

FONDATION CHANEL

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Company Limited by Guarantee

Registration No.: 12786875 (England and Wales)

Charity Registration No.: 1195353

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LEGAL AND ADMINISTRATIVE DETAILS

REGISTERED OFFICE

5 Barlow Place
London W1J 6DG

Company registration no.: 12786875
Charity registration no.: 1195353

INDEPENDENT AUDITOR

Ernst & Young LLP (UK)
Statutory Auditor
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TRUSTEES (DIRECTORS)

P. B. Blondiaux
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M. Nitsch
Y. Peel
M. van Oranje (Independent Trustee)
C. Woodcraft (Independent Trustee)
K. Wylie

LEGAL ADVISORS

Bates Wells & Braithwaite London LLP
10 Queen Street Place
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BANKERS

Citibank, N.A. London
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London E14 5LB

OFFICERS

Chair: K. Wylie

Secretary: E. Jones-Ransley

KEY MANAGEMENT PERSONNEL

President: K. Wylie

Global Head: K. Meddour (joined 1 July 2022)

Managing Director: V. Meunier

STRATEGIC REPORT

INTRODUCTION

The Trustees of Fondation Chanel (the "Trustees" and the "Board"), who are also directors of the company for the purposes of the Companies Act 2006, present their annual report on the affairs of the Charity, inclusive of this strategic report, Trustees' report, independent auditor's report, and financial statements for the year ended 31 December 2022. This report sets out the annual accounts, which conform to FRS 102 and the Charities Statement of Recommended Practice (SORP).

The Trustees, in preparing this strategic report, have complied with section 414C of the Companies Act 2006. The report has been prepared to provide the sole member of Fondation Chanel with information to assess how the Trustees have performed their duty to promote the success of Fondation Chanel to achieve its charitable purposes.

The Trustees also note the comparable period for the 2021 financial year represents an extended reporting period from 2 August 2020 through 31 December 2021, which was Fondation Chanel's first financial year as an incorporated charity in the United Kingdom.

OUR AIMS

Fondation Chanel (the "Foundation" or the "Charity") is a global grantmaking foundation working in solidarity with its not-for-profit partners to create conditions for women and adolescent girls, in all their diversities, to be free to shape their own destiny.

We take a bespoke approach to grantmaking. We listen to our grantee partners' needs and tailor resources to support them in making positive impact, while building their organisational capacity and enhancing their wellbeing.

We form deep, long-term partnerships with organisations taking action at the heart of their communities, trusting that it is within these communities that the best solutions are found, and resources are best transformed into meaningful change.

We believe our value-add lies in being 'holistic' with our approach and support. We maintain this as our guiding principle. Women and adolescent girls do not lead single-issue lives or have one-dimensional identities. Our partners share this understanding of the complex challenges and issues women and adolescent girls face in their everyday lives. This informs the development and evolution of support provided by the Foundation and our grantee partners.

OUR APPROACH

For women and adolescent girls to be free to shape their own destiny, conditions of safety and autonomy are essential. These two thematic pillars are crucial foundations to our strategic approach.

Safety & wellbeing

Women and adolescent girls must be guaranteed fundamental rights and resources to live healthy lives, free from violence. These include adequate standards of living, access to safe housing, basic health services, social and legal protection, and a sustainable environment. Their safety and wellbeing must be protected by laws, institutions, and social norms.

Within this pillar, we focus on:

- eliminating gender-based violence,
- community-based health and wellbeing, and
- social protection.

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Economic and social autonomy

In a just society, women have an equal and clear voice in the choices and decisions that impact their lives. If these basic needs are met, women have increased opportunities to develop and hone their expertise and pursue personal, intellectual, and economic fulfilment through employment or entrepreneurship. They can take on leadership opportunities at work, in their communities, and in social movements. They can become true agents of change in society and unlock new potential to secure a better future.

Within this pillar, we focus on:

- skills and leadership development,
- access to a well-resourced and supportive care economy, and
- social and environmental resilience.

We champion our grantee partners' work across these areas, supporting women and adolescent girls directly through access to services and resources that promote conditions of safety and autonomy. To have true long-term impact, our approach as a funder must seek to invest in present needs while also holding those of the future.

To this end, we support greater resourcing and strengthening of organisations and movements that are tackling the structures perpetuating gender inequalities around the world. Our grantee partners work within their communities to address these root causes, evolve long-standing social norms and narratives, and lead advocacy efforts to implement policies and laws that promote gender equality in the long-term.

OUR PROGRESS

Our key achievements of 2022 centred on the expansion of our grantmaking activities across all regions that the Foundation is active in, namely the UK, Asia-Pacific, Latin America, Africa, MENA, and across multiple regions in alignment with our strategic approach outlined above.

Throughout the year, our programmatic teams planned for and presented growth plans for each of our regional grantmaking portfolios. This resulted in significant expansion across the Asia-Pacific region, the UK, and an increase in research and advocacy-based partnerships with global scope. We also further structured our strategic approach in regions such as Latin America, Africa, and MENA, which remains ongoing.

Our teams attended several conferences during the year such as the Asian Venture Philanthropy Network annual forum, and the United Nations General Assembly to engage continually with live global conversations around gender and philanthropy.

In collaboration with our sister foundations, Fondation d'Entreprise Chanel in France and Fondation Chanel, Inc. in the U.S., we also conducted a global Grantee Perception Survey with the support of the Center for Effective Philanthropy (CEP). The aim of this survey was to improve our collective understanding of our direct impact on grantee partners and how we can be of better support to them.

Across all three entities, the survey was sent to a total of 101 grantee partners and received a strong 78% response rate. The anonymised survey respondents highlighted various suggestions for how we can improve our future support to our grantee partners including greater flexibility in the usage of grant funds and the importance of non-financial support among other factors. Our teams are currently reviewing and strategizing on the feedback provided by respondents. We will seek to incorporate their suggestions into our grantmaking modalities and operations going forward.

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New grants approved

In 2022, Fondation Chanel approved grants to 27 new grantee partners representing a total of US\$49.4m in funding. Of this amount, US\$11.1m was payable in 2022, while an estimated US\$38.3m was committed for payment in future years subject to the fulfilment of future conditions as outlined in note 1 of the financial statements. Most of these approved grants represent multi-year funding commitments of three years or longer.

	2022	2021
Total new multi-year grant funding approved during the year	US\$49.4m	US\$6.0m
No. of new grantee partners	27	13
New grant expenditure recognised during the year	US\$11.1m	US\$1.1m
New grant funding committed to future years (est.)	US\$38.3m	US\$4.9m

Total grantmaking activity

We incurred total grant expense of US\$13.5m in support of 31 organisations: US\$11.1m related to new grants approved in 2022 and US\$2.4m related to ongoing grants approved in the prior year.

As of 31 December 2022, we had an estimated total of US\$40.6m in grant funding committed for payment in future years subject to the fulfilment of future conditions as outlined in note 1 of the financial statements.

Our impact contribution

Our approach to impact and learning aims to evaluate how we are supporting meaningful transformations in individual lives, communities, and societies. We endeavour to learn and share what is needed to make tangible progress for women and adolescent girls and what is standing in our way.

Achieving real and lasting change on long-standing complex social issues is challenging. It typically cannot be attributed to a single individual or organisation. It must be sustainable and durable and requires long-term commitment.

As such, our impact is best demonstrated as a contribution to a much greater whole shaped by countless others working across our ecosystem. Our impact and learnings are best illustrated through the stories, insights, and experiences of our grantee partners and the communities they work in over time coupled with meaningful datapoints.

As a grantmaking organisation, accountability to our grantee partners is of highest importance. The data and stories we collect help us understand how we show up in our grantee partner relationships, what we can do better to support them, and whether we are living up to the values we set out for ourselves.

Our impact measures

Fondation Chanel pursues impact at three levels: individuals and communities, systems and social norms, and partners and peers.

Individuals and communities

Firstly, we have an indirect impact via our grantee partners, who are working directly to improve the lived experiences of individual women and girls and their communities by pursuing the following outcomes:

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- Women and girls have control over their body, health, personal safety, and wellbeing;
- Women and girls access the resources, opportunities, and skills they need to ensure their social and economic autonomy; and
- Women and girls increase their awareness, agency, and ability to advocate for themselves and others.

Systems and social norms

Secondly, we have an indirect impact via our grantee partners, who are working actively to address systemic barriers that hinder the safety and autonomy of women and girls by pursuing the following outcomes:

- Improved policies and laws that promote and support gender equality;
- Resourcing and strengthening movements and grassroots organisations working for gender justice; and
- Improved social norms and behaviours that promote and support gender equality.

Partners and peers

Thirdly, as a grantmaker, we, endeavour to have a direct positive impact on our grantee partners by pursuing the following outcomes:

- Organisations strengthen their organisational capacity, sustainability, and wellbeing;
- Organisations enhance their learning and networking opportunities; and
- Organisations amplify their voices in order to enhance their reach and influence.

Below are details of five grants active within our portfolio in 2022 that illustrate the work of our grantee partners and the impact they are pursuing at both the individual and communities level and systems and social norms level:

Rosa

£1,500,000 over 3 years

Rosa's vision is a society that is safe, fair, and equal for women and girls. Founded in 2008, Rosa is the only women's fund in the UK solely dedicated to investing in organisations that support girls and women across their lives. Rosa works to strengthen women's and girls' organisations, investing in their capacity building and infrastructure, so that they are better able to address the complex and diverse needs of women and girls and ensure that their voices are heard, and their rights are protected. Additionally, Rosa acts at the systems change level by using its voice to achieve change and conducting research that aims to provide a better understanding of the issues that women's and girls' organisations face and the most effective ways to address them. Rosa manages three main funds: Voices from the Frontline, which provides small grants to support campaigning and influencing work; Stand With Us, which invests in organisations working to address the impact of male violence on women and girls; and Rise, which funds organisations led by and for Black and minoritised women and girls. Rosa also undertakes research to enhance the work of the organisations it funds, and to ensure more funders invest in the UK's women and girls sector.

In addition to re-granting support, we are also providing Rosa with core funding to strengthen its organisational structure and generate knowledge as its strategic initiatives evolve. This includes a new system to give Rosa's leadership complete oversight and reporting capability for the organisation's finances, allowing them to focus more time and resources on directly supporting their partners and investing in grants for women's and girls' organisations.

Equal Measures 2030

US\$1,500,000 over 3 years

Formed in 2016, Equal Measures 2030 (EM2030) is a global partnership of national, regional and global leaders from feminist networks, civil society, international development and the private sector. EM2030 produces the

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Sustainable Development Goals (SDG) Gender Index — the only SDG-aligned index that tracks progress on global gender equality. With a third of countries either making no progress on gender equality or moving in the wrong direction, EM2030's SDG Gender Index conveys the world is off track on the SDGs. But the Index also shows that 50% of countries are moving in the right direction and that rapid change on gender equality is possible. Using the Index findings, EM2030 works at the systems change level by providing a blueprint for governments to help make that change happen.

Core to this partnership's focus is the generation of research and analyses to ensure women's rights organisations and gender equality advocates have actionable data, visualisations, and tools to monitor gender equality progress.

Via our collaboration, we will increase EM2030's capacity to conduct research, analyses and advocacy, and to provide direct resources for women's rights organisations and advocates. This will help to equip EM2030 partners with data and analysis to challenge discriminatory laws and policies.

CARE International

€1,000,000 over 3 years

Across Latin America, 95% of paid domestic workers are women and a majority of them experience violence in the workplace, and breaches of their rights. Many don't have legal recourse or an awareness of the laws in place to protect them. All of this is in spite of the fact that these women care for homes, children and the elderly.

Founded in 1945, CARE is one of the world's leading humanitarian organisations. It works with partners across Brazil, Ecuador and Colombia to directly improve the lives of domestic workers, advocating for their dignity and helping them better understand and defend their rights. Additionally, CARE works at the systems change level to advance policy change in favour of domestic workers by advocating for the ratification and implementation of ILO Conventions 189 and 190.

We are supporting CARE in its work towards increased protection and recognition for domestic workers by expanding awareness of basic legal rights through skill building and training in care services, helping to grow labour rights movements across Latin America. Additionally, our grant aims to extend the reach of this programme to 15 countries across the region.

African Women's Development Fund

US\$3,000,000 over 5 years

The African Women's Development Fund (AWDF) envisions a world where freedom and dignity are achieved for all, and where gender justice is a reality for African women, girls, and gender-diverse people. The organisation was founded in 2000 and is the oldest and largest women's fund in Africa. AWDF supports local, national, and regional women's organisations in Africa and the Middle-East working to directly empower African women and promote the realisation of their rights. By specialising in grantmaking and focused, tailored movement-building programmes, it works to strengthen and support the work of African women's organisations. Additionally, AWDF impacts systems and social norms by amplifying and celebrating African women's voices and achievements, combatting harmful stereotypes, and promoting African women as active agents of change.

Our partnership aims to support AWDF in building the capacity of the Francophone feminist movement in Africa and the Middle East. The organisation will re-grant directly to local women's rights organisations and collectives working to support girls, women, and gender-diverse people in French-speaking African countries to enjoy their human rights and live lives free from violence and discrimination. Additionally, AWDF will work with French-speaking African writers to promote gender justice, and take part in regional and international advocacy spaces.

Nobel

US\$600,000 over 3 years

Nobel is a Japanese non-profit organisation founded in 2009. It aims to tackle the barriers preventing mothers from returning to work by providing flexible and affordable childcare services, enabling women to balance their parenting

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and work responsibilities and advance their financial independence. Nobel has designed a childcare model that is flexible, affordable, and community-based and works in partnership with various stakeholders, including regional governments. This programme not only supports working parents by ensuring their access to a thriving care economy, but also creates job opportunities and improves the livelihoods of childcare workers.

Our grant aims to support Nobel in expanding its impact by piloting its new childcare model, which will support women across Japan and in particular low-income families, parents working non-traditional hours, or those who are seeking employment. Additionally, Nobel will develop new services to better support parents and promote healthy child development.

OUR PLANS

In December 2022, our parent company, Chanel Limited (together with its subsidiaries, the "Chanel Group"), strengthened its commitment to the Foundation's mission with a more than threefold increase in its annual financial contribution versus the prior year. Given this significant growth in resources, the Foundation will undertake further long-term strategic and operational planning to ensure we achieve maximum impact with this increased budget and proper alignment between our impact ambitions and internal organisational capacities. Further details will be reported in future annual reports.

In 2023, we will remain committed to creating meaningful, multi-year, and impactful partnerships to achieve real change for women and adolescent girls. We will accomplish this by:

- Accelerating our grantmaking across all regions in which the Foundation operates and all modalities of support (for example, project-based, core/organisational, flexible, re-granting, alliance-building), tailoring resources based on the needs of our grantee partners;
- Ensuring that those closest to challenges have the resources they need to devise and implement solutions, by increasing our support to women's funds, which re-grant to grassroots, community-led organisations and movements; and
- Investing in research, data, and evidence to achieve meaningful and lasting progress on gender equality.

We will strengthen our grantmaking capacities and improve the quality of support we offer by:

- Enhancing the capacities of our grantee partners by providing increased organisational support;
- Reviewing our grantmaking processes to decrease the administrative burden on our grantee partners; and
- Developing our voice to inspire stronger support for women and girls, and to amplify the work of our grantee partners.

Finally, we are working towards launching new internal frameworks and tools and reviewing our organisational design to better serve our long-term ambitions. This includes:

- Strengthening our impact and learning framework, which aims to put learning at the heart of our approach and provide further clarity on our quantitative and qualitative impact and
- Investing in new headcount across all regions and functions.

FINANCIAL REVIEW

Results and financial position

During the year ended 31 December 2022, the Foundation's total income amounted to US\$106.6m (2021: US\$33.3m) with total expenditure of US\$16.0m (2021: US\$3.4m). After accounting for the impact of foreign exchange gains and losses, the net movement in funds during the period reflected a surplus of US\$90.5m (2021: US\$29.8m).

Income was derived entirely from the support of the Chanel Group and comprised of cash donations received totaling US\$42.1m (2021: US\$9.2m), pledged donations of US\$62.9m receivable (2021: US\$22.1m), and

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donated services and facilities utilised during the year of US\$1.6m (2021: US\$2.0m). The Foundation does not raise funds from the public or engage any third parties to undertake fundraising on its behalf.

Expenditure on charitable activities was comprised of grants expenditure to 31 organisations totaling US\$13.5m (2021: US\$1.1m) and support costs of US\$2.5m (2021: US\$2.3m). While not formally recognised as liabilities as of year-end 2022, the Trustees also agreed in principle on future grant commitments in subsequent years totaling an estimated US\$40.6m (2021: US\$4.9m).

Fondation Chanel ended the year with total funds of US\$120.4m (2021: US\$29.8m). All funds are held on an unrestricted basis and can be used in accordance with Fondation Chanel's charitable objects at the discretion of the Trustees.

Reserves

As of the date of these financial statements, the Trustees have not established a formal reserves policy. Given the Chanel Group's strengthened commitment to the Foundation in 2022, the Charity currently has ample unrestricted funds to meet all of its current and anticipated future financial commitments while allowing for additional flexibility. Confirmed available funding as of the date of approval of these financial statements is in excess of current and future commitments by US\$52,193,381; however, the Foundation expects to reduce this excess amount considerably as it approves new multi-year grants throughout 2023 and beyond. The Charity is not reliant on fundraising or public donations and is solely funded by the Chanel Group. Cash inflows and outflows are actively managed by the Foundation's finance team throughout the year.

As Fondation Chanel continues to expand its activities, this approach will be continually reviewed considering changes in risks, financial position, and long-term strategic goals. The Trustees understand the critical importance of reserves in ensuring the Charity's resilience and capacity to manage unforeseen financial challenges. Additionally, the Trustees are aware of the potential that an excessive cash reserve holding may not be aligned with the Charity's impact aims. Any future decision regarding the establishment of a reserves policy will be made with these considerations in mind.

Going concern

The Trustees are satisfied that Fondation Chanel has sufficient net assets to continue its operations for the foreseeable future and meet all expected future financial commitments.

In their assessment, the Trustees have reviewed the Charity's balance sheet and anticipated future cash inflows and outflows as of the approval date of the financial statements. The Trustees believe that the Charity is well placed to manage its business risks successfully. It will have sufficient financial resources to meet all liabilities as they fall due for at least the next 12 months from the date of approval of these financial statements based on cash on hand of US\$25.8m (as of 31 August 2023) and cash receivable by year-end 2023 of US\$85.0m. On this basis, the Trustees consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements with no material uncertainties to disclose.

Risk management

The Trustees have assessed the principal risks facing the Charity with a particular focus on those that would impede its potential for impact. They ensure the implementation of mitigating actions in relation to each risk and monitor their status accordingly throughout the year.

Risk area	Current mitigation actions
Impact: no impact or adverse impact on the Charity's grantee partners and the individuals and communities they serve	<ul style="list-style-type: none">- Consultation with regional and local experts in designing programmatic strategies and in new grantee partner prospection- Leverage philanthropic expertise of Independent Trustees- Obtain regular feedback from existing grantee partners

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Risk area	Current mitigation actions
	<ul style="list-style-type: none"> - Hire experienced staff to conduct due diligence and develop and manage grantee partner relationships - Obtain and review annual grant reporting, hold routine check-ins with grantee partners, and conduct site visits during grant term, when possible - Impact and learning framework in development
Talent attraction and retention: failure to recruit or retain key staff at forefront of our grantee partner relationships	<ul style="list-style-type: none"> - Offer competitive pay, career progress, attractive benefits and workplace flexibility - Foster a strong and inclusive organisational culture, focussed on team engagement - Invest in staff learning and professional development - Invest in knowledge management systems
Financial sustainability: loss of funding and/or in-kind support from the Chanel Group	<ul style="list-style-type: none"> - The Chanel Group is financially sound and fully committed to maintaining funding and in-kind support - Financial updates are shared at each Trustees meeting - Trustees ensure ample funding is available to cover current and future grant commitments before approving any new grant commitments
Legal and compliance: failure to meet accounting, regulatory, and legal compliance requirements	<ul style="list-style-type: none"> - Trustee on-boarding includes overview of a trustee's legal duties - Annual, and ad hoc, conflicts of interest disclosures - Robust due diligence process and ongoing grant management conducted by programmatic staff - Proper grant documentation and follow up - Experienced legal support from the Chanel Group Legal department and external advisors as necessary - The Associate General Counsel—Corporate of the Chanel Group is the Secretary of the Charity
Data protection: failure to process and protect data of our staff and grantee partners as well as the organisation	<ul style="list-style-type: none"> - Information security assessments are carried out on external third-party suppliers who process confidential or personal data on the Charity's behalf - Mandatory data privacy and cyber-security training for all staff - Experienced legal support from the Chanel Group Legal department and external advisors as necessary
Other financial: internal fraud or failure of internal controls; foreign exchange rate fluctuations	<ul style="list-style-type: none"> - Internal delegations of authority - Shared authorisation procedures, including maker-checker processes - Ability to leverage the Chanel Group Finance department for support as necessary - Regular review of appropriateness of currency hedging

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SECTION 172(1) STATEMENT

The Trustees of Fondation Chanel, in line with their duties under section 172 of the Companies Act 2006, act in a way they consider, in good faith, would be most likely to promote the success of Fondation Chanel to achieve its charitable purposes.

The Trustees make decisions with a long-term view in mind, and in accordance with the highest ethical standards. Fondation Chanel's grantmaking activities are focused on long-term engagements with grantee partners, which aim to provide the certainty of funding necessary for partners to take decisive actions that can effect real change. These engagements begin at the point of originating grantmaking opportunities, where extensive due diligence is performed on potential grantee partners. Fondation Chanel continues this level of rigour and engagement throughout the grant lifecycle, including through grantee partner surveys, day-to-day partner engagement, and the reporting obligations attached to grants. The Trustees review and approve every grant awarded by the Charity to its grantee partners ensuring the Board's visibility over all grant awards on both an individual basis and in the aggregate. This commitment to long-term thinking is designed to ensure that Fondation Chanel's funding is effective, sustainable and aligned with its charitable objects, strategy, and impact aims.

The Trustees believe that this approach supports the long-term success of Fondation Chanel to achieve its charitable purposes, by ensuring high standards, and the continuing reputation with which Fondation Chanel holds amongst its grantee partners, staff, suppliers, regulators, its sole corporate donor, and other stakeholders.

Fondation Chanel considers the likely consequences on all relevant stakeholders of the decisions and actions it takes, and decisions are carefully discussed with affected stakeholders wherever possible. In particular, Fondation Chanel recognises the potentially transformative effect that an award can make for grantee partners and the key stakeholders they serve. A commitment to working together is imperative to ensure the success of our partnerships, the effectiveness of our charitable outcomes, and the continuing reputation which the Charity holds. This spirit of dialogue has been a cornerstone of the Foundation's work with grantee partners since its inception, and with Fondation Chanel's recent increase in funding, we expect to continue to respond to the needs of our grantee partners, by providing a wider range of support that goes beyond financial funding – for example, enhancing partner capabilities through organisational support, and taking a more active role in amplifying our grantee partners' voices through its own channels.

Working closely with grantee partners in this way benefits the organisations themselves, but more critically, women and adolescent girls of all backgrounds. The Foundation's grantmaking supports, and by extension enriches and improves their lives, and the lives of their wider communities. But support of women and young girls also frequently contributes in parallel, or indirectly, to positive environmental outcomes. Environmental resilience is a key component of the economic and social autonomy thematic pillar of Fondation Chanel's strategy, and the Charity supports appropriate opportunities to co-address environmental challenges through its grantee partner support.

Fondation Chanel is a charitable company limited by guarantee and therefore has no shares. Its sole member is Chanel Limited, the parent company of the Chanel Group, which provides the funding of the Charity. Fondation Chanel provides regular reporting to its sole member, through annual and ad-hoc reporting, to ensure that it has clear visibility of the outcomes of Fondation Chanel's work. The sole member also has visibility of the Charity's work through the presence of Trustees who also hold senior leadership roles at Chanel Limited. In 2022, the Foundation also conducted periodic engagement sessions with employees of the Chanel Group to raise awareness of the Foundation's mission and activities and engage and educate Chanel Group employees on the social issues that the Foundation is addressing.

Fondation Chanel has no employees, instead, grant and charity administration was undertaken by employees of the Chanel Group who are seconded to the Charity and donated in-kind to the Charity. These staff are fully supported by the employee infrastructure of their Chanel Group employer.

TRUSTEES' REPORT

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure

Fondation Chanel was incorporated on 2 August 2020 as a company limited by guarantee registered in England and Wales under company registration number 12786875 and registered as a charity with the Charity Commission for England and Wales on 30 July 2021 under charity registration number 1195353. It is governed by its Articles of Association dated 26 January 2021.

The sole member of the Charity is Chanel Limited, a company registered in England and Wales under company registration number 00203669 with its registered office at 5 Barlow Place, London, W1J 6DG.

Fondation Chanel works in close collaboration with sister foundations Fondation d'Entreprise Chanel registered in France (founded in 2011) and Fondation Chanel, Inc. in the United States (founded in 2016), which both have similar charitable purposes, mission and strategy, while each operates with its own geographical focus. Further details on this connection are outlined in note 12 of the financial statements.

Objects and purpose

As outlined in its Articles of Association, Fondation Chanel's charitable objects are, for the public benefit, (i) the relief of need amongst women and girls caused by discrimination on the basis of sex, financial disadvantage or other forms of disadvantage and (ii) such other purposes as are regarded as exclusively charitable under the law of England and Wales.

To further its objects, Fondation Chanel is a grantmaking charity and supports purposes aligned with those listed in the Charities Act of 2011. In accordance with its grantmaking policy set forth below, it makes grants to support a wide range of charitable projects, initiatives, and organisations for the benefit of individuals and communities, its ecosystem of grantee partners and peers, and society as a whole.

All grants awarded since the Charity's incorporation have furthered these charitable purposes. The Trustees have complied with their duty to have due regard to the Charity Commission's guidance on public benefit in awarding these grants.

Grantmaking policy

The Fondation Chanel team engages in in-depth prospection to identify potential grantee partners. Programmatic staff consult with regional and local gender and philanthropic experts and other funders, gather data, conduct landscape analyses and research, and perform other fieldwork to devise locally relevant strategies that inform the Charity's grantmaking approach.

The Charity aims to build long-term, trust-based relationships with its grantee partners. New grant proposals are developed in collaboration with the potential partner organisations. Before presenting a grant proposal to the Trustees for consideration, programmatic staff conduct robust due diligence with regard, among other things, to: establishing that grant purposes are charitable; ensuring the legality of making grants to the prospective partners; and understanding the governance, operating structure, and intended impact of the organisation and/or project. The Charity does not award grants to individuals.

The following are important considerations to the staff and Trustees of Fondation Chanel when assessing grant proposals:

- the anticipated social and environmental impact of the grant;
- the potential for learning afforded by the grant; and
- the history of the organisation and/or project to be funded.

Once a grant is approved, the Charity drafts a grant agreement in discussion with the grantee partner. As most grants are awarded on a long-term basis (three to five years), annual reporting milestones are agreed to provide an update on grant progress and ongoing learning and ensure that funds have been used for the agreed charitable purpose. The Foundation retains the right to cancel any partnership, and cease payment of further grants, should the partner not act in accordance with the terms of the grant agreement.

TRUSTEES' REPORT

Trustees

The names of the Trustees who served during the reporting period and up to the date of this report are outlined in the legal and administrative details on page 3 of this Trustees' report. The Board of Trustees is currently comprised of seven Trustees, five of whom are senior leadership employees of the sole member and two of whom are independent Trustees.

Recruitment and appointment

The appointment of Trustees is governed by the Charity's Articles of Association. The two independent Trustees were recruited by the existing Trustees and appointed based on their extensive, diverse expertise and range of skills in the fields of philanthropy and gender equality, as well as their experience on charity boards as chair or trustee. Trustees are appointed to office for three-year terms and may serve a maximum of three consecutive terms. None of the Trustees receive remuneration with respect to their services as a Trustee.

In accordance with the Articles of Association, new Trustees may be appointed by ordinary resolution of the member or by decision of the existing Trustees. There must always be a minimum of two Trustees.

Induction and training

All current and new Trustees undergo a thorough induction process. They receive an induction pack comprised of Charity's main governing documents, an overview of programmatic priorities and strategies, financial position, and legal considerations, including copies of relevant Charity Commission guidance. Additionally, any newly appointed Trustees engage in series of introductory training sessions with existing Trustees and staff members of Fondation Chanel.

The Charity manages conflicts of interest by requiring all Trustees to declare their board positions at other organisations and interest in any potential recipient of a grant and step out of any subsequent discussions prior to any decision being made in respect of which they have a conflict.

Management

The Trustees meet three to four times per year to agree on the strategic direction of the Charity, review grant proposals, award grants in line with the Charity's grantmaking policy, and assess and monitor the Charity's financial position and key risks and opportunities.

The Trustees delegate responsibility for day-to-day management of the Charity to the Global Head, the Managing Director—UK, and other highly qualified staff. The President, Global Head, and/or the Managing Director—UK typically share a management update at each meeting of the Board of Trustees.

All staff are employees of the Chanel Group and are remunerated in accordance with the Group's compensation policies and practices. They do not receive direct compensation from the Charity outside of expense reimbursements incurred in relation to carrying out activities on behalf of the Charity. Staff and office facilities costs of Fondation Chanel are borne by the Chanel Group and are recorded as donated services and facilities offset by an equivalent expense in the financial statements as further described in notes 1, 5, and 12.

Related parties

Related party relationships are further described on page 13 of this Trustees' report.

TRUSTEES' REPORT

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report (including the strategic report) and the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS102 "The Financial Reporting standard applicable in the United Kingdom and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of its income and expenditure during that period.

In preparing the financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (Statement of Recommended Practice);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that sufficiently disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the Trustees are aware:

- there is no relevant audit information of which the Charity's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

Auditors

The auditor, Ernst & Young LLP, is deemed to be reappointed in accordance with section 485 of Companies Act 2006.

This Annual Report (including both the strategic report and Trustees' report) was approved by the Board of Trustees on 29 September 2023 and signed on their behalf by:



Kate Wylie

Chair of the Board of Trustees and President, Fondation Chanel

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FONDATION CHANEL

Opinion

We have audited the financial statements of Fondation Chanel for the year ended 31 December 2022 which comprise Statement of financial activities, balance sheet, statement of cash flows and the related notes 1 to 13 including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- ▶ give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of its net income and application of resources, including its income and expenditure, for the year then ended;
- ▶ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ▶ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of twelve months from when the financial statements were authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained in the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FONDATION CHANEL (Continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- ▶ the information given in the Trustees' Report, which includes the directors' report, and the Strategic Report prepared for the purpose of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ▶ The Strategic Report and the directors' report included within the Trustees' Report have been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have identified no material misstatements included within the Trustees' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- ▶ adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- ▶ the financial statements are not in agreement with the accounting records and returns; or
- ▶ certain disclosures of Trustees' remuneration specified by law are not made; or
- ▶ we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement on page 15, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the charitable company or to cease operations, or has no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FONDATION CHANEL (Continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud


Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are Charities SORP (FRS 102) Accounting and Reporting by Charities, Companies Act 2006, Charities Act 2011 and Her Majesty's Revenue and Customs (HMRC).
- We understood how Fondation Chanel is complying with those frameworks by making enquiries of management and those responsible for the legal and compliance procedures. We corroborated our enquiries through our inspection of the board minutes as well as consideration of the results of our audit procedures across the entity.
- We assessed the susceptibility of the charitable company's financial statements to material misstatement, including how fraud might occur by reviewing the ethics handbook that the company and its representatives are responsible for and performed management inquiries of the procedures to identify risk of material misstatement due to fraud and error.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved reviewing legal and professional correspondence and corroborating with management inquiries.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Caroline Mulley (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Newcastle upon Tyne
29 September 2023

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2022

	Notes	2022 Unrestricted US\$	2021 Unrestricted US\$
Income from:			
Donations	2	106,647,741	33,305,697
Total		106,647,741	33,305,697
Expenditure on:			
Charitable activities			
Grants expenditure	3	13,520,168	1,095,957
Support costs	4, 5, 6	2,457,130	2,343,103
Total		15,977,298	3,439,060
Net income		90,670,443	29,866,637
Other recognised gains - foreign exchange		14,987	2,259
Other unrecognised (losses) - foreign exchange		(137,422)	(22,513)
Net movement in funds		90,548,008	29,846,384
Reconciliation of funds:			
Total funds brought forward		29,846,384	-
Total funds carried forward		120,394,392	29,846,384

All income and expenditure are derived from continuing operations and relate to unrestricted funds during the reporting period.

The statement of financial activities includes all gains and losses recognised during the reporting period.

The notes on pages 22 - 30 form part of these financial statements.

BALANCE SHEET

As of 31 December 2022

	Notes	Unrestricted 2022 US\$	Unrestricted 2021 US\$
Non-current assets:			
Debtors	7	-	11,505,000
Total		-	11,505,000
Current assets:			
Debtors	8	85,000,360	10,620,000
Prepayments	8	6,747	26,510
Cash at bank and in hand	9	36,035,966	8,121,119
Total		121,043,073	18,767,629
Current liabilities:			
Creditors: amounts falling due within one year	10	648,681	426,245
Total assets less current liabilities, being net assets		120,394,392	29,846,384
The funds of the charity:			
Restricted funds		-	-
Unrestricted funds		120,394,392	29,846,384
Total charity funds		120,394,392	29,846,384

The notes on pages 22 - 30 form part of these financial statements.

The financial statements of Fondation Chanel (registration no. 12786875) on pages 19 - 30 were approved and authorised for issue by the Board of Trustees on 29 September 2023. They were signed on its behalf by:



P.B. Blondiaux
Director & Trustee

STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

	2022 \$US	2021 \$US
Cash flows from operating activities:		
Donations received	42,125,000	9,200,009
Operating expenditure paid	(14,210,153)	(1,078,890)
Net cash provided by operating activities	27,914,847	8,121,119
Change in cash and cash equivalents in the reporting year ⁽¹⁾:	27,914,847	8,121,119
Cash and cash equivalents at the beginning of the reporting year	8,121,119	-
Cash and cash equivalents at the end of the reporting year	36,035,966	8,121,119

Note:

(1) Cash balance on 31 December reflects unrecognised loss due to foreign exchange movements on Sterling account.

NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with UK Generally Accepted Accounting Practice and other applicable standards including the Charities SORP FRS 102 (second edition – October 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006, and the Charities Act 2011. The Charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in U.S. dollars and rounded to the nearest dollar. Any transactions undertaken in foreign currency are translated into U.S. dollars, the predominant currency in which the Charity receives income and expends cash and therefore both its functional and presentation currency.

Reporting period

These financial statements have been prepared for the year ended 31 December 2022. The comparative period for the 2021 financial year represents an extended reporting period from 2 August 2020 through 31 December 2021.

On 21 January 2021, the Charity filed a change of accounting reference date with Companies House to extend the end date of its accounting reference period from 31 August 2021 to 31 December 2021 to align with the calendar year going forward.

Income recognition

All income is recognised in the statement of financial activities when the Charity is legally entitled to the income, the amount can be quantified reliably, any conditions for receipt have been met, and receipt is probable. Income is comprised of monetary donations and donated services and facilities.

Monetary donations are recognised as income upon receipt. In the event of monetary donations pledged but not yet received, the amount is accrued for as income where entitlement has been established and receipt is considered probable.

Donated services and facilities represent the value of services borne by Chanel Limited during the reporting period in providing seconded staff, office facilities, and office equipment to the Charity. They are valued at actual cost and recognised in the financial statements as income offset by an equal corresponding amount as expenditure when they are receivable and quantifiable.

Expenditure recognition

Liabilities are recognised as expenditure when there is a legal or constructive obligation committing the Charity to the expenditure, the amount of the obligation can be quantified reliably, and settlement is probable. All expenditure is accounted for on an accruals basis in the period in which it is incurred. Expenditure is comprised of charitable grantmaking activity as well as all support costs related to grantmaking and the overall administration of the Charity.

Grants are recognised as payable when there is a legal or constructive obligation to pay established by the Trustees' approval of the grant, signature of a grant agreement, and the recipient's fulfillment of any related conditions, as applicable. Any awards meeting these recognition criteria but not paid at the end of the reporting period are accrued for.

Most of the Charity's grants are multi-year commitments. Release of funding in subsequent years is conditional upon satisfactory receipt of annual reporting on grant progress and confirmation that grant funds have been

NOTES TO THE FINANCIAL STATEMENTS

used only for the agreed charitable purpose. Grants subject to future conditions which are not recognised as liabilities at year-end are disclosed as future grant commitments in note 3.

Cash at bank and cash in hand

Cash at bank and cash in hand consists of all accounts that are available on demand.

Debtors and creditors

Debtors and other receivables are recognised as an asset when a past event results in a present obligation that will result in the Charity receiving funds from a third party and the receivable amount can be quantified reliably. Debtors are recognised at their anticipated settlement amount.

Creditors and other payables are recognised as a liability when a past event results in a present obligation that will result in transfer of funds to a third party and the amount payable can be measured or reliably estimated. Creditors are recognised at their anticipated settlement amount.

Foreign currency translation

Assets and liabilities in foreign currencies are translated into U.S. dollars at the closing exchange rate as of the balance sheet date. Foreign currency transactions are translated into U.S. dollars at the closing exchange rate as of the transaction date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in currencies other than U.S. dollars at year-end exchange rates are recognised as other gains and losses and hence are considered in arriving at the net movement of funds.

Taxation

Fondation Chanel is a registered charity and therefore has no liability to income tax or corporation tax on income derived from its charitable activities as it falls within the various exemptions available to registered charities.

Any irrecoverable VAT is reflected in expenditure amounts charged to the statement of financial activities.

Critical accounting estimates and judgements

In the application of the Charity's accounting policies described elsewhere in note 1, the Trustees are required to make estimates, judgements, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The Trustees do not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure.

Fund accounting

All funds are held on an unrestricted basis and can be used in accordance with Fondation Chanel's charitable objects at the discretion of the Trustees.

NOTES TO THE FINANCIAL STATEMENTS

Assessment of going concern

The Trustees are satisfied that Fondation Chanel has sufficient net assets to continue its operations for the foreseeable future and meet all expected future financial commitments. Accordingly, the financial statements have been prepared on a going concern basis.

In their assessment, the Trustees have reviewed the Charity's balance sheet and anticipated future cash inflows and outflows as of the approval date of the financial statements. The Trustees believe that the Charity is well placed to manage its business risks successfully and that it will have sufficient financial resources to meet all liabilities as they fall due for at least the next 12 months from the date of approval of these financial statements. Based on this, the Trustees consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements with no material uncertainties to disclose.

2. DONATIONS

	2022 US\$	2021 US\$
Monetary donations received	42,125,000	9,200,009
Monetary donations receivable	62,875,000	22,125,000
Donated services	1,041,295	1,081,232
Donated facilities	606,446	899,456
Total	106,647,741	33,305,697

3. GRANTS EXPENDITURE

Grant portfolio & recipient	Local Currency	Total Grant Awarded Local	2022 US\$	2021 US\$
Africa & MENA			1,467,033	-
African Women's Development Fund	USD	3,000,000	600,000	-
Batik International	EUR	664,743	353,954	-
Doria Feminist Fund	USD	400,000	250,000	-
Play International	EUR	50,000	53,079	-
XOESE	USD	339,355	210,000	-
Asia-Pacific			2,717,389	388,000
Asian-Pacific Resource & Research Centre for Women	USD	1,000,000	333,334	-
AVPN Gender Pooled Fund	USD	3,000,000	300,000	-
Breakthrough Trust	USD	3,003,946	608,403	-
CorStone	USD	500,000	250,000	250,000
Dasra UK	USD	750,078	190,030	-
Nobel	USD	600,000	240,000	-
Root Impact	USD	450,000	168,000	138,000
Single Mothers Forum	USD	300,000	120,000	-
UK for UNHCR	EUR	350,000	345,149	-
Urgent Action Fund for Women's Human Rights				
Asia and Pacific Limited	EUR	150,000	162,473	-

(Table continued on next page.)

NOTES TO THE FINANCIAL STATEMENTS

3. GRANTS EXPENDITURE (CONTINUED)

Grant portfolio & recipient	Local Currency	Total Grant Awarded Local	2022 US\$	2021 US\$
Global/multi-region			6,094,876	200,000
Co-Impact Gender Fund	USD	15,000,000	3,000,000	-
Equal Measures 2030 (via Panorama Global)	USD	1,500,000	500,000	-
French Ministry for Europe and Foreign Affairs	EUR	360,000	391,212	-
National Foundation of Political Sciences, The	EUR	240,000	163,664	-
Paris Peace Forum	USD	40,000	40,000	-
Shake the Table (via Panorama Global)	USD	50,000	50,000	-
Thousand Currents	USD	1,500,000	500,000	-
Womanity Foundation, The ^(*)	USD	600,000	200,000	200,000
Women Deliver	USD	250,000	250,000	-
Women's Fund Asia Ltd.	USD	3,000,000	1,000,000	-
Latin America			584,333	200,000
CARE France	EUR	1,000,000	384,333	-
Pro Mujer, Inc.	USD	600,000	200,000	200,000
United Kingdom			2,656,538	307,957
Global Fund for Children UK Trust, The	GBP	3,217,449	1,282,437	-
Imkaan	EUR	499,487	-	189,522
Rosa Fund	GBP	1,543,000	602,624	58,949
Street League	GBP	43,000	-	59,486
Women's Budget Group	GBP	892,524	433,794	-
Women's Resource Centre	GBP	899,118	337,683	-
Total			13,520,168	1,095,957

*Note: in the 2021 annual report publication of this table, the Womanity Foundation grant was mistakenly captured under the "Latin America" portfolio heading but has been corrected herein.

Future grant commitments

As of 31 December, Fondation Chanel had estimated future grant commitments as follows:

	2022 US\$	2021 US\$
Payable in the year ending:		
31 December 2022	-	2,551,063
31 December 2023	11,951,591	1,495,199
31 December 2024	14,327,202	835,290
31 December 2025	8,888,679	-
31 December 2026	4,179,173	-
31 December 2027	1,267,464	-
Total	40,614,108	4,881,552

Future grant commitments will be deemed payable and recognised as liabilities in accordance with the recognition policy set out in note 1. All future commitments will be funded with cash in hand or pledged donations from Chanel Limited.

NOTES TO THE FINANCIAL STATEMENTS

4. SUPPORT COSTS

	2022 US\$	2021 US\$
Grant management and charity administration costs	2,363,714	2,062,576
Accounting advisory services	-	36,536
Audit fees	63,860	40,596
Legal fees	29,557	45,883
Tax advisory services	-	157,512
Total	2,457,130	2,343,103

All support costs are incurred in relation to Fondation Chanel's charitable activities since no fundraising is undertaken by the Charity.

5. STAFF COSTS

	2022 US\$	2021 US\$
Salary costs	854,783	865,450
Social security costs	122,567	183,255
Pension costs	25,018	19,330
Other benefits	38,927	13,198
Total	1,041,295	1,081,232

All Fondation Chanel staff are employed and remunerated by the Chanel Group in accordance with its compensation policies and practices and seconded to the Charity on either a full-time or part-time basis to support grant portfolio management, administration, and overall management of the Charity. An estimate of the appropriate proportion of their time dedicated to the Charity is included within donated services.

In 2022, the average number of full-time equivalent staff was 7 (2021: 6), of which full-time employees was 5 and part-time employees was 2.

The Charity's key management personnel consist of the President, Global Head of Fondation Chanel, and Managing Director—UK. The President holds a broader role within the Chanel Group, thus the staff cost incurred by the Charity is an apportioned estimate based on time committed to the Charity. In 2022, total remuneration received by key management personnel was US\$415,651 or £336,078 (2021: US\$391,611 or £288,456).

The number of Chanel Group staff working on the Charity whose apportioned emoluments (salary and other benefits, excluding pension) during the year totaled £60,000 or above were as follows:

	2022	2021
£60,000 - 70,000	2	1
£70,001 - 80,000	-	1
£80,001 - 90,000	1	-
£90,001 - 100,000	2	-
£110,001 - 120,000	-	1
£130,001 - 140,000	1	-
£160,001 - 170,000	-	1

NOTES TO THE FINANCIAL STATEMENTS

Defined contribution plan

Defined contribution pension plan benefits for Fondation Chanel staff are provided under various Chanel Group plans. Contributions made to the plan during the year totaled US\$25,018 (2021: US\$19,330).

6. GOVERNANCE COSTS

	2022 US\$	2021 US\$
Accounting advisory services	-	36,536
Audit fees	63,860	40,596
Legal fees	29,557	45,883
Other professional services	1,701	-
Tax advisory services	-	157,512
Travel & meetings	1,479	2,058
Total	96,596	282,586

Governance costs are included within support costs.

No Trustee received any remuneration from Fondation Chanel or a related party during the reporting period for their services as a Trustee.

Included within 'travel & meetings' is travel and accommodation expense totaling US\$887 covered by the Charity related to Board meeting attendance by one Trustee.

7. DEBTORS: AMOUNTS FALLING DUE IN MORE THAN ONE YEAR

	2022 US\$	2021 US\$
Debtors	-	11,505,000
Total	-	11,505,000

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 US\$	2021 US\$
Debtors	85,000,360	10,620,000
Prepayments	6,747	26,510
Total	85,007,108	10,646,510

The current debtors balance primarily consists of pledged donations from the Chanel Group anticipated for receipt in 2023.

Prepayments balance primarily relates to philanthropic network annual membership fees that span 2022 and 2023.

NOTES TO THE FINANCIAL STATEMENTS

9. CASH AT BANK AND IN HAND

	2022 US\$	2021 US\$
Sterling account	628,626	1,227,950
US\$ account	35,407,340	6,893,169
Total	36,035,966	8,121,119

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 US\$	2021 US\$
Grants payable	533,334	189,522
Other creditors	115,347	236,723
Total	648,681	426,245

Grants payable creditors balance consists of grant installments deemed payable but unpaid as of 31 December.

Other creditors balance consists of accrued expense for audit fees and other professional services.

11. RECONCILIATION OF NET INCOME TO NET CASH FLOW PROVIDED BY OPERATING ACTIVITIES

	2022 US\$	2021 US\$
Net income for the reporting period	90,670,443	29,866,637
Adjustments for:		
(Increase) in debtors	(62,855,597)	(22,151,510)
Increase in creditors	222,435	426,245
Other recognised gains - foreign exchange	14,987	2,259
Other unrecognised (losses) - foreign exchange	(137,422)	(22,513)
Total	(62,755,597)	(21,745,518)
Net cash provided by operating activities	27,914,847	8,121,119

During the prior year, note 11 was incorrectly titled "reconciliation of net expenditure to net cash flow provided by operating activities". In actuality it represented "reconciliation of net income to net cash flow provided by operating activities". The correction has been incorporated herein in note 11. This change does not impact the prior year net result or the opening/closing fund balance as it is a correction of presentation within the note only.

12. RELATED PARTY TRANSACTIONS

Connected companies

NOTES TO THE FINANCIAL STATEMENTS

During the year, Fondation Chanel received donated income of US\$106,647,741 from the Chanel Group comprised of monetary donations and donated services and facilities as outlined in note 2 and the table below. Monetary donations of US\$42,125,000 were received in cash during the year with pledged donations receivable in future years of US\$62,875,000 remaining outstanding.

The Charity operates from Chanel Group office premises. Grant and charity administration was undertaken by employees of the Chanel Group who are seconded to the Charity. Both staff and usage of office facilities and equipment utilised during the period were donated in-kind to the Charity and valued at US\$1,647,741 based on an apportioned estimate of cost incurred related to the Charity's operations.

Five of the seven current directors and members of the Board of Trustees are employed by the Chanel Group.

Travel and accommodation expense totaling US\$887 was covered by the Charity related to Board meeting attendance by one Trustee.

	2022 US\$	2021 US\$
Monetary donations received	42,125,000	9,200,009
Monetary donations receivable	62,875,000	22,125,000
Donated services	1,041,295	1,081,232
Donated facilities	606,446	899,456
Total	106,647,741	33,305,697

Connected foundations

Fondation Chanel works with sister foundations in France ("Fondation d'Entreprise Chanel" or the "French Foundation") and the United States ("Fondation Chanel, Inc." or the "U.S. Foundation") in so far as the sister foundations' activities are compatible with the Charity's objects. Each of the sister foundations exists for charitable purposes in their own jurisdictions as outlined below, and is regulated as such.

REGISTERED OFFICE

PURPOSE

Fondation Chanel, Inc.

The Corporation Trust Company
Corporation Trust Center
1209 Orange St.
Wilmington, DE 19801
United States

The general purposes for which Fondation Chanel, Inc. was formed are to conduct similar charitable activities to the purposes of the Charity. For the purposes of U.S. regulation, these purposes are qualified as being exclusively those that allow it to qualify as an exempt organization under Section 501 (c) (3) of the Internal Revenue Code of 1986, as amended, or any successor statute thereto (the "Code"), including, for such purposes, the making of distributions to organisations which qualify as tax-exempt organizations under the Code. The specific and primary purpose for which Fondation Chanel, Inc. was formed is to advance women as agents of change throughout the world, both by supporting women's empowerment through (i) participation and leadership, (ii) health and social protection (iii) economic independence and entrepreneurship and (iv) education and training, as well as by supporting women in arts and culture.

Fondation d'Entreprise Chanel

135 avenue Charles de Gaulle
Neuilly-sur-Seine 92200
France

The purpose of Fondation d'Entreprise Chanel is also aligned with those of the Charity and in particular, its purpose is to work in France and Europe to improve the economic and social condition of women and adolescent girls regardless of their origin.

While the different Fondation Chanel sister entities share similar charitable purposes, mission, strategy, and values, they are legally independent in their decision taking and grantmaking. Each entity operates with its own geographical focus rooted in local context. The Charity's grantmaking scope includes the UK, Africa, Asia-Pacific,

NOTES TO THE FINANCIAL STATEMENTS

Latin America, MENA, and multi-region initiatives. The French Foundation's scope centres on France and Europe. The U.S. Foundation's primary scope is on the United States, Mexico, and the Caribbean.

There is no direct structural legal relationship between the entities. One Trustee of the Charity also serves on the Board of the French Foundation as President. One Trustee of the Charity also serves as a director on the Board of the U.S. Foundation.

13.SUBSEQUENT EVENTS

No significant subsequent events were noted by the Charity up to the date of signing of these accounts.