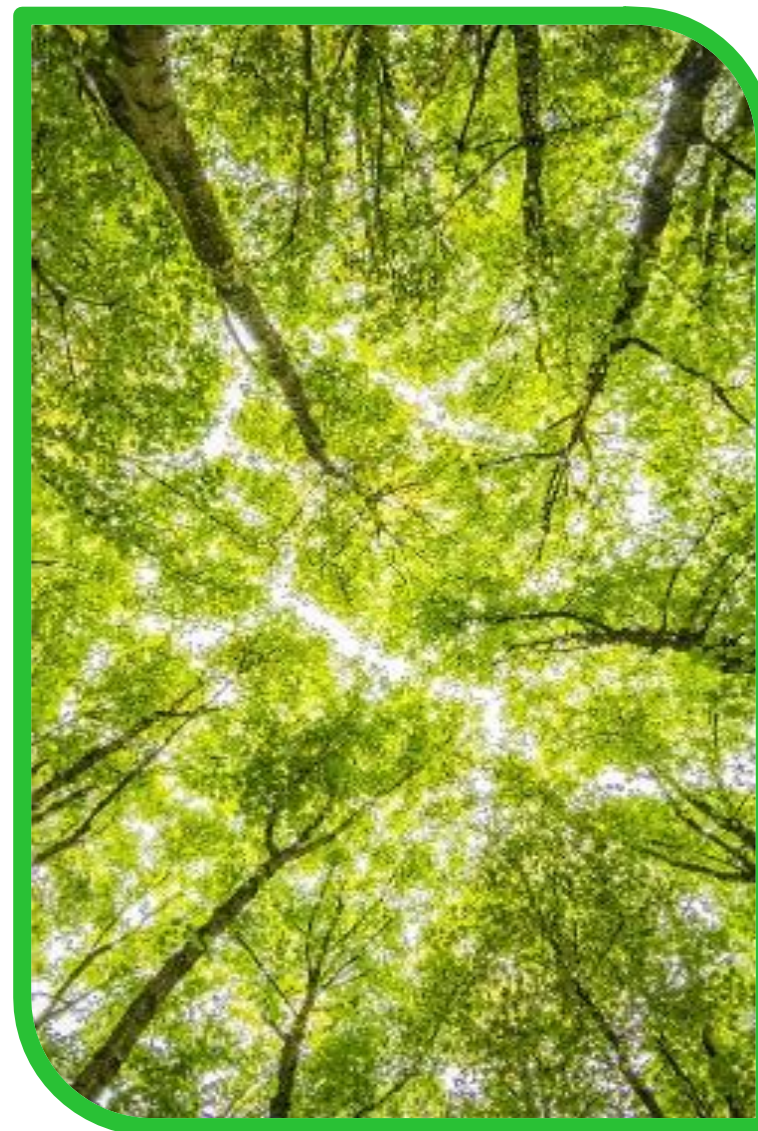
Carbon Footprint

As part of our commitment to reducing our carbon footprint, we conducted our initial carbon footprint assessment in 2022 for our activities throughout 2021. This assessment enabled us to quantify our greenhouse gas (GHG) emissions, pinpoint the primary sources of these emissions, and strategize actions for mitigation.

We continued this assessment in both 2023 to monitor the trajectory of our emissions and assess the effectiveness of our implemented measures. The outcomes thus far have been notably positive, demonstrating reductions across all scopes since last year:

	2022	2023	Evolution
Scope 1	23 TCO2	17 TCO2	-6 TCO2
Scope 2	9 TCO2	9 TCO2	0 TCO2
Scope 3	1725 TCO2	1466 TCO2	-259 TCO2
Totals	1752 TCO2	1492 TCO2	-265 TCO2

Looking forward to 2024, our objective remains to further decrease our emissions, particularly within Scope 3.





Actions for Mitigation

The actions implemented in 2023 and which we will continue to roll out in 2024 revolve around 3 main objectives: **reducing our waste, reducing the impact of our journeys and selecting the right suppliers.**



Waste Management

Our journey towards eliminating single-use plastics in our offices began several years ago, starting with the reduction of bottled water consumption by encouraging the use of tap water wherever feasible and the replacement of plastic coffee cups with reusable mugs. As a symbol of our commitment, every new employee receives a personal mug upon joining the company.

This small gesture not only helps reduce plastic waste but also encourages a culture of sustainability from the very first day.

Our efforts extend to improving our coffee practices as well. We have replaced plastic coffee capsules with freshly ground coffee beans, which not only enhances the quality of the coffee but also minimizes unnecessary plastic waste. Furthermore, the coffee grounds are made available for our employees to use as a natural fertilizer for their plants at home, turning what was once waste into something useful and eco-friendly.

In terms of waste management, we have put in place a recycling policy to ensure responsible disposal. This includes the recycling of printer cartridges and toner, and the installation of recycling bins in all break rooms to encourage proper waste sorting. By making recycling accessible and straightforward, we aim to empower everyone to make environmentally conscious choices.

We are also dedicated to the sustainable management of our IT equipment lifecycle. Our IT team is constantly working to fix and enhance the performance of our computers, prioritizing upgrades and optimizations rather than purchasing new equipment right away.

Our approach also involves recycling electronic waste in full compliance with existing regulations, while also focusing on reusing and repurposing equipment whenever possible. For example, we donate IT devices that are no longer in use to our employees, providing these items with a second life and reducing the need for new materials.

These combined efforts reflect our broader commitment to sustainability, not just in terms of operational practices, but also in fostering a culture where every small action contributes to a larger, positive environmental impact.



Sustainable Mobility

We promote the use of videoconferencing to cut down on non-essential car, train, and airplane trips and then reduce the carbon footprint of our employees' business travels. For travels that can't be avoided, we encourage employees through our business travel policy to opt for public transportation and environmentally friendly travel options.

For commuting purposes, we participate annually in a mobility challenge, an initiative aimed at raising awareness among our employees about the numerous options for eco-friendly mobility. This initiative helps highlight sustainable commuting alternatives, such as public transport, cycling, and carpooling. Additionally, we offer our employees in France a Sustainable Mobility Package to help cover the costs associated with using environmentally friendly transportation methods.

We are also committed to encouraging the use of electric vehicles by our employees. To facilitate this, electric charging stations are available at Kalray's

headquarters, and —in the beginning of 2024, we introduced an EV scheme for our employees in the UK. These measures help us support the transition to greener modes of transport and significantly reduce emissions.

Moreover, we actively promote the use of bicycles. Each year, we organize a free bicycle repair workshop for our employees in France, making it easier for them to maintain their bikes in good condition. On top of that, we offered them the opportunity to try an electric bike for free for one month, encouraging them to experience this sustainable alternative in a practical way.

Carpooling is another key focus for us in our pursuit of sustainable mobility. For the past two years, we have been organizing a carpooling speed-dating event to help employees find carpool partners, thus optimizing their daily commutes. This initiative not only reduces individual commuting costs but also contributes to our collective efforts to limit carbon emissions.

Lastly, in order to minimize commuting overall, Kalray has implemented a robust remote work policy. Employees are allowed to work remotely up to two days per week, or even more in specific cases. This flexible approach has been highly successful, with 90% of our employees regularly working from home, which significantly helps in reducing our carbon footprint.

“For the past two years, we have been running a Climate Fresk workshop to raise awareness of the urgency of the climate crisis. Through this initiative, we hope to help our team members understand the environmental challenges and encourage them to take action. We believe that by empowering everyone to make a difference, we can collectively contribute to positive environmental change.”

Ingrid Leboucher, Head of Human Resources



Suppliers

At Kalray we aim to work with suppliers who share the same values and commitments to sustainability. We believe that building a sustainable supply chain is crucial to our overall objective of reducing our environmental impact and promoting ethical practices.

To this end, we already prioritize local suppliers. By doing so, we not only support local economies but also reduce the carbon footprint associated with transportation. Additionally, we seek out suppliers who offer sustainable materials, ensuring that we contribute to environmental conservation and resource efficiency. We also prioritize suppliers who are certified in environmental management, as these certifications demonstrate a proven commitment to maintaining high environmental standards.

To go further in our commitment to sustainability, we are in the process of formalizing a Sustainable Procurement and Supplier Relations policy. This policy will provide a clear framework for evaluating and selecting suppliers also based on social and environmental criteria.

These criteria will encompass a wide range of factors, including for example the suppliers' labor practices, adherence to human rights standards, efforts in reducing their own environmental impact.

This initiative will help us foster long-term partnerships with suppliers who are equally dedicated to sustainability, thereby enhancing our collective impact on creating a more sustainable and responsible business environment.





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Kalray is dedicated to being a quality employer and actively engages in initiatives that enhance employee attraction and retention. We believe that promoting professional equality, diversity, and inclusion is essential for creating a thriving workplace. To underscore this commitment, Kalray welcomed a Head of Human Resources in early 2022 to support the growth of the company and to place a strong emphasis on effective and responsible human resource management.



Diversity and Inclusion

Kalray's workforce is truly global, spanning 3 continents and 7 countries, and representing an impressive 20 different nationalities. Our employees, aged between 18 and 72, bring a rich tapestry of experiences, with profiles ranging from juniors to seasoned professionals. This remarkable diversity is a testament to Kalray's commitment to fostering an inclusive environment where everyone feels valued and empowered.

At Kalray, we are dedicated to creating a caring and stimulating atmosphere that honors differences and upholds fundamental rights and freedoms. We actively combat all forms of discrimination throughout our employees' careers, beginning with the recruitment process. We welcome applications from individuals of all backgrounds, identities, and experiences, ensuring that every candidate has an equal opportunity to showcase their skills and thrive within our organization.

In 2023, Kalray had the pleasure of welcoming six interns and ten apprentices. These learning

opportunities not only enrich our teams but also reinforce our commitment to being a learning organization. By creating mutually beneficial contracts with tutors, we provide these young individuals with a solid foundation for their professional integration and future success.

While we focus on nurturing young talent at the start of their careers, we are also committed to supporting our senior employees. In 2024, we will sign a Charter of Commitment dedicated to promoting the welfare of employees over the age of 50 in the workplace, alongside 30 other French scale-ups. This initiative, spearheaded by the [French Tech](#), aims to recognize and leverage the invaluable experience and contributions of individuals over 50. By signing this charter, we commit to implementing ten key actions designed to cultivate an inclusive workplace. These include promoting age diversity, recruiting individuals of all ages, valuing the expertise of older employees, and assisting them in preparing for retirement.

Throughout 2023, we have engaged in various awareness-raising activities focused on diversity and inclusion. For instance, we educated our employees about LGBTphobia by inviting them to participate in a 10-question quiz aimed at enhancing awareness on this important topic. Additionally, we organized several workshops on disability awareness, featuring practical exercises to help employees better understand the challenges faced by individuals with disabilities in the workplace.

Looking ahead, we are excited to continue these efforts in 2024 with the rollout of an EDI (Equity, Diversity, and Inclusion) training for all employees, ensuring that every new hire at Kalray is equipped with the knowledge and tools to contribute to our inclusive culture.



Health and Security

The health and safety of our employees are of course a priority at Kalray. We are proud to share that in 2023, we recorded zero work-related accidents across the entire group, and we maintained an exceptionally low absenteeism rate of 0.84%. These figures clearly reflect the strong commitment we have towards ensuring a positive and safe work environment for all our employees.

To further support our teams on this front, we actively organize several health-focused initiatives throughout the year at our company headquarters. One notable example is our annual flu vaccination campaign, which is fully funded by Kalray, providing our employees with convenient access to essential preventive care. Additionally, we host blood donation drives directly, giving our employees an opportunity to make a meaningful impact on the broader community in an accessible way.

Beyond these initiatives, we also offer a range of educational resources to empower our employees in maintaining their health and well-being. We provide access to webinars and e-learning sessions that cover various aspects of health, safety, and occupational risk management. They address a wide array of

important topics, such as minimizing risks associated with screen time, adopting correct posture and ergonomic practices, promoting healthy lifestyle habits related to sleep and nutrition, managing addictive behaviors, achieving a healthy work-life balance, cultivating emotional and mental well-being... These training programs contribute to our employees' overall quality of life, both in and outside of the workplace.

In addition, we have also taken steps to enhance our health benefits programs. In 2023, we improved the health coverage for our U.S. employees, and we have made preparations to implement comprehensive health benefits for our U.K. employees, starting from January 1, 2024. These efforts underline our dedication to prioritizing the health and well-being of our workforce on a global scale, ensuring that all our team members feel supported and valued, no matter where they are located.

At Kalray, we believe that a healthy, safe, and supportive work environment is fundamental to our collective success. By proactively addressing health and safety concerns, offering preventative care, and promoting well-being through education, we continue to create a workplace where our employees can thrive both professionally and personally.





Skills Management

At Kalray, maintaining and developing our employees' skills is essential to adapting to our rapid growth, driving innovation, and enhancing productivity, particularly in a highly competitive environment. Our effective skills management not only supports the company's ability to stay ahead but also helps to reduce turnover, strengthen talent retention, align with market demands, and reinforce our strong learning culture.

In France, we run an annual performance interview campaign, alongside a professional interview ("entretien professionnel") campaign, despite the legal requirement being every two years. We are proud to report that 98% of our employees engaged in these campaigns with their managers in 2023. Building on this success, we extended these best practices to the other countries within the Group. In our first global rollout in 2023, we achieved a 93% completion rate of reviews in the UK and the USA, further solidifying our commitment to employee development.

To further support growth and engagement, Kalray introduced an Internal Mobility Policy in 2023 as a strategic initiative for career development. Internal mobility plays a key role in helping employees acquire

new skills, enhancing their employability while simultaneously allowing Kalray to nurture talent and ensure an ongoing alignment between the skills of its workforce and the business needs.

Employees are also offered the opportunity to develop their skills through personalized support, including technical training, management courses, language development, and personal growth programs. This is provided via an annual individual training plan. In 2023, 70% of our employees in France participated in at least one training session, either through external organizations or via our in-house learning hub, Kalray University.

The Kalray University is a corporate educational hub offering learning and development materials tailored for Kalray employees. In-house trainings are facilitated by Kalray Coaches, focusing on skills and knowledge relevant to Kalray's operations and business objectives. They can be delivered in a variety of formats: classroom or self-learning (online training document or video). Kalray University reinforces Kalray's commitment to the holistic development of its employees, nurturing both their professional and personal growth, while maximizing the utilization of their skills and talents within the organization.



Quality of Life at Work

Kalray places quality of life at work (QWL) at the center of its strategy. We strongly believe that promoting QWL is essential for boosting employee satisfaction, engagement, and productivity, which in turn drives overall company success and long-term sustainability. That's why we have implemented several concrete initiatives to enhance the daily lives of our teams.

To meet the expectations of our employees and foster a better work-life balance, Kalray has introduced after the COVID a remote working policy, allowing each employee to work from home up to two days a week, or even more in some cases (for example: very long-distance home/office). In addition to the environmental benefits, this flexibility helps reduce commuting stress, improve productivity, and provide a more relaxed management of personal obligations.

We also believe that the design of workspaces plays a key role in enhancing the quality of life at the office. With this in mind, we have undertaken a complete renovation of our break room at company headquarters, creating a modern and welcoming space with dedicated relaxation areas and ergonomic seating, where employees can recharge throughout the day. In addition, free coffee is available to

employees, encouraging informal moments of social interaction. Our employees in Romania and in Sophia Antipolis (France) work in modern, fully equipped co-working spaces, designed to foster collaboration and provide a dynamic, comfortable work environment. The next step is to give priority to improving our offices in the UK in 2024, to create a better-equipped and more comfortable workspaces.



Kalray places also great importance on team cohesion and celebrating achievements. To keep the corporate spirit alive and strengthen bonds among employees, we regularly organize events such as an annual Group-wide team building, end-of-year celebrations in France and in the UK, and team-specific team buildings

throughout the year. These events offer invaluable opportunities to bring teams together, foster a sense of belonging, and celebrate our collective successes.

Finally, we value open dialogue and active listening within the company. We conducted in 2023 an employee satisfaction survey for the second consecutive year in France and, for the first time, in the UK. In both countries, we achieved an impressive participation rate of over 75%, demonstrating the high level of engagement among our teams.

“The results of these 2023 surveys were very positive, reflecting our employees' overall satisfaction and highlighting the supportive and thriving environment we strive to cultivate at Kalray”

Ingrid Leboucher, Head of Human Resources

Kalray is committed to continuing these efforts and developing new initiatives to further improve the quality of life at work in all the countries where we operate.



www.kalrayinc.com