

Renault Group: 1st anniversary of the Refactory and inauguration of the Factory VO in Flins

Flins-sur-Seine, November 30th, 2021. Renault Group is today presenting the concrete progress of the Refactory project launched a year ago to transform the Flins plant into the first European factory dedicated to the circular economy of mobility. On this occasion, the Group is inaugurating its first used car factory (Factory VO) to refurbish vehicles on an industrial scale. This conversion is part of the Group's global transformation plan focused on value creation and sustainable development.

Jean-Dominique Senard, Chairman of the Board of Directors of Renault, declared: *"I am very proud of the work done by our teams to create Europe's largest circular economy factory dedicated to mobility in record time. With the Refactory, we are demonstrating that a positive conversion and transformation of the industry is possible in France. This is just one example of the Group's dynamic approach to the ecological transition, the transformation of skills, and the invention of new forms of mobility"*.

"We are keeping our promise: one year after its launch, the Refactory embodies an innovative and ambitious project for the Flins plant, a new source of economic, social and environmental value. The Refactory is emblematic of the Renaulution project, which commits the Group to a profound, rapid and sustainable transformation, driven by value creation. At the heart of this project, our first used car factory demonstrates our ability to industrialize our businesses linked to the circular economy. This used car factory positions us at the top level of the growing used car market, with a unique industrial tool capable of reconditioning up to 45,000 vehicles per year", **added Luca de Meo, CEO of Renault Group.**

Refactory in Flins: achievements and prospects

The Refactory is based on a whole ecosystem, structured around 4 activity centres :

- **RE-TROFIT: this division brings together the retrofiting and refurbishing activities of used cars.** Operational since September 2021, the Factory VO has already reconditioned over 1,500 vehicles. In the next two years, it is planned to increase its capacity and introduce new activities, such as **heavy body repair**. A **retrofit project** to convert commercial vehicles to electric vehicles will also be studied by 2023.
- **RE-ENERGY: this division contributes to the development of applications for the second life of batteries and new energies.** With the rise of electric mobility, Gaia, the Group's subsidiary **specializing in battery repair**, is preparing to change scale: by the end of 2021, 2,000 battery repairs will be carried out and more than 20,000 repairs per year by 2030. In coordination with [Mobilize](#), the Flins site has implemented a **stationary energy storage project** with a capacity of 15 MWh in 2021 ("[Advanced Battery Storage](#)" project). The development of mobile or stationary energy storage systems for multiple uses (construction sites, solar energy storage, on board ships, etc.) will represent a capacity of 30 MWh over the years 2021 and 2022. Within the framework of

Hyvia, the joint venture dedicated to **hydrogen mobility**, the Flins site will also include, from 2022, the activities of fuel cell assembly, recharging stations and hydrogen supply.

- **RE-CYCLE: this division brings together recycling and reuse of parts and materials.** The gradual arrival between 2021 and 2022 of **teams from the Choisy-le-Roi plant**, experts in the remanufacturing of mechanical parts, will maximize the use of reused and spare parts within the Factory VO and the Group. It is also planned to extend the strategic activity of **repairing electronic cards** (mechatronics) as part of this transfer of activity. The division is continuing to implement **short loops for recycling materials and parts**, such as catalytic converters and bumpers.
- **RE-START: this entity gathers the innovation and training center project.** It consists in three entities: an **innovation center dedicated to the industry 4.0** in order to develop prototyping, 3D printing and retrofitting of our robots, a **commercial vehicle prototyping activity**, and a **campus** where professional training courses leading to a diploma are offered to Flins employees. At the beginning of 2022, this center will include an **incubator** dedicated to research and innovation in the circular economy, as well as new **academic training courses** leading to qualifications, with the support of the region.

By the end of 2021, **700 Flins employees** will have joined the Refactory's activities. By 2030, the site plans to **employ more than 3,000 people**.

Factory VO : leadtime, cost and quality at the highest level

To preserve the value of the product as much as possible and to respond to the growth of the used car market, the Flins used car factory is based on a unique model, designed to offer the best level of service on the market in terms of leadtime, cost and quality. The Factory VO is a 100% digitalized, which ensures traceability and real-time monitoring of the refurbishment stages. Designed to recondition all types of vehicles, of all brands, it relies mainly on 4 main assets:

1. SIZE:

Spread over an **area of 11,000 m²**, the Factory VO in Flins represents the largest reconditioning site in Europe. Organized into three teams, it can recondition 180 used vehicles per day, i.e. **45,000 vehicles per year by 2023**, with the potential to double this number in the medium term.

2. COST:

The site derives its competitiveness from a **high productivity rate**, drawn from an **organization** in lines and optimized new vehicle production systems. The Factory VO benefits from short **loops of parts and materials** from the Group' subsidiaries such as Gaia, Indra, and Choisy in order to limit the replacement of parts as much as possible in favor of repairs. The **pooling of logistic flows** with new vehicles also makes it possible to cut costs and reduce the impact on the environment.

3. LEADTIME:

Equipped with **4 production lines**, the Factory VO is organized in such a way that there is no turning back. Carried out by SGS Automotive Services, the **technical control is integrated** on the line in order to increase efficiency and reduce delays. The site is equipped with a photo and video studio installed

on a turntable to generate automated shots (up to 10 vehicles per hour). This **high-resolution scanner** gives access to a 360-degree virtual inspection (interior, exterior, underbody and tires). Designed by the specialist Twinner, this tool allows the vehicle to be put back on the market immediately, without waiting for it to return to the dealership. On average, the Factory VO reconditions a vehicle **in 8 days instead of 21 days**.

4. QUALITY:

The reconditioned vehicles benefit from the **same quality standards as the production of new vehicles**. An **independent quality control system** is integrated into the system, as well as a **battery qualification system for electric vehicles**. By 2022, 200 employees will have joined the Factory VO. These internal recruitments at the Flins plant are accompanied by a certified training program, consisting of a common core curriculum (after-sales strategy, sustainability of materials, recycling, etc.) and training courses more specific to the Factory VO (electromechanics, smart repair).

The Refactory project is at the heart of the Group's **sustainable development strategy**. It is a global industrial project, which is intended to be deployed more widely, as it was recently the case at the [Seville](#) plant in Spain. These activities are contributing, on their own scale, to the **decarbonization trajectory** to achieve carbon neutrality in Europe by 2040.

About Renault Group

Renault Group is at the forefront of a mobility that is reinventing itself. Strengthened by its alliance with Nissan and Mitsubishi Motors, and its unique expertise in electrification, Renault Group comprises 5 complementary brands - Renault, Dacia, LADA, Alpine and Mobilize - offering sustainable and innovative mobility solutions to its customers. Established in more than 130 countries, the Group has sold 2.9 million vehicles in 2020. It employs more than 170,000 people who embody its Purpose every day, so that mobility brings people closer. Ready to pursue challenges both on the road and in competition, Renault Group is committed to an ambitious transformation that will generate value. This is centred on the development of new technologies and services, and a new range of even more competitive, balanced and electrified vehicles. In line with environmental challenges, the Group's ambition is to achieve carbon neutrality in Europe by 2040.

Media contact:

Renault Group Delphine Dumonceau
M + 6 09 36 40 53
Delphine.dumonceau-
costes@renault.com