

The Future Is NEUTRAL: The circular economy is stepping into a new era!

- Renault Group is creating The Future Is NEUTRAL, the first company operating across the entire automotive circular economy value chain, aiming at moving the automotive industry towards resource neutrality.
- Bringing together all the existing expertise of the group and its partners in this activity, this new entity offers closed-loop¹ recycling solutions at each stage of a vehicle's life: supply of parts and raw materials, production, use and end of life.
- With the objective of the business portfolio reaching a turnover² of more than 2,3 billion euros and an operating margin of more than 10% by 2030, The Future Is NEUTRAL aims to become the leader in industrial and European scale of the closed-loop automotive circular economy, at the service of car manufacturers as well as the entire industry.
- Renault Group is thus taking another step forward in its historic commitment to the circular economy.

Boulogne-Billancourt, October 13, 2022 – Today, Renault Group announced the creation of a new entity entirely dedicated to the circular economy: **The Future Is NEUTRAL**. By bringing together the existing **industrial and technological expertise** and assets of the group and its partners under a new brand, The Future Is NEUTRAL is the **first company to operate across the entire automotive circular economy value chain, and is aimed at all players in the automotive world, beyond Renault Group**.

In a context of energy transition marked by the scarcity of resources and inflation in the price of raw materials, this entity will develop more technological and industrial solutions thanks to the expertise of its subsidiaries and its network of partners already operating. It will enable the automotive industry to significantly **increase the proportion of recycled materials from the automotive industry in the production of new vehicles**. Today, a new vehicle contains only between 20 and 30% recycled materials from all industries.

In the short term, the entity aims at growing its existing businesses with a dedicated business model and developing new opportunities with the automotive industry. **With the objective of the business portfolio reaching a turnover of more than €2,3 billion² and an operating margin of more than 10%² by 2030**, The Future Is NEUTRAL aims to be the industrial and European leader in the closed-loop automotive circular economy.

Finally, in order to accelerate its development and strengthen its leadership in a fast-growing market, The Future Is NEUTRAL is opening up a **minority of its capital to outside investors with a view to co-financing investments of around €500 million until 2030**.

¹ Closed loop: i.e. from the car to the car.

² Total Scope, Sum of the Parts.

Luca de Meo, CEO of Renault Group, said: *“Today we are taking another step in our historic commitment to the circular economy. Our subsidiaries Gaia, Indra and Boone Comenor, as well as the Refactory in Flins, have already demonstrated our ability to generate activities that create economic, social and environmental value throughout the vehicle life cycle. Based on this experience and convinced of the potential of these activities, we are accelerating and creating The Future Is NEUTRAL, which brings together all our industrial and technological assets, as well as our network of strategic partners. Its mission: to grow its business with ambitious strategic plans and new outlets by offering the automotive industry, faced with the climate challenge, new regulatory requirements and increasing pressure on resources, closed-loop recycling solutions, i.e. from car to car. Our ambition is to bring recycling into a new era and become the European leader in the automotive circular economy.”*

“From car to car”: the car as a raw material

Every year in Europe more than 11 million vehicles, **made up of around 85% recyclable materials**, reach the end of their life. However, this resource is under-exploited: new vehicles are made up of only 20-30% of recycled material, from all industries. Today, the recyclable material from end-of-life vehicles is mostly recovered for other industrial applications (metallurgy, construction, etc.). The objective of The Future Is NEUTRAL is **to maintain the value of parts and materials** for as long as possible and to enable the industry to achieve **a much higher rate of recycled automotive materials** in the production of new vehicles.

Jean-Philippe Bahuaud, CEO of The Future Is NEUTRAL, explains: *“In the automotive sector, the first under-exploited resource is the car itself, which is made up of more than 85% of metals and plastics. The Future Is NEUTRAL brings together the expertise to convert this potential into new growth levers. This new entity aims to push the automotive industry towards resource neutrality, extracting from each vehicle the largest possible amount of material needed to manufacture a new model.”*

The Future Is NEUTRAL's expertise

The company's strength lies in its ability to mobilise a network of subsidiaries and partners to collect parts, **materials and batteries throughout the automotive lifecycle**, from scrap cars, factory rejects and garages. Thanks to this ecosystem, The Future Is NEUTRAL is developing **circular economy loops at each stage of a vehicle's life, from the production phase to the use and end of life of vehicles**.

In concrete terms, The Future Is NEUTRAL relies on its subsidiary **Gaia**, whose battery repair, parts collection and reuse, and recycling of materials from end-of-life vehicles (ELVs) are based in Flins. Also located at the heart of the Flins **Refactory**, the renovation of mechanical and mechatronic parts, as well as the future vehicle dismantling line, aim to supply these circular flows. With its reference partner Suez, the entity also owns two companies: **Indra**³, the leader in ELV treatment in France, with more than 370 approved centres, and **Boone Comenor**⁴, an expert in the recycling of metal scraps from industry⁵.

³ Indra is a joint venture owned 50% by Renault Group and 50% by Suez.

⁴ Boone Comenor is a joint venture owned 33% by Renault Group and 67% by Suez.

⁵ In 10 years, the activities developed by the Gaia, Indra and Boone Comenor subsidiaries have already made it possible to recover 14 million tonnes of steel, the equivalent of more than 17 million vehicles, a year's production in Europe, and 12,000 tonnes of plastics and copper, enough to supply one year's production of Renault Megane in polypropylene.

Alongside industrial partners, The Future Is NEUTRAL aims at becoming a **future European leader in closed-loop battery recycling**, in line with regulations, and attractive to other car manufacturers by leveraging a world-class industrial process in terms of yield and purity to ensure the required level of recycled content in their batteries at the best cost. To develop Europe's first closed-loop battery recycling offer, the entity relies on Europe's largest fleet of electric vehicles⁶, high-content chemistry⁷ and capitalises on INDRA's expanding network to assist in battery collection and GAIA's expertise in battery diagnosis. Finally, The Future Is NEUTRAL will also work with its battery manufacturer partners, such as Verkor, to pool their end-of-life batteries with production waste.

To carry out its activities, The Future Is NEUTRAL relies on a wide range of technical skills, from **advanced engineering and chemistry to the use of data**, which it places at the heart of its business model to optimise the economic and environmental performance of its solutions.

The Future Is NEUTRAL also offers the automotive industry a **consultancy service**, as well as **training dedicated to the circular economy**, with the support of the Circular Mobility Industry (ICM) campus based in Flins, as part of the group's [ReKnow University](#).

www.thefutureisneutral.com

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 4 complementary brands - Renault, Dacia, Alpine and Mobilize - offering sustainable and innovative mobility solutions to its customers. Established in more than 130 countries, the Group has sold 2.7 million vehicles in 2021. It employs nearly 111,000 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. <https://www.renaultgroup.com/en/>

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⁶ 900,000 Renault and Nissan electric vehicles on the road by 2022.

⁷ Chemicals rich in nickel, manganese, cobalt and lithium.