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FONDATION CHANEL

TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS

for the extended period from 10 July 2024 to 31 December 2025

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STRATEGIC REPORT

INTRODUCTION

The Board of Trustees (the "Board" or the "Trustees") of Fondation CHANEL ("**Fondation UK**" or "**Charity**") have prepared this Trustees' Report with the purpose of providing stakeholders with information about how Fondation UK and its subsidiary undertaking Fondation Chanel, Inc. ("**Fondation US**") (together, the "**Group**" or "**Fondation**") managed its funds and the activities it undertook to achieve its aims and objectives during the period from 10 July 2024 to 31 December 2025, an extended period of accounts (see page 6 Achievements and page 13 Financial review).

Within this Annual Report, the "**Chanel Group**" refers to Chanel Limited, a private limited company incorporated in the United Kingdom (UK), and all its subsidiaries.

Fondation CHANEL aims to help create a world where women and girls are free to shape their own destiny. We seek to achieve this through depth of collaboration with partners driving lasting positive change for all women and girls. The Fondation UK's charitable objectives 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 objectives, Fondation UK is a grantmaking charity and supports purposes aligned with those listed in the Charities Act 2011. In accordance with the Fondation's grantmaking strategy we make grants to support a wide range of charitable projects, initiatives, and organisations for the benefit of communities, its ecosystem of grantee partners and peers, and society as a whole. The Group's grantmaking activities span multiple regions including the UK, Europe, Africa, the Middle East, Asia Pacific and Americas regions.

A note on these financial statements

These are the first consolidated financial statements of Fondation UK and its wholly-controlled US subsidiary, Fondation US, following a governance restructuring that completed in July 2024. As part of a wider review to strengthen global oversight and the effectiveness of our grantmaking, governance across Fondation UK's sister entities was consolidated; the French foundation (Fondation d'Entreprise Chanel) was formally liquidated in August 2024, and Fondation CHANEL became the sole member of Fondation US on 10 July 2024. As a result of these governance changes, we have also adopted a new financial period covering an extended period from 10 July 2024 to 31 December 2025. This change aligns reporting across the Group on a calendar year basis going forward. Comparative financial figures relate to Fondation UK alone and cover the shortened period from 1 January to 9 July 2024. There was no consolidated group in existence during the prior period so there are no consolidated comparative figures to present.

STRATEGY, OBJECTIVES AND ACTIVITIES

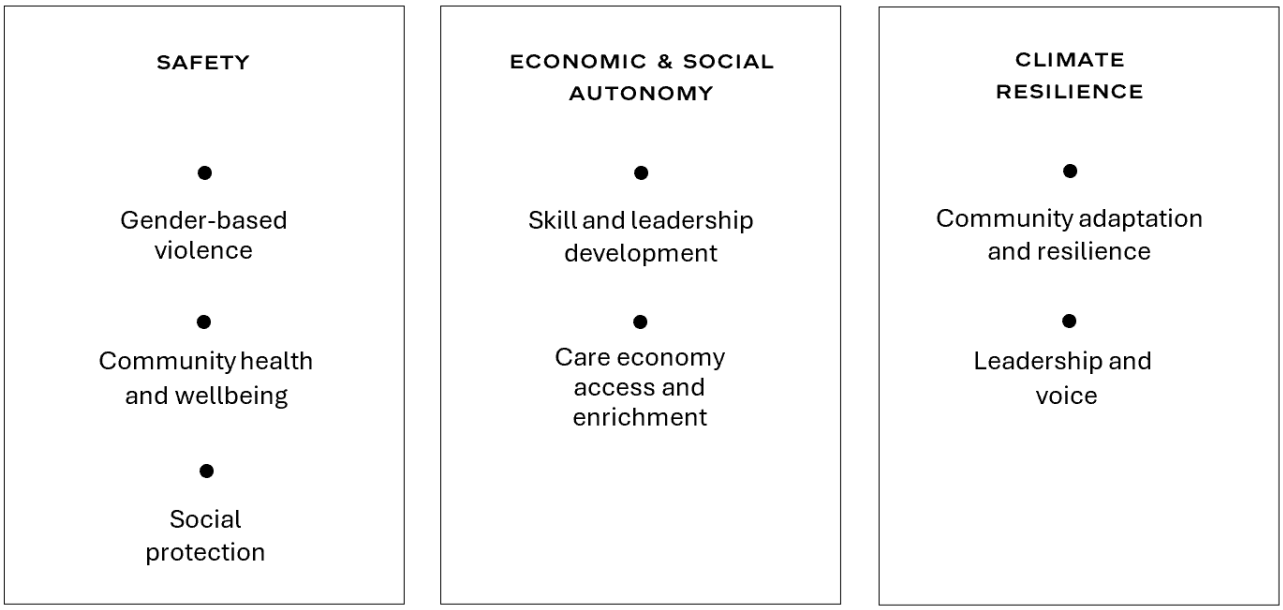
Our strategy, structured around three main areas of focus, is driven by investing in grantmaking, research and insight, capacity building, and advocacy and policy.

Everything we do is grounded in our core values, which include acting with humility, holding trust, learning in collaboration, thinking holistically and nurturing enduring change in the approach to our work.

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OUR FOCUS AREAS

The three interconnected areas of focus for our grantmaking are safety, economic and social autonomy, and climate resilience. We believe these areas can accelerate progress towards gender equality, create the greatest impact and return on investment for our resources, and enable responsiveness to the most critical needs of women and girls around the world.



1. Safety

To live freely, women and girls must live in conditions that ensure their safety and wellbeing. We support our partners to tackle all forms of violence and oppression with an intersectional approach. This takes into account that there are connections between promoting access to health and care services and strengthening social protections, so that women and girls can fully and safely access their rights.

Within this area, we particularly focus on addressing gender-based violence, community health and wellbeing, and advancing social protection.

2. Economic and social autonomy

We believe women transform their lives and communities when they have control over their assets, can pursue sustainable livelihoods, and are recognised for the vital, unpaid work they carry out. In recognition of this, we support partners who are focused on creating opportunities for women and girls' skills development and access to employment and leadership.

Within this area, work focuses on development of key skills, leadership and enabling the continued access and enrichment of the care economy.

3. Climate resilience

Women and girls are most impacted by climate change. We work with organisations that support them to take action on our changing climate, to amplify their voices, and to build resilience within their communities. We recognise the urgency of this topic and are committed to further developing our work and partnerships in this area.

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Within this area, community adaptation, resilience, advancing leadership and voice are priorities.

Alongside the depth of each area, a key component of our strategy is working at the intersection of these issues, taking a holistic view on how solutions to these challenges are interconnected.

OUR OBJECTIVES

Our strategic framework is anchored to five interconnected objectives that define our approach and help us measure progress.

Together, these objectives serve as our roadmap, guiding how we act as a learning organisation, a strategic funder, and how we aim to be a catalyst for sector-wide transformation. We developed them to expand our progress in wider society, our sector and within our organisation.

OUR SOCIETY

- **Improve the lives of women, adolescent girls, and their communities:** Our work through our partners is measured by tangible, lasting improvements in the lives of women, adolescent girls, and their communities. We prioritise holistic, community-driven approaches that address intersecting economic, social, and health challenges.

- **Build gender equality through systems change:** Our commitment to gender equality extends beyond individual programmes to contribute to addressing the root causes and systemic barriers that perpetuate inequality. Through our partners, we support collective action and evidence-based initiatives that help shift policies, practices, narratives, and social norms.

OUR SECTOR

- **Collaborate and influence within the philanthropic system to drive funding and practices that advance gender equality:** We aim to use our role and relationships to influence the broader philanthropic sector, championing practices that are equitable, inclusive, and responsive to the needs of women and girls.

- **Strengthen the infrastructure and amplify the voice of frontline organisations:** We believe that sustainable change requires leadership and support at a grassroots level. We invest in the infrastructure, ecosystem connections, and capacity of frontline organisations and movements, particularly those led by and serving women and girls.

- **Our support to our partners is designed to expand their influence, voice, and sustainability:** We act as a funder, thought partner, and an advocate, in order to ensure feminist and grassroots organisations are well-resourced, sustainable and resilient.

OUR ORGANISATION

- **Build a collaborative, values-centred learning organisation with strong systems and sustainable resources:** We seek to be recognised as a trusted, values-driven organisation, known for excellence in partnership, culture, and collaboration.

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OUR ACTIVITIES

Taking a bespoke approach to grantmaking, we listen to our grantee partners' needs and tailor resources to support them in making positive impact, while helping build their organisational capacity.
We leverage a range of tools and processes to support our partners. These include:

- **Grantmaking:** We provide a range of grants: flexible/unrestricted, project-based, seed, top-up, and close-out, favouring multi-year, flexible funding so partners can allocate resources to drive the greatest impact.

- **Funder+:** A formalised grant offering capacity and resilience support that connects, strengthens, and protects partners: curated convenings, peer learning, mentoring/coaching, legal pro bono and in-kind services, digital/security upgrades, and wellness support, all designed and adapted regionally to help sustain partner resilience.

- **Research and insight:** We fund intersectional research, dissemination, and research capacity, while embedding research budget lines within partner grants to inform advocacy, policy, and our own strategy.

- **Peer/Partner advocacy and policy:** We advance advocacy and policy through two complementary approaches: indirectly, resourcing partners' advocacy efforts (public education, policy analysis, coalition-building, narrative change, targeted policy asks) and directly, engaging peer funders and networks to shift sector practices and help increase resources for feminist movements.

ACHIEVEMENTS

During the period, we continued to work collaboratively with our teams, partners and the sector, aligned to our objectives. From supporting partners to improve the lives of women and girls through holistic, community-led approaches, to helping drive action that shifts practices and norms, these activities also included Fondation teams contributing to sector-wide conversations, while building an organisation designed to drive long-term impact. Some highlights are included below.

Grantmaking activity

The Fondation spent a total of US $196.7 million on grantmaking in the period, across 381 grantees. As at the Balance Sheet date of 31 December 2025, a further US$181.5 million had been approved for future periods, subject to the satisfaction of performance-related conditions by grantees. Combined with existing multi-year grants approved in previous years, at the end of 2025 the Fondation was managing 323 active grants, totalling US $413 million.

Expanding partners' impact

Through our support, partners have positively impacted the lives of more than 10 million women and girls globally. They have also reached over 1.8 million men and boys to help reduce gender-based violence and unequal caregiving burdens.

Enhancing support of grassroots organisations

With our support, many of our partners also sub-grant to smaller, grassroots women's rights organisations. As a result, the Fondation indirectly supports an ecosystem of over 7,000 organisations across more than 100 countries, amplifying community-led solutions. In addition to vital day-to-day work on the ground, the Fondation is committed to enabling sustainable, long-term systemic change.

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Organisational developments

To support our ambitions for transformation and evolution, we have continued to strengthen our global governance structure and leadership capacity.

This began with the appointment of an additional independent Trustee to the Fondation UK Board in December 2024 (who was subsequently appointed to the position of independent chair and appointed to the US Board in July 2025) and the appointment of a full-time President dedicated to Fondation CHANEL. These leadership appointments contribute to maximising our impact, and that of our partners, while maintaining a supportive working environment for all our people around the world.

Engagement in learning with partners and the sector

Our teams continued to connect with partners and the sector through partner visits and presence at key events around the world.

Notable highlights include engagement at the 69th United Nations Commission on the Status of Women (March 2025), where Fondation CHANEL team members and the Chair of our Board co-hosted partners, as well as participation at the Financing for Feminist Future Conference, Urgent Action Fund global convening, the African Philanthropy Forum, Fourth Ministerial Conference on feminist foreign policy and the Philanthropy Europe Association (Philea) conference.

Expanding connection amongst partners

Regional Ensembles, or partner gatherings, are one example of our deeper engagement with our community to enable new connections, shared learnings and opportunities to explore new ideas on how to strengthen long-term impact. Having previously held Ensembles in Europe and the US, in 2025, the Fondation hosted the Asia Ensemble in December 2025, the first all-Asia regional gathering, bringing together partners and programme teams across specialisms. 69 organisations from across 14 countries in the region attended.

We focused on three themes: care, capability and connection. Feedback from our partners highlighted appreciation for the Fondation teams' intentional approach, humility and thoughtfulness, with many noting this is distinct among funders. The most highly valued sessions focused on fundraising skills and pitching practice, as well as funder diversification strategies.

Further development of Funder+

Through the period, we continued to expand our Funder+ offering to partners around the world. Funder+ is a blend of funding and tailored support that goes beyond traditional grantmaking. Its focus ranges from facilitating connections for partners to enhancing organisational capacity and wellbeing support. Over 100 partners across our portfolios benefitted from support that went beyond regular grantmaking.

Across Europe, we enabled partners to participate in new forums, peer-partner visits, webinars, team convenings, individual coaching, digital services, pro bono missions, and strategic mentoring programmes. Focus for partners in Asia included psychosocial counselling, security and cybersecurity training, fundraising support, grant proposal skills-building, and networking opportunities. In the Americas, the focus of Funder+ activity encompassed attendance at key events, strengthening partner leadership capacity, continuity-planning support and enabling advocacy on key issues, such as single-mother economic mobility.

Financial analysis of performance is set out in the Financial review on page 13.

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ILLUSTRATIONS OF IMPACT

As a grantmaking organisation, we seek to use the measurement, data and insights we gather to best support our partners and evolve our work.

Stories of impact achieved, lessons learned and areas of opportunity help us better understand how we continue to be a thoughtful and responsive partner. As detailed in our strategic aims and objectives, we aim to drive change at the community, systems and wider society level through support for our partners.

Below are select illustrative examples of what our partners have achieved in the period, supported by our grants:

Tackling Gender-Based Violence (Global)

Research shows that one in three women globally have experienced gender-based violence. Two-thirds of intimate partner or family violence is experienced by women, and women facing overlapping discriminations related to race, age, ethnicity, or migrant status are at heightened risk.

In line with our strategic pillars, we are working to support our partners to address gender-based violence. Partners work across the spectrum of stakeholders, including women and girls, men and boys, media and journalists, civil society organisations, movements, governments, the private sector and youth groups.

Our grantmaking on this issue prioritises local expertise, and through the period this continued to be an area of focus across the whole foundation.

- A quarter of our partners are local or national NGOs and 24% are women's funds.
- In addition, 32% of partners receive Funder+ support in addition to their multi-year grants, contributing to their organisational strength, resilience and wellbeing.
- Nearly a fifth (18%) of grants fund research and insight generation, to support data- and evidence-based solutions to end gender-based violence.

Baltimore Healthy Start (United States)

For more than 30 years, Baltimore Healthy Start (BHS) has supported families most affected by maternal and infant health disparities. The organisation has provided home-based services to more than 20,000 pregnant and postpartum women, primarily from low-income backgrounds and their babies, offering case management, health education and social support.

By working directly in the community, BHS helps address the underlying factors driving poor maternal and infant health outcomes, including economic hardship, chronic health conditions and the stress of navigating health systems.

The grant from the Fondation spans support for general operations and core programming, which has provided opportunity for BHS to expand services and reach.

- Under BHS's leadership, Baltimore has seen remarkable progress in maternal and infant health. Over the past seven years of our partnership, perinatal mortality in the city has fallen by 48%, the lowest level in decades despite an increasing state average. During the same

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period, emergency room costs for pregnant and postpartum mothers dropped by 54%, and maternal mortality rates were also declining.

- Beyond the numbers, BHS is helping shift how communities and systems support mothers and babies. By working closely with local and state partners, the organisation amplifies the voices and lived experiences of pregnant women and new parents to improve maternal and perinatal care.
- In 2025, Baltimore's mayor publicly credited BHS with supporting his family during the postpartum period. Baltimore Healthy Start also recognised the Fondation with its *Leadership in Black Maternal Health Award*, acknowledging a long-term partnership dedicated to improving outcomes for mothers and babies.

En Avant Toute(s) (France and French Overseas Territories)

En Avant Toute(s) is an organisation founded in 2013 to support young women and LGBTQ+ individuals facing violence. In 2016, they launched France's first chat-based helpline, offering free, anonymous, and professional support to anyone questioning whether they are experiencing abuse, regardless of gender, background, or sexual orientation. They also run prevention campaigns, workshops, and advocacy efforts.

En Avant Toute(s) used funding from the Fondation to strengthen the development and advocacy team, mainly by recruiting two new employees and organising internal training to enhance the organisation's messages and visibility. In 2020, this expansion was even more important, as due to the Covid-19 pandemic and the heightened occurrence of violence, En Avant Toute(s) saw a surge in requests for its services.

- Leveraging its increased exposure and building on our support, the organisation secured additional funding to scale up, growing from five to 25 employees.
- It continued to see steady growth and went from an annual budget of €60,000 before the programme, to €1.6 million as of 2025.
- In one year alone, the organisation has addressed over 15,000 queries, conducting over 3,000 in-depth psychological support sessions. In the same period, their educational content on digital literacy has received over 1 million views.

CARE (Latin America)

CARE International is a leading humanitarian and development organisation committed to fighting poverty, reducing inequalities, and helping to save lives in over 100 countries.

Since 2019, our partnership with CARE France has focused on improving the rights, protections and livelihoods of domestic workers across Latin America. The initiative strengthens workers' knowledge of their human and labour rights, builds the technical capacity of domestic worker organisations, and supports the creation of social enterprises that enable workers to organise and advocate collectively for fairer conditions. At the same time, CARE advances systemic change through policy advocacy and public campaigns that challenge stigma and push for stronger legal protections.

The Fondation's partnership with CARE initially launched in Brazil, Colombia and Ecuador, before scaling up to Mexico, Honduras and 11 additional countries through collaboration with La Confederación Latinoamericana y del Caribe de Trabajadoras del Hogar (CONLACTRAHO) in phase

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two of our partnership. Its current phase is focused on consolidating regional progress achieved in the first two phases and ensuring long-term sustainability.

Since our partnership began:

- More than 4,000 domestic workers have received access to training, knowledge and capacity building opportunities, enhancing their self-confidence, professional skills, employability, working conditions and awareness of their human and labour rights.
- Social enterprises were established and strengthened in Colombia and Ecuador to enable women's access to economic opportunities and professional and leadership development.
- CARE has contributed to significant policy efforts, including support for women leaders and implementation of national agendas regarding decent and dignified work in multiple countries for the ratification and implementation of ILO Conventions C189 and C190.
- Communication and social media campaigns conducted throughout the partnership have reached over 20 million people, contributing to raising awareness about, and garnering public support, for the rights of domestic workers.

Forum for Women, Law and Development (Nepal)

The Forum for Women, Law and Development (FWLD) is an organisation based in Nepal dedicated to protecting and promoting the rights of women, children and marginalised groups. Funding from the Fondation helped FWLD enhance collaboration across different stakeholders, drive understanding on key issues with governmental bodies and advance research and community engagement.

One in three girls marries before the age of 18 in Nepal and proposed legal reforms could have risked deepening existing gender inequalities. Through sustained advocacy and public engagement, FWLD have advocated against the proposed bill which has now been withdrawn.

FWLD have also advocated for the reform to Nepal's citizenship law to end practices that prevented many children from obtaining citizenship through their mothers.

- Following engagement with 84 federal parliamentarians, the government passed a new citizenship bill allowing children to receive Nepali citizenship through their mother's name.
- To support implementation, FWLD also trained 265 government officials across seven municipalities, combining technical guidance on the new law with sensitivity training on the barriers women and marginalised communities face when accessing legal identity services.

Together, these efforts are helping strengthen legal protections and expand rights for women and children across Nepal.

African Women's Development Fund (Africa)

Founded in 2000, the African Women's Development Fund (AWDF) is a pan-African feminist fund that resources, strengthens, and upholds women's rights and feminist organisations and movements across Africa.

Despite being potent agents of change, women's rights organisations, and especially small grassroots collectives, face funding barriers, often due to language, location, or limited institutional

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resources. Through grantmaking, capacity strengthening, movement-building and advocacy work, AWDF helps ensure that these organisations can advance women's rights and respond directly to the needs of their communities.

Through its partnership with the Fondation, AWDF provides financial support to women's rights movements in French-speaking African countries, helping girls and women live free from violence and discrimination, all while continuing to strengthen its organisational capacity.

- More than half of AWDF's organisational budget is used to directly fund African women's organisations, while additional support includes technical workshops, feminist leadership and governance programmes, as well as learning and advocacy opportunities and spaces for defining collective strategies.
- Since its inception, AWDF has awarded over $120 million in grants to nearly 2,000 organisations.

OUR PEOPLE AND CULTURE

All of our teams are employees of the Chanel Group. They are remunerated in accordance with the Chanel Group's compensation policies and practices.

They do not receive direct compensation from the Fondation outside of expense reimbursements incurred in relation to carrying out activities on behalf of the Fondation. Staff and office facilities costs of the Fondation are borne by the Chanel Group and are recorded as donated services and facilities offset by an equivalent expense in the Financial Statements (see page 29).

As described in our objectives, we seek to be recognised as a trusted, values-driven organisation, known for excellence in partnership, culture, and collaboration. We aim to embody our values of acting with humility, holding trust, learning in collaboration, thinking holistically and nurturing enduring change.

From engagement in external forums to visiting partners, we encourage an environment of connection, continuous learning and development. We hold at least one in-person seminar annually for all Fondation teams, focused on strategy, operations, impact and culture.

FUTURE PLANS

Fondation CHANEL's 2030 strategic framework guides our future plans, which are mapped against each of our objectives.

Looking ahead to 2026, income is budgeted to be $125 million in each of 2026 and 2027. This allows the Fondation to continue to drive progress aligned to our strategy and focus areas, aligning to our broader mission for all women and girls to be free to shape their own destiny.

To meet the objectives outlined in the strategic framework, we have identified four key priorities for 2026. These are:

Provide multi-year grants to values-aligned partners to build gender equality through systems change and empower individual women and girls and their communities: We will provide medium-term, tailored grants to support our partners' work to improve the lives of women, adolescent girls and their communities with a continued focus on the three prioritised strategic

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pillars of: Safety, Economic and Social Autonomy, and Climate Resilience.

Engage with peers to advocate for unlocking additional resources for women and girls: Collaborate and harness our influence within the philanthropic sector to drive further funding and innovative practices that advance gender equality. One of our near-term goals (in the next five years) is to work across our sector to unlock greater funding towards this work.

Increase partners' capacity, sustainability, wellbeing and impact, complementing our grantmaking: We will continue to provide support informed by our partners' greatest needs, while strengthening their organisational resilience, connection with the wider ecosystem and amplifying their voices.

Continue to improve our own philanthropic impact, excellence and efficiency: In 2026, we will put significant emphasis on strengthening systems to drive improved efficiency and improved insights on our grantmaking activities and partner impact.

Financially, our 2026 budget includes utilisation of some of the Fondation's financial reserves in a manner which is consistent with the Fondation's reserves policy.

Therefore, expenditure for 2026 is budgeted to be $156 million against expected income of $125 million, balancing the funding needs of our partners at this time while maintaining sufficient reserves to protect the Fondation's ongoing financial sustainability.

PRINCIPAL RISKS AND UNCERTAINTIES

The Fondation has developed a risk management framework which provides a clear and structured approach to identifying, assessing and mitigating risks, together with defined roles and responsibilities for the Board, its committees, the Fondation Leadership Team and other teams across the organisation. Embedding the risk management approach throughout the Fondation is an ongoing process.

The principal risks and uncertainties the Fondation faces in relation to achieving its strategic objectives, and the ways in which they are managed, are described below:

Risk category	Risk description	Mitigations
External and contextual	**External events impede partner delivery:** Political or economic changes, collapse of established sources of funding, conflict or other significant external events may limit or stop partners absorption capacity and/or their ability to continue to utilise the Fondation's funding as planned or, in extreme cases, cause them to cease operating. This could reduce the ability of the Fondation's partners to maintain or make progress on gender equality.	The Fondation continues to monitor political, economic and social, developments, including having regular contact with grantee partners to understand the reality of how external changes are affecting their work. In response to any impact on specific partners, the Fondation and its partners are able to agree to a pause in the programme, agree programmatic amendments, or agree additional funding through the Funder+ programme or emergency funding mechanisms on a case-by-case basis.

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Risk category	Risk description	Mitigations
External and contextual	**Policy or legal changes:** Changes in national or international laws, regulations or policies adversely affect women's rights and gender equality. This could reduce effectiveness of funded programmes and an inability to prevent the rollback of previous progress.	The Fondation closely monitors legal changes and maintains regular communication with its grantees who are closest to the implications of changes in the countries where they operate. When beneficial for advancing the Fondation's charitable objectives, flexible funding and other types of support may be offered so that partners can be agile and responsive to changes in the external environment.
Programme/ grantmaking & External and contextual	**Adverse media coverage or attention relating to the Fondation or partners**: Adverse attention about activities carried out by the Fondation or its partners, or connection with controversial individuals or issues, either directly or indirectly through its partners, regardless of whether they are justified or unjustified. This could lead to reputational damage for the Fondation.	Media (traditional and social) screening and programmatic reputation assessments are part of due diligence when considering prospective partners. Regular contact with partners to understand their activities and plans can identify and mitigate potential risks. Dedicated communications support within the Fondation and close liaison with the Chanel Group reduces the impact if a risk does materialise.
Operational & Programme/ grantmaking	**Safeguarding of those the Fondation works with and for:** Safeguarding failures, including to beneficiaries of Fondation-funded programmes, risk suffering from unlawful acts or violations of human rights which causes harm to those beneficiaries the Fondation seeks to serve. This could undermine trust in the Fondation and its reputation within the ecosystem in which it seeks to operate.	A Fondation Safeguarding Policy is in place and all staff are trained to ensure understanding of the policy. Dedicated safeguarding expertise has been recruited into the Fondation, leading on the design, monitoring and response on safeguarding matters and the periodic review of the policy and supporting safeguarding tools, training and guidance.

FINANCIAL REVIEW

Basis of preparation

These financial statements relate to the period from 10 July 2024 to 31 December 2025, covering an extended reporting period. On 10 July 2024, full control of Fondation US transferred from Chanel, Inc. to Fondation UK, resulting in the formation of a group comprising Fondation UK and Fondation US. Accordingly, consolidated financial statements have been prepared for the Group from that date.

The prior period financial statements were prepared for Fondation UK only and covered the period from 1 January 2024 to 9 July 2024, being the day immediately before Fondation US become a member of the Group. As there was no consolidated group in existence during the prior period, and the reporting periods are not of equal duration, there are no consolidated comparative figures.

Financial commentary within this Trustees' Annual Report refers to the approved 2025 budget where this

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provides an appropriate operational comparator. Unless otherwise stated, all figures are presented in millions of US dollars ($m).

Financial overview

For the period from 10 July 2024 to 31 December 2025, the Group reported net income of $5.5m. This comprises net income of $6.0m and unrealised losses on foreign exchange of $0.5m.

Total funds at 31 December 2025 were $200.1m, which are all unrestricted. The financial position reflects the continued deployment of resources in furtherance of the Fondation's charitable objectives, supported by contribution income from the Chanel Group, investment returns generated following implementation of the Fondation's investment policy in 2025, and the recognition of other income arising as a result of the formation of the Group.

The Group maintains a strong reserves and liquidity position and is well placed to meet its planned grant commitments.

Income

Total income for the period was $226.2m. This includes income of $20.6m arising from the Group formation in 2024, which resulted in control of Fondation US being transferred to Fondation UK for nil consideration. This income is non-cash in nature and does not impact the Group's liquidity position.

Excluding this gain, underlying income from operations was $205.6m. Monetary contributions from the Chanel Group amounted to $185.8m, consistent with the funding arrangements in place for the period. Of this, $112.2m was received by Fondation UK and $73.6m by Fondation US. Total contributions-in-kind of $16.0m, comprising donated services in respect of staff and office costs, were $14.5m and $1.5m for Fondation UK and Fondation US respectively.

Investment income of $3.8m reflects the implementation of Fondation UK's investment policy in 2025, resulting in the placement of surplus cash into money market funds and generating returns during the period.

Expenditure

Total expenditure for the period was $220.2m. Grantmaking expenditure amounted to $196.7m, representing 89% of total expenditure. This reflects the Fondation's primary focus on deploying resources across its three strategic focus areas described on page 4. The level and timing of disbursements during the period were influenced by strategy approvals and programme development cycles.

Support and governance costs of $23.5m represented 11% of total expenditure. Costs were managed in line with operational requirements during a period of organisational development and group consolidation.

Balance sheet and reserves

At 31 December 2025, the Fondation held total funds of $200.1m, comprising free reserves represented by unrestricted funds available for general use at the reporting date. This level of reserves is consistent with the Trustees' reserves policy, which has been set following stress-testing of severe but possible funding scenarios (see the reserves policy and position section on page 16).

Cash and monetary assets were $85.4m at 31 December 2025, providing strong liquidity to meet grant

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commitments and operating costs. The Trustees are satisfied that the Fondation has adequate resources to continue in operating for the foreseeable future.

Grantmaking performance

Grantmaking represents the Fondation's principal charitable activity and the majority of expenditure is directed towards grantmaking across its three main focus areas: safety, economic and social autonomy, and climate resilience. All grants awarded since the Fondation UK'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.

During the period, the Fondation recognised grant expenditure in respect of 381 organisations. The level and timing of disbursements reflect the phased implementation of strategies and the progressive development of regional operations during the period.

Grantmaking summary	**10 July 2024 to 31 December 2025**
Total grants disbursed	$196.7m
No. of grantee organisations supported	381
Average total disbursement per grantee	$516,299
Grantmaking as % of total expenditure	89%

Grantmaking was distributed by regional portfolio as follows:

Region	**Total grants disbursed ($m)**	**% total grantmaking by value**	**No. of grantees**	**Average total disbursements per grantee ($'000)**
The Americas	49	25%	103	460
Asia-Pacific	47	24%	70	673
Europe	45	23%	125	360
Global /multi-region	29	14%	35	812
Africa & Middle East	15	8%	24	622
UK	12	6%	24	468
Total	**197**	**100%**	**381**	**516**

Financial outlook

The Fondation began 2026 as a consolidated group, operating over a standard 12-month reporting period. The Trustees have approved a 2026 budget that provides for continued grantmaking and operational activity consistent with the Fondation's strategic objectives. The closing reserves position at 31 December 2025 is consistent with the assumptions underpinning the 2026 budget and with the Fondation's reserves policy.

Taking account of confirmed funding arrangements, available reserves and forecast cash flows, the Trustees are satisfied that the Group 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.

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Reserves policy and position

The Trustees have established a reserves policy to ensure the Fondation maintains sufficient financial resilience to absorb potential financial risks while also not holding excessive reserves which could otherwise be applied for charitable purposes.

In setting the level of reserves, the Trustees considered the Fondation's funding model, existing grant commitments and operating costs, the governance agreement with Chanel Limited, and the outcome of financial stress testing. The level of reserves held in line with the reserves policy is based on modelling scenarios where funding is reduced.

The reserves requirement represents the funding needed to manage the transition period under these scenarios, including grant payments and operating costs that would not be fully covered by reduced income. It is not intended to provide balance sheet backing for all future grant commitments.
Based on this analysis, application of the reserves policy calculates a minimum reserve level of $30 million at the end of 2025. At the reporting date, free reserves exceed this minimum level.

The Trustees plan to utilise reserves in a controlled manner through 2026 and 2027, balancing financial resilience with the delivery of charitable impact.

Grantmaking policy

The Fondation team engages in in-depth prospection to identify potential grantee partners consulting with regional and local gender and philanthropic experts and other funders, to gather data, conduct landscape analyses and research to devise locally relevant strategies that inform the Group's grantmaking approach. The Fondation aims to build long-term, trust-based relationships with its grantee partners.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Fondation UK 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 updated on 1 July 2025. The sole member of the Charity is Chanel Limited.

Board of Trustees

The Trustees meet at least four times per year to agree on the strategic direction of the Group, approve budgets annually, review grant proposals, award grants in line with the Fondation's grantmaking strategy and assess and monitor the Group's financial position, key risks and opportunities.

The Trustees delegate responsibility for day-to-day management of the Fondation to the President of Fondation CHANEL, and the Fondation Leadership Team. The President of Fondation CHANEL shares a management update at each meeting of the Board of Trustees. The President also regularly briefs the Board on any important or critical matters in between meetings.

Trustees are appointed either by the Member or by the existing Trustees in accordance with the Charity's Articles of Association. The Board seeks to ensure an appropriate balance of skills, knowledge and experience when considering appointments. Trustees serve fixed terms and are eligible for reappointment in line with the provisions set out in the Articles.

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Appropriate financial reporting systems and processes are in place to enable the Board to evaluate the financial performance and position of the Fondation. Each Board meeting receives a report from the Audit, Finance & Risk Committee ("**AFRC**") summarising the outcomes from its preceding meeting, including highlighting any financial matters that the Board should be aware of. At each AFRC meeting, the Chief Finance and Operations Officer provides information relating to the financial operations of the Fondation, including financial performance against budgets, balance sheet and reserves position, quarterly reforecasts, investment performance, and any other material matters.

Board Committees

The Board delegates certain responsibilities to the AFRC and the Programmes Committee that have the appropriate knowledge and experience to make recommendations to the Board on key matters. Each committee consists of independent Trustees. After meetings, committee chairs brief the full Board, allowing all Trustees to have visibility of different committees' dealings and to discuss matters arising from committee meetings.

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SECTION 172(1) STATEMENT

In preparing the Strategic Report, the Trustees have considered their duties under section 172 of the Companies Act 2006, to act in a way they consider, in good faith, would be most likely to promote the success of the Fondation to achieve its charitable objectives, while having regard to the interests of its people, grant partners and suppliers, the environment and wider society, and to the commitment of maintaining a reputation for integrity and high standards of business conduct.

The Board ensures that the right leadership, governance and decision-making frameworks are in place, delegating day-to-day operations to the Fondation Leadership Team, led by the President. The Board oversees the activities of the Group through a purpose-driven agenda, regular reporting on strategy and impact, and comprehensive pre-reading for each Board and committee meeting. This enables informed discussion and decisions that balance long term decision making and the Fondation meeting its charitable objects. In carrying out its duties under Section 172, the Board's key areas of focus during the period under review included decisions relating to long-term grantmaking strategy, strengthening risk and safeguarding oversight, financial strategy and planning, and organisational and board culture.

During the period, the Board strengthened its oversight through enhanced information-sharing from Board committees, including improved circulation of committee materials and minutes to the full Board.

ENGAGEMENT WITH STAKEHOLDERS

The Trustees receive insight into stakeholder views through: briefings by the President; partner impact updates; employee surveys; grant partner engagement sessions; and financial and non-financial reporting. The President and Fondation Leadership Team members regularly report to the Board on strategy, progress against our impact measurements, and key decisions, ensuring stakeholder interests are considered.

Our people

The Fondation has no employees. Instead, grant and charity operations are undertaken by employees of the Chanel Group who are seconded to the Charity and their services donated in-kind (see Our People and Culture, page 11). The staff are fully supported by the employee infrastructure of their Chanel Group employer.

The Board is committed to the safety, wellbeing and development of the staff working at the Fondation, fostering a culture grounded in integrity and respect.

The Board regularly assesses employee experience and culture. It receives employee feedback through surveys and internal focus groups. In 2025, the Board were provided with insights from the employee survey conducted in September 2024, the follow-up employee focus group sessions undertaken by the Fondation leadership in 2025, together with insights from a staff and partner focused safeguarding survey undertaken in 2025. Insights from these surveys and action plans put in place after the survey continue to inform decision making on culture and people initiatives.

Trustees engaged directly with senior employees through regular onboarding and education sessions and engaged with the wider Fondation teams at dedicated team lunches. The newly appointed independent chair of the Board attended the global Fondation CHANEL team seminar in July 2025, participating in sessions with teams on culture, self-care and wellbeing, learning and development, as well as reflections on the all-staff survey and focus sessions.

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Our grant partners

The Fondation's grantmaking 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 affect real long-term change.

The Board have oversight of all grants awarded by the Fondation, as well as the partner prospection and due diligence processes. These processes ensure that every partner selected and approved for funding by the Fondation is strategically aligned with our mission and values, and meets rigorous standards for operational, financial, and legal compliance throughout the grant life cycle.

The Board recognises that grantee partner trust and engagement is central to our long-term success. Grantee partner impact stories are provided to the Board, alongside regional-specific Trustee partner visits across Asia, Europe and the US, organised by Fondation teams.

Sole member

The Fondation is a charitable company limited by guarantee. The Fondation'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 sole funding to the Fondation.

The Fondation provides regular reporting to its sole member, through reporting and updates to the Chanel Limited board of directors to ensure that it has clear visibility of the outcomes of the Fondation's work. The sole member also has visibility of the Fondation’s work through the presence of a number of Fondation Trustees who also hold senior leadership roles at the Chanel Group.

Suppliers

The Board upholds high ethical and professional standards for our suppliers and expects our suppliers to adhere to our Responsible Sourcing Policy. Senior leadership reports to the AFRC on the development of systems and processes to effectively manage suppliers, and the AFRC updates the Board on relevant developments in this regard as appropriate.

Environment and sustainability

The Board is committed to ensuring the Fondation has a lasting positive impact on the environment. As set out in the Strategic Report on page 3, Climate Resilience is one of the focus pillars of the Fondation's strategy.

The Fondation supports organisations to support women and girls to take action on our changing climate, to amplify their voices, and to build resilience within their communities. See Achievements section on page 6 for details of these initiatives.

ACTING WITH INTEGRITY

Ethics

The Board is committed to ensuring that the Fondation complies with the law and its activities are conducted ethically. The Board is regularly briefed on new regulatory and legal developments by the Managing Legal Counsel and engages with other senior leaders to ensure it fully understands regulatory developments and legal risks, and how those are managed by the Fondation.

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All current and new Trustees undergo a thorough induction process. They receive an induction pack comprising of the Charity's main governing documents, duties of a trustee, 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 Fondation staff.

The AFRC receives regular reports from the Chief Finance and Operating Officer and Managing Legal Counsel on policies, procedures and controls. During 2025 the Audit, Finance & Risk Committee oversaw the continued embedding of the safeguarding practices, risk management and financial controls. The AFRC Chair informs the Board if there are any concerns about the effectiveness of the Fondation's internal controls and processes, including the reporting mechanisms for employees and grant partners to report issues encountered. Full minutes of the AFRC meetings are shared with the Board.

Long-term thinking

The Board considers the likely long-term consequences of its decisions, including the impact on delivering its charitable mission, on people, communities and the environment. This approach is underpinned by long-term, flexible funding relationships that are often multi-year to accelerate progress towards gender equality, to have greatest impact and return on investment for our resources, and to be responsive to what partners most critically need. The Board also considers the balance between maintaining financial discipline through its reserves policy and other financial controls, and continuing to focus on investing in long term systems change. This commitment to long-term thinking is designed to ensure that the Fondation's grantmaking is effective, sustainable and aligned with its charitable objects set out in the Strategic Report page 3, its strategy, and impact objectives.

DIRECTORS' STATEMENT

The Trustees of Fondation CHANEL have prepared this Strategic Report with the purpose of providing the Company's stakeholders with information to help them assess how the directors have performed their duty to promote the success of the charitable company and its subsidiary, in compliance with section 414C of the Companies Act 2006.

Approved by the Board on 22 July and signed on its behalf by

DocuSigned by:

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P. Blondiaux
Trustee
Date: 17/8/2026

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TRUSTEES' AND DIRECTORS' REPORT

The names of the Trustees who served during the reporting period and up to the date of this report are outlined in the reference and administrative details on page 28 of this Annual Report. As at the date of this report, the Board of Trustees is comprised of eight Trustees. Four of these are senior leadership employees of the sole member, Chanel Limited.

Further information relevant to the Trustees' Report, and which is incorporated by reference into this report, can be found in the following sections of this Annual Report:

Information	Location in this Annual Report	Pages
Governance and Management	Strategic report	16
Engagement with our people	Strategic report	18
Financial instruments	Financial statements note 1A	35
Future developments	Strategic report	11
Stakeholder engagement	Strategic report	18
Subsequent events	Financial statements note 15	44

DIRECTORS' INSURANCE AND INDEMNITIES

The Charity maintains directors' and officers' liability insurance which gives cover for legal actions brought against its directors and officers. In accordance with section 236 of the Companies Act 2006, qualifying third-party indemnity provisions are in place for the directors in respect of liabilities incurred because of their office, to the extent permitted by law. Both the insurance and indemnities applied throughout the financial period ended 31 December 2025 and through to the date of this report.

AUDITOR DISCLOSURES

In the case of each of the persons who are directors of the Company at the date when this report was approved:

- so far as the director is aware, there is no relevant audit information of which the Group's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Ernst & Young LLP resigned as auditors on 20 May 2025 and BDO LLP were subsequently appointed. A resolution to reappoint BDO LLP as auditors for the forthcoming year will be proposed at the next appropriate meeting, and BDO LLP have indicated their willingness to continue in office.

STATEMENT OF TRUSTEES' AND DIRECTORS' RESPONSIBILITIES

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 and the Charities SORP (FRS 102).

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Company law 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 charitable company and the group, and of the incoming resources and application of resources, including the income and expenditure, for that period. In preparing these 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 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group 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 charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board on 22 July and signed on its behalf by

DocuSigned by:

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P. Blondiaux
Director
Date: 17/8/2026

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF FONDATION CHANEL

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 December 2025 and of the Group's incoming resources and application of resources, and the Group's cash flows for the period 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.

We have audited the financial statements of Fondation CHANEL ("the Parent Charitable Company") and its subsidiary ("the Group") for the period from 10 July 2024 to 31 December 2025 which comprise the Consolidated Statement of Financial Activities, Group and Company Balance Sheet, Consolidated Statement of Cash Flows, and Notes 1 - 15 to the financial statements including a summary of the significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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

Independence

We remain independent of the Group and the Parent Charitable Company in accordance with the ethical requirements 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.

Conclusions related 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 Group and the Parent Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group and the Parent Charitable Company's ability to continue as a going concern.

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Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' Report, have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustees' report.

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

- adequate accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' 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 Statement of Trustees' and Directors' responsibilities, 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 they give a true and fair view, and for such internal control as the Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, the Trustees are responsible for assessing the Group's and the Parent 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 the Trustees either intend to liquidate the Group or the Parent Charitable Company or to cease operations, or have 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.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Charitable Company and management.

Extent to which the audit was 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 material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the sector in which it operates;
- Discussion with management and those charged with governance, including the Audit Finance and Risk Committee; and
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations;

We considered the significant laws and regulations to be The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' published in 2019, the Charities Act 2011, the Companies Act 2006, Corporate tax and VAT legislation, and the Bribery Act 2010.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be health and safety legislation.

Our procedures in respect of the above included:

- Enquires of management whether there were any litigations and claims;
- Enquires of the legal team of the Group and Charitable Company;
- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance

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with laws and regulations; and
- Review of financial statement disclosures and agreeing to supporting documentation.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Review of correspondence with HMRC, and the Charity Commission for England and Wales.

Based on our risk assessment, we considered the area most susceptible to fraud to be management override of controls.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criterion, by agreeing to supporting documentation; and
- Test appropriateness of journal entries made in preparing financial statements.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC'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 and trustees 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 Charitable Company, the Charitable Company's members as a body and the Charitable Company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

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DocuSigned by:
Fiona Condron
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Fiona Condron (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London, UK
Date: 17 August 2026
BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

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REFERENCE, LEGAL AND ADMINISTRATIVE DETAILS

Company registration no. 12786875
Charity registration no. 1195353

REGISTERED OFFICE

5 Barlow Place
London W1J 6DG

INDEPENDENT AUDITOR

BDO LLP
55 Baker Street
London W1U 7EU

TRUSTEES (DIRECTORS)

P. Blondiaux
Y. Peel
M. van Oranje[1]
K. Wylie (Chair, to 1 July 2025)
R. Bailly
L. Mapp [1]
N. Nwuneli[1]
E. Broderick[1] (appointed 16 December 2024) (Chair, from 1 July 2025)

LEGAL ADVISORS

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

BANKERS

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

[1]Independent Trustee

Company Secretary: F. Smith

Fondation Leadership Team

President	K. Wylie (to 8 September 2025)
President	A. Freyer (from 8 September 2025)
Global Head of Fondation:	K. Meddour (to 30 November 2025)
Chief Finance & Operations Officer:	H. Pang (from 17 March 2025)
Managing Counsel:	F. Smith
Head of Africa & Middle East (interim):	A. Eskesen (from 26 March 2026)
Head of Americas:	A. Azrack
Head of Asia:	A. Eskesen
Head of Europe & UK:	M. Schaefer
Head of Global (interim):	K. Wintermeier

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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(incorporating the income and expenditure account)

For the period 10 July 2024 to 31 December 2025

	Notes	Group 10 Jul 2024 to 31 Dec 2025 US$	Charity 1 Jan 2024 to 9 Jul 2024 US$
Income from:			
Donations	2	201,846,335	3,069,141
Investments		3,752,984	-
Subtotal before other income		**205,599,319**	**3,069,141**
Fair value of assets acquired through transfer of control of Fondation Chanel Inc	7,8	20,612,545	-
Total income		**226,211,864**	**3,069,141**
Expenditure on:			
Charitable activities:			
Grants expenditure	3	196,710,086	19,719,904
Support costs	4	23,508,071	5,194,612
Total expenditure		**220,218,157**	**24,914,516**
Net income/ (expenditure)		**5,993,707**	**(21,845,375)**
Net (losses) on foreign exchange		(465,677)	(170,508)
Net movement in funds		**5,528,030**	**(22,015,883)**
Reconciliation of funds:			
Total funds brought forward	13	194,618,480	216,634,363
Total funds carried forward		**200,146,510**	**194,618,480**

All of the Group's income and expenditure related to unrestricted funds during the financial period. All income and expenditure derives from continuing activities, other than the gain on acquisition of subsidiary. There were no other gains or losses other than those listed above.

The comparative figures relate to the Charity only and cover the period from 1 January 2024 to 9 July 2024. The notes on pages 32 to 44 form part of these Financial Statements.

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GROUP AND COMPANY BALANCE SHEET

As at 31 December 2025

	Notes	Group 31 Dec 2025 US$	Charity 31 Dec 2025 US$	Charity 9 Jul 2024 US$
Non-current assets:				
Investment in subsidiary	7	-	-	-
Debtors	9	-	-	30,000,000
Total		**-**	**-**	**30,000,000**
Current assets:				
Debtors	10	118,298,060	78,819,742	95,530,066
Cash at bank and in hand	11	85,409,450	79,666,638	72,940,122
Total		**203,707,510**	**158,486,380**	**168,470,188**
Current liabilities:				
Creditors: amounts falling due within one year	12	3,561,000	2,167,755	3,851,708
Net current assets		**200,146,510**	**156,318,625**	**164,618,480**
Total assets less current liabilities, being net assets		**200,146,510**	**156,318,625**	**194,618,480**
Funds:				
Unrestricted funds	13	200,146,510	156,318,625	194,618,480
Total funds		**200,146,510**	**156,318,625**	**194,618,480**

The notes on pages 32 to 44 form part of these Financial Statements.

The Financial Statements were approved by the Board of Trustees on 22 July 2026 and signed on its behalf by:

DocuSigned by:
C1F45C31EA46427...

Philippe Blondiaux
Director and Trustee, Fondation CHANEL
Company registration number: 12786875

17/8/2026

Docusign Envelope ID: D8664CD5-8F5D-83B8-82DE-DD8BC9B61D68

CONSOLIDATED STATEMENT OF CASH FLOWS

For the period 10 July 2024 to 31 December 2025

	Notes	Group 10 Jul 2024 to 31 Dec 2025 US$	Charity 1 Jan 2024 to 9 Jul 2024 US$
Cash flows from operating activities:			
Net cash (used in) operating activities	A	**(54,752)**	**(19,123,678)**
Cash flows from investing activities:			
Cash acquired through transfer of control of Fondation Chanel, Inc.		9,236,773	-
Investment income received		3,752,984	-
Net cash provided by investing activities		**12,989,757**	**-**
Change in cash and cash equivalents in the reporting year:			
Net increase/ (decrease) in cash before foreign exchange		**12,935,005**	**(19,123,678)**
Effects of foreign exchange rates		(465,677)	(170,508)
Cash and cash equivalents at the beginning of the reporting year		72,940,122	92,234,308
Cash and cash equivalents at the end of the reporting year		**85,409,450**	**72,940,122**

Fondation CHANEL is a parent entity and has prepared consolidated financial statements.

A. Reconciliation of net income/(expenditure) to net cash flow from operating activities	Group 10 Jul 2024 to 31 Dec 2025 US$	Charity 1 Jan 2024 to 9 Jul 2024 US$
Net income/ (expenditure) for the reporting period (as per the statement of financial activities)	**5,528,030**	**(22,015,883)**
Adjustments for:		
Fair value of assets acquired through transfer of control of Fondation Chanel, Inc.	(20,612,545)	-
Net foreign exchange losses	465,677	170,508
Investment income	(3,752,984)	-
Decrease/ (increase) in debtors	21,736,056	(525,066)
(Decrease)/ increase in creditors	(3,418,986)	3,246,763
Net cash (used in) operating activities	**(54,752)**	**(19,123,678)**

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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, 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 Group constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in US dollars, which is also the functional currency of the Group. Transactions denominated in foreign currencies are translated into US dollars at the rates prevailing at the dates of the transactions.

On 10 July 2024, Fondation CHANEL (the “Charity”) became the sole member of Fondation Chanel, Inc.(Delaware file number 5942512), which from that date became its wholly-controlled subsidiary. These are the first consolidated financial statements of the Group (the "Group", the "Fondation"). The comparative figures relate to the Charity only and cover the period from 1 January 2024 to 9 July 2024. Accordingly, no comparative consolidated figures are presented.

In accordance with Charities SORP (FRS 102), the Charity qualifies as a qualifying entity and has taken advantage of the disclosure exemptions available to such entities, including not presenting a parent company statement of cash flows.

Basis of consolidation

Fondation Chanel, Inc. is a US 501(c)(3) organisation and wholly-controlled subsidiary of the Charity. Prior to 10 July 2024 it operated independently, with Chanel, Inc. as its sole member. On 10 July 2024, as part of a group reconstruction, sole membership was transferred to the Charity, which obtained control from that date.

In accordance with the requirements of FRS102 PBE34.75 and the Charities SORP (FRS102), the combination has been accounted for by recognising the identifiable assets and liabilities of Fondation Chanel, Inc. at fair value at the date of combination. No consideration was paid. Net assets acquired comprised cash and cash equivalents, grants and other receivables, and grants payable and other creditors. The Trustees are satisfied that fair value equals book value for all assets and liabilities given their liquid nature. The resulting gain of $20,612,000 has been recognised as income in the consolidated statement of financial activities and is non-cash and non-recurring.

The accounting policies of the subsidiary have been aligned with those of the Charity and are consistent with UK Generally Accepted Accounting Practice, including FRS102 and the Charities SORP (FRS102). No material adjustments were required on consolidation.

Assessment of going concern

The Trustees are satisfied that the Group 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 Group's balance sheet and anticipated future cash inflows and outflows as of the approval date of the financial statements. The Trustees believe that the Group 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.

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1. PRINCIPAL ACCOUNTING POLICIES CONTINUED

Income recognition

All income is recognised in the Consolidated statement of financial activities when the Group 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.

The Fondation benefits from donated facilities and services provided by the Chanel Group. Donated facilities and services are recognised as income when the Fondation has entitlement to the benefit, it is probable that the economic benefit will be received, and the value can be measured reliably. A corresponding expense is recognised in the Statement of Financial Activities to reflect the utilisation of those services and facilities. Donated facilities include the use of office space, IT facilities and property service charges provided by Chanel Group. Donated services comprises the time of staff employed by Chanel Group who work on Fondation activities. These donated facilities and services are recognised at the time they are received in accordance with the Charities SORP (FRS 102) to the extent that the Fondation receives a reliably measurable economic benefit.

The basis of valuation of donated facilities and services is the cost to the donor. The open market value of alternative facilities and services that would provide a benefit to the Fondation equivalent to the donated items is impractical to reliably calculate and the costs to the charity of doing so would outweigh the benefit to the users of the accounts. If the Chanel Group facilities and services were not provided as a donation-in-kind, the Fondation would likely choose facilities in a different location and adopt different remuneration structures. A valuation based on the cost to the donor is considered to be a reliable measure of the economic resource made available by Chanel Group for use by the Fondation to further its aims and objectives.

Interest on funds held in short-term deposits is included when receivable and the amount can be measured reliably by the Fondation. This is normally upon notification of the interest paid or payable by the bank.

Expenditure recognition

Liabilities are recognised as expenditure when there is a legal or constructive obligation committing the Group 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 and all support costs related to grant-making and the overall administration of the Group.

Grants are recognised as expenditure when there is a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required, and the amount can be measured reliably. This is typically when a grant has been approved and the recipient has met any conditions necessary for payment. Where grant agreements include conditions that must be met before entitlement to funding arises, no liability is recognised until those conditions have been fulfilled. Where a grant agreement is entered into but no present obligation exists at the reporting date, the arrangement is treated as a commitment only. Grant commitments which do not meet the recognition criteria at the reporting date are disclosed in the notes to the financial statements. Amounts due but unpaid at the reporting date are included in creditors. Multi-year grant liabilities are recognised only to the extent that there are no unfulfilled performance or other conditions attaching to future instalments. Any amounts payable after more than one year would be classified as creditors due after more than one year.

Support costs include governance costs, comprising external audit, legal and professional advice on statutory and regulatory matters, and costs associated with Trustee governance and statutory reporting.

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1. PRINCIPAL ACCOUNTING POLICIES CONTINUED

Cash at bank and in hand

Cash and cash equivalents comprise cash at bank and in hand together with short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Such holdings are maintained for the purpose of meeting short-term cash commitments rather than for investment return or capital growth. Due to their short-term nature and stable net asset value, fair value approximates cost at the reporting date.

Short-term deposits with an original maturity of three months or less at the date of placement are also classified as cash equivalents. These funds are redeemable on demand and therefore the carrying value is considered to approximate fair value at the reporting date. Where deposits are rolled over, each placement is treated as a new deposit for the purpose of assessing classification.

Debtors and creditors

Debtors and other receivables are recognised when the Group has a contractual or other right to receive cash or other economic benefits arising from past events and it is probable that the amounts will be received. They are measured at the amount expected to be received, less any impairment where recovery is considered doubtful.

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 US dollars at the closing exchange rate as of the balance sheet date. Foreign currency transactions are translated into US 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 US 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. Fondation Chanel, Inc., the Group’s US subsidiary, is recognised as a tax-exempt organisation under section 501(c)(3) of the Internal Revenue Code and is therefore exempt from federal income tax on income derived from its charitable activities, subject to compliance with applicable regulations.

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

Critical accounting estimates and judgements

In the application of the Group'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.

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1. PRINCIPAL ACCOUNTING POLICIES CONTINUED

Fund accounting

All funds are held on an unrestricted basis and can be used in accordance with the Fondation's charitable objects set out on page 3 at the discretion of the Trustees.

Financial risk management

The Group's activities expose it to a limited number of financial risks including credit risk, liquidity risk and foreign currency risk. The Trustees review these risks periodically and consider that the Group's exposure is appropriately managed through its financial policies and procedures.

Credit risk arises primarily from cash balances held with financial institutions and from receivables relating to pledged donations. The Group manages credit risk by holding cash deposits with reputable financial institutions and regulated money market funds with high credit quality underlying investments. The Trustees consider the risk of default on pledged donations to be low given the established relationship with the sole donor.

The Group manages liquidity risk by maintaining sufficient cash reserves to meet grant commitments and operational expenditure as they fall due. The Group regularly monitors forecast cash flows to ensure adequate funds are available to meet both recognised liabilities and approved future grant commitments.

The Group presents its financial statements in US dollars. A proportion of the Group's grant commitments and operating activities are denominated in currencies other than US dollars. Foreign currency risk arises where transactions are denominated in a currency different from the Group's reporting currency. The Group does not currently enter into hedging arrangements and manages exposure through ongoing monitoring of foreign currency balances and commitments.

1A. FINANCIAL INSTRUMENTS

Financial instruments comprise cash at bank, money market fund investments, trade and other receivables, and trade and other payables arising directly from the Group's operations. The Group has applied the provisions of Section 11 of FRS 102 in respect of basic financial instruments.

Debtors and other receivables are initially recognised at the transaction price and subsequently measured at amortised cost, being the amount expected to be received.

Cash and cash equivalents comprise cash at bank and in hand together with units held in low-volatility net asset value (LVNAV) money market funds which provide daily liquidity and invest in short-term, high credit quality instruments. These are measured at fair value through profit or loss, which approximates cost due to their short-term nature and stable net asset value.

Creditors and other payables are initially recognised at the transaction price and subsequently measured at amortised cost, being the amount expected to be paid.

The carrying value of all financial instruments held at the reporting date approximates their fair value.

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2. DONATIONS

	Group 10 Jul 2024 to 31 Dec 2025 US$	Charity 1 Jan 2024 to 9 Jul 2024 US$
Monetary donations	185,809,000	-
Donated services	14,129,490	2,561,609
Donated facilities	1,907,845	507,532
Total	**201,846,335**	**3,069,141**

Included within monetary donations is $39,400,000 receivable from Chanel, Inc., a US entity, with the balance receivable from Chanel Limited (UK).

Monetary donations are formally committed annually by Chanel Group in December each year. Monetary donations received and pledged donations in the short period from 1 January 2024 to 9 July 2024 were US$nil due to timing.

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3A. GRANTS EXPENDITURE

Grants expenditure recognised during the period totalled $196,710,086 (Charity only 1 Jan to 9 Jul 2024 $19,719,904) and has been analysed by regional portfolio as follows:

Regional portfolio	Group 10 Jul 2024 to 31 Dec 2025 US$	Charity 1 Jan 2024 to 9 Jul 2024 US$
Africa & the Middle East	14,933,135	2,144,295
The Americas	49,085,622	392,158
Asia-Pacific	46,807,516	3,663,963
Europe	44,967,050	5,098,928
Global/multi-region	28,741,218	6,152,568
United Kingdom	12,175,545	2,267,991
Total grants expenditure	**196,710,086**	**19,719,904**

All grants were made to institutional recipients. The amounts above reflect grant expenditure recognised in the accounting period. Grants payable but not paid at the period end are recognised as creditors (see note 12). All grants payable at the end of the previous period were settled in the current period. There have been no cancellations or claw backs of grants recognised in previous periods.

The ten organisations receiving the highest aggregate grants recognised as expenditure during the period are set out below. Amounts represent the total grants recognised as expenditure to each organisation during the period and may relate to more than one grant agreement. Remaining grantees were each awarded less than $2,000,000 in total during the period and have been aggregated within the regional totals above.

Grantee	Region	Currency	Group 10 Jul 2024 to 31 Dec 2025 US$	Charity 1 Jan 2024 to 9 Jul 2024 US$
Women's Fund Asia	Asia- Pacific	USD	6,589,189	-
Creating Resources for Empowerment and Action Inc	Asia-Pacific	USD	3,575,000	-
Rockefeller Philanthropy Advisors	The Americas	USD	3,180,000	-
Aga Khan Foundation (United Kingdom)	Asia-Pacific	USD	3,011,500	-
Co-Impact Philanthropic Funds, Inc.	Global/multi-region	USD	3,000,000	3,000,000
Institute for Women's Policy Research	The Americas	USD	3,000,000	-
Médecins du Monde	Europe	EUR	2,469,905	-
Women Win	Europe	EUR	2,372,718	-
Amalgamated Charitable Foundation Inc	The Americas	USD	2,150,000	-
Network of European Foundations	Europe	EUR	2,048,066	1,632,879
ODI	Global/multi-region	USD	2,000,000	-

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3B. FUTURE GRANT COMMITMENTS

At 31 December 2025, the Group had approved grant commitments of $181,551,739 (9 July 2024: $70,455,481) in respect of grants that are subject to performance-related conditions. The conditions had not been met at the reporting date and the commitments have therefore not been recognised as liabilities in these financial statements.

The monetary value of commitments are expected to fall due as follows:

	Group 10 Jul 2024 to 31 Dec 2025 US$	Charity 10 Jul 2024 to 31 Dec 2025 US$	Charity 1 Jan 2024 to 9 Jul 2024 US$
Payable in the period/ year ending:			
10 July to 31 December 2024	-	-	23,356,209
31 December 2025	-	-	34,065,014
31 December 2026	94,803,848	64,829,907	11,396,645
31 December 2027	67,379,588	49,711,748	1,637,613
31 December 2028	19,368,303	14,694,637	-
Total	**181,551,739**	**129,236,292**	**70,455,481**

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 the Chanel Group.

4. SUPPORT COSTS

	Group 10 Jul 2024 to 31 Dec 2025 US$	Charity 1 Jan 2024 to 9 Jul 2024 US$
Grant management and charity administration costs	22,733,675	5,064,846
Audit fees (see note 6)	195,982	73,853
Fees payable to the charity's auditor for non-audit services	323,070	-
Tax preparation fees	63,841	-
Legal fees	191,503	55,913
Total	**23,508,071**	**5,194,612**

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

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5. STAFF COSTS IN-KIND

The Fondation does not have any employees. The Fondation benefits from staff services provided by Chanel Group. These individuals are employed by Chanel Group and are not employees of the Fondation. The terms and conditions of their employment, including remuneration and benefits, are determined by Chanel Group.

An appropriate proportion of staff time dedicated to the Fondation is identified by Chanel Group and recognised as donated services. This includes all staff supporting the Fondation's activities, including the President of the Fondation. None of the Trustees, including those who are Chanel Group employees, receive remuneration for their role as trustees for the Group.

In accordance with the Charities SORP (FRS 102), the value of these services is recognised within income and expenditure as donated services, based on information provided by Chanel Group in respect of staff time attributable to Fondation activities. Total staff costs recognised in the period, representing the value of donated staff services, are analysed as follows:

	Group 10 Jul 2024 to 31 Dec 2025 US$	Charity 1 Jan 2024 to 9 Jul 2024 US$
Salary costs	11,866,150	1,686,450
Social security costs	761,794	276,075
Pension costs	402,741	63,176
Other benefits	634,501	535,908
Total	**13,665,186**	**2,561,609**

Included within the value of donated staff services are costs of $3,742,905 (Charity only 1 Jan to 9 Jul 2024 $837,843) relating to key management personnel, comprising the full-time President from 8 September 2025, the Global Head of Fondation, the Chief Finance & Operations Officer, Managing Counsel and the four Heads of Region. No Trustee received any remuneration for their role as trustee of the Fondation, including those trustees who were employees of Chanel Group.

6. GOVERNANCE COSTS

	Group 10 Jul 2024 to 31 Dec 2025 US$	Charity 1 Jan 2024 to 9 Jul 2024 US$
Audit fees - current period	146,037	60,836
Audit fees - under accrual prior periods	49,945	13,017
Tax advisory services	63,841	-
Legal fees	191,503	55,913
Travel & meetings	166,678	18,762
Total	**618,004**	**148,528**

Governance costs are included within support costs. No Trustee received any remuneration from the Fondation for their services as a Trustee.

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7. INVESTMENT IN SUBSIDIARY (Charity only)

On 10 July 2024, the Charity became the sole member of Fondation Chanel, Inc., a company incorporated in the United States. No consideration was payable on becoming sole member. In accordance with FRS102 paragraph PBE34.75, the investment has been recognised at the fair value of the net assets of Fondation Chanel, Inc. at the date control was obtained, being $20,612,545 (including cash of $9,236,773). The difference between the fair value of net assets acquired and the consideration paid has been recognised as income in the Statement of Financial Activities. The results of the subsidiary have been consolidated in the Group financial statements from the date control was obtained.

8. SUBSIDIARY UNDERTAKING

The Charity's wholly-controlled subsidiary at 31 December 2025 was:

Name & registered office	Place of incorporation	State file number	Legal form	Nature of business	Holding
Fondation Chanel, Inc. The Corporation Trust Company, Corporation Trust Center, 1209 Orange St., Wilmington, DE 19801 United States	Delaware, United States of America	5942512	Not-for-profit corporation 501(c)(3)	Charitable grantmaking	Sole member

The subsidiary is consolidated in the Group financial statements and a summary of the financial position of the subsidiary is set out below.

	Period to 31 Dec 2025 US$
Total funds brought forward	20,612,545
Total income	75,179,317
Total expenditure	(51,963,977)
Net movement in funds	**23,215,340**
Total funds carried forward	**43,827,885**

	31 Dec 2025 US$
Total assets	45,221,130
Total liabilities	(1,393,245)
Net assets	**43,827,885**

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

	Group 31 Dec 2025 US$	Charity 31 Dec 2025 US$	Charity 9 Jul 2024 US$
Debtors	-	-	30,000,000
Total	**-**	**-**	**30,000,000**

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10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 31 Dec 2025 US$	Charity 31 Dec 2025 US$	Charity 9 Jul 2024 US$
Debtors	117,989,280	78,589,280	95,500,000
Prepayments	308,780	230,462	30,066
Total	**118,298,060**	**78,819,742**	**95,530,066**

11. CASH AND CASH EQUIVALENTS

	Group 31 Dec 2025 US$	Charity 31 Dec 2025 US$	Charity 9 Jul 2024 US$
Cash at bank and in hand	10,409,440	4,666,628	72,940,122
Money market funds	75,000,010	75,000,010	-
Total	**85,409,450**	**79,666,638**	**72,940,122**

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 31 Dec 2025 US$	Charity 31 Dec 2025 US$	Charity 9 Jul 2024 US$
Grants payable	3,212,909	1,897,459	3,208,825
Accruals	273,852	203,119	230,994
Other creditors	74,239	67,177	411,889
Total	**3,561,000**	**2,167,755**	**3,851,708**

Grants payable creditors represent amounts due to grantees where the performance-related conditions had been met prior to the reporting date but payment had not yet been made.

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13. FUNDS NOTE

GROUP:	General Funds US$	Designated Funds US$	Unrestricted Funds US$
Balance at 10 July 2024	124,162,999	70,455,481	**194,618,480**
Income	226,211,864	-	**226,211,864**
Expenditure	(220,218,157)	-	**(220,218,157)**
Other recognised (losses): net foreign exchange (losses)	(465,677)	-	**(465,677)**
Transfers between funds	70,455,481	(70,455,481)	**-**
Balance at 31 December 2025	**200,146,510**	**-**	**200,146,510**

During the period, the Trustees approved a reserves policy. On approval of the policy, amounts previously designated as at 9 July 2024 amounting to $70,455,481 were undesignated and transferred to general unrestricted funds, as the reserves policy provided sufficient framework for the management of the Fondation's funds without the need for formal designation.

CHARITY:	General Funds US$	Designated Funds US$	Unrestricted Funds US$
Balance at 10 July 2024	124,162,999	70,455,481	**194,618,480**
Income	130,420,001	-	**130,420,001**
Expenditure	(168,268,896)	-	**(168,268,896)**
Other recognised (losses): net foreign exchange (losses)	(450,960)	-	**(450,960)**
Transfers between funds	70,455,481	(70,455,481)	**-**
Balance at 31 December 2025	**156,318,625**	**-**	**156,318,625**

CHARITY (comparative period):	General Funds US$	Designated Funds US$	Unrestricted Funds US$
Balance at 1 Jan 2024	161,917,221	54,717,142	**216,634,363**
Income	3,069,141	-	**3,069,141**
Expenditure	(24,914,516)	-	**(24,914,516)**
Other recognised (losses): net foreign exchange (losses)	(170,508)	-	**(170,508)**
Transfers between funds	(15,738,339)	15,738,339	**-**
Balance at 9 July 2024	**124,162,999**	**70,455,481**	**194,618,480**

Prior year transfers between funds represented the transfer to designated funds of future years grant commitments.

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14. RELATED PARTY TRANSACTIONS

Chanel Group donations

The Fondation received monetary donations from Chanel Group during the period of US$98,759,000 (short period to 9 July 2024: $nil). At 31 December 2025, committed cash receivable by 31 December 2025 was US$117,050,000 (9 July 2024: $125,000,000). Committed cash receivable appears under Monetary donations in note 2, along with cash received during the period which was committed in December 2024.

Donated facilities and services

The Fondation operates from Chanel Group office premises and receives donated facilities and services from Chanel Group, as outlined in note 2. Fondation activities are undertaken by employees of Chanel Group who work on Fondation matters on either a full-time or part-time basis. These individuals are employed by Chanel Group and are not employees of the Fondation. The terms and conditions of their employment, including remuneration and benefits, are determined by Chanel Group.

An appropriate proportion of staff time dedicated to the Fondation is identified by Chanel Group and included within donated services. This is true for all staff supporting the Fondation's activities, including the President of the Fondation, whose costs are included within the amounts recognised.

Both staff services and the use of office facilities and equipment utilised during the period were donated in-kind to the Fondation by Chanel Group. The value of these donated facilities and services recognised in the Statement of Financial Activities amounts to US$16,037,335 (short period to 9 July 2024: US$3,069,141) and represents the costs incurred by Chanel Group in providing these resources to the Fondation, based on information provided by Chanel Group.

Trustees employed by the Chanel Group

As at the date of this report, four of the eight current directors and members of the Board of Trustees are employed by the Chanel Group. However, none of the Trustees receive remuneration for their role as Trustees of the Group.

Trustees' expenses

During the reporting period, travel and accommodation expenses totalling US$18,134 (short period to 9 July 2024: US$365 Charity only) relating to Board meeting attendance by 4 Trustees were covered by the Fondation (short period to 9 July 2024: 1 Trustee Charity only).

Trustees' potential conflicts of interest

During the period, 2 Trustees held non-remunerated advisory roles with organisations that were direct or indirect grantees of the Fondation. These roles were advisory in nature and did not involve decision-making authority over the activities or funding of the organisations. All such interests are declared in accordance with the Fondation's Conflicts of Interest Policy and are appropriately considered by the Board. The Trustees are not involved in any decisions where a potential conflict is identified. The Fondation maintains a register of Trustees' interests, which is reviewed and monitored by the Company Secretary and is available for inspection on request.

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14. RELATED PARTY TRANSACTIONS

Group entities

Fondation Chanel, Inc. (Delaware file number 5942512) is a not-for-profit organisation incorporated in Delaware in the United States and is a wholly-controlled subsidiary of Fondation CHANEL, with Fondation CHANEL being its sole member. Fondation Chanel, Inc. undertakes charitable activities that are aligned with the objectives of Fondation CHANEL. While the entities share similar charitable purposes, mission, strategy and values, they operate within their respective legal and regulatory frameworks and have their own board of directors.

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 charitable activities consistent with the objectives of Fondation CHANEL. For the purposes of U.S. regulation, these purposes qualify it as an exempt organisation under Section 501(c)(3) of the U.S. Internal Revenue Code of 1986 ("**the Code**"), as amended, including the making of distributions to organisations which qualify as tax-exempt organisations 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.

The Fondation group’s grant-making activities span multiple regions including the UK, Africa, the Middle East and North Africa, Asia-Pacific, Latin America and North America. Fondation Chanel, Inc. operates primarily in the United States, Mexico and the Caribbean.

The financial statements of the Charity are prepared on a group basis, consolidating the results of Fondation Chanel, Inc.. During the reporting period, 4 Trustees of the Charity also served on the Board of the US Foundation.

15. SUBSEQUENT EVENTS

There have been no material events occurring after the balance sheet date and before the date of approval of these financial statements that require disclosure or adjustment.