



Fondation CHANEL

Annual Report and Financial Statements
For the year ended 31 December 2023

Company Limited by Guarantee

Registration No.: 12786875 (England and Wales)

Charity Registration No.: 1195353

Table of contents

Reports

Legal and administrative details.....3

Strategic report.....4

Trustees' report.....18

Independent auditor's report.....22

Financial statements

Statement of financial activities.....26

Balance sheet.....27

Statement of cash flows.....28

Notes to the financial statements.....29

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
Citygate
St. James' Boulevard
Newcastle upon Tyne NE1 4JD

TRUSTEES (DIRECTORS)

P. B. Blondiaux
C. Isnard (resigned 5 June 2024)
M. Nitsch (resigned 5 June 2024)
Y. Peel
M. van Oranje (Independent Trustee)
C. Woodcraft (Independent Trustee
resigned 5 June 2024)
K. Wylie
R. Bailly (appointed 5 June 2024)
L. Mapp Frett (appointed 5 June 2024) (Independent Trustee)
N. Nwuneli (appointed 5 June 2024) (Independent Trustee)

LEGAL ADVISORS

Bates Wells & Braithwaite London LLP
10 Queen Street Place
London EC4R 1BE

BANKERS

Citibank, N.A. London
Canada Square
Canary Wharf
London E14 5LB

OFFICERS

Chair: K. Wylie
Secretary: E. Jones-Ransley (resigned 5 June 2024)
F. Smith (appointed 5 June 2024)

KEY MANAGEMENT PERSONNEL

President: K. Wylie
Global Head: K. Meddour
Managing Director: V. Meunier (resigned 31 August 2023)

STRATEGIC REPORT

INTRODUCTION

The trustees of Fondation CHANEL (the “Foundation” or the “Charity”) have prepared this report with the purpose of providing the Charity’s stakeholders with information about how the Charity managed its funds and the activities it undertook to achieve its aims and objectives during the year that ended 31 December 2023.

The report includes the strategic report (prepared in accordance with section 414C of the Companies Act 2006), the trustees’ report, the independent auditor’s report and the Charity’s annual accounts (prepared in accordance with FRS 102 and the Charities Statement of Recommended Practice (SORP)).

OUR AIMS

Fondation CHANEL (the “Foundation” or the “Charity”) is a UK registered grant-making charity 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 grant-making. 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 are ‘holistic’ with our approach and support. 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 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 girls to be free to shape their own destiny, conditions of safety, economic and social autonomy and climate resilience are essential. The following three thematic pillars are crucial foundations to our strategic approach.

Safety & wellbeing

Women and 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.

Economic and social autonomy

STRATEGIC REPORT

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.

Women-led climate resilience

Efforts towards gender equality and climate resilience recognise the disproportionate impact that climate change has on women and girls, and the intersection between climate change and women's rights issues, including safety, violence, health, economic autonomy, the care economy, and more. Efforts also acknowledge and support the key role women and girls play in leading climate resilience within communities and solidarity movements. In recognition of this, in 2023 Fondation CHANEL introduced women-led climate resilience as the third pillar of our work.

Within this pillar, we will be focusing on:

- grassroots, community and women-and girl-led climate adaptation and resilience-building;
- leadership, empowerment, and representation of women and girls in decision-making and advocacy on climate.
- narrative shifts and insights on the intersection between gender inequality and climate change.

As a priority, we will focus on supporting women, young women, girls and diverse communities around the world to adapt and build resilience to climate change.

Further detail on this developing workstream will be provided in future reporting.

OUR PROGRESS

Our key achievements in 2023 centred on building a strategy for our work up to 2030, the expansion, deepening and focus of our regional portfolios, scaling up of our team, and preparations for evolving our governance in 2024.

Increased regional focus

The Foundation began the process of dividing the Foundation's 'international' portfolio into three distinct regional portfolios (Asia, Japan and the Pacific; Africa and the Middle East; Global Partnerships and Advocacy) with their own localised strategies, financial and human resources, and workplans. To support this approach, the Foundation's first Head of Asia started in September 2023. We also mapped foundations for further recruitment and growth in the UK and Africa and Middle East regions. The Global Partnerships and Advocacy team oversees partnerships at a global or cross-regional level.

STRATEGIC REPORT

The Foundation expanded its presence to eight new countries and regions in 2023 (Afghanistan, Pakistan, Nepal, Pacific Islands, Niger, Dominican Republic, the Democratic Republic of Congo and Uganda). Our expansion in Asia was part of our Asia region strategy, which identified these as key geographies to be present in. Our expansion to DRC, Niger, Dominican Republic and Uganda was due to a new partnership with a pooled fund that prioritises these countries in their re-granting.

Enhanced Visual identity

The Foundation worked with an external design studio to redevelop the Foundation's visual and verbal identity. This involved collaborations between a selection of partners across different regions and women-identifying photographers and artists, to create a series of visual assets representing partners' work. The new Fondation CHANEL website, will feature several of these visual assets.

Evolving our governance structure

In 2023, we worked on developing a strategy for evolving the Foundation's governance structure so that we can respond to the needs of our growing organisation across the world and one which corresponds to the size of the funding committed by our sole member, Chanel Limited. In 2024, we will continue this work. Further detail is set out in "Our Plans" below.

New pillar focusing on climate resilience

Given the disproportionate impact climate change has on women and girls around the world, in 2023 the Foundation agreed to develop a new thematic pillar focusing on climate resilience, and increased our investment in this area. A total of four new partnerships under this pillar were approved and a longstanding partnership was renewed for the Foundation in the UK. This increased the Foundation's commitment to gender and climate by \$8 million, to a total of \$14.3 million.

Strengthening grantee partner capacity building

The Foundation strengthened the capacity-building support we provide for our grantee partners in 2023 as part of our Funder+ offer. Funder+ supports partners to achieve maximum, sustainable impact through a range of non-financial support to strengthen organisations and amplify voices. This includes bringing our network together to learn from each other, offering technical assistance and facilitating skills development.

Emergency response funding

We continued to provide funding to respond to emergencies, including the earthquakes in Afghanistan and Syria, floods in Libya, and to provide operational support grants to UK organisations in response to the cost-of-living crisis.

Learning and impact

Colleagues visited multiple partners in 2023, demonstrating our commitment to maintaining strong relationships and deepening our understanding of local contexts and challenges.

Our teams attended several conferences during the year, such as the Annual Asia Venture Philanthropy Network (AVPN) and Women Deliver 2023, to maintain our engagement with live global conversations around gender and philanthropy.

STRATEGIC REPORT

We continued to strengthen our internal learning culture by hosting team-wide learning sessions, for example on intersectionality.

NEW GRANTS APPROVED

In 2023, the Foundation approved grants to 40 new grantee partners representing a total of US\$50.1 million in funding. Of this amount, US\$12.9 million was payable in 2023, while an estimated US\$37.2 million 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.

	2023	2022
Total new multi-year grant funding approved during the year	US\$50.1 million	US\$49.4 million
Number of new grantee partners	40	27
New grant expenditure recognised during the year	US\$12.9 million	US\$11.1 million
New grant funding committed to future years (est.)	US\$37.2 million	US\$38.3 million

TOTAL GRANT-MAKING ACTIVITY

In total, the Foundation spent a total of US\$25.9 million on grant-making activity, which supported 50 organisations: US\$12.9 million related to new grants approved in 2023 and US\$13.0 million related to ongoing grants approved in the prior year.

As of 31 December 2023, we had an estimated total of US\$52.4 million in grant funding committed for payment in future years subject to the fulfilment of future conditions as outlined in note 3 of the financial statements.

OUR IMPACT CONTRIBUTION

Our approach to impact and learning aims to evaluate how we support meaningful transformations in individual lives, communities, and societies. We endeavour to learn and share what is needed to make tangible progress for women and 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.

STRATEGIC REPORT

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 grant-making 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 LEVELS

The Foundation pursues impact at three levels: individuals and communities, systems and social norms, and grantee partners and peers.

Individuals and communities

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

- 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

Second, we have an indirect impact via our grantee partners working 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

Third, as a grant-maker, we work towards having 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 2023 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. We recognise that the Foundation is part of a larger ecosystem of funders and actors working toward gender equality. Therefore, we acknowledge that we are contributing to our partners' ability to achieve their desired impact, but do not seek to attribute their results to the Foundation.

STRATEGIC REPORT

The Phoenix Way (UK)

2022-present

US\$3.5 MILLION TOTAL GRANT APPROVED

(US\$135,000 disbursed during 2023)

The Phoenix Way is a new and innovative pooled fund that the Foundation is funding in its initial stages of development. It provides flexible funding to charities led by Black and racially-minoritised people in the UK. With our support, The Phoenix Way will be able to award around 50 grants over a three year period aiming to reach 50,000 people through projects aimed at advancing racial equality and the rights of Black and minoritised women, girls and their communities.

In 2023, The Phoenix Way's provided funding to Goals 4 Girls, an East London grassroots organisation. The grant supported the organisation's all-female staff in providing a programme of football sessions, mentoring, and therapeutic and wellbeing support to girls aged 11-16. 90% of participants reported a significant improvement in confidence, resilience and friendship-making abilities.

The Phoenix Way's support for Anansi Theatre Company, run by and for girls and young women of diverse ethnicities in Derby and the East Midlands, has helped the organisation engage participants in creative activities that also open conversations about mental health, physical wellbeing and gender-based violence.

In 2023, its funding helped Anima Youth deliver its youth-led projects for girls aged 13-25 in London and Southeast England, to help them transition to adulthood. Anima Youth's signature "Big Sis, Lil Sis" mentorship programme, is for girls who are vulnerable or at risk of exploitation, isolation, and mental health challenges and has 70 girls currently enrolled and 62 mentors.

STRATEGIC REPORT

Thousand Currents (GLOBAL)

2020-present

US\$1.5 MILLION TOTAL GRANT APPROVED

Thousand Currents funds grassroots, community initiatives in 140 countries across Africa, Latin America, Asia, the Pacific and the United States (US). The organisation focuses on food, economic and climate justice issues and through their initiatives it has reached approximately 200 million people.

The Foundation's partnership with the organisation has provided grants to Indigenous women's groups in Latin America and to strengthen movements across regions, reaching over 22,000 people in Peru, Guatemala, El Salvador, and the Amazon region in Brazil to date.

In 2023, Thousand Currents provided funding to the "Kenyan Peasants League" to purchase four hectares of land for women affected by land-grabbing and gender-based violence to organise, learn, farm, and experiment in how to manage invasive insects through accessible and organic pesticides.

In the Philippines, it has supported the Sarilaya organisation (meaning 'gender freedom' in Tagalog), which has engaged 1,600 women, girls in all their divestites to develop rural access to renewable energy and set up women-owned solar panel cooperatives.

CHAITANYA (ASIA)

2023-present

US\$800,000 TOTAL GRANT APPROVED

(US\$300,000k disbursed in 2023)

For over 30 years, Chaitanya has been building livelihood and savings programmes via women self-help groups in India. Supported by the Foundation, Chaitanya is testing and scaling a programme which trains women who are already active in these groups to become advocates and counsellors for survivors of gender-based violence. This programme is called Jankar, meaning 'she who is aware'. Jankar women provide support as marriage counsellors and mediators of disagreements in the community. They also document sexual harassment and domestic abuse. Survivors can approach Jankar women for mental health counselling or assistance with legal complaints and divorce proceedings.

To date, there are 1,580 selected Jankar women working across 9 districts in 2 states, educating 4,174 adolescents and supporting 2,546 women in self-help groups.

Jankar women use their training and community status to educate other women about rights and social protections. They advocate in communities and through the justice system by training staff to change social and cultural norms that perpetuate violence against women.

As an indication of early success, this approach has been adopted by local governments as a bridge between the justice system and at-risk women. Local governments are providing office space for Jankar women within police precincts to facilitate more convenient service delivery.

By leveraging the social infrastructure of women self-help groups, Chaitanya is implementing a community-based solution that is scalable across rural India, while supporting domestic violence survivors and advocating for social norm change in communities.

STRATEGIC REPORT

LEADING FROM THE SOUTH (GLOBAL)

2022-Present

US\$3 MILLION TOTAL GRANT APPROVED

(US\$1 million disbursed in 2023)

Leading from the South is a philanthropic fund and alliance of four leading women's funds—Women's Fund Asia, the International Indigenous Women's Forum, Fondo Mujeres del Sur, and the African Women's Development Fund. It channels resources to support women's rights movements across Asia, Africa and Latin America to transform societies.

From 2021 until the end of 2022, Leading from the South provided 608 grants to organisations led by women and girls in all their diversities, in the Global South to tackle sexual and gender-based violence, economic justice, leadership and participation, climate justice, ethnic and racial justice, diverse gender identities and sexualities, migration and displacement, peace, technology, and security.

During this time, grantees have blocked, adopted, or improved 191 laws and policies in 82 countries across Asia, Africa and Latin America. Examples comprise the inclusion of recommendation 39 on the rights of Indigenous women and girls in the United Nations Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), and the inclusion of technology and land ownership laws and policies as public or 'common' rights. Leading from the South's work has also supported positive changes in diversity, family, and labour laws and policies.

VOIX ESSENTIELLES (AFRICA/MENA)

2020-Present

US\$5.36 MILLION TOTAL GRANT APPROVED

Voix EssentiELLES is a civil society-led fund set up by the Global Fund and Speak Up Africa, and is funded by the Foundation. It is focused on fighting HIV/AIDS, tuberculosis and malaria, as well as strengthening women and girls' engagement in national health policies across francophone West and Central Africa.

Voix EssentiELLES believes that grassroots, women-led organisations should be able to advocate for the health of women and girls. In Côte d'Ivoire, funding and training provided to the National Union of Disabled Women (a grassroots organisation) enabled them to carry out policy and advocacy work, and ensured disabled women's access to health services was being funded for the first time. As part of this, the organisation participated in national dialogues and the creation of national strategic documents on health, with inputs from women living with disabilities.

In Burkina Faso, support from Voix EssentiELLES led to three women advocates being elected to some key health decision-making spaces – the Global Fund Country Coordination Mechanism, the National Assembly and the Municipal Council.

STRATEGIC REPORT

OUR PLANS

In 2023, the Foundation's sole member, Chanel Limited, increased its annual financial contribution to the Foundation to \$125 million. As the amount of funding has significantly increased by 19% in 2023 compared with the financial year 2022, the Foundation launched a project to review the long-term strategy, organisational planning and governance structure of the Foundation and streamline the governance of Fondation Chanel, Inc. in the US ("U.S. Foundation") and Fondation d'Entreprise Chanel ("French Foundation") in 2023. The project was initiated to make sure that the Foundation is able to achieve the maximum impact and attain its charitable aims and objectives through the most efficient organisational structure with the funding it receives from its sole member. This work will continue in 2024.

In 2024, we will strengthen our grant-making capacities and improve the quality of support we offer by:

- operationalising our new grant framework and ensuring our grant portfolios work towards our 2030 objectives;
- enhancing the capacities of our grantee partners through increased organisational support and activities as part of our Funder+ offer;
- capturing impact data and feedback in order to adapt to partner needs, and developing effective mechanisms for cross-regional learning and sharing.

We will develop our global advocacy, policy and research activities, by:

- identifying the stakeholders and issues we want to engage with and impact in each region, and ensuring our advocacy work is both aligned and adapted across regions;
- building collaborative research partnerships.

We are committed to strengthening our organisation, in line with our values, as we continue to scale in 2024, by:

- continuing to develop and streamline our internal systems and processes, to support operational, financial, HR, reporting and data collection functions;
- supporting intentional, systematic learning across the Foundation, and with our grantee partners and peers;
- evolving our inclusive people strategy, and nurturing opportunities for growth and development for our people.

As part of the overall project, we have reviewed the governance of the Foundation and, in particular, the evolution of the Board to ensure that it can provide robust oversight of the Foundation's funds and activities. In 2024, the Foundation is planning to establish new Board committees (including an audit, finance and risk committee) and, as noted in the Trustees' Report below, refresh part of the Trustees to ensure that the Board has the right balance of skills, knowledge and experience.

Finally, in 2024, we will develop additional communications support to support the Foundation's verbal and visual identity, launch of a new website, and to evolve our internal and external communications functions to further advance our mission.

STRATEGIC REPORT

FINANCIAL REVIEW

Results and financial position

During the year ended 31 December 2023, the Foundation's total income amounted to US\$128.0 million (2022: US\$106.6 million) with total expenditure of US\$32.0 million (2022: US\$16.0 million). After accounting for the impact of foreign exchange gains and losses, the net movement in funds during the period reflected a surplus of US\$96.2 million (2022: US\$90.5 million).

Income was derived entirely from the support of the Chanel group of companies ("**Chanel Group**"). This comprised of cash donations received totalling US\$85.0 million (2022: US\$20 million), pledged donations of US\$125.0 million receivable (2022: US\$85 million), and donated services and facilities utilised during the year of US\$3.0 million (2022: US\$1.6 million).

Expenditure on charitable activities was comprised of grants expenditure to 50 organisations totalling US\$25.9 million (2022: US\$13.5 million) and support costs of US\$6.1 million (2022: US\$2.5 million). While not formally recognised as liabilities as of year-end 2023, the Trustees also agreed in principle on future grant commitments in subsequent years totalling an estimated US\$78.4 million (2022: US\$40.6 million).

The Foundation ended 2023 with total funds of US\$216.6 million (2022: US\$120.4 million). All funds are held on an unrestricted basis and can be used in accordance with the Foundation's charitable objects as set out on page 17 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 2023, 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 2024 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 the Foundation 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 the Charity 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

STRATEGIC REPORT

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\$76.9 million (as of 31 May 2024) and cash receivable by year-end 2025 of US\$125.0 million. 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 delivered by 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 — 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 seconded by the Chanel Group at forefront of our grantee partner relationships	<ul style="list-style-type: none"> — The Chanel Group offer competitive pay, career progression, 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 — Foundation financial updates and the Chanel Group committed funding 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 — Conflicts of interest disclosures declared at each meeting of the Board of Trustees — Annual Conflicts of interest disclosures by staff

STRATEGIC REPORT

RISK AREA	CURRENT MITIGATION ACTIONS
	<ul style="list-style-type: none"> — Robust due diligence process and ongoing grant management conducted by staff — Grant documentation issued and signed by all grantee partners and regular monitoring and reporting follow up — Experienced legal support from the Chanel Group Legal department and external advisors, as necessary
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 in place — 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

SECTION 172(1) STATEMENT

The Trustees of the Foundation, 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 the Foundation to achieve its charitable purposes.

The Trustees make decisions with a long-term view in mind, and in accordance with the highest ethical standards. The Foundation's grant-making activities are focused on long-term engagements with grantee partners, which aim to provide the certainty of funding necessary for grantee partners to take decisive actions that can effect real change. These engagements begin at the point of originating grant-making opportunities, where extensive due diligence is performed on potential grantee partners. The Foundation 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. All grants are made in accordance with the Grant Making Policy set out on page 17. The Trustees have oversight of all grants 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 the Foundation's funding is effective, sustainable and aligned with its charitable objects set out at page 17, strategy, and impact aims.

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

STRATEGIC REPORT

The Trustees receive comprehensive pre-reading materials in advance of each meeting of the Board of Trustees, which enable informed, consistent and appropriate decision-making by the Foundation.

The Foundation 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.

Partners

In particular, the Foundation recognises the potentially transformative effect that an award can have 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 of the Charity. This spirit of dialogue has been a cornerstone of the Foundation's work with grantee partners since its inception, and with the Foundation'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.

Society and communities

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 grant-making supports and, by extension, enriches and improves their lives, and the lives of their wider communities. The support of women and young girls also frequently contributes in parallel, or indirectly, to positive environmental outcomes.

In 2023, a number of grant partners attended Board meetings to provide context setting of the grant partners work to the Trustees. In addition, the results of an external evaluation of three of our partnerships in Asia were presented to the Board by ITAD, the evaluation consultancy team.

Environment

Environmental resilience is a key component of the economic and social autonomy thematic pillar of the Foundation's strategy, and the Charity supports appropriate opportunities to co-address environmental challenges through its grantee partner support. Please see *New Pillar Focusing on Climate Resilience* section on page 6 for additional information on the new partnerships focusing on climate resilience.

Sole member

The Foundation is a charitable company limited by guarantee and therefore has no shares. The Foundation's sole member 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 and the parent company of the Chanel Group, which provides the funding of the Charity.

The Foundation provides regular reporting to its sole member, through annual and ad-hoc reporting, to ensure that it has clear visibility of the outcomes of the Foundation'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.

STRATEGIC REPORT

People

The Foundation has no employees. Instead, grant and charity administration are 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.

The Foundation provides regular learning and development training sessions on critical focus areas for the Foundation to those staff seconded by the Chanel Group as set out on page 6 “Learning and impact”. The Foundation also holds two in-person team seminars each year to discuss strategy, operations as well as critical focus areas such as intersectionality.

TRUSTEES' REPORT

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure

The Foundation 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.

As set out on page 18, the sole member of the Charity is Chanel Limited.

The Foundation worked in close collaboration with sister foundations, the French Foundation (founded in 2011) and the U.S. Foundation (founded in 2016). Both have similar charitable purposes, mission and strategy, but with their own geographical focus. Further details on this connection are outlined in note 13 "Related party transactions" of the financial statements and an update on the sister foundations is provided below in note 14 "Subsequent Events".

Objects and purpose

As outlined in its Articles of Association, the Foundation'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, the Foundation is a grant-making charity and supports purposes aligned with those listed in the Charities Act of 2011. In accordance with its grant-making policy set out 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.

Grant-making policy

The Foundation 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 grant-making 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.

TRUSTEES' REPORT

The following are important considerations to the staff and Trustees 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 multi-year commitments (average is 3 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 pause or cancel any partnership, and cease payment of further grants, should the partner not act in accordance with the terms of the grant agreement including bringing the Foundation into potential disrepute.

Trustees

In June 2024, three trustees retired and three new trustees were appointed. 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. As at the date of this report, the Board of Trustees is comprised of seven Trustees; four of whom are senior leadership employees of the sole member, Chanel Limited - one of whom is Kate Wylie, Global President of Fondation CHANEL and the Chair of the Board of Trustees, and three of whom are independent Trustees.

Recruitment and appointment

The appointment of Trustees is governed by the Charity's Articles of Association. As at the date of this report the three 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.

Induction and training

All current and new Trustees undergo a thorough induction process. They receive an induction pack comprised of the 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 a series of introductory training sessions with existing Trustees and Foundation staff.

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.

TRUSTEES' REPORT

Management

The Trustees meet at least three times per year to agree on the strategic direction of the Charity, review grant proposals, award grants in line with the Charity's grant-making policy, set out above 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 of Fondation CHANEL, and other highly qualified staff. The President of Fondation CHANEL and Global Head of Fondation CHANEL 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 Chanel 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 the Foundation 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 17 of this Trustees' report and in note 13 "Related party transactions".

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

TRUSTEES' REPORT

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.

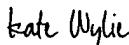
In so far as the Trustees are aware:

- 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 19 July 2024 and signed on their behalf by:

DocuSigned by:

41D2D8DAD82446F...

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 2023 which comprise Statement of financial activities, balance sheet, statement of cash flows and the related notes 1 to 14, 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 2023 and of its incoming resources 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 are 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 trustee'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.

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

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.

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 in the strategic report or 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 set out on pages 20 and 21, 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

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

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.

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 His 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 charitable business purpose of grant and operating expenditure, as well as 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.

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

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.

Handwritten signature in black ink, appearing to read "Ernst + Young LLP".

Caroline Mulley (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Newcastle upon Tyne
22 July 2024

Statement of financial activities

For the year ended 31 December 2023

	Notes	2023 Unrestricted US\$	2022 Unrestricted US\$
Income from:			
Donations	2	128,021,003	106,647,741
Total		128,021,003	106,647,741
Expenditure on:			
Charitable activities			
Grants expenditure	3	25,910,696	13,520,168
Support costs	4, 5, 6	6,034,776	2,457,130
Total		31,945,472	15,977,298
Net income		96,075,531	90,670,443
Other recognised gains - foreign exchange		4,505	14,987
Other unrecognised gains / (losses) - foreign exchange		159,935	(137,422)
Net movement in funds		96,239,971	90,548,008
Reconciliation of funds:			
Total funds brought forward		120,394,392	29,846,384
Total funds carried forward		216,634,363	120,394,392

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 29 - 38 form part of these financial statements.


Balance sheet

As of 31 December 2023

	Notes	Unrestricted 2023 US\$	Unrestricted 2022 US\$
Non-current assets:			
Debtors	7	30,000,000	-
Total		30,000,000	-
Current assets:			
Debtors	8	95,000,000	85,000,360
Prepayments	8	5,000	6,747
Cash at bank and in hand	9	92,234,308	36,035,966
Total		187,239,308	121,043,073
Current liabilities:			
Creditors: amounts falling due within one year	10	604,945	648,681
Net current assets		186,634,363	120,394,392
Total assets less current liabilities, being net assets		216,634,363	120,394,392
The funds of the charity:			
Restricted funds		-	-
Unrestricted funds	11	216,634,363	120,394,392
Total charity funds		216,634,363	120,394,392

The notes on pages 29 - 38 form part of these financial statements.

The financial statements of Fondation CHANEL (registration no. 12786875) on pages 26 - 38 were approved and authorised for issue by the Board of Trustees on 19 July 2024. They were signed on its behalf by:

DocuSigned by:

 C1F45C31EA46427...

P.B. Blondiaux

Director & Trustee

Statement of cash flows

As of 31 December 2023

		2023 US\$	2022 US\$
Cash flows from operating activities:			
Net cash provided by operating activities	12	56,198,342	27,914,847
Change in cash and cash equivalents in the reporting year ⁽¹⁾:		56,198,342	27,914,847
Cash and cash equivalents at the beginning of the reporting year		36,035,966	8,121,119
Cash and cash equivalents at the end of the reporting year		92,234,308	36,035,966

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 USD and rounded to the nearest dollar. Any transactions undertaken in foreign currency are translated into USD, 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 2023.

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 grant-making activity as well as all support costs related to grant-making and the overall administration of the Charity.

Notes to the Financial Statements

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 fulfilment 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 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 USD at the closing exchange rate as of the balance sheet date. Foreign currency transactions are translated into USD 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 USD 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

Notes to the Financial Statements

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 set out on page 17 at the discretion of the Trustees.

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

	2023 US\$	2022 US\$
Monetary donations	125,000,000	105,000,000
Donated services	2,241,373	1,041,295
Donated facilities	779,630	606,446
Total	128,021,003	106,647,741

Notes to the Financial Statements

3. GRANTS EXPENDITURE

Grant portfolio & recipient	Local Currency	Total Grant Awarded Local	2023 US\$	2022 US\$
Africa & MENA			1,997,693	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	450,000	150,000	250,000
myAgro	USD	3,000,000	1,300,000	-
Pathfinder	USD	1,200,000	520,000	-
Play International	EUR	50,000	-	53,079
XOESE	USD	339,355	27,693	210,000
Asia-Pacific			8,469,691	2,717,389
Aga Khan Foundation	USD	5,000,000	1,000,000	-
Asian-Pacific Resource & Research Centre for Women	USD	1,000,000	-	333,334
AVPN Gender Pooled Fund	USD	3,000,000	1,700,000	300,000
AVPN Core Support (2023)	USD	1,000,000	500,000	-
Breakthrough Trust	USD	3,003,946	50,000	608,403
Circle Women Association	USD	505,000	170,000	-
Chaitanya	USD	800,821	300,000	-
CorStone	USD	500,000	-	250,000
Dasra UK	USD	750,078	280,024	190,030
Hamro Palo	USD	150,000	90,000	-
J.OICFP	USD	511,000	211,000	-
Mirai Rita Foundation	USD	2,000,000	950,000	-
Nature Environment and Wildlife Society (NEWS)	USD	1,345,996	425,000	-
Nobel	USD	600,000	-	240,000
Nudge, The	USD	267,332	180,000	-
NPO Women's Eye	USD	450,000	150,000	-
One Heart Worldwide	USD	2,277,185	700,000	-
Pacific Feminist Fund	USD	411,785	170,000	-
Radio Begum	USD	322,336	30,000	-
Root Impact	USD	450,000	144,000	168,000
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
Women Act	USD	284,701	140,000	-
Women's Fund Asia	USD	4,000,000	1,159,667	-
Women's Fund Fiji	USD	300,000	120,000	-

(Table continued on next page.)

Notes to the Financial Statements

3. GRANTS EXPENDITURE (CONTINUED)

Global/ multi-region			11,970,310	6,094,876
Bodossaki Foundation	EUR	170,282	188,003	-
Bridgespan Group, The	USD	200,000	200,000	-
Co-Impact Gender Fund	USD	15,000,000	3,000,000	3,000,000
Equal Measures 2030 (via Panorama Global)	USD	1,500,000	500,000	500,000
Foro Internacional de Mujeres Indigenas (FIMI)	USD	3,000,000	1,375,000	-
French Ministry for Europe and Foreign Affairs	EUR	360,000	-	391,212
Girls First Fund	USD	3,000,000	1,200,000	-
Global Philanthropy Project	USD	500,000	250,000	-
National Foundation of Political Sciences, The	EUR	240,000	88,704	163,664
Nebula Fund	USD	3,000,000	1,250,000	-
Numun Fund	USD	1,200,000	700,000	-
ODI	USD	800,000	800,000	-
OECD	EUR	50,000	54,916	-
Paris Peace Forum	USD	40,000	-	40,000
Paris Peace Forum (2023)	EUR	50,190	53,687	-
Rise Up	USD	1,400,000	510,000	-
Shake the Table (via Panorama Global)	USD	50,000	-	50,000
SHE Changes Climate	USD	1,014,631	550,000	-
Thousand Currents	USD	1,500,000	-	500,000
Womanity Foundation, The	USD	600,000	200,000	200,000
Women Deliver	USD	250,000	50,000	250,000
Women's Fund Asia Ltd.	USD	3,000,000	1,000,000	1,000,000
Latin America			584,100	584,333
CARE France	EUR	1,000,000	372,300	384,333
CARE France - OSG	EUR	10,000	11,800	-
Pro Mujer, Inc.	USD	600,000	200,000	200,000
United Kingdom			2,888,902	2,656,538
End Violence against Women	GBP	330,120	168,873	-
Filia (UK)	GBP	543,935	243,165	-
Gingerbread UK	GBP	1,800,000	1,049,475	-
Global Fund for Children UK Trust, The	GBP	3,217,449	135,063	1,282,437
Imkaan	EUR	499,487	-	-
Rosa Fund	GBP	1,543,000	750,600	602,624
Street League	GBP	43,000	-	-
Women's Budget Group	GBP	892,524	38,466	433,794
Women's Resource Centre	GBP	899,118	446,015	337,683
Working Chance	GBP	45,000	57,245	-
Total			25,910,696	13,520,168

Notes to the Financial Statements

FUTURE GRANT COMMITMENTS

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

	2023 US\$	2022 US\$
Payable in the year ending:		
31 December 2023	-	11,951,591
31 December 2024	24,687,056	14,327,202
31 December 2025	20,476,612	8,888,679
31 December 2026	8,286,009	4,179,173
31 December 2027	1,267,465	1,267,464
Total	54,717,142	40,614,109

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.

4. SUPPORT COSTS

	2023 US\$	2022 US\$
Grant management and charity administration costs	5,925,693	2,363,714
Audit fees	65,972	63,860
Legal fees	43,111	29,557
Total	6,034,776	2,457,130

All support costs are incurred in relation to Fondation CHANEL's charitable activities since no fundraising is undertaken by the Charity. In 2023, organisational set up costs were incurred to support the Fondation during this period of growth, resulting in higher than usual support costs.

5. STAFF COSTS

	2023 US\$	2022 US\$
Salary costs	1,609,655	854,783
Social security costs	295,170	122,567
Pension costs	105,566	25,018
Other benefits	230,981	38,927
Total	2,241,372	1,041,295

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. This is true for the Global

Notes to the Financial Statements

President of Fondation CHANEL, where costs incurred on personnel and donated by CHANEL are included in the table above. The Trustees have reviewed and concluded that none of these costs relate to their role as a Trustee and so have not been disclosed as Trustee remuneration.

6. GOVERNANCE COSTS

	2023 US\$	2022 US\$
Audit fees	65,972	63,860
Legal fees	43,111	29,557
Other professional services	-	1,701
Travel & meetings	330	1,479
Total	109,413	96,596

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 totalling US\$330 (2022: US\$887) covered by the Charity related to Board meeting attendance by one Trustee.

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

	2023 US\$	2022 US\$
Debtors	30,000,000	-
Total	30,000,000	-

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 US\$	2022 US\$
Debtors	95,000,000	85,000,360
Prepayments	5,000	6,747
Total	95,005,000	85,007,108

The current debtors balance primarily consists of pledged donations from the Chanel Group anticipated for receipt in 2024.

Notes to the Financial Statements

Prepayments balance primarily relates to philanthropic network annual membership fees that span 2023 and 2024.

9. CASH AT BANK AND IN HAND

	2023 US\$	2022 US\$
Sterling account	1,168,164	628,626
US\$ account	91,066,144	35,407,340
Total	92,234,308	36,035,966

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 US\$	2022 US\$
Grants payable	266,716	533,334
Other creditors	338,229	115,347
Total	604,945	648,681

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

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

11. FUNDS NOTE

	General Funds US\$	Designated Funds US\$	TOTAL Unrestricted Funds US\$
Balance 1 January 2023	120,394,392	-	120,394,392
Income	128,021,003	-	128,021,003
Expenditure	(31,945,472)	-	31,945,472
Gains	164,439	-	164,439
Transfers	(54,717,142)	54,717,142	-
Balance 31 December 2023	161,917,220	54,717,142	216,634,363

Designated funds are comprised of grant commitments payable in future years, as shown in note 3.

Notes to the Financial Statements

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

	2023 US\$	2022 US\$
Net income for the reporting period	96,075,531	90,670,443
Adjustments for:		
(Increase) in debtors	(39,997,893)	(62,855,597)
(Decrease) / Increase in creditors	(43,735)	222,435
Other recognised gains - foreign exchange	4,504	14,987
Other unrecognised(losses) - foreign exchange	159,935	(137,422)
Total	(39,877,189)	(62,755,597)
Net cash provided by operating activities	56,198,342	27,914,847

13. RELATED PARTY TRANSACTIONS

Connected companies

During the year, Fondation CHANEL received monetary donations of US\$85,000,000 (2022: US\$42,125,000) in cash during the year with pledged donations receivable in future years of US\$125,000,000 (2022: US\$62,875,000) remaining outstanding. Donated services and facilities were also received as outlined in note 2.

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\$3,021,002 (2022: US\$1,647,741) based on an apportioned estimate of cost incurred related to the Charity's operations.

As at the date of this report, four of the seven current directors and members of the Board of Trustees are employed by the Chanel Group.

Travel and accommodation expense totalling US\$330 (2022: US\$887) was covered by the Charity related to Board meeting attendance by one Trustee during the reporting period.

Connected foundations

As set out on page 12 in "Our Plans", Fondation CHANEL works with sister foundations, the French Foundation and the U.S. Foundation in so far as the sister foundations' activities are compatible with the Charity's objects as set out on page 20. 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

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

Notes to the Financial Statements

1209 Orange St.
Wilmington, DE 19801
United States

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 grant-making. Each entity operates with its own geographical focus rooted in local context. The Charity’s current grant-making scope includes the UK, Africa, the Middle East and north Africa and Asia-Pacific, Latin America, 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 currently no direct structural legal relationship between the entities. During the reporting period, one Trustee of the Charity also served on the Board of the French Foundation as President.

14. SUBSEQUENT EVENTS

As part of the Foundation’s global governance changes more fully described in “our Plans” on page 12, a review of the French Foundation’s multi-year action plan for grant commitments was completed by the Foundation to confirm that the grant commitments align with the aims and charitable objectives of the Foundation as set out on page 18. Following this review, the Foundation Board approved the novation of these agreements in 2024 to the Foundation, together with the resulting liability of \$22.2 million.