

L'ORÉAL

CANADA

TECHNICAL DATA SHEET

L'Oréal Canada: Sustained growth for more than half a century

- L'Oréal Canada was founded in 1958 and is celebrating its 60th anniversary in 2018.
- Headquartered in Montreal, the company had \$1,192 billion in sales in 2017.
- It distributes 39 brands in Canada.
- L'Oréal Canada has more than 1,300 employees. Some facts regarding the workforce:
 - 70+ different nationalities
 - 62.5% of managers are women
 - 45% of Executive Committee members are women
 - 65.7% of employees are millennials
- The Canadian plant specializes in the manufacture of professional hair-colour products, as well as hair care and styling products. Over 215 million units will be produced there in 2018 with the highest standards in terms of safety and quality. L'Oréal Canada exports nearly 94% of these units to the United States. Since 2000, it has doubled its production capacity.
- In January 2001, L'Oréal Canada opened an impressive distribution centre in Ville Saint-Laurent covering approximately 300,000 square feet, one of the Group's most modern, from which some 1.2M orders were shipped in 2017 (including 350,000 e-commerce orders). L'Oréal Canada has 17 e-commerce sites as of 2018.
- Its plant and distribution plant became carbon neutral in 2017, becoming Energir's first client to purchase renewable natural gas produced in Saint-Hyacinthe.
- In March 2018, the Canadian startup ModiFace, a world leader in augmented reality and artificial intelligence applied to beauty, was acquired by the L'Oréal Group. This acquisition formed part of the Group's digital acceleration strategy. One of its objectives is to provide its 34 international brands with the most innovative technologies in terms of services and beauty experience.
- A completely redesigned head office in the heart of downtown Montreal:
 - 117,000 sq. ft.
 - 2 floors
 - 656 workstations
 - 73 meeting rooms accommodating from 2 to 50 people

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L'Oréal Canada, three cornerstones that define the company

Attraction

L'Oréal Canada, with its 1,300 employees of more than 70 different nationalities, is not only one of the ten most successful subsidiaries of the Group in the world, but also one of the top three subsidiaries in terms of exporting the most talent worldwide. With more than 50 employees currently working in positions around the world, the Canadian subsidiary encourages the emergence of new talent and is recognized for its multicultural strengths. The Canadian subsidiary was also the first company in Canada and the first subsidiary of L'Oréal Group to receive the international EDGE (Economic Dividends for Gender Equality) certification on gender equality, in 2015. EDGE is the principal certification for gender equality in the workplace. It applies to all industries and countries around the world.

Innovation

Last March, the L'Oréal Group announced the 100% acquisition of ModiFace, a world-renowned Toronto-based startup company and a leader in augmented reality and artificial intelligence applied to beauty. This acquisition formed part of the L'Oréal Group's digital acceleration strategy. One of its objectives is to provide its 34 international brands with the most innovative technologies in terms of services and beauty experience. The Canadian subsidiary is also a digital hub for the Group, having been at the forefront of cutting-edge technologies since 2011 from transactional to big data, artificial intelligence and Beauty Tech, with cutting-edge 3D virtual test technologies for make-up, colouring and skin diagnosis, using proprietary know-how in facial tracking and colour rendering. The Canadian subsidiary now has 17 e-commerce sites.

Sustainable development

Beauty is expressed in many ways, including through the environment and biodiversity. In 2013, the L'Oréal Group launched the sustainable development program Sharing the Beauty with All and made firm commitments in Paris at COP21. In line with these ambitions, the L'Oréal Canada subsidiary has undertaken a multitude of commitments to sustainable development in recent years, particularly at its manufacturing sites. For example, in December 2017, by becoming Energir's first client to purchase renewable natural gas produced in Saint-Hyacinthe, the company's two main facilities became fully carbon neutral. Canada has thus become the first country in the Americas where L'Oréal's production and distribution centres are carbon neutral.

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A 60-year beauty story

The origins of L'Oréal Canada

Cosmair Canada (L'Oréal Canada's original name) was founded in 1958 in Hamilton, Ontario, with the creation of a hair products manufacturing plant. The company then distributed L'Oréal brand products to hair salons, the brand now being known as L'Oréal Professionnel.

In 1966, Cosmair Canada developed a distribution network to serve the major regions of Toronto, Montreal and Western Canada as the plant was starting to produce hair dyes. A year later, the company moved its headquarters to Montreal, Quebec, where Expo 67 was being held. At that time, Quebec was also where sales of Lancôme products, for which Cosmair Canada obtained the distribution rights, were mainly concentrated.

In 1968, the company opened its brand new plant in the borough of Saint-Laurent, on the island of Montreal. That year, sales reached \$1 million. After 10 years of existence, Cosmair Canada had become a solid company, expanding into the perfume market and distributing some world-famous brands: Giorgio Armani, Cacharel, Ralph Lauren, Guy Laroche and Paloma Picasso. L'Oréal Paris make-up and skincare products then entered the Canadian market, followed by Biotherm products in 1975 and Vichy in 1986. From 1968 to 1987, Cosmair's sales increased from \$1 million to \$100 million.

During the 1990s, Cosmair Canada acquired the Garnier and Ombrelle brands, while La Roche-Posay dermatological skin care products were introduced to Canadian dermatologists. L'Oréal Group went on to acquire two American brands, which were distributed by Cosmair Canada, a 100% subsidiary since 1994. They were: Maybelline New York, the number-one make-up brand in the United States, and Redken, a brand with a strong presence in hair salons. In 2000, as the new millennium began, the Canadian subsidiary was renamed L'Oréal Canada. That year, the Group acquired one of the continent's largest professional product lines, the Matrix brand, which it would develop in Canada. It now has over 25 brands, including Yves Saint Laurent Beauty, acquired in 2008.

L'Oréal Canada has been growing steadily for more than half a century and is now one of the Group's top 10 largest subsidiaries. New brands, such as CeraVe, IT Cosmetics, NYX and Purple Riot, have been added to its portfolio. Through a major investment in its head office, the subsidiary is adapting and meeting the needs of its 500 head office employees, more than 60% of whom are millennials. Known for its ability to both attract and export outstanding talent, L'Oréal Canada stands out for being one of the subsidiaries which exports the most talent abroad. It is also the centre of excellence in artificial intelligence and big data for the L'Oréal Group with its partnerships with the University of Montréal and McGill University, as well as a community of start-up companies. With its omni-channel strategy, L'Oréal Canada now has a presence in 40 stores across the country: 23 Kiehl's Since 1851, 14 NYX Professional Makeup, 2 Urban Decay and 1 Atelier Cologne.