

# Annual Report 2025

1 Jan–31 Dec 2025



Työllisyysrahasto  
Sysseleätningsfonden | Employment Fund



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## **80 FINANCIAL STATEMENTS**

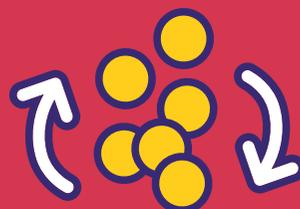
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## The year of Employment Fund in brief

Due to the measures set out in the Government Programme, the financing contributions paid by the Fund decreased even though the unemployment rate was higher than in 2024.



The shutdown of the adult education benefit scheme has continued on schedule and we will pay the last benefits in early 2026.



We provided EUR  
**2,637** million  
for the financing of  
unemployment security,  
pension security and  
adult education benefits.



The customer satisfaction  
score (CSAT) stood at 89% (88%)  
for the year as a whole.

## Financial development

As expected, the amount of unemployment insurance contributions collected by Employment Fund during 2025 remained well below the totals collected during the comparison period. This was because the unemployment insurance contributions for 2025 were lowered as proposed by Employment Fund.

The financing contributions paid by the Fund to benefit recipients were also substantially lower than in the previous year even though unemployment was higher than in the comparison period. The impacts of the measures set out in the Government Programme began to show during 2025.

As expected, the result for the year (change in net position) remained in deficit, which was due to lower unemployment insurance contributions and high unemployment. However, the deficit was smaller than in the comparison period.

The figures are in EUR million.

Financial development	1 Jan–31 Dec 2025	1 Jan–31 Dec 2024
Unemployment insurance contributions and other income	1,907	2,347
Financing contributions paid and administrative expenses	-2,668	-3,163
Net financial income	32	67
<b>Change in net position</b>	<b>-729</b>	<b>-749</b>
Investment assets, cash and cash equivalents	857	1,513
Receivables, accruals and fixed assets	354	447
Short-term and long-term loans	599	599
Unemployment insurance contribution and other liabilities	69	89
<b>Net position</b>	<b>543</b>	<b>1,272</b>
Unemployment insurance contribution (total)*	1.21%	1.61%
Change in total payroll %**	2.1%	2.2%
Unemployment rate (average)	9.7%	8.4%
Return on investments	2.9%	4.2%

\*Employer's average unemployment insurance contribution % and employee's unemployment insurance contribution %, total.

\*\*Change in cumulative payroll during the reporting period compared to corresponding payroll in the same period in 2024. Calculated on the basis of the wages and salaries on which the unemployment insurance contribution is paid.

# Managing Director's review

The year 2025 was characterised by geopolitical uncertainty. At the same time, the Finnish economy grew more slowly than expected and unemployment increased. This was also reflected in Employment Fund's finances, which meant that the Fund posted a deficit. We are responsible for financing and implementing unemployment security and other areas of social security and were able to manage this task successfully in 2025. We carried out development projects in accordance with our strategy by, for example, updating IT platform services and capabilities. Customer satisfaction remained high and satisfaction among our personnel improved.

## **THERE IS STILL UNCERTAINTY IN OUR OPERATING ENVIRONMENT**

Geopolitics and the global economy were characterised by a great deal of uncertainty in 2025 such as the continuation of the war in Ukraine and instability in the Middle East. Tariff issues and the prospect of trade wars also caused uncertainty in the Finnish economy.

Finland's economic operating environment, especially in the field of unemployment, continued to deteriorate in 2025. At the same time, the European Central Bank lowered its key interest rates and inflation remained very low in Finland. The outlook for business confidence indicators improved during the year. Moreover, the economic forecast is generally slightly improving for 2026, although it is difficult to predict future developments.

## **HIGH UNEMPLOYMENT AND LOWER UNEMPLOYMENT INSURANCE CONTRIBUTIONS WERE REFLECTED IN THE FUND'S RESULT**

The unemployment insurance contributions, which are now at historically low levels, and the high unemployment rate had a negative impact on Employment Fund's finances. The Fund posted a substantial deficit for 2025. The spending cuts set out in the Government Programme reduced unemployment security expenditure. As a result, Employment Fund's financing expenditure was lower than in previous



years even though the unemployment rate was higher. The liquidity of Employment Fund remained good throughout the year.

As proposed by Employment Fund, unemployment insurance contributions will be increased by 0.6 percentage points to 1.8 per cent for 2026. The increase will consolidate the Fund's finances and the financing of benefit expenditure. Despite the increase, unemployment insurance contributions will remain substantially below long-term average.

### **IMPACTS OF LEGISLATIVE PROJECTS ON THE FUND**

A large number of projects to amend the legislation pertaining to Employment Fund have been under way during the year. They include the reform of the Act on the Financing of Unemployment Benefits, general social security benefit, combination insurance, shortening of the lay-off notice period and abolition of the training compensation scheme. The universal earnings-related benefit model was also examined during the year. However, the Finnish Government decided that, for the time being, the review will not lead to any further preparations.

We have taken part in the preparatory work coordinated by the Ministry of Social Affairs and Health, commented on draft legislative proposals and memoranda and submitted statements.

Finnish Parliament approved the abolition of the training compensation scheme in December 2025. The training compensation has involved a minor implementation task totalling about EUR 10 million and it has been fully financed by the government. Abolition of the compensation will not affect the balance between Employment Fund's income and expenses and it will not lead to personnel changes. Training compensation will still be paid for training provided in 2025 but compensations will no longer be paid for training taking place in 2026.

The legislative proposal for General social security benefit was approved by Parliament in December 2025. The general social security benefit will combine labour market subsidy and basic unemployment allowance into a single benefit. Most of the financing for the latter benefit has come from Employment Fund. In quantitative terms, funding responsibilities will

remain unchanged under the new system. The change will not have any impact on the earnings-related security channelled through unemployment funds or its financing (which is primarily the responsibility of Employment Fund).

Combination insurance and shortening of the lay-off notice period are under preparation. If both reforms are implemented, they could increase the expenditure under the Fund's responsibility from EUR 10 million to EUR 50 million. Combination insurance would be a new funding responsibility for Employment Fund. Overhaul of the Act on the Financing of Unemployment Benefits is also under preparation.

In its budget session in autumn 2025, the Finnish Government decided to launch a review of mechanisms reducing cyclical fluctuations in the Finnish economy and of such matters as the role of Employment Fund in cyclical policy. To carry out the task, a working group under the Ministry of Social Affairs and Health was appointed, and Employment Fund is one of the actors represented in its secretariat. The term of the working group will end in April 2026.

### USING IT CAPABILITIES AND ARTIFICIAL INTELLIGENCE TO MEET STRATEGIC GOALS

Last year, we continued to implement Employment Fund's strategy by closely monitoring the indicators created in early 2025 to measure the progress of the strategy.

Producing customer-oriented services for the digital age in a reliable and high-quality manner, and increasing productivity and efficiency are our strategic goals.

During the year, we successfully transferred our IT services to a new supplier and built new platform capabilities. The reform will help us in digital development as we build more customer-oriented and efficient services. An example of this is the modernisation of our unemployment insurance contribution services.

The shutdown of the adult education allowance scheme has continued in accordance with the timetable specified in the law. The abolition transition period ended on 31 December 2025. The amount of the allowances paid decreased substantially compared to 2024. We will make the last

allowance payments in early 2026, after which the material will be archived and the information systems will be gradually shut down. The change has also been reflected in our organisation: since the end of 2023, the number of the Fund's employees has decreased by 29% and totalled 124 at the end of 2025. Customer satisfaction has remained at excellent levels throughout the shutdown process.

During 2025, we trained our personnel extensively on the responsible use of artificial intelligence. During the year, the Fund's personnel started testing a range of different AI tools, the aim of which is to support their work and make our operations more efficient. We will make more in-depth use of artificial intelligence in a goal-oriented manner as part of our work tasks during 2026.

### LOOKING AT THE FUTURE

The year 2025 was marked by many changes and phases. At the end of the year, Janne Metsämäki, who has served as the Managing Director of the Fund and its predecessors since 2015, retired on a well-earned

pension. Employment Fund's Board of Directors appointed Karo Nukarinen, the Fund's Chief Financial Officer, as the new Managing Director. He started in his new position on 1 January 2026.

We have achieved a great deal during the year. Competent and capable personnel are the key factor behind the success. Committed and high-quality work has been reflected in such matters as smooth-running operations and excellent customer service. Working together, we will set our sights for the future and continue to provide security for changes in working life in 2026.

I would like to extend warm thanks to all Employment Fund employees and our stakeholders for the year 2025.

**Karo Nukarinen**  
Managing Director

# Strategy, mission, vision and values

Employment Fund's strategy comprises our mission, vision, strategic goals, values and drivers of change. The Fund's Board of Directors assesses the needs to update the strategy each year. The assessment carried out in 2025 did not lead to any changes in the strategy.

Our mission is to provide security for changes in working life. Our vision is to be a respected and effective executor of social security. Our values are: our customers come first; we renew, we evolve, we act; we are a united team.





**MISSION**

Providing security for changes in working life



**VISION**

Respected and effective executor of social security



**VALUES**

Our customers come first  
We renew, we evolve, we act  
We are a united team

Our strategic goals are as follows:

- We produce customer-oriented digital age services reliably and with high quality.
- We increase productivity and efficiency.

Our strategic goals also include excellent customer and personnel experience.

Identified key forces of change impacting Employment Fund:

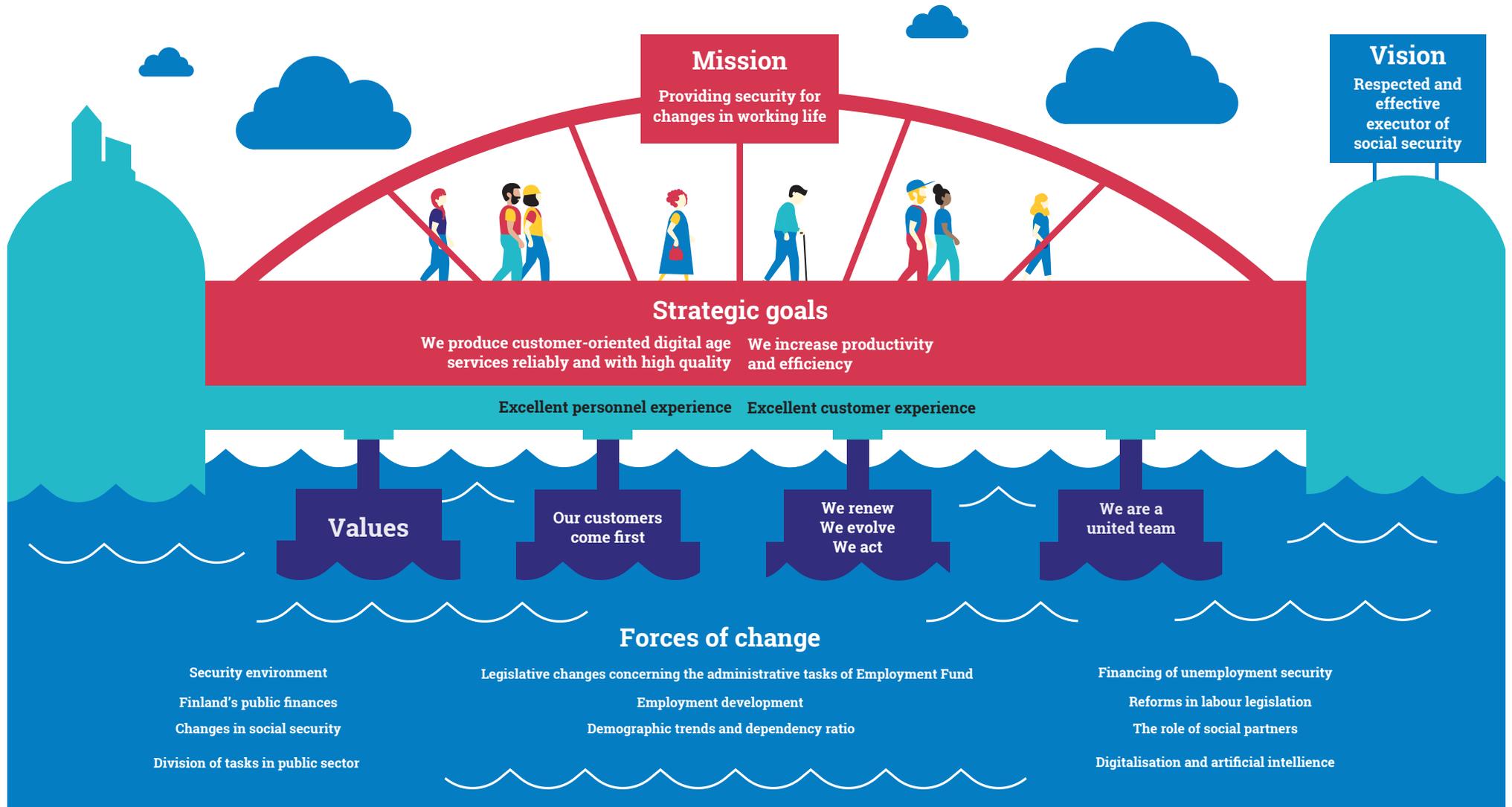
- Security environment
- Finland's public finances
- Changes in social security
- Division of tasks in public administration
- Legislative changes concerning the administrative tasks of Employment Fund
- Employment development
- Demographic trends and dependency ratio
- Financing of unemployment security
- Reforms in labour legislation
- Role of social partners
- Digitalisation and artificial intelligence

We assessed the forces of change during 2025 and concluded that they remain appropriate and essential.

In 2025, our focus was on the implementation of the Fund's strategy. At the beginning of the year, we built a multifaceted set of indicators, which we have used to monitor progress in implementing key areas of the strategy.

During the year, our focus was on two major areas of the strategy: Transfer of IT services to a new supplier and shutdown of the adult education allowance scheme in accordance with the Government Programme.

### Employment Fund's strategy



# Key figures 2025

The figures are in EUR million.

Income	2021	2022	2023	2024	2025	Change EUR	Change %
Unemployment insurance contribution income collected from employers	1,159	1,326	1,412	766	571	-195	-25%
Unemployment insurance contribution income collected from employees	1,241	1,424	1,490	806	607	-198	-25%
Government and municipal contributions	911	717	704	752	700	-51	-7%
Other employer contributions*	23	23	21	24	29	5	19%
<b>Total income</b>	<b>3,335</b>	<b>3,490</b>	<b>3,627</b>	<b>2,347</b>	<b>1,907</b>	<b>-440</b>	<b>-19%</b>
Expenses	2021	2022	2023	2024	2025	Change EUR	Change %
Unemployment funds, Employment Fund's contributions	-1,463	-1,039	-1,098	-1,238	-1,063	-175	-14%
Unemployment funds, government contributions	-909	-714	-700	-747	-699	-48	-6%
Finnish Centre for Pensions	-902	-596	-600	-722	-659	-64	-9%
Social Insurance Institution of Finland	-239	-243	-263	-168	-94	-73	-44%
Adult education benefits	-186	-189	-201	-212	-77	-135	-64%
Employment areas	0	0	0	0	-5	5	
Ministry of Economic Affairs and Employment	-14	-20	-30	-32	-30	-2	-6%
State Pension Fund	-11	-8	-8	-10	-10	0	0%
Administrative expenses	-26	-23	-34	-34	-31	-3	-8%
<b>Total expenses</b>	<b>-3,750</b>	<b>-2,832</b>	<b>-2,934</b>	<b>-3,163</b>	<b>-2,668</b>	<b>-495</b>	<b>-16%</b>
Net financial income	3	-34	69	67	32	-35	-52%
<b>Change in net position</b>	<b>-412</b>	<b>625</b>	<b>763</b>	<b>-749</b>	<b>-729</b>	<b>19</b>	
Net position	2021	2022	2023	2024	2025	Change EUR	Change %
Investment assets and cash and cash equivalents	1,339	1,885	1,869	1,513	857	-656	-43%
Receivables, accruals and fixed assets	679	818	859	447	354	-93	-21%
Short-term and long-term loans	1,299	1,299	599	599	599	0	0%
Unemployment insurance contribution and other liabilities	86	146	109	89	69	-20	-22%
<b>Net position</b>	<b>633</b>	<b>1,258</b>	<b>2,021</b>	<b>1,272</b>	<b>543</b>	<b>-729</b>	<b>-57%</b>

\*Other employer contributions contain the employer's liability component and transition security contributions and the deductions under the Employment Contracts Act.

A large, stylized white silhouette of a bird, possibly a swan or crane, is positioned on the left side of the page. The bird is facing right and has a long, curved neck. The background is a solid red color.

# Report of the Board of Directors

## Duties of Employment Fund

**Employment Fund's main duties are to finance unemployment security, determine and collect unemployment insurance contributions, and grant adult education benefits.**

We collect the unemployment insurance contributions paid by all employers and employees. We determine the unemployment insurance contributions on the basis of the information reported by the employers to the Incomes Register. Parliament approves the contribution rates by passing a bill on the contributions each year.

The Fund maintains a business cycle buffer arising from the difference between its assets and liabilities, and its purpose is to ensure our liquidity and to keep changes in contributions at moderate levels. With the buffer, the Fund can ease upward pressure on contributions when unemployment security expenditure increases.

In 2025, we collected a total of EUR 1,178 (1,571) million in unemployment insurance contributions. Employers accounted for EUR 571 (766) million and employees for EUR 607 (806) million of this total. The liability components and transition security contributions paid by employers, and the deductions specified in the Employment Contracts Act totalled EUR 29 (24) million. Payments by central government totalled EUR 605 million and by municipalities EUR 95 million. In 2025, we collected a total of EUR 1,907 (2,347) million in contributions.

The benefits financed by Employment Fund include the unemployment allowances paid by unemployment funds and Kela, pension contributions related to earnings-related daily allowances and the adult education allowance paid by the Fund. We also work as experts in the reconciliation of the compensation paid in disputes concerning termination of employment and the unemployment allowance received by the employee.

In 2025, we financed unemployment security paid by unemployment funds totalling EUR 1,762 (1,985) million, including central government and municipal contributions. This was 11.2% less than in 2024, and the decrease was mainly due to the impacts of the measures set out in the Government Programme.

Employment Fund accounted for EUR 1,063 (1,238) million of the funding. The decline of the share financed with unemployment

insurance contributions was partly due to the decrease in the lay-off daily allowances for which the Fund is responsible by 22.1% or EUR 81 million. Employment Fund, central government and municipalities cover about 94.5% of the financing of unemployment funds. The remainder of the financing comes from the membership contributions.

We paid a total of EUR 94 (167) million to Kela as the Fund’s share of basic income security for employees who are not members of unemployment funds and paid a total of EUR 30 (27) million as the Fund’s share of pay security to the Ministry of Economic Affairs and Employment.

In 2025, we contributed to the employment pension costs by paying to the Finnish Centre for Pensions and the State Pension Fund a total of EUR 668 (732) million in employment pensions accruing during the earnings-related daily allowance period and the payment period of job alternation leave and adult education allowance.

We finance the transition security package intended for dismissed employees aged 55 and over, which consists of transition security training and transition security allowance. We paid a total of EUR 5 million in transition security training costs to the employment areas and a total of EUR 14 (12) million in transition security allowances to unemployment funds and Kela.

We paid a total of EUR 77 (203) million in adult education allowances to 15,144 (31,796) persons. Because of the abolition of the adult education benefits, in 2025 allowances could only be granted to wage and salary earners and full-time entrepreneurs whose studies and eligibility for the benefits had started on 31 July 2024 at the latest. The abolition transition period ended on 31 December 2025.

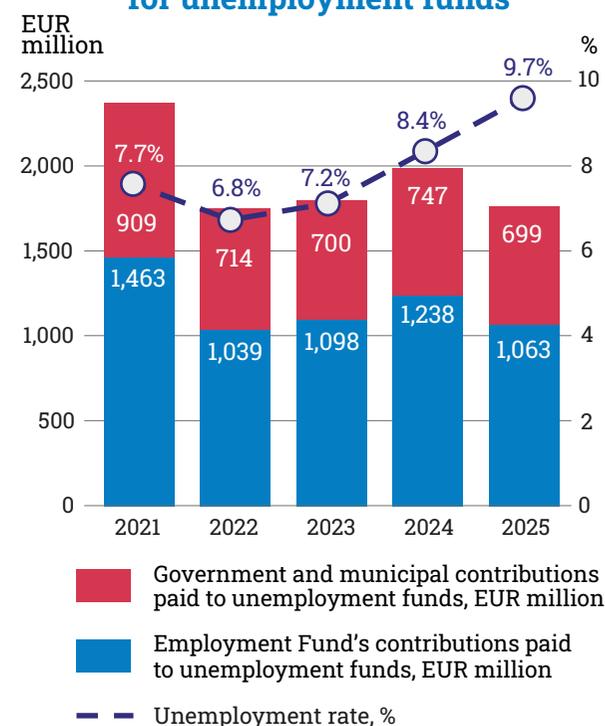
We granted scholarships for qualified employees to 148 (23,009) persons in 2025. We paid a total of EUR 0.1 (9.6) million in scholarships. In 2025, scholarships for qualified employees could only be granted on the

basis of a vocational qualification taken by 31 July 2024.

In 2025, we paid a total of EUR 2,668 (3,163) million in financing contributions (including the Fund’s administrative expenses).

Employment Fund’s operations are supervised by the Financial Supervisory Authority.

**Employment Fund’s financing for unemployment funds**



## We finance Finnish working life extensively

### Employees

pay unemployment insurance contributions.

EUR  
607  
million

### Employers

pay unemployment insurance contributions.

EUR  
600  
million

In certain situations, they also pay a liability or transition security component and a compensation for disputes concerning wrongful dismissal in accordance with the Employment Contracts Act.

### The State

finances a portion of the unemployment allowances by tax revenue.

EUR  
605  
million

### Municipalities

finances a portion of the unemployment allowances, once unemployment exceeds 100 days.

EUR  
95  
million



## Employment Fund

Contributions collected

EUR  
1,907  
million

Contributions paid\*

EUR  
2,668  
million

The net assets of the business cycle buffer decreased by EUR 729 million.

Net assets in the business cycle buffer

EUR  
543  
million

EUR  
32  
million

Net financial income

We pay a share of the earnings-related daily allowances to the unemployment funds.

EUR  
1,063  
million

We pay for the pensions accrued during periods of unemployment benefits, adult education allowance and job alternation leave to the Finnish Centre for Pensions and the State Pension Fund.

EUR  
668  
million

We pay a share of the basic daily allowances to Kela.

EUR  
94  
million

We fund the adult education benefits.\*\*\*

EUR  
77  
million

We pay a share of the pay security to the Ministry of Economic Affairs and Employment.

EUR  
30  
million

We fund training compensations (available to municipalities, parishes, associations and foundations, for example).\*\*

EUR  
15  
million

We pay the costs of transition security training to employment areas\*\*\*

EUR  
5  
million

We pay the government and municipalities contribution for unemployment allowances to the unemployment funds.

EUR  
699  
million



We manage the allocation of costs between the Member States for the earnings-related unemployment benefit, amounting in total to EUR 0.2 million.

\*Includes administrative expenses

\*\*Funded by the Ministry of Finance

\*\*\*Cost of transition security allowance included in unemployment funds and Kelas figures.

\*\*\*\*Includes adult education allowance and scholarship for qualified employees.

Figures for 2025

## Cooperation with stakeholders

Employment Fund cooperates extensively with a broad range of different parties. In the management of our statutory tasks, we work closely with ministries, especially the Ministry of Social Affairs and Health, Ministry of Economic Affairs and Employment and the Ministry of Finance.

We are part of Finland's statutory social insurance scheme. In our implementation tasks, we cooperate with unemployment funds, Kela, Finnish Centre for Pensions, Finnish Workers' Compensation Center and pension insurance companies. Our role as a guarantor of liquidity requires smooth and efficient cooperation with banks and financial institutions. Labour market central organisations are represented in the administration of Employment Fund and we also cooperate with these organisations.

Employment Fund updated its approach to stakeholder work during 2025 by making it more systematic: We progressed towards the goals we had set in accordance with the annual clock. Together with the parties involved in stakeholder cooperation, we determined a shared situation picture, applied agreed uniform operating methods and worked together to tackle the themes central to the Fund. During 2025, we participated in the work of working groups and

consultations and submitted statements in response to requests pertaining to us.

Lobbying activities targeting Parliament and ministries must be disclosed to the Finnish Transparency Register twice a year. The activities reported by Employment Fund concern our statutory tasks, matters under preparation and topical issues. During 2025, our topics included transition security and the promotion of the employment of older people, potential ways of implementing combination insurance, adult education allowance and funding of unemployment security, funding of general social security benefit, and the overhaul of the Act on Unemployment Funds and the Act on the Financing of Unemployment Benefits. You can take a closer look at our disclosures to the Finnish Transparency Register in the Register's own service.

In 2025, we invited all our stakeholders to an event where we provided information

about topical matters concerning the Fund such as finances and our digital journey. In addition to contacts with individual stakeholders, we also provided up-to-date information on our tasks and implementation in regular newsletters on specific themes, at introductory meetings, in the stakeholder event and on our website. In 2025, we produced a broad range of material for different stakeholders and updated the information content of our website. Based on the feedback and wishes we received, we produced extensive material for the needs of our stakeholders. Our updated information packages have been well received, and in stakeholders' view, they are informative and generate added value. They provide a good basis for continuing the dialogue.

We provided our customers and stakeholders with advice in matters concerning the use of our services and implementation processes with webinars, training, newsletters and informative website content. In 2025, in addition to providing information for our customers, we also produced content for unemployment funds, employment

service personnel, labour law lawyers and educational institutions. We also had regular meetings with social insurance actors to promote common issues and efficient implementation.

We cooperate with social security institutions in other EU and Nordic countries in joint international forums. The aim of the cooperation is to keep up to date on the social security funding models of other countries and to provide information on the model used to finance Finnish social security.

Our experts participated in the Nordic seminar on unemployment security (NAF), which was organised by Sweden. The seminar discussed unemployment security reforms in individual countries, labour mobility in the Nordic area, information security topics and the use of artificial intelligence in the implementation of unemployment security.

We also participated in the work of the (un)employment working group of ESIP

(European Social Insurance Platform), which was intended for social security organisations and in the ESIP forum discussing the contribution of social security to competitiveness and growth in Europe.

Within the framework of international cooperation, we also take part in the work of NSFM (Nordisk Socialförsäkringsmöte), ISSA (International Social Security Association) and AEIP (The European Association of Paritarian Institutions).

We want to be a valued partner for the media and provide reliable information on our implementation work. We published media releases and provided information on our implementation process on our website during the year.

## Customer service

Employment Fund's overall customer satisfaction score (CSAT) showing the proportion of satisfied and highly satisfied customers was again at a high level (89%) in 2025.

### EMPLOYER CUSTOMERS WERE PARTICULARLY SATISFIED WITH THE TELEPHONE SERVICE, PREPARATIONS FOR THE ONLINE SERVICE REFORM CONTINUE

Collection of the unemployment insurance contributions has been a fully automated process since 2019, and as a result, there is only occasional need for customer advice. For this reason, the volume of customer contacts has been at relatively moderate levels in recent years.

In 2025, our unemployment insurance contribution services responded to

- 6,723 (9,542) customer calls
- 3,245 (3,653) customer messages in the online service
- 16,167 (17,185) emails.

In 2025, overall customer satisfaction with unemployment insurance contribution services was 83% (77%). Unemployment insurance contribution customers were particularly satisfied with the personal service: A total of 90% (93%) of the respondents to the customer satisfaction survey were satisfied with the service they received by telephone in 2025.

Overall satisfaction was lowered by the online service, which is in need of an overhaul. Satisfaction with online service was only 37% (36%). In addition to customer service, our focus was also on preparing the procurement of the online service overhaul project for our employer customers. In connection with the procurement, we detailed the specification work carried out in 2024 and integrated Employment Fund's new IT capabilities into the implementation of the procurement so that we could ensure the smooth progress of the procurement and the implementation project.



### **CUSTOMER SATISFACTION WITH ADULT EDUCATION BENEFITS REMAINED EXCELLENT AS THE SHUTDOWN PROCESS PROGRESSED.**

Personal advice was in demand among the customers until the end of the transition period for the abolition of the adult education benefits. As the transition process progressed, the number of customer contacts also started to decline as the number of benefit recipients decreased.

In 2025, our benefit service responded to

- 4,581 (27,527) customer calls
- 9,001 (29,423) customer messages
- 327 (2,796) emails.

Ensuring customer satisfaction was our key goal during the transition period and this objective was fully met. Despite the abolition of the adult education benefits, overall customer satisfaction score (CSAT) remained at a high level (91%).

In 2025, a total of 94% (95%) of the benefit customers who called us were satisfied with the service they received. During the year, we started to gradually shut down the telephone service for adult education benefits: we shortened the service opening hours and in autumn 2025, we replaced the traditional telephone service with a call-back service. The introduction of the call-back option allowed us to organise the service in a flexible manner in a situation where the

number of benefit service employees gradually decreased.

Customer satisfaction with the online service for adult education benefits was 92% (95%). Extensive automation of the application processing before the abolition was announced and systematic development work to improve the smoothness of online services contributed to the strong result.

## Unemployment insurance contributions

Employment Fund determines and collects the unemployment insurance contributions and supervises that the employers manage their obligations concerning the unemployment insurance contributions.

The obligation to pay unemployment insurance contributions is based on the Act on the Financing of Unemployment Benefits (555/1998). Unemployment insurance contributions are paid by employees aged between 18 and 64 as well as their employers.

The employer was liable to pay the unemployment insurance contributions if the wages and salaries paid by it exceeded EUR 1,500 during 2025. No unemployment insurance contributions are paid from an entrepreneur's earnings. Part-owners specified in the Unemployment Security Act (1290/2002) are obligated to pay unemployment insurance contributions but they pay the lower rate paid by employees.

All wages, salaries, bonuses or similar compensation that have been paid or have been agreed to be paid during an employment relationship as compensation for work are considered income

that can be used as a basis for unemployment insurance contributions.

The employer deducts the employee's unemployment insurance contribution from the employee's wages when paying the wages and reports the earnings payment data to the Incomes Register. Employment Fund receives the wage and salary details directly from the Incomes Register and, using the earnings payment data as a basis, determines the unemployment insurance contributions payable by the employers. We collect the contributions four times each year (in January, April, July and October) on the basis of the wages and salaries paid in the previous three months.

We make extensive use of automated decision-making when determining the unemployment insurance contributions. In 2025, automated decisions accounted for about 99% of all decisions on unemployment insurance contributions.

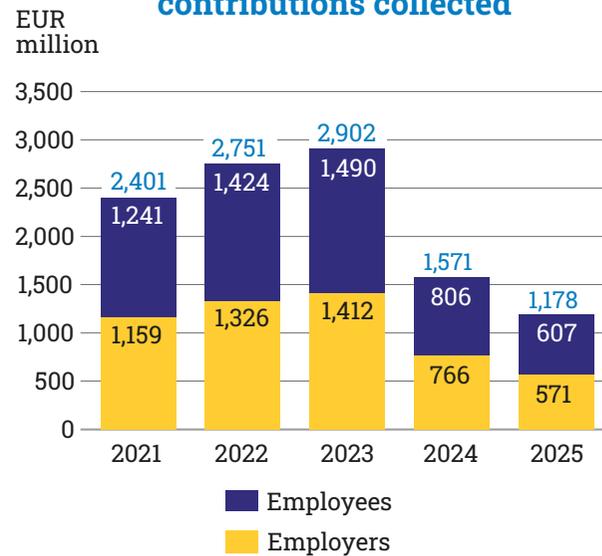


### AMOUNT OF UNEMPLOYMENT INSURANCE CONTRIBUTION IN 2025

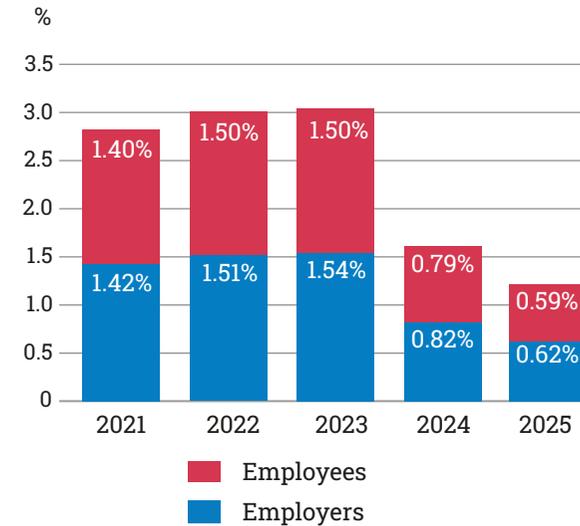
The unemployment insurance contribution rates were lowered for 2025 in accordance with the proposal made by the Fund. Lowering of the contributions from 2024 was made possible by the estimated impact of the measures set out in the Government Programme, decisions made by the Government in its spending limits discussions, outlook for the economy and employment, and the high level of the business cycle buffer.

The unemployment insurance contributions paid by employers totalled EUR 571 (766) million in 2025. The liability components and transition security contributions paid by employers, and the deductions specified in the Employment Contracts Act totalled EUR 29 (24) million. The unemployment insurance contributions paid by employees totalled EUR 607 (806) million.

Unemployment insurance contributions collected



Unemployment insurance contribution rates 2021–2025



### UNEMPLOYMENT INSURANCE CONTRIBUTION RATES WILL INCREASE IN 2026

In August 2025, we proposed that the unemployment insurance contributions for the year 2026 should be increased by 0.6 percentage points. The proposal for increasing the contributions was prompted by the projection of a lower business cycle buffer, lower income and higher than anticipated unemployment rate as well as the outlook for the economy and employment. President of the Republic approved the act on the contributions for 2026 in December 2025.

Unemployment insurance contribution rates	2024	2025	2026
Employee's unemployment insurance contribution	0.79	0.59	0.89
Employer's unemployment insurance contribution, lower (1)	0.27	0.20	0.31
Employer's unemployment insurance contribution, higher (2)	1.09	0.80	1.23
Employer's average unemployment insurance contribution	0.82	0.62	0.92
Employee's unemployment insurance contribution for part-owners	0.43	0.30	0.39
Employer's unemployment insurance contribution for part-owners	0.27	0.20	0.31
Unemployment insurance contribution for unincorporated state enterprises, lower (1)	0.27	0.20	0.31
Unemployment insurance contribution for unincorporated state enterprises, higher (2)	0.65	0.43	0.72
Unemployment insurance contribution for universities, lower (1)	0.27	0.20	0.31
Unemployment insurance contribution for universities, higher (2)	0.71	0.49	0.79

(1) Up to a payroll of EUR 2,337,000 (2024); EUR 2,455,500 (2025); and EUR 2,509,500 (2026).

(2) Exceeding the payroll of EUR 2,337,000 (2024); EUR 2,455,500 (2025); and EUR 2,509,500 (2026).

## SUPERVISION OF UNEMPLOYMENT INSURANCE CONTRIBUTIONS

Employment Fund supervises that the employers meet their obligations to pay the unemployment insurance contributions. The purpose of the supervision is to ensure that the earnings payment data reported by the employers as a basis for the unemployment insurance contributions correspond to the actual wage and salary payments and that the correct amounts of unemployment insurance contributions are collected.

In the supervision, we check the accuracy of the earnings payment data reported to the Incomes Register. If we notice that an employer has reported earnings payment data to the Incomes Register incorrectly we

contact the employer in question and examine the correctness of the earnings payment data in more detail.

The incorrect earnings payment data uncovered in the supervision is often the result of errors in the payroll system, misunderstandings concerning the payment obligation, or other errors. We provide employers with advice on matters concerning the payment obligation and the reporting of wages and salaries to ensure that employers report the earnings payment data correctly.

In addition to the Incomes Register data, we also receive each year from the Finnish Tax Administration details of wages and

salaries uncovered in tax audits, which we compare with the data reported to the Incomes Register. We will contact the employer if the earnings payment data has not been reported to the Incomes Register. In its supervisory activities, Employment Fund also uses information on employers received from other authorities and social insurance providers. If necessary, we can estimate the unemployment insurance contribution based on the information received.

In 2025, we investigated 811 (1,099) cases for supervision. Based on the supervision, we ordered additional payments totalling EUR 218,666 (EUR 338,357) and paid refunds amounting to EUR 55,366 (EUR 19,188).



**In 2025, we investigated 811 (1,099) cases for supervision.**

### TRAINING COMPENSATION

On 9 October 2025, the Finnish Government submitted a proposal to Parliament on the abolition of the training compensation scheme. President of the Republic approved the act in December 2025. The abolition means that no training compensation will be granted for training provided on or after 1 January 2026. Applications for compensation for training days in 2025 could be submitted in January 2026.

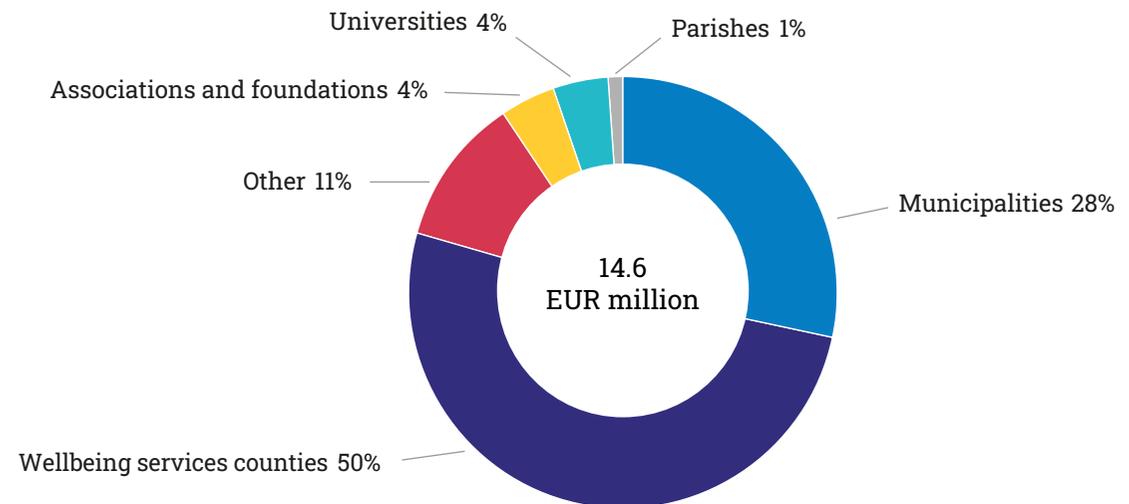
The purpose of the training compensation has been to provide the employer with more opportunities to organise training for its employees so that they can develop their vocational competence. Employers in the

public and third sectors such as municipalities, wellbeing services counties, parishes, universities, universities of applied sciences, associations and foundations, have been eligible for training compensation.

Employers have been able to apply for training compensation from Employment Fund each year by the end of January of the following calendar year. We have granted and paid the training compensation based on the application submitted by the employer.

In 2025, we paid about EUR 14.6 (11.5) million in training compensation to 614 (602) employers. The employers eligible for the compensation applied for compensation on the basis of 594,266 (512,268) training days. Of the employers receiving training compensation, 274 (264) were cities and other municipalities, 21 (21) wellbeing services counties, 178 (177) associations and foundations, 94 (94) parishes, 10 (10) universities and 37 (36) other employers.

### Training compensations paid



### EMPLOYER'S LIABILITY COMPONENT

Employment Fund may impose a liability component on an employer and collect it from this employer if the employer has dismissed or laid off an employee close to retirement and as a result, the employee has remained out of work or laid off for a prolonged period. We use liability component payments to finance unemployment security expenses resulting from dismissals and lay-offs. Provisions on determining the liability component and the collection procedure are laid down in chapter 8a of the Act on the Financing of Unemployment Benefits (555/1998).

The right to additional days of unemployment security will be gradually abolished. This also means that the collection of liability components will end. The new statutory transition security contribution for employers dismissing employees will replace the liability components during a transition period. Employees born in 1964 are the last age group eligible for the additional days and for whom the employer is obliged to pay the liability component. The transition

period for the liability component will end by the year 2035.

Rising unemployment and changes in the age limits of the right to additional days of unemployment security have led to an increase in the number of liability component cases. We received about 5,480 (3,900) new liability component cases in 2025, which is about 41% more than in 2024. We imposed a liability component on the employer in about 470 (370) cases.

We recorded about EUR 8 (7) million in liability components in 2025. The average processing time in cases that led to a payment decision was 85 (59) days.

### TRANSITION SECURITY CONTRIBUTION FOR EMPLOYERS DISMISSING EMPLOYEES

The employer may be obliged to pay the transition security contribution if the employer has dismissed an employee aged 55 or over on production-related or financial grounds and the employee had been employed by the employer in question for at

least five years. The contribution does not apply to the smallest employers as the total payroll subject to the employer's unemployment insurance contribution must exceed an annually reviewed minimum amount, which was about EUR 2.3 million in 2024. The transition security contribution is calculated from the payroll of the year preceding the year of the dismissal.

We collect the transition security contributions to finance the employee's transition security package. The transition security package consists of transition security training and transition security allowance. The employment authority provides the dismissed employee with transition security training corresponding to two months' pay. Kela or the unemployment fund will also pay the employee a transition security allowance corresponding to one month's pay.

Employment Fund has collected transition security contributions from employers since the beginning of 2023. Provisions on determining the transition security contribution and the collection procedure

are laid down in chapter 4a of the Act on the Financing of Unemployment Benefits (555/1998).

The number of cases has increased as a result of rising unemployment and better awareness of transition security. We received about 4,600 (3,200) transition security cases in 2025, which is about 44% more than in 2024. We imposed a transition security contribution on the employer in about 2,900 (2,400) cases. The most common reason for not imposing the contribution is that the payroll limit is not met.

We recorded about EUR 21 (16) million in transition security contributions in 2025. The average processing time in cases

leading to a payment decision increased slightly: from 57 days in 2024 to 64 days in 2025.

#### **RECONCILIATION UNDER THE EMPLOYMENT CONTRACTS ACT**

Employment Fund acts as an expert in the reconciliation of the compensation paid in disputes concerning termination of employment and the unemployment allowance received by the employee. An employer that has laid off an employee or ended an employee's employment contract in violation of the provisions of the Employment Contracts Act is liable to pay compensation to the employee. A total of 75% of the compensation is deducted from the earnings-related unemployment benefits paid to the

employee after the employment relationship has ended when compensation is paid for salary losses due to unemployment. The employer pays the deduction to Employment Fund.

The reconciliation specified in the Employment Contracts Act is made when a court orders payment of compensation or when the parties to the dispute agree on a compensation. The court must consult Employment Fund if after the end of the employment relationship or for the duration of the lay-off, the plaintiff has received earnings-related unemployment allowance. We issued about 720 (680) statements and contract comments in 2025.

# Our aim is to have efficient digital services and satisfied customers

## UNEMPLOYMENT INSURANCE CONTRIBUTIONS WERE PAID BY



**135,125**

employers and other parties liable to pay them

## NUMBER OF UNEMPLOYMENT INSURANCE DECISIONS



**484,258** pcs

of which **99%** were automated decisions



## AMOUNT OF UNEMPLOYMENT INSURANCE CONTRIBUTIONS COLLECTED

EUR **1,178** million

51,5%

48,5%

EUR **607** million

were paid by employees

EUR **571** million

were paid by employers

Uncollected contributions accounted for

**0.25%**

of the total

## NUMBER OF CASES FOR SUPERVISION



**811** pcs

Decisions based on supervision

**894** pcs

## TRAINING COMPENSATIONS WERE REFUNDED TO



**614** employers

## CUSTOMER CONTACTS FOR UNEMPLOYMENT INSURANCE CONTRIBUTIONS (PCS)



Logins to online service\*

**36,558**



Messages in online service

**3,245**



Emails

**16,167**



Phone calls

**6,723**



Calculators were used

**1,328**

times



Website visits

**67,948**

## Adult education benefits

The year of the adult education benefits was characterised by the implementation of the abolition set out in the Government Programme. The transition period for abolishing the adult education allowance began on 1 August 2024 and ended on 31 December 2025.

In 2025, in accordance with the act abolishing the allowance scheme, adult education allowances could only be granted to wage and salary earners or full-time entrepreneurs whose studies and allowance period had started on 31 July 2024 at the latest. In 2025, scholarships for qualified employees could only be granted on the basis of a vocational qualification taken by 31 July 2024. The application for the scholarship had to be submitted within one year of completing the qualification.

Despite the long transition period, the implementation of the adult education benefits

has progressed smoothly, thanks to a fully digitalised application process.

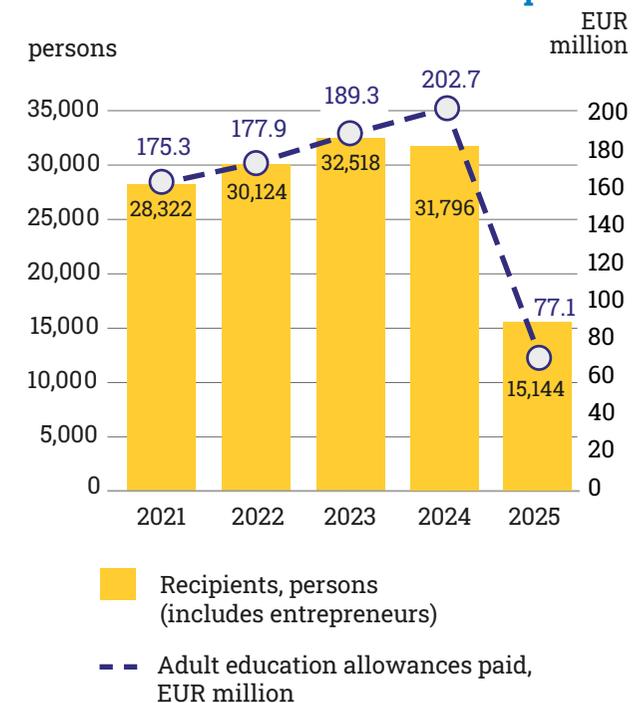
Employees' adult education benefits have been financed entirely from the unemployment insurance contribution income. The government has been responsible for financing the adult education allowance scheme for entrepreneurs and scholarships for qualified employees working for central government.

### DEVELOPING COMPETENCE WITH ADULT EDUCATION ALLOWANCE FOR MORE THAN 20 YEARS

Adult education allowances have been granted since 2001. Employees and entrepreneurs who have been working for at least eight years were eligible for adult education allowance. The allowance was intended for maintaining and developing professional competence and it could be granted for studies conducted under public oversight in Finland. The studies had to lead to a full degree, a partial degree or be further or continuing vocational training.

In 2025, a total of EUR 77 (203) million in adult education allowances was paid to 15,144 (31,796) persons. As a result of the abolition of the scheme, the amount paid was about 62% lower than in 2024. Of the recipients, 455 (1,104) received entrepreneurs' adult education allowances and 14,689 (30,694) received employees' adult education allowances.

### Number of recipients and adult education allowances paid



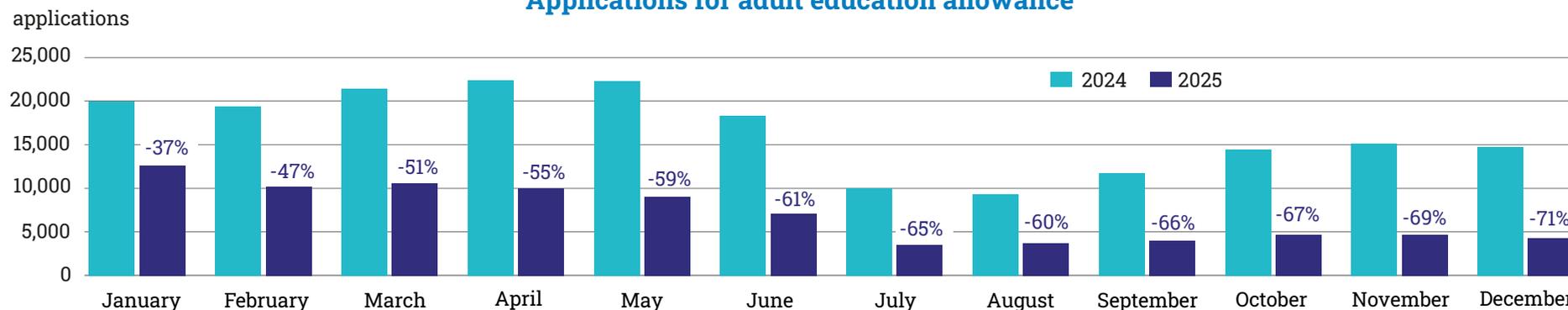
**THE NUMBER OF APPLICATIONS DECREASED AS FORECAST AS THE TRANSITION PERIOD PROGRESSED**

The application procedure for employee’s adult education allowance was a two-step process. Based on the allowance right application, the recipient received eligibility for adult education allowance for the period specified in the application.

After this, the applicant was able to apply for an allowance payment retrospectively for each month on a separate payment application. If the applicant wanted to work between their study leave periods and thus spread the studies over a longer period, a new allowance right application for new allowance periods had to be submitted to Employment Fund.

In 2025, we received 13,701 (34,125) allowance right applications and 71,034 (164,323) payment applications. The average processing time for allowance right applications was 10 (9) days and for payment applications 1 (1) day. Automated decisions accounted for 56% of the extension applications for allowance right and for 89% of the payment applications.

**Applications for adult education allowance**

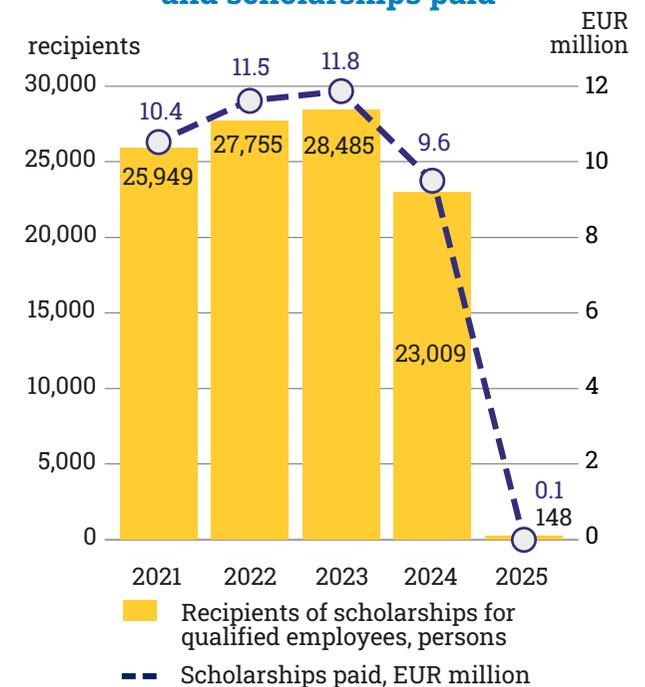


**SCHOLARSHIPS FOR QUALIFIED EMPLOYEES ON THE BASIS OF A VOCATIONAL QUALIFICATION**

The scholarship scheme for qualified employees was introduced in 1996. A person residing in Finland was eligible for the scholarship if they had completed initial vocational qualification, further vocational qualification or specialist vocational qualification, was under 68 years of age, and had worked for at least five years by the date on which they had completed the qualification. The scholarship for qualified employees was a tax-exempt lump sum of EUR 414.

Employment Fund received only 263 (29,124) applications for scholarships for qualified employees, and on their basis we granted a total of EUR 0.1 (9.6) million in scholarships to 148 (23,009) persons in 2025. Because of the abolition of the scheme no further applications could be submitted after 31 July 2025.

**Recipients of scholarships for qualified employees and scholarships paid**



### **APPEALS AND RECOVERY OF BENEFITS PAID WITHOUT JUSTIFICATION**

Applicants who were not satisfied with the outcome of their application for a scholarship for qualified employees or adult education allowance had the right to appeal against the decision. The first appellate body is the Social Security Appeal Board (SAMU). The second and final appellate body is the Insurance Court. In 2025, the Appeal Board received 89 (217) complaints. The Insurance Court received 23 (17) complaints. The complaints mainly concerned the recovery of benefits or the revision of benefits, taking into account additional income based on their time of payment.

If a benefit has been paid without justification or the amount paid out was too high, the excess must be recovered from the recipient. A total of 739 (1,431) recovery decisions were made.

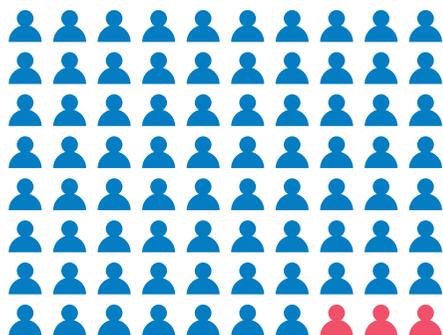
### **IN THE DEVELOPMENT WORK, THE FOCUS WAS ON PLANNING THE SHUTDOWN OF THE SYSTEMS AND ARCHIVING OF THE BENEFIT INFORMATION**

In the development of the benefit systems and processes, we focused on the changes set out in the legislation abolishing the schemes, the necessary system updates and the safeguarding of functional capacity.

The project to store and archive the benefit data was launched in autumn 2025. In the project, the benefit data to be archived will be transferred to the archiving system so that the data can be stored in accordance with the law. The project progressed as planned during the autumn, and the transfer of data from all benefit systems began before the turn of the year.

## Aiming for efficient digital services and customer satisfaction

### ADULT EDUCATION ALLOWANCES WERE GRANTED TO



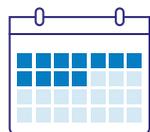
**15,144**

persons of whom  
**97% were employees**  
 and **3% entrepreneurs**

### NUMBER OF ADULT EDUCATION ALLOWANCE DECISIONS FOR EMPLOYEES

#### Allowance right decisions

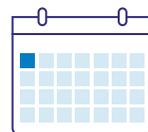
**14,108** pcs



Average processing time  
**10 days**

#### Payment decisions

**71,048** pcs



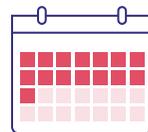
Average processing time  
**1 days**

**56%** of all decisions were automatic decisions

**89%** of all decisions were automatic decisions

### NUMBER OF ADULT EDUCATION ALLOWANCE DECISIONS FOR ENTREPRENEURS

**176** pcs



Average processing time  
**6 days**



### CUSTOMER CONTACTS FOR ADULT EDUCATION ALLOWANCE (PCS)



Logins to online service

**227,932**



Messages in online service

**9,001**



Emails

**327**



Phone calls

**4,581**



Calculators were used

**13,569**



Website visitors

**344,662**

# Finance

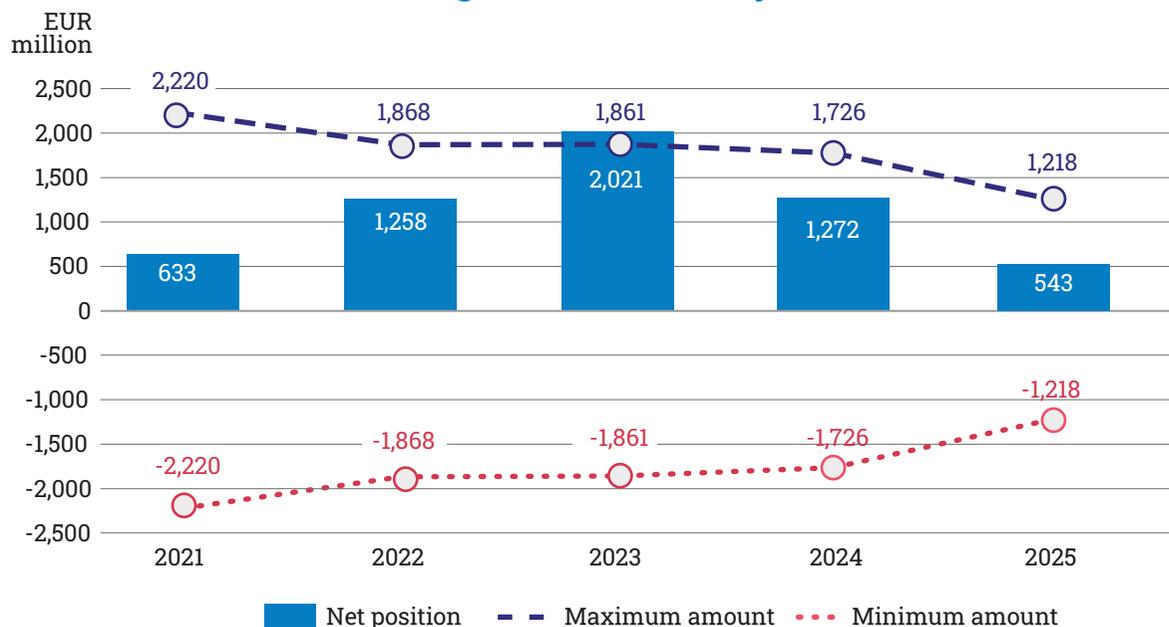
## BUSINESS CYCLE BUFFER AND CHANGE IN NET POSITION

Employment Fund maintains a statutory business cycle buffer to ensure liquidity and balance out changes in unemployment insurance contributions. The business cycle buffer accrues on the basis of the difference between Employment Fund’s assets and liabilities. When the unemployment insurance contributions are set, the forecast for the maximum amount of assets or liabilities in the buffer may not exceed expenses corresponding to an unemployment rate of six percentage points. When the decision on the level of unemployment insurance contributions is made, the forecast for the business cycle buffer may by law exceed the maximum amount of assets over two years during a three-year review period to ensure a steady payment trend. In that case, however, unemployment insurance contributions may not be set higher than in the previous year.

The maximum amount of the buffer is calculated on the basis of the annual financial statements by dividing the annual expenses for which Employment Fund is liable (EUR 1,969 million in 2025) by the average

unemployment rate for the year (9.7), and multiplying the result by six. The statutory maximum amount of the business cycle buffer was EUR 1,218 (1,726) million in 2025.

Changes in business cycle buffer

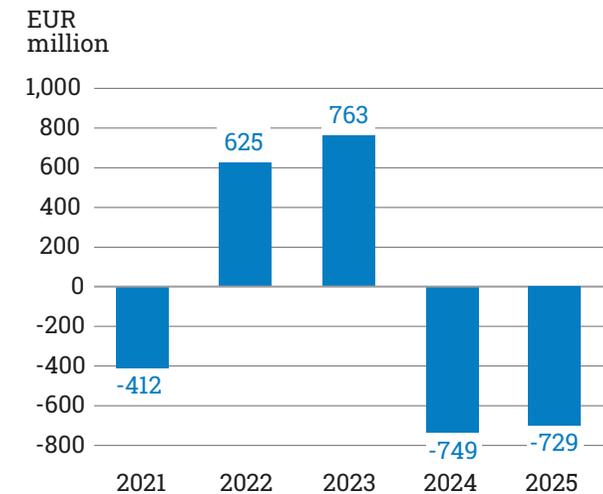


According to our budget for 2026, which we submitted to the Ministry of Social Affairs and Health in August 2025, the change in Employment Fund's net position would be about EUR 744 million negative in 2025 and about EUR 5 million positive in 2026. In the same connection we estimated that the net position would be about EUR 528 million positive on 31 December 2025 and about EUR 533 million positive on 31 December 2026.

Change in the Fund's net position was EUR 729 million negative (EUR 749 million negative) in 2025. The Fund's net position totalled EUR 543 million on 31 December 2025 (EUR 1,272 million on 31 December 2024).

When preparing our financial statements for 2025, we estimated that the change in Employment Fund's net position would be about EUR 100 million negative in 2026, which would mean a positive net position of about EUR 440 million at the end of 2026. The main factor behind the weakened estimate is the forecast of a higher unemployment rate for 2026: 9.7% (previously 8.9%).

### Change in net position



### LIQUIDITY AND DEBT FINANCING

Under the investment and debt financing principles approved by Employment Fund's Supervisory Board, in fixed-income investments with less than one year's maturity, the Fund must keep an amount that covers at least one month's expenses (about EUR 222 million in 2025). On average, the liquidity buffer described above was 1.9 times the minimum amount in 2025.

For liquidity purposes, the Fund also has a EUR 300 million commercial paper programme (31 Dec 2024: EUR 300 million). The Fund also has EUR 600 million in committed revolving credit facilities (RCF) with four banks (31 Dec 2024: EUR 600 million). The commercial paper programme and the revolving credit facilities remained unused at the end of 2024 and at the end of 2025.

At the end of 2025, Employment Fund had a bond of EUR 600 million, which is due on 16 June 2027.

The credit rating agency S&P Global Ratings has given Employment Fund a credit rating of AA+ (stable outlook)/A-1+. S&P Global Ratings has given the same rating to the State of Finland.



We estimate that the change in Employment Fund's net position would be about EUR 100 million negative in 2026, which would mean a positive net position of about EUR 440 million at the end of 2026.

## Investment activities

Employment Fund carries out investment activities to the extent necessary to manage the timing differences in the cash flows generated by its income and expenses, and for liquidity management purposes.

Employment Fund's investment assets, cash and cash equivalents totalled EUR 857 (1,513) million at the end of 2025.

One of the key goals of Employment Fund's investment activities is to support the performance of the Fund's statutory duties and to ensure sufficient liquidity to finance the expenses for which Employment Fund is responsible. The Fund's Board of Directors determines the goal for our investments in the annually approved investment plan, and decides on the allocation of investment funds across different asset classes. The investment plan is guided by the investment and debt financing principles approved by the Supervisory Board.

### FINANCIAL OPERATING ENVIRONMENT

Finland's economic growth was close to zero in 2025. In unemployment, the trend was upwards throughout the year. At the end of the year, the trend was 10.7% and this figure was higher than at any time during the measurement history, which started in

2010. Unemployment reached 9.7% (8.4%) in 2025.

As inflation in the euro area stabilised at two per cent during the year, the downward trend in interest rates that had began in 2024 continued during 2025. Between January and June 2025, the European Central Bank lowered its key interest rate four times by 0.25 percentage points, from 3% to 2%. For the rest of the year, the key interest rate remained unchanged. Similarly, the US central bank FED and several other central banks lowered their key interest rates in 2025.

### THE INVESTMENT MARKET

For the most part, stock markets grew rapidly during 2025: when measured in domestic currencies, the stock indices in the main markets in North America rose by about 18.3% and in Europe by about 21.3%. The trend in the Helsinki Stock Exchange was also positive and the index yield was 40.9%.



The fixed-income investments in the Fund's main investment categories in European bonds generated relatively high returns. Pricing of credit risks was tightened during 2025, which gave a boost to fixed-income investments. Fixed-income investments generated steady returns in the main categories of the Fund's bond investments (government bonds, bonds issued by banks with high credit rating and bonds issued by companies with high credit rating) for the whole duration of the year.

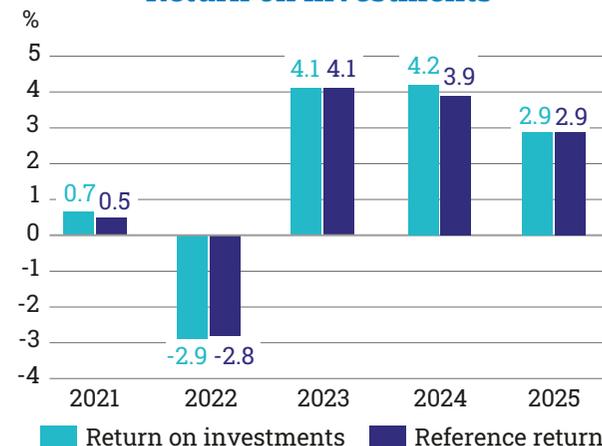
Market trends of alternative investments during the year depended to a great extent on the investment category concerned. Investments in the domestic real estate sector in residential, commercial and publicly owned properties continued to generate low returns in 2025, with the exception of investments in forest properties, which yielded high returns. Investments in non-listed shares and non-listed corporate loans yielded high returns. Investments in renewable energy generated low returns.

### ALLOCATION OF INVESTMENTS

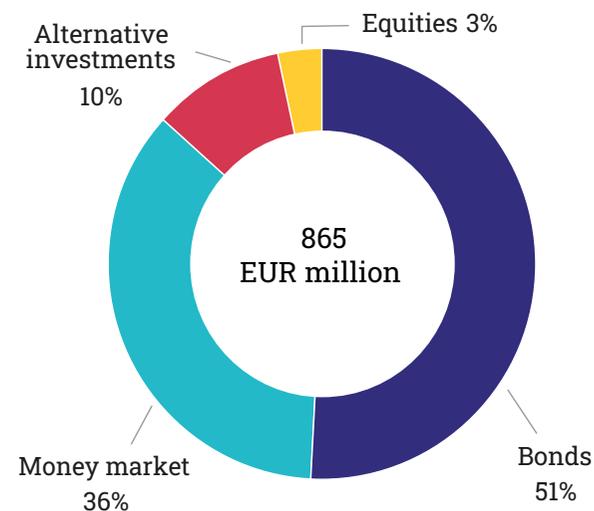
We actively invested our assets in money market instruments, bonds, equities and alternative investments. Depending on the asset class, the Fund made direct investments or invested its assets through funds. In our investment plan for 2025, we slightly increased the weight of our investments in bonds and slightly reduced the weight of money market investments. At the end of the financial period, EUR 309 (590) million of the Fund's assets were invested in money market instruments, EUR 441 (775) million in bonds, EUR 28 (44) million in equities, and EUR 87 (103) million in alternative investments. In 2025, the return on our investments was 2.9% (4.2%).

The return was at the same level as the reference return of 2.9% (3.9%) on our investments but remained slightly below the expected return of 3.2% (3.6%) envisaged in our investment plan. We also take sustainability matters into account when making investment decisions. Sustainability in the Fund's investment activities is described in more detail under Sustainable investment in the section on sustainability (page 52).

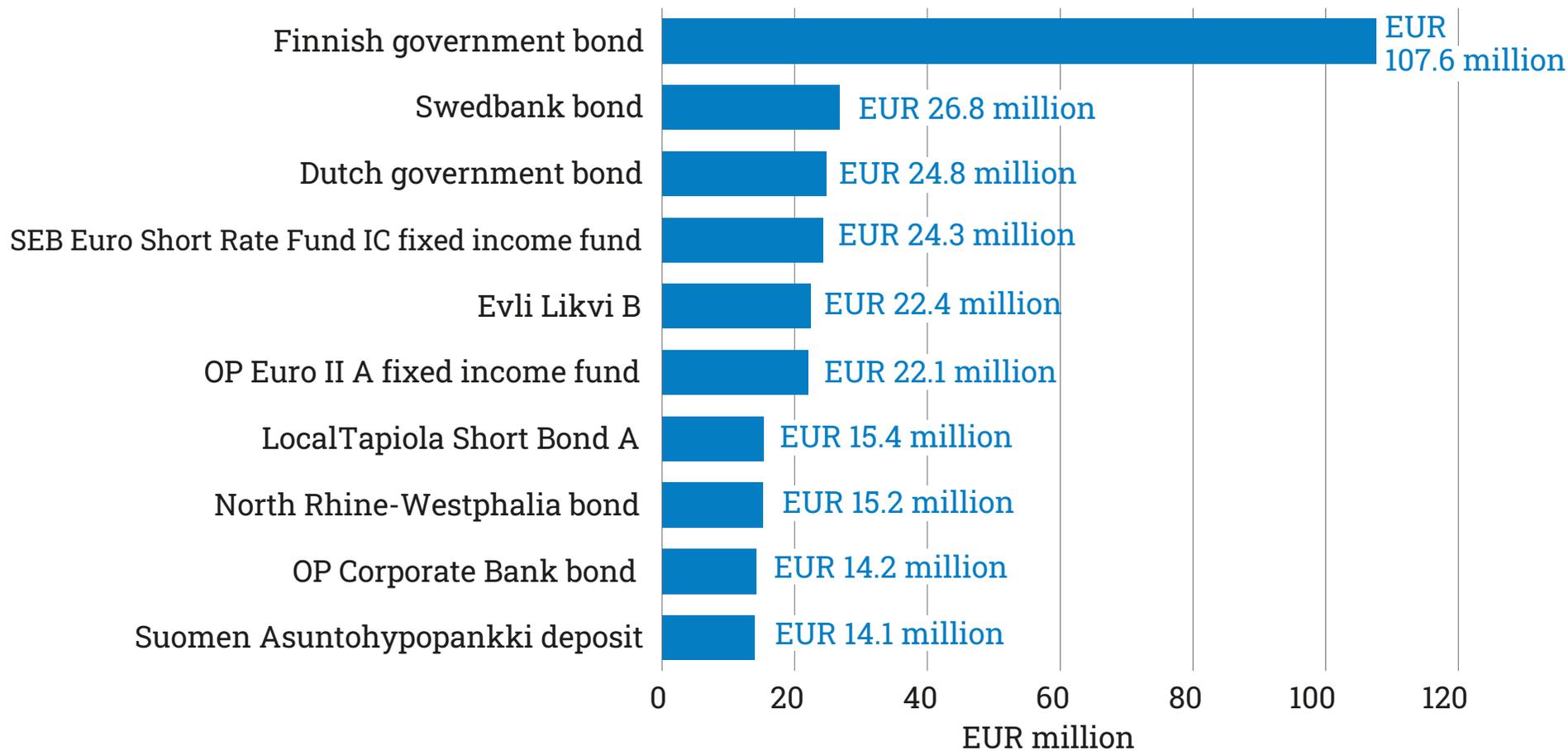
### Return on investments



### Investment spread



## Largest investments



## Sustainability

We promote sustainable development and sustainability in the areas where we can maximise our influence through our core activities.

In our role as a provider of funding for social security, we put great emphasis on social responsibility themes. The sustainable development goals set out in the UN Agenda 2030 serve as the framework for the Fund's sustainability work, and we have identified three key goals in the Agenda. In addition to these goals, sustainability is also reflected in our investment activities and the acquisition of debt financing.

During 2025, we utilised a variety of different networks to develop our sustainability competence. We are part of the corporate responsibility network FIBS and used its events and information services covering topical sustainability themes. We took active part in the events organised by the sustainability network maintained by the State Treasury, in which public administration organisations share information on such matters as best practices of sustainability and sustainability reporting.



## OUR BASIC TASKS AND IDENTIFIED AGENDA 2030 GOALS

Based on a materiality analysis, we have identified the following sustainable development goals of the UN on which we can exert maximum positive influence with our own core activities. We have identified the following key goals of the Agenda 2030 as such objectives:

- Decent work and economic growth
- Quality education
- Peace, justice and strong institutions

These key goals are directly linked to the Fund's core tasks such as the financing of unemployment security and adult education benefits. With the abolition of the adult education benefits and the employers' training compensation scheme, we must review our Agenda 2030 goals during 2026 as the opportunities to promote the quality education goal as part of our core tasks will be significantly reduced after 2025.

## SUSTAINABLE FUNDING OF UNEMPLOYMENT SECURITY PROVIDES SECURITY FOR CHANGES IN WORKING LIFE

We collect the unemployment insurance contributions to finance such schemes as unemployment security, transition security for employees aged 55 and over, pay security, pension security and adult education benefits. Employment Fund maintains a business cycle buffer to ensure liquidity and balance out changes in unemployment insurance contributions. The business cycle buffer accrues on the basis of the difference between Employment Fund's assets and liabilities. The business cycle buffer grows when the Finnish economy is doing well and employment rates are high. The funds accumulated in the buffer are used during economic downturns, which curbs the pressure to increase the unemployment insurance contributions of employers and employees. By carrying out our basic task effectively, we support the UN sustainable development goal of decent work and economic growth.



Our task is to ensure sustainable financing of unemployment security by keeping

- unemployment insurance contributions at appropriate level and at the same time, minimise fluctuations,
- collect unemployment insurance contributions efficiently,
- maintain good liquidity,
- invest our assets in a productive and secure manner, and
- anticipate economic and employment fluctuations in Finland.

Sustainable financing of unemployment security strengthens social peace. With unemployment security, individuals are in a better position to seek jobs meeting their needs. Social stability also supports Finland's economic growth.

Indicators for the goal of appropriate level of unemployment insurance contributions:

Indicator	Target level	Level in 2025	Level in 2024
Unemployment insurance contributions and other income		EUR 1,907 million	EUR 2,347 million
Financing contributions paid		EUR 2,637 million	EUR 3,129 million
Change in net position		EUR -729 million	EUR -749 million
Business cycle buffer/maximum	Positive but below maximum	EUR 543/1,218 million	EUR 1,272/1,726 million

Indicator for the goal of steady development of unemployment insurance contribution rate:

Indicator	Target level	Level in 2025	Level in 2024
Unemployment insurance contribution rate (average)	Small annual variation	employers 0.62%, employees 0.59%	employers 0.82%, employees 0.79%

Indicators for the goal of efficient collection of unemployment insurance contributions:

Indicator	Target level	Level in 2025	Level in 2024
Actual credit losses on unemployment insurance contributions	Minimal	EUR 3.5 million	EUR 2.7 million

Indicators for the goal of good liquidity:

Indicator	Target level	Level in 2025	Level in 2024
Fixed-income investments with less than one year's maturity in relation to one month's expenses.	1x or more	EUR 433 million/1.9x	EUR 821 million/3.1x
Unused committed credit facilities		EUR 600 million	EUR 600 million

Indicators for the goal of productive and secure investment:

Indicator	Target level	Level in 2025	Level in 2024
Return on investment %; Benchmark index return %	Return on investment % at least benchmark index return %	2.9%/2.9%	4.2%/3.9%
Average portfolio credit risk	At least BBB-	BBB+	BBB+
Total portfolio risk	Moderate	4.38% (moderate)	4.07% (moderate)

**Appropriate level of unemployment insurance contributions**

In 2025, we collected a total of EUR 1,907 (2,347) million in unemployment insurance contributions and other income. Employers' unemployment insurance contribution income accounted for EUR 571 (766) million and employees' unemployment insurance contribution income for EUR 607 (806) million of this total.

In 2025, we paid EUR 2,637 (3,129) million in financing contributions to finance unemployment security, transition security, pay security, pension security and adult education benefits.

Our annual result (change in net position) was EUR -729 (-749) million.

Employment Fund's business cycle buffer was EUR 543 (1,272) million positive at the end of 2025. The statutory maximum amount of the business cycle buffer was EUR 1,218 (1,726) million in 2025. Our liquidity remained good throughout the year.

**Steady development of unemployment insurance contribution rate**

Unemployment insurance contributions were lowered for the year 2025. The lowering was prompted by an improved outlook for the economy and employment, good level of the business cycle buffer and the fact that the measures set out in the Government Programme are expected to decrease expenditure.

In 2025, the average employer's contribution was 0.62% of the wages or 0.20 percentage points less than in 2024. The employee's contribution was 0.59% of the wages or 0.20 percentage points less than in 2024.



**Efficient collection of unemployment insurance contributions**

The actual credit losses arising from unemployment insurance contribution receivables totalled EUR 3.5 (2.7) million in 2025. Credit losses accounted for about 0.30% (0.17%) of the unemployment insurance contributions collected in 2025.

**Good liquidity**

To secure its liquidity, in fixed-income investments with less than one year's maturity, Employment Fund keeps an amount that covers at least one month's expenses. In 2025, these fixed-income investments averaged EUR 433 (821) million. In 2025, the average amount of these fixed-income investments was 1.9 (3.1) times higher than one month's expenses. For liquidity purposes, the Fund also has a EUR 300 million commercial paper programme (31 Dec 2024: EUR 300 million). The Fund also has EUR 600 million in committed revolving credit facilities (RCF) with four banks (31 Dec

2024: EUR 600 million). The commercial paper programme and the revolving credit facilities remained unused at the end of 2025 (unused on 31 Dec 2024).

**Productive and secure investment**

In 2025, the return on our investments was 2.9% (4.2%). The return was at the same level as the reference return of 2.9% (3.9%) on our investments but remained slightly below the expected return of 3.2% (3.6%) envisaged in our investment plan.

The average credit rating of our investment portfolio is evaluated on Standard & Poor's rating scale, which is based on historical probabilities of credit losses. The investment portfolio credit rating is estimated to be about BBB+ on 31 December 2025 (31 Dec 2024: BBB+).

At the end of the financial period, EUR 309 (590) million of the Fund's assets were invested in money market instruments, and

EUR 441 (775) million in bonds. These investments account for 86.7% (90%) of our total investment portfolio. In our investment plan for 2025, the minimum proportion of money market and bond investments has been set at 85% (87%).

The total risk of our investment portfolio was 4.38% (31 Dec 2024: 4.07%). The risk posed by the investment portfolio is moderate due to its conservative structure and moderately low risk level of the securities in the portfolio.

### Equality and diversity work

Sustainability is also reflected in our equality and diversity work. The Fund has a diversity working group, the aim of which is to identify and discuss issues concerning the diversity of the work community and define the practical development measures that may be needed in our work community. The task of the working group is also to promote the experience of all our employees of an open and equal work community. By ensuring a safe working environment for all our employees, we can also contribute to the achievement of the objective 'Decent work and economic growth', one of the key goals of the UN Agenda 2030.

In 2025, we implemented development steps in accordance with the Fund's non-discrimination, equality and diversity plan by strengthening our competence and joint operating principles. We prepared training for the personnel on the themes of non-discrimination, equality and diversity and prepared the principles of a safer and bolder space for the Fund to support an open and respectful working environment.

We also made preparations for the new requirements set out in the Pay Transparency Directive, which will enter into force at national level in 2026.

Towards the end of the year, we surveyed the our employees' experiences in the field of non-discrimination and inclusion. The findings will be used as a basis for the next two-year plan so that we can target development measures effectively and strengthen the inclusive work community.

### ADULT EDUCATION BENEFITS HAVE PROMOTED CONTINUOUS LEARNING AND UPDATING OF COMPETENCE

Adult education benefits have been used to support the professional development and competence renewal of adults in working life. This support continued in the transition period during the abolition process. Our goal has been to implement the adult education benefit scheme in an effective manner and increase awareness of the benefits. These objectives have promoted the achievement of the goal of quality education set out in the Agenda 2030.



We use the following indicators to assess how effectively adult education benefits have been implemented and how awareness of them has spread:

Indicators of the awareness goal:

Indicator	Target level	Level in 2025	Level in 2024
Number of recipients (adult education allowance)		15,144 persons	31,796 persons
Number of recipients (scholarship for qualified employees)		148 persons	23,009 persons

Indicators of the goal of effective implementation:

Indicator	Target level	Level in 2025	Level in 2024
Application processing time (allowance right application, adult education allowance, average)	Less than 15 days	13.7 days	13.8 days
Application processing time (payment application, adult education allowance, average)	Less than one day	1.0 days	0.5 days
Application processing time (scholarship for qualified employees, average)	Less than 10 days	4.9 days	6.8 days

**Increasing awareness**

With regard to the adult education benefits, the year was characterised by their abolition as set out in the Government Programme. The act abolishing the benefits entered into force on 1 June 2024. The transition period for abolishing adult education benefits started on 1 August 2024 and it continued until 31 December 2025. The last adult education allowance payments will be made in early 2026 and the last payments of the scholarship scheme for qualified employees took place in 2025. In 2025, adult education allowances were paid to 15,144 (31,796) persons. In 2025, scholarships for qualified employees were granted to 148 (23,009) persons.

In addition to the number of recipients, we have also used a variety of different communication indicators to assess awareness of adult education allowance. However, with the abolition of the allowance scheme, there has been no longer any need to increase awareness and instead, we have focused on guiding our customers and educational institutions. We have used active communication to clarify the impacts of the abolition of adult education benefits to our stakeholders.

**Effective implementation**

Due to the abolition of the allowance scheme, the number of applications for adult education benefits decreased in 2025. At the same time, the number of persons processing the applications in Employment Fund decreased significantly. Despite the reduced resources, we managed to keep our processing times at a good level. In 2025, the average processing time for allowance right applications for adult education allowance was 13.7 (13.8) days and for payment applications 1 (0.5) days. The average processing time for applications for scholarships for qualified employees was 4.9 (6.8) days.

**Training compensation**

Processing of employers' training compensations in Employment Fund will continue until the early months of 2026. The act abolishing the training compensation scheme entered into force on 1 January 2026, and training compensations will no longer be paid for training taking place in 2026. The purpose of the training compensation was to improve the employer's opportunities to organise training for its employees so that they can enhance their vocational competence. Bodies such as wellbeing services

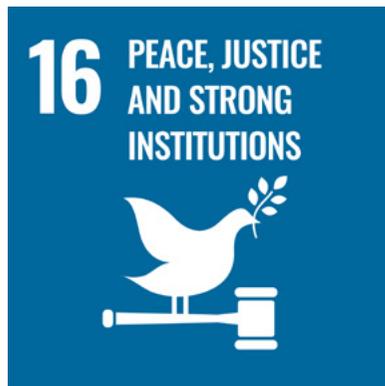
counties, municipalities, parishes, associations and foundations were eligible for the compensation. In 2025, we paid EUR 14.6 (11.5) million in training compensation to 614 (602) employers.

**Transition security training**

Our tasks include collecting the transition security contribution from employers dismissing staff members. We use the transition security contributions to finance the transition security package for dismissed employees aged 55 or over, which consists of transition security training corresponding to two months' salary and a transition security allowance corresponding to one month's salary. We recorded about EUR 21 (16) million in transition security contributions in 2025.

### WE ARE CONTINUOUSLY ENHANCING THE TRANSPARENCY AND EFFICIENCY OF OUR ACTIVITIES

Compliance with and development of the principles of good governance help us to be a more efficient, transparent and responsible actor. We also combat the grey economy in Finland in cooperation with other public organisations and the authorities. Through these measures, we promote the achievement of the objective of peace, justice and strong institutions set out in the UN Agenda 2030.



We are continuously developing our principles and practices of good governance. The Fund has a channel for reporting suspected misconduct, and the reports received through the channel are processed confidentially and, if necessary, anonymously. You can use the channel to report suspected misconduct falling within the scope of the Whistleblower Act or Employment Fund's ethical guidelines, including matters concerning the breaches of financial market regulations. We comply with the EU's General Data Protection Regulation, other legislation applicable to our operations and official instructions on the processing of personal data. In 2025, we conducted an ethical survey, reviewed its results and provided our personnel with training on the Fund's ethical guidelines to ensure that everybody in the Fund is better placed to identify potentially unethical practices. The Fund's ethical guidelines are publicly viewable on our website.

The satisfaction of our personnel and customers is important to us. We measure personnel satisfaction in an annual survey and develop our operations based on the feedback received from our employees. We use the CSAT index to measure customer satisfaction with the customer service of adult education benefits and unemployment insurance contributions and use the results to continuously develop our services. We are also working to make our operations more efficient by increasing automation in our processes, and to process adult education benefits and unemployment insurance contributions accurately and efficiently so that the need to appeal against our decisions can be minimised.

We measure the transparency, efficiency and promotion of responsible operations of the Fund with the following indicators:

Indicator	Target level	Level in 2025	Level in 2024
Share of automated decisions of decisions on adult education benefits (payment applications and scholarships for qualified employees*)		89% (payment applications), 0% (scholarships for qualified employees)	89% (payment applications), 42% (scholarships for qualified employees)
Share of automated decisions of decisions on unemployment insurance contributions		99%	99%
Personnel satisfaction (eNPS)	At least +10	-7	-18
Customer satisfaction (CSAT, benefit services)	More than 80%	91%	91%
Customer satisfaction (CSAT, unemployment insurance contributions)	More than 80%	83%	77%
Number of decisions changed in SAMU** and Insurance Court as share of all decisions made (decisions on scholarships for qualified employees and adult education allowance)		0/85,603	8/229,747
Number of decisions changed in SAMU** and Insurance Court as share of all decisions made (decisions on unemployment insurance contributions)		0/484,258	0/500,547
Number of data breaches and incidents (breaches reported to the Finnish Data Protection Ombudsman)	Declining trend	5 data breaches and 22 data protection incidents	16 data breaches and 22 data protection incidents
Number of reports received in the whistleblower channel		4 reports	7 reports
Results of the Trust & Reputation survey (overall score for the most recent survey and the survey preceding it and the years when these surveys were carried out. Scale 1–5).	Increasing trend of the overall score by stakeholder	No Trust & Reputation survey was carried out in 2025	policy makers 3.99, educational institutions 3.77, general public 3.37, media 3.12

\*Automated processing of the scholarships for qualified employees was shut down in 2024, and for this reason, there were no automated scholarship decisions in 2025.

\*\*Social Security Appeal Board

### **More efficient, transparent and responsible actor**

To ensure our service capacity, we use process automation in the processing of adult education benefits. In 2025, automated payment decisions accounted for 89% (89%) of all payment decisions. Automated decisions accounted for 0% (42%) of all decisions on scholarships for qualified employees made in 2025. Automated processing of the scholarships for qualified employees was shut down in 2024 due to the abolition of the scholarship, and for this reason, there were no automated decisions in 2025. We also make extensive use of automated decision-making when determining unemployment insurance contributions. In 2025, automated decisions accounted for about 99% (99%) of all decisions on unemployment insurance contributions.

We use annual surveys to monitor personnel experience and develop our operations based on the feedback received from our employees. The eNPS is one of the tools we use to monitor job satisfaction. It describes how likely it is that employees would recommend the workplace to others. The

scale of eNPS is between -100 and +100. The higher the score, the higher the probability that the respondents would recommend the workplace to others. In 2025, the Fund's eNPS was -7 (-18). In recent years, the score has been affected by the protracted change situation arising from the abolition of adult education benefits.

Customer satisfaction with our benefit services was at an excellent level throughout the year. The customer satisfaction index (CSAT) indicating the percentage of satisfied or highly satisfied customers of all adult education benefit customers) reached 91% (91%) for the year as a whole. The share of customers satisfied or highly satisfied with unemployment insurance contribution services reached 83% (77%).

Customers not satisfied with the decisions on scholarships for qualified employees, adult education allowance or unemployment insurance contributions have the right to appeal against the decision. The first appellate body is the Social Security Appeal Board (SAMU). The second and final appellate body is the Insurance Court. We

measure the quality and effectiveness of our decisions by how many of our decisions will change in SAMU or the Insurance Court. The lower the number of changes made to our decisions, the higher their quality and there is no need to use additional resources for decisions that have already been made once. In 2025, a total of 89 (217) appeals concerning adult education benefits were submitted to SAMU and 23 (17) to the Insurance Court. No cases of unemployment insurance contributions were submitted to SAMU or the Insurance Court in 2024 or 2025. None of the appeals concerning adult education benefits submitted to SAMU and the Insurance Court in 2025 were accepted.

In 2025, Employment Fund submitted a total of 5 (16) reports of data breaches to the Office of the Data Protection Ombudsman. A data breach is reported to the data protection authority if it is estimated that it may pose a risk to the rights and freedoms of natural persons. A total of 22 (22) other data protection incidents were recorded during the year.

Employment Fund's compliance function is responsible for the whistleblower channel. On the channel, you can also report suspected violations and misconduct anonymously. The whistleblower channel received 4 (7) reports in 2025. The reports were processed and investigated in accordance with our operating principles.

The reputation of Employment Fund in the following four stakeholder groups was last examined in 2024: policy makers, educational institutions, general public and the media. T-Media's Trust & Reputation tool was used as the research method. In this tool, respondents react to statements from the perspective of administration, finances, management, innovations, interaction,

products and services, the workplace and sustainability. In 2024, on a scale of 1 to 5, the overall score of the Fund among policy makers was 3.99 (3.66), educational institutions 3.77 (2020: 3.52), general public 3.37 (3.34), and the media 3.12 (2021: 3.65). No Trust & Reputation survey was carried out in 2025.

During 2025, we developed activities related to the principles of good governance and compliance. At the end of 2025, all Fund employees had completed the training covering our ethical guidelines. We actively monitored legislative changes and published a new online training package for all Fund employees on regulation that is particularly relevant to Employment Fund.

We also conducted a survey on the ethical activities of Employment Fund for our personnel and arranged discussion events on the results of the survey for each service area.

We monitor employers' compliance with their obligation to pay unemployment insurance contributions, which helps to combat the grey economy. The purpose of the supervision is to ensure that the earnings payment data reported by the employers as a basis for the unemployment insurance contributions correspond to the actual wage and salary payments and that the correct amounts of unemployment insurance contributions are collected.

Last year, we worked in close cooperation with the Finnish Tax Administration, the Ministry of Economic Affairs and Employment and other public actors to combat the grey economy. We also participated in the financing of the Palkka.fi payroll program. Palkka.fi is a free payroll program for small employers maintained by the Finnish Tax Administration, employment pension insurance companies and Employment Fund. Providing access to the program facilitates the proper payment of wages and salaries.

We also support the combating of the grey economy by regularly disclosing the details of our lobbying activities targeting ministries and Parliament to the Finnish Transparency Register. The aim of the Finnish Transparency Register is to make decision-making more transparent, combat inappropriate lobbying and strengthen citizens' trust in central government and democracy.

### FRAMEWORK FOR SOCIAL FUNDING

The Fund has a framework for social funding. The framework was prepared in accordance with the social bond principles of the International Capital Market Association (ICMA) updated in 2021 and the social loan principles of the European Loan Market Association (LMA) updated in 2023. Within the framework, the Fund is able to use a variety of different funding instruments to promote social improvements with debt financing.

It also enables us to establish a close link between our debt financing and positive social impacts. Using the framework, we can also promote 'Quality education' and 'Decent work and economic growth', two of the UN sustainable development goals selected by the Fund for its sustainability work. The financing taken out in this manner will be used to cover the expenses that meet the eligibility criteria (provide security for changes in working life). Such expenses include the financing of unemployment security. At the end of 2025, Employment Fund did not have any debt financing to which the social funding framework would have been applied.

### SUSTAINABLE INVESTMENT

Sustainable investment means that when we make investment decisions, we take environmental, social and governance (ESG) factors into consideration in addition to financial indicators. With the exception of index investments, we integrate ESG factors into all our investments insofar as is possible. An external party reviews our investments twice a year and reports any deviations.

We exclude companies whose operating methods are considered irresponsible with regard to factors such as corruption, child labour, employees' rights and human rights from our list of potential investments. We invest in companies that comply with the UN Global Compact wherever possible.

Numerical methods of assessment are used to monitor and analyse the sustainability of Employment Fund's investments. The goal is to provide a picture of the Fund's sustainability profile and map its development as comprehensively and diversely as possible.

Similar metrics have been used for monitoring since 2019. The sustainability analysis includes a review of operational sustainability metrics for the investment items and the companies behind them such as commitment to equality, good governance, and the development of variables used to measure environmental impact. The assessment is based on SFDR and MiFID II regulation and EU taxonomy. According to the latest sustainability assessment, our investments meet most of the ESG criteria.

The ESG analysis of Employment Fund's investments covers 63.7% (68%) of the Fund's investments, cash and cash equivalents. The analysed assets do not include such items as investments, cash and cash equivalents in government bonds.

According to an analysis assessing the sustainability of our investments in December 2025 conducted by an asset management institution, of the environmental indicators of our investment portfolio, relative carbon emissions (weighted carbon intensity) have remained more or less at the same level as in the analysis carried out in December 2024. Since 2019, we have managed to halve the relative carbon emissions of our investment portfolio, and based on the estimate of December 2025, the carbon footprint of our investments remains significantly lower than the benchmark index. A total of 80% (82%) of our fund investments

are investments promoting sustainability factors (in funds meeting the requirements of Article 8 of SFDR), and 16% (13%) are investments meeting the requirements of Article 9 of SFDR (in funds for sustainable investments). A total of 88% (88%) of our investments have at least ambitious goals in climate work and emission reductions.

A total of 73% (79%) of our investments are estimated to have a positive impact on the sustainable development goals of the UN. There were no major changes in the trends in indicators related to social factors of our investments (gender equality, independent

governance and equal pay) compared to the situation at the end of 2024. At the portfolio level, however, the measured findings show that the entire portfolio is in line with the benchmark index. There are no non-compliant companies (as classified by ISS) in the direct investments made by Employment Fund. About 0.31% (0.2%) of the Fund's investments have been directed at such companies as part of index fund investments.

## Risk management

Risk management is an essential part of Employment Fund's internal control. It aims to strengthen risk awareness in decision-making and to support the achievement of the Fund's strategic and operational objectives. Risk management produces high-quality and systematic information on the risks and threats facing the Fund and provides recommendations for measures to prevent and manage them.

### WE USE EXTENSIVE RISK MANAGEMENT TO ENSURE THE CONTINUITY OF OUR ACTIVITIES

We monitor and manage such risks as strategic and operational risks, regulatory, economic and financial risks as well as risks arising from our operating environment. Comprehensive risk management is an important part of our activities.

Identifying strategic-level risks and managing them on a systemic basis help the Fund to achieve its goals within the framework of a specific risk appetite level. In 2025, we updated the list of strategic risks in accordance with the annual assessment process.

The purpose of operational risk management is to safeguard the continuity of our key functions and statutory activities and to ensure that the Fund can also operate during emergencies. We took a more thorough look at cyber risk management and developed our threat modelling to better respond

to cyber threats. During the year, we also updated our IT capabilities to a new level, which enhanced our digital reliability.

By managing regulatory risks, we can ensure that Employment Fund acts in compliance with the law and other requirements and in an ethical and responsible manner. Active monitoring of legislative changes is a key part of this process. Employment Fund's compliance function focuses on these areas. We also actively monitor the developments in information security regulation and developed our data protection processes.

To manage financial risks arising from changes in the operating environment, we rely on such means as diverse forecasting methods and timely adjustments of unemployment insurance contributions for one calendar year at a time. To safeguard our liquidity, we make low-risk investments and strive to secure good borrowing

possibilities. Employment Fund also has a statutory business cycle buffer to support liquidity and reduce the need for changes in the level of unemployment insurance contributions due to cyclical fluctuations. Financial risk management at Employment Fund has relied on the same principles as before. The principles and the most significant risks are presented in the notes on financial risks. There were no major changes in risk levels or uncertainty factors during the review period.

Personnel play a key role in risk management. Staff members participate actively in risk management by identifying risks in their own work. Risk management training is mandatory for all employees, and it supports competence and strengthens risk awareness throughout the organisation. The Head of Risk Management supports the organisation in risk identification and reports on the situational picture of risks to the Fund's Management Group, Audit Committee and the Board of Directors.

### **COMPLIANCE FUNCTION SUPPORTS AND ENSURES COMPLIANCE WITH REGULATIONS**

In addition to risk management, internal control and the second line of defence of Employment Fund also includes a compliance function. The Fund's Board of Directors has approved the principles of the function, and the Compliance Officer regularly reports to the Managing Director, the Audit Committee and the Board of Directors.

The purpose of the function is to ensure that Employment Fund complies with existing regulation, external instructions binding on the Fund and the Fund's own internal guidelines. Compliance function identifies and assesses risks arising from non-compliance in close cooperation with risk management and business operations. The function also supports business operations in monitoring the regulatory environment. Compliance is supported by a compliance network consisting of the Fund's lawyers. Compliance promotes adherence to ethical and responsible practices, for example by providing guidelines and training for persons working at Employment Fund.

An ethical survey intended for all staff members of Employment Fund was carried out in 2025. The survey included a number of different claims concerning the respondent's own work and the work of other employees observed by the respondent. The responses indicate that the Fund's ethical guidelines and the whistleblower channel are well known. According to the survey, in overall terms, the Fund has high ethical standards. Compliance arranged training events for each service area in connection with the review of the ethical survey and the ethical guidelines.

In addition to monitoring compliance, the Compliance Officer also acts as the person responsible for insider issues of the Fund, maintains a register of related parties and provides assistance in disqualification matters. Employment Fund's compliance function is also responsible for the whistleblower channel. On the channel, you can also report suspected violations and misconduct anonymously. All whistleblower reports received were processed and examined in accordance with our operating principles.

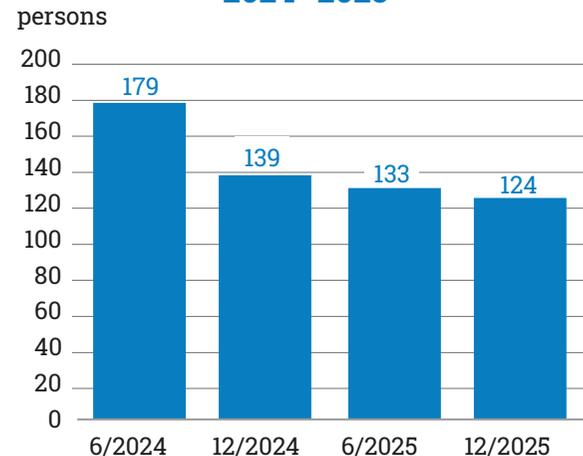
# Personnel

At the end of 2025, Employment Fund had 124 (139) employees. In person-years, the number of personnel was 120 (130).

We paid a total of EUR 9.8 (10.9) million in wages, salaries and fringe benefits during 2025. Our pay system is based on the complexity of work, and we also use a bonus system supporting the achievement of our strategic objectives.

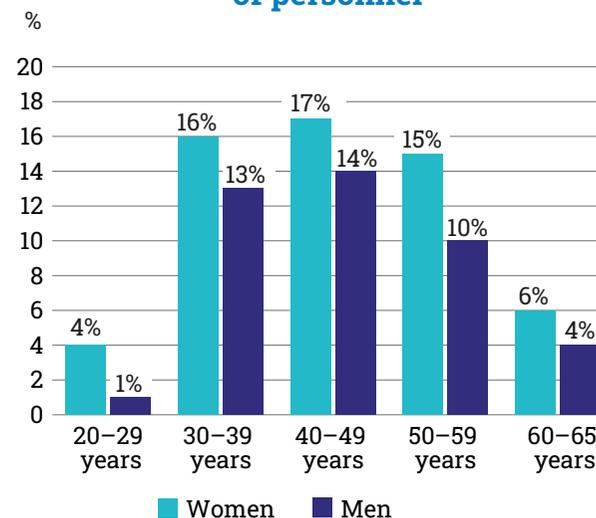
Men accounted for 52 (54) and women for 72 (85) of the personnel. The average employee age was 44.8 (44.2) years, and the average duration of employment at Employment Fund was 7.4 (7.0) years. In 2025, voluntary staff turnover was 10.37% (10.23%) and sick leave rate 2.80% (2.85%).

**Number of personnel (HC)  
2024–2025\***



\*We now use the whole month as the review period when reporting the number of personnel. Until now, we have given the figure for the last day of the month.

**Age and gender distribution  
of personnel**



### CHANGES IN THE MANAGEMENT GROUP

In February, Janne Metsämäki who had served as the Managing Director of the Fund and its predecessors for 11 years announced that he would retire on 31 December 2025. The Fund's Board of Directors chose Karo Nukarinen, the Fund's Chief Financial Officer, as his successor. He started as Managing Director on 1 January 2026. Karo Nukarinen is temporarily responsible for the Fund's financial operations as part of his current role until the Fund has appointed a new Chief Financial Officer. Tuulikki Saari, the Fund's Customer Relations Director, was chosen as the Deputy Managing Director from 1 January 2026.

Virpi Halme, Director, Technology and Development, and Katja Knaapila, Director, HR and Communication, left the Fund during the first half of the year. The Fund's Board of Directors appointed the Fund's Head of PMO Antti Lähde as the new Director, Technology and Development. He started in his new position on 25 March. The HR and Communication service area was first managed temporarily by the Management Group, and at the end of the year, this arrangement was put on a permanent basis. In the same connection, the HR and Communication service area was abolished.

### WE ARE BUILDING DIGITAL SERVICES OF THE FUTURE WITH OUR PERSONNEL

We continued to strengthen Employment Fund's IT capabilities during 2025. Towards the end of 2025, we reached a significant milestone as we completed an extensive IT project, in which we transferred our IT services to a new supplier and built new platform capabilities. The IT capability project has been one of our most significant strategic investments in recent years, and as a result of the work carried out on the project, the Fund now has an up-to-date IT base, which will create better opportunities for developing digital services.



The impacts of the IT capability project are reflected in the daily routines of the personnel, and the aim has been to ensure that our staff members have user-friendly, secure and reliable solutions that support the development of both individuals and the organisation. Strengthening personnel competence has been a key part of the project, and in autumn 2025, we provided all staff members with cloud training, the aim of which was to increase basic understanding of the benefits of cloud technologies and their impacts on the development of services.

The utilisation of artificial intelligence also played a key role in the development of personnel competence in 2025. During the year, we specified the guidelines for the use of artificial intelligence and the principles of responsible AI use.

Before introducing the selected AI tools, staff members are required to complete internal training on AI principles, use and responsibility. In autumn 2025, we also provided the entire personnel with training, which deepened their expertise in the use of artificial intelligence. With the training, we ensured that our personnel have the capacity to critically assess the information produced by artificial intelligence, use AI tools appropriately and responsibly, and act in a manner that ensures data protection and information security in all situations.

### **TRANSITION PERIOD FOR ADULT EDUCATION BENEFITS ENDED**

The act abolishing the adult education benefits entered into force on 1 June 2024 and the transition period for adult education allowance ended on 31 December 2025. The legislative amendment had a significant impact on the activities of the service areas providing benefit services and support functions as well as on human resources already during the transition period. In 2025, benefit services were only provided by a single team.

The exceptionally long transition period made the change a demanding experience for all parties, and for this reason we invested in participatory change management throughout the process. The impacts of the change were monitored with regular experience measurements, which allowed us to target support measures and communications according to the needs of the personnel.

### DEVELOPING EMPLOYEE EXPERIENCE AND MANAGEMENT PRACTICES

We monitored the employee experience with a personnel survey carried out in the spring and with two follow-up pulse surveys conducted in the autumn. The eNPS of the most recent pulse survey (value can range from -100 to 100) was -7, which represents an improvement to previous years (2024: -18, 2023: -26). However, the prolonged change situation arising from the abolition of the adult education benefits is still reflected in the results of personnel surveys and in the eNPS results.

As we aimed for an excellent employee experience, our focus was on developing supervisory work during 2025. In the spring, we updated the Fund's management principles, and based on them, we assessed supervisors with 270 degree feedback. The overall score was 4.58/5. The development priorities arising from the assessment will also guide management development in 2026.

### STRENGTHENING IDENTITY AND CAPABILITIES

We continued the identity work began in autumn 2024 throughout the year 2025. We deepened the organisation's understanding of Employment Fund's identity by providing individual teams with an opportunity to process different areas of identity. In the future, the identity matrix will serve as a key tool for instilling management principles and developing communication capabilities in the Fund.

Towards the end of the year, the Management Group outlined the priorities for developing communication capabilities for the period 2025–2027. The aim is to strengthen communication skills and understanding in each task so that the dialogue in the work community can be strengthened and we can improve productivity and efficiency. In order to implement communications in accordance with the strategy, we planned a reform of our operating practices, which will guide our operations from the beginning of 2026.



## Events after the financial period

No significant changes have occurred in Employment Fund's financial position after the end of the review period.

Helsinki 24 February 2026

Employment Fund

Board of Directors



## Corporate governance

The corporate governance statement of Employment Fund for 2025 has been prepared in accordance with the Securities Market Act and the recommendation on reporting contained in the Finnish Corporate Governance Code for Listed Companies, which took effect on 1 January 2025.

### COMPLIANCE WITH THE FINNISH CORPORATE GOVERNANCE CODE 2025 AND DEVIATIONS FROM THE RECOMMENDATIONS

Employment Fund is an independent statutory agency supervised by the Financial Supervisory Authority. Employment Fund has issued a bond quoted on Nasdaq OMX Helsinki Ltd, which will mature in June 2027. The Fund has a commercial paper programme of EUR 300 million (31 Dec 2024: EUR 300 million), which remained unused at the end of 2024 and 2025. Where applicable, Employment Fund conducts its operations in compliance with the Finnish Corporate Governance Code, which is publicly available on the Securities Market Association's website ([www.cgfinland.fi](http://www.cgfinland.fi)).

The operations of Employment Fund and the responsibilities of its organs are governed by the Act on the Financing of Unemployment Benefits (555/1998), Government Decree on the Financing of Unemployment Benefits (1227/2014) and the Decree on the Rules of Procedure of Employment Fund (862/1998). Due to Employment Fund's form of activity and background, its operations differ from the Finnish Corporate Governance Code on the following recommendations:

- **Recommendations 1, 2, 3 and 4:** Employment Fund is not a limited liability company and its most senior decision-making body is not a general meeting or similar organ as this task is carried out by the Supervisory Board appointed by the Government, in accordance with the Decree on the Rules of Procedure of Employment Fund (862/1998). The Decree contains provisions on matters to be decided in the meetings of the Supervisory Board and the related procedures as

well as the notice of the meeting. For this reason, the recommendations concerning the general meeting, notice of the general meeting, proposals for decisions, initiatives of the shareholders, attendance at the general meeting and documents discussed at the general meeting are not applicable in the operations of Employment Fund.

- **Recommendations 5, 6, 7, 8 and 9:** Employment Fund's Supervisory Board appoints the members of the Board of Directors in accordance with the principles set out in the Decree on the Rules of Procedure of Employment Fund (862/1998). Under the Decree, the Supervisory Board approves the appointment of the members, chair and vice chair of the Board of Directors for the following calendar year. Seven of the Board of Directors' members are employer representatives and seven are employee representatives. For this reason, the recommendations concerning the appointment, term

of office, composition, diversity and independence of the Board of Directors members are not applicable to Employment Fund's operations.

- **Recommendations 10 and 19:**

Employment Fund's Supervisory Board appoints the members of the Board of Directors in accordance with the principles set out in the Decree on the Rules of Procedure of Employment Fund (862/1998). Seven of the Board of Directors' members represent employers and seven are employee representatives. Employment Fund has no shareholders or similar owners, and thus there is no evaluation of whether the Board of Directors or management is independent of significant shareholders. Likewise, the recommendation concerning the shareholders' nomination committee is not applicable.

- **Recommendations 16, 17 and 18:** The regulations governing Employment Fund's operations do not impose an obligation to establish special committees. Therefore, the Fund does

not have any committees other than the Audit Committee. As Employment Fund is not a limited liability company, there is no evaluation of whether the Audit Committee members are independent of significant shareholders.

- **Recommendation 21:** Under the Decree on the Rules of Procedure of Employment Fund, the Supervisory Board appoints the members and chair of the Board of Directors. The chair is appointed from among the Board of Directors members (in alternating years from among the representatives of the employers or employees) and thus the recommendation on the restriction concerning the Managing Director is not applicable.
- **Recommendation 22:** Under the Decree on the Rules of Procedure of Employment Fund, the Ministry of Social Affairs and Health decides on the remuneration for meetings for the Supervisory Board members and the principles of compensation for their travelling expenses. The Supervisory

Board decides on the remuneration of the Board of Directors. The Board of Directors decides on the remuneration and the terms and conditions of the service contract of the Managing Director as well as the principles of remuneration for other management staff.

- **Recommendation 23:** Employment Fund has no shareholders or similar owners, and thus the recommendations concerning share awards and share-based remuneration for the members of the Board of Directors are not applicable.
- **Recommendation 27:** Employment Fund is not a limited liability company and thus the regulation on related-party transactions is not applicable to Employment Fund's operations within the meaning of the Finnish Corporate Governance Code. However, Employment Fund complies with IFRS standards and monitors related-party transactions as described below.

## SUPERVISORY BOARD

Under the Decree on the Rules of Procedure of Employment Fund (862/1998), Employment Fund's most senior decision-making body is the Supervisory Board, which has between 10 and 18 members. Half of the members represent employers and the other half represent employees. The term of the members of Employment Fund's Supervisory Board is three calendar years. On 2 November 2023, on the proposal of the Ministry of Social Affairs and Health, the Government appointed the members of Employment Fund's Supervisory Board for the term 1 January 2024–31 December 2026. A total of 18 members were appointed to the Supervisory Board. Six of the members were appointed on the proposal of the

Confederation of Finnish Industries (EK), three on the proposal of the Local Government and County Employers (KT), three on the proposal of the Central Organisation of Finnish Trade Unions (SAK), three on the proposal of the Finnish Confederation of Professionals (STTK) and three on the proposal of the Confederation of Unions for Professional and Managerial Staff in Finland (Akava). The proposed composition was in accordance with section 4a, subsection 2 of the Act on Equality between Women and Men. In 2024, the Government appointed two new and in 2025 three new Supervisory Board members for the rest of the current term (until 31 December 2026).

The Supervisory Board elects from among its members a chair and a vice chair for one calendar year at a time, one of whom is an employer representative and the other one an employee representative. The chairmanship is held in turn by representatives of employers and employees, alternating annually. In 2025, the Supervisory Board was chaired by Millariikka Rytönen, who represented employees.

At its autumn meeting, the Supervisory Board elected Antti Zitting as chair for 2026 from among its members.

**Meeting practice and access to information**

The ordinary meeting of the Supervisory Board is held twice a year, in the spring before the end of May and in the autumn no later than in October. Matters referred to in the Decree on the Rules of Procedure of Employment Fund (862/1998) are discussed at the meetings of the Supervisory Board. An additional meeting of the Supervisory Board is held whenever the chair of the Supervisory Board or the Board of Directors deems it necessary, or when at least two members of the Supervisory Board request in writing that an additional meeting be held for a reason specified in the request. The notice of the meeting must be delivered in a verifiable manner to the members of the Supervisory Board no later than eight days before the meeting. The meeting of

the Supervisory Board constitutes a quorum when the chair or the vice chair and at least half of the members are present. Those present must include both employer and employee representatives. The decisions of the Supervisory Board are based on a simple majority. In the event of a tie, the decision is based on the opinion supported by the chair of the meeting. In the event of an election in which the voting ends in a tie, the result is decided by drawing lots. If the question concerns a proposal for unemployment insurance contributions and the voting ends in a tie, the opinion supported by both the chair and the vice chair becomes the decision.

The Supervisory Board elects from among its members a chair and a vice chair of the Supervisory Board for one calendar year at a time. One of them must be an employer representative and the other one an employee representative. The chairmanship is held in turn by representatives of employers and employees, alternating annually. The Supervisory Board met five times in 2025. Three of the meetings were held via email. No separate remuneration is paid for meetings held via email.



The members of the Supervisory Board in 2025 were:

Name	Year of birth	Education	Main occupation	Attendance at meetings of the Supervisory Board
Millariikka Rytönen, f, chair	1975	Midwife, Bachelor's Degree, Nursing, Master's Degree	Chair, Union of Health and Social Care Professionals in Finland (Tehy)	5/5
Antti Zitting, vice chair	1956	Master of Science (Technology)	Board chair, Sacotec Oy	5/5
Riku Aalto, m	1965	Master of Administrative Sciences	President, Industrial Union	3/5
Maria Kaisa Aula, f	1962	Lic.Soc.Sc., D.Soc.Sc.	Chair of the County Executive, Central Finland Wellbeing Services County	5/5
Nina Brask, f	1972	Fitness nurse (kuntohoitaja)	Chair of the County Executive, Kymenlaakso Wellbeing Services County	5/5
Päivi Inberg, f	1972	Nurse (perushoitaja)	Chair, Finnish Union of Practical Nurses (SuPer)	5/5
Jari Jokinen, m	1967	Master of Science (Technology)	Chief Executive Officer, Finnish Association of Graduate Engineers and Architects (TEK)	5/5
Teemu Kokko, m	1961	Doctor of Science (Business Administration)	President, CEO, Haaga-Helia University of Applied Sciences	5/5
Antti Korpiniemi	1961	Master of Agriculture and Forestry Sciences	CEO, Berner Ltd	4/5
Tomi Lantto, m	1970	Master of Economic Sciences	CEO, Antell Oy	5/5
Petri Lindroos, (Member until 30 January 2025)	1965	Master of Education	Director of Negotiations, Trade Union of Education in Finland (OAJ)	0/0
Salla Luomanmäki, (Member until 30 January 2025)	1963	Master of Arts	Board member, Confederation of Unions for Professional and Managerial Staff in Finland (Akava), Akava representative	0/0
Jorma Malinen, (Member until 30 January 2025)	1959	Automation Designer	President, Trade Union Pro	0/0
Matti Mettälä, m	1963	Master of Laws trained on the bench	EVP, Kesko Corporation	5/5
Katarina Murto, f, (Member from 30 January 2025)	1971	Lecturer in Dance, Master of Laws trained on the bench	President, Trade Union of Education in Finland (OAJ)	4/5
Outi Mäkelä	1974	Master of Economic Sciences	Municipal Manager, Nurmijärvi	5/5
Olli Nikula, m	1967	Master of Economic Sciences	CEO, Dahl Finland Oy	5/5
Saila Ruuth, f	1981	Master of Political Science	Vice President, Trade Union for the Public and Welfare Sectors (JHL)	5/5
Annika Rönni-Sällinen, f	1976	Master of Laws	President, Service Union United (PAM)	5/5
Samu Salo, m, (Member from 30 January 2025)	1976	Bachelor of Engineering	President, Union of Professional Engineers in Finland (IL)	5/5
Niko Simola, m, (Member from 30 January 2025)	1974	Master of Laws	President, Trade Union Pro	4/5

Gender (m/f) is given for persons who have provided this information.

## BOARD OF DIRECTORS

Under the Decree on the Rules of Procedure of Employment Fund (862/1998), Employment Fund must have a Board of Directors composed of 14 members. The members of the Board of Directors are appointed by the Supervisory Board and seven of the members must be employer representatives and seven employee representatives. The Board of Directors must have a chair and vice chair, one of whom must be an employer representative and the other one an employee representative. The chairmanship is held in turn by representatives of employers and employees, alternating annually.

The Board of Directors constitutes a quorum when the chair or the vice chair and at least seven other members are present, or take part in the meeting using a data connection or other technical tool. Those present must include both employer and employee representatives. The decisions of the Board of Directors are based on a simple majority. In the event of a tie, the decision is based on the opinion supported by the chair of the meeting. If the question concerns a proposal for unemployment insurance contributions and the voting ends in a tie, the opinion supported by both the chair and the vice chair becomes the decision.

The Board of Directors is responsible for Employment Fund's administration and the proper organisation of its operations. The Board of Directors follows the development of Employment Fund with the help of monthly reports and other information delivered by the management. The key tasks and operating principles of Employment Fund's Board of Directors are set out in the Government Decree on the Rules of Procedure of Employment Fund (862/1998) and in the Board of Directors' written rules of procedure. The Board of Directors carries out a self-assessment of its activities each year.

The members of the Board of Directors in 2025 were:

Name	Year of birth	Education	Main occupation	Attendance at meetings of the Board of Directors
Markku Jalonen, m, chair until 1 March 2025	1960	Licentiate of Social Sciences	Managing Director, Local Government and County Employers (KT) until 28 February 2025	2/2
Henrika Nybondas-Kangas, f, chair from 1 March 2025	1974	Master of Laws trained on the bench	Director of Negotiations (until 28 February 2025), Managing Director (from 1 March 2025), Local Government and County Employers (KT)	11/12
Saana Siekkinen, f, vice chair	1972	Master of Social Sciences	Director, Central Organisation of Finnish Trade Unions (SAK)	12/12
Tuomas Aarto, m	1973	Master of Laws trained on the bench	CEO, Management, Service Sector Employers (PALTA)	11/12
Taina Ahvenjärvi, f	1960	Master of Laws trained on the bench	Director of Infrastructure and Security, Finance Finland	11/12
Jarkko Eloranta, m, (Member from 1 August 2025)	1966	Master of Political Science	President, Central Organisation of Finnish Trade Unions (SAK)	5/5
Minna Etu-Seppälä	1972	Master of Laws trained on the bench	Director, Chemical Industry Federation of Finland	11/12
Minna Helle, f, (Member until 1 May 2025)	1972	Master of Laws	CEO, Technology Industries of Finland	4/4
Ilkka Kaukoranta, (Member until 1 August 2025)	1986	Master of Political Science	Chief Economist, Central Organisation of Finnish Trade Unions (SAK)	7/7
Patrizio Lainà, m, (Member until 27 October 2025)	1985	Doctor of Political Science, Master of Economic Sciences	Chief Economist, Finnish Confederation of Professionals (STTK)	10/10
Janne Makkula, m, (Member from 1 May 2025)	1977	Master of Laws trained on the bench	Labour Market Director, Technology Industries of Finland	8/8
Antti Palola	1959	Sea Captain	President, Finnish Confederation of Professionals (STTK)	12/12
Pekka Piispanen, m	1960	Master of Arts	Director, Confederation of Unions for Professional and Managerial Staff in Finland (Akava)	12/12
Vesa Rantahalvari, m	1967	Master of Administrative Sciences	Chief Policy Adviser, Confederation of Finnish Industries (EK)	12/12
Juho Ruskoaho, m, (Member from 1 March 2025)	1983	Master of Political Science	Chief Economist, Local Government and County Employers (KT)	10/10
Heikki Taulu, m	1973	Master of Social Sciences	Economist, Confederation of Unions for Professional and Managerial Staff in Finland (Akava)	12/12
Pirjo Väänänen, f	1971	Master of Social Services	Head of Social Affairs, Central Organisation of Finnish Trade Unions (SAK)	12/12

Gender (m/f) is given for persons who have provided this information.

In its autumn meeting, the Supervisory Board appointed Saana Siekkinen, representing employees, as chair of the Board of Directors for 2026, and Vesa Rantahalvari, representing employers, was appointed vice chair.

In 2026, the members of Employment Fund's Board of Directors are as follows: Tuomas Aarto, Taina Ahvenjärvi, Jarkko Eloranta, Minna Etu-Seppälä, Else-Mai Kirvesniemi, Janne Makkula, Henrika Nybondas-Kangas, Pekka Piispanen, Vesa Rantahalvari, Juho Ruskoaho, Saana Siekkinen, Heikki Taulu, Taina Vallander and Pirjo Väänänen.

### **Meeting practice and access to information**

The chair convenes the meeting of the Board of Directors. The notice concerning the meeting of the Board of Directors must be delivered to all members in good time before the meeting in order to ensure that the members of the Board of Directors are able to attend the meeting. The Board of

Directors meets 8–12 times each year and, if necessary, more frequently. If all the members approve, the meeting of the Board of Directors may be held as a telephone conference or via email in case of urgent and specific matters.

### **Chair's duties**

- The Supervisory Board appoints the chair and the vice chair of the Board of Directors for one calendar year at a time. In 2025, the Board of Directors was chaired by Markku Jalonen (until 1 March 2025) and Henrika Nybondas-Kangas (from 1 March 2025). Both of them represented employers.

### **Chair of the Board of Directors**

- convenes the meetings of the Board of Directors
- approves the agenda prepared by the Managing Director for the meetings of the Board of Directors
- is responsible for ensuring that minutes are drafted of every meeting of the Board of Directors
- maintains contacts with the Managing Director and members of the Board of Directors between meetings, as necessary, and is responsible for ensuring that these rules of procedure are complied with in the work of the Board of Directors
- approves the invoices of the Managing Director.

### Operations of the Board of Directors

In 2025, the Board of Directors met 12 times. The Board of Directors also held a strategy seminar for which no remuneration is paid. The Board of Directors assesses its own activities and operating practices as well as the activities and operating practices of the Audit Committee each year. In 2025, the assessment was carried out as a self-assessment and its results were discussed at the Board of Directors meeting in December. The Audit Committee discussed its own findings at its November meeting.

### AUDIT COMMITTEE

On the basis of the rules applying to Employment Fund, the Board of Directors does not have any permanent committees. However, it can decide to establish working groups or committees for the purpose of assisting the Board of Directors with the preparation of certain matters falling within the competence of the Board of Directors. The Board of Directors has had an Audit Committee since 2019. The members of the Audit Committee are appointed by the

Fund's Board of Directors from among its members. Under the Audit Committee's rules of procedure, the Committee must have at least four members, half of whom represent employees and half represent employers. The Audit Committee assists the Board of Directors. The Audit Committee has no decision-making powers but it can submit proposals and reports to the Board of Directors on the tasks assigned to it. The Audit Committee is primarily responsible for preparing matters related to financial reporting, internal control, risk management and the selection of auditors.

In 2025, the Audit Committee met four times.

Audit Committee	Attendance at meetings
Pirjo Väänänen, chair	4/4
Minna Etu-Seppälä, vice chair	4/4
Henrika Nybondas-Kangas (Member until 1 March 2025)	1/1
Heikki Taulu	4/4
Juho Ruskoaho (Member from 1 March 2025)	3/3

### MANAGING DIRECTOR

Employment Fund has a Managing Director who is responsible for the Fund's management in accordance with the guidelines and orders issued by the Board of Directors. The Managing Director is responsible for ensuring that Employment Fund's accounts are in accordance with the law and that its financial affairs have been arranged in a reliable manner. The Managing Director must provide the Board of Directors and its members with the information necessary for the Board of Directors to perform its duties. Janne Metsämäki, LL.M. (b. 1960) served as Employment Fund's Managing Director until 31 December 2025. Karo Nukarinen, M.Sc. (Econ.) (b. 1976) served as the Fund's Deputy Managing Director.

From 1 January 2026, Karo Nukarinen has served as the Managing Director of Employment Fund and Master of Arts Tuulikki Saari (b. 1979) as the Deputy Managing Director.

## MANAGEMENT GROUP

The Management Group assists the Managing Director in the management of Employment Fund's operations and in achieving Employment Fund's strategic and operational goals. The Management Group meets on a weekly basis. In 2025, the members of the Management Group were:

Name	Year of birth	Education	Duties/responsibilities
Janne Metsämäki	1960	Master of Laws	Managing Director
Virpi Halme (until 28 February 2025)	1976	Master of Laws	Director, Technology and Development
Katja Knaapila (until 1 June 2025)	1966	Master of Business Administration	Director, HR and Communication
Antti Lähde, m, (from 25 March 2025)	1968	BBA, Information Technology	Director, Technology and Development
Karo Nukarinen, m	1976	Master of Economic Sciences	Chief Financial Officer
Tuulikki Saari, f	1979	Master of Arts	Director, Customer Relations

Gender (m/f) is given for persons who have provided this information.

In addition to the Management Group, the Managing Director is also assisted in operational management by the Extended Management Group, which in addition to the Management Group members also has the following members: Paula Kuntsi-Ruuska, Risk Manager; Lotta Hietaniemi-Sipakko, Acting Communications Manager (until January 2025); Terhi Savikko-Talasinne, Communications Manager (from February 2025); Kira Karlsson, as HR Manager (from June 2025); Veli-Matti Peltola, Head of PMO (from May 2025); Pekka Räsänen, CISO (until May 2025); Teemu Välimäki, Head of Cyber Security (from June 2025); and Teemu Turpeinen, Analyst (personnel representative). The Extended Management Group meets each month. The Fund's projects are also steered and monitored by the Portfolio Management Group.

## LEGALITY AND COMPLIANCE OF OPERATIONS

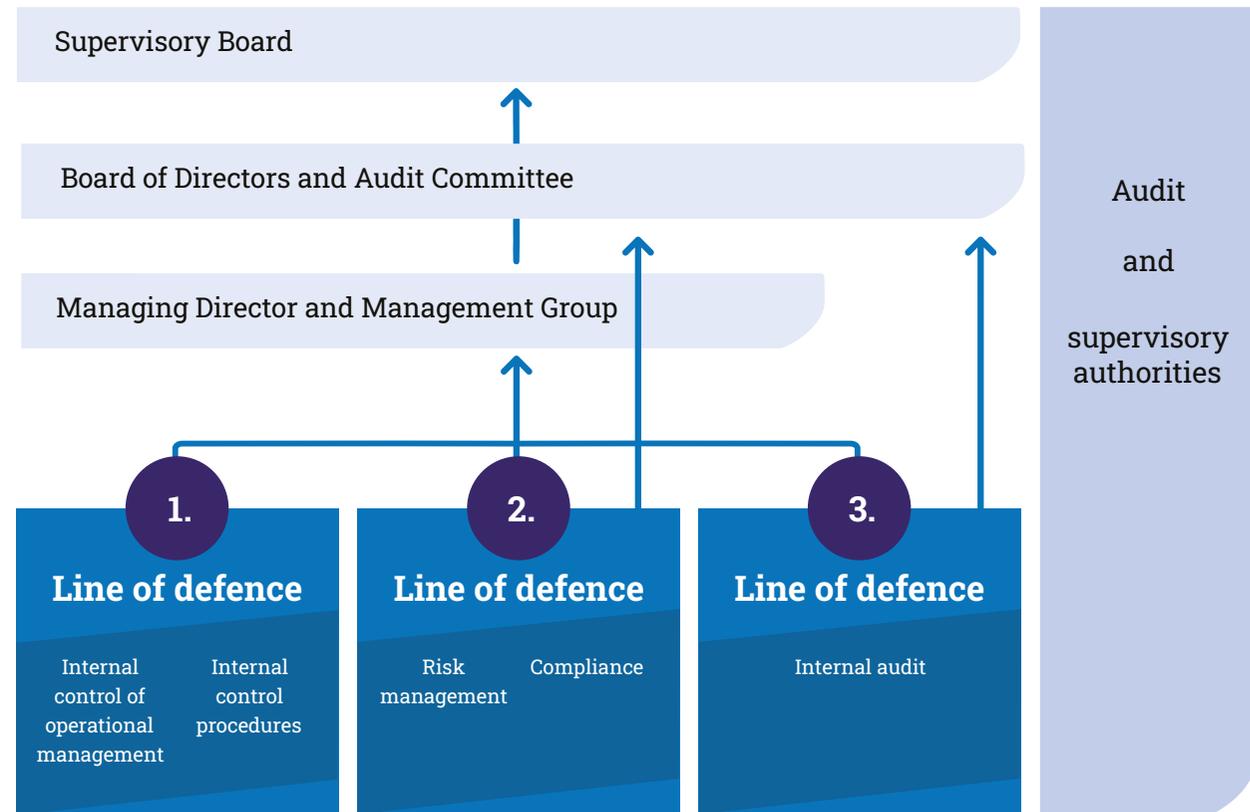
Employment Fund's operations comply with the law, the guidelines and regulations applying to the Fund, and the requirements of good governance.

## INTERNAL CONTROL AND RISK MANAGEMENT

Employment Fund's Board of Directors decides on the criteria for the Fund's internal control and risk management, approves the Fund's risk management principles and requires that Employment Fund's operations are organised so as to enable adequate internal control and risk management across every level of the organisation and in all its activities. The principles of Employment Fund's internal control and risk management apply to all functions of the Fund and each employee is responsible for implementing them.

Risk management and compliance are part of internal control. Risk management means the systematic and proactive way of identifying, analysing and managing threats and opportunities arising from the operations. The purpose of Compliance is to ensure that Employment Fund complies with existing regulation, external instructions binding on the Fund and the Fund’s own internal guidelines. The focus is on preventive activities. Employment Fund’s internal control is based on the three lines of defence model.

Employment Fund’s internal control is based on the ‘three lines of defence’ model.



**Internal audit**

Employment Fund's Board of Directors decides on the operating model and criteria for the Fund's internal audit. The Fund's internal audit operates on the basis of the plans discussed by the Audit Committee and approved by the Board of Directors. In 2025, the internal audit of Employment Fund was purchased from PricewaterhouseCoopers Oy. The Fund's internal audit reports on its operations to the Board of Directors and the Audit Committee on a regular basis.

**Principles of organising insider administration**

Employment Fund has issued publicly quoted bonds. Employment Fund complies with the Market Abuse Regulation (MAR) and other applicable legislation, insider guidelines and the rules for issuers of other instruments of Nasdaq Helsinki Ltd. Employment Fund also has insider guidelines approved by the Board of Directors, which describe the most important principles

governing the insider matters of Employment Fund.

In accordance with MAR requirements, Employment Fund maintains a list of persons in management positions and their related parties. The members of the Supervisory Board, members of the Board of Directors, the Managing Director and the Chief Financial Officer have been defined by Employment Fund as persons holding management positions. A person holding a management position in Employment Fund may not, directly or indirectly, trade with an Employment Fund's financial instrument for their own account or for the account of a third party during a closed period, regardless of whether the person in question has inside information at that time.

For the duration of the closed period, Employment Fund also imposes trading restrictions on all separately defined persons participating in the preparation of Employment Fund's interim financial report and financial statement release. The closed

period lasts for 30 days before the publication of the statutory interim financial report or the financial statement release, including the date of the publication. Employment Fund has also decided to voluntarily comply with the 30-day closed period policy (i) before the publication in spring of the estimate of unemployment insurance contributions for the following year presented to the Ministry of Social Affairs and Health; (ii) before the publication in August of the proposal of Employment Fund's Board of Directors to the Supervisory Board for the level of the unemployment insurance contributions for the following year; and (iii) before the publication in August of the budget and the Supervisory Board's proposal for the amounts of unemployment insurance contributions for the following year. This is because Employment Fund's future developments are assessed in these documents.

Employment Fund establishes an insider list for each individual project, in which the details of the persons with access to that

particular insider information is entered (project-specific insider lists). Employment Fund does not maintain the insider list's supplementary section listing permanent insiders as only the project-specific lists are used. Employment Fund has a person responsible for insider issues who carries out the duties of Employment Fund's insider administration. Employment Fund has a procedure by which one can report a suspected breach of financial market provisions and regulations through an independent channel. Employment Fund's anonymous whistleblower channel serves as the Fund's reporting channel and it is accessible on Employment Fund's internal intranet website and on its public website.

**Principles concerning related parties**

The regulations on related-party transactions set out in the Limited Liability

Companies Act are not applicable to Employment Fund's operations. However, the Fund complies with the framework of the IFRS standards and guidelines regarding related-party transactions (IAS 24). The following parties are considered as related parties of Employment Fund: members and deputy members of the Board of Directors and the Supervisory Board, Managing Director, Deputy Managing Director and the members of the Management Group as well as the family members or other close relatives of the above persons or the organisations controlled by them. Transactions involving related parties are handled in accordance with the guidelines on related-party transactions approved by the Board of Directors. The list of related parties is maintained by Employment Fund's Compliance Officer.

**AUDITOR AND AUDITOR'S FEES**

Employment Fund's Supervisory Board appointed KPMG Oy as the Fund's auditor for 2025. Marcus Tötterman, Authorised Public Accountant, KHT, acted as the main auditor until 10 April 2025. The Supervisory Board appointed Juha-Pekka Mylén (KPMG) as the main auditor of the Fund from 10 April 2025. He replaced Marcus Tötterman who had reached the end of his maximum term as auditor. The auditor's fees for 2025 comprise EUR 101,286 in audit-related costs paid to KPMG Oy and EUR 0 paid for other services.

# Remuneration report

Employment Fund is not a limited liability company and thus the regulations on remuneration principles and reporting are not directly applicable to the Fund's operations. Therefore, Employment Fund's remuneration report for 2025 has been drawn up, where applicable for Employment Fund, in compliance with the Finnish Corporate Governance Code 2025 ([www.cgfinland.fi](http://www.cgfinland.fi)), published by the Securities Market Association.

## FEES AND OTHER BENEFITS PAID TO THE MEMBERS OF THE SUPERVISORY BOARD

On 29 November 2023, on the proposal of the labour market parties, the Government appointed the members of Employment Fund's Supervisory Board for the term 1 January 2024–31 December 2026. In 2024, the Government appointed two new and in 2025 three new Supervisory Board members for the rest of the current term (until 31 December 2026).

The Ministry of Social Affairs and Health decides on the remuneration for meetings for the Supervisory Board and the principles of compensation for travelling expenses.

On 29 November 2023, the Ministry of Social Affairs and Health decided that the fees for the members of the Supervisory Board are as follows: for the chair, EUR 330 per month and EUR 440 per meeting, for the vice chair and other members, EUR 330 per meeting. In 2025, the Supervisory Board met five times. Three of the meetings were held via email. No separate remuneration was paid for the meetings held via email.



In 2025, the fees for the members of the Supervisory Board were paid as follows:

	Meeting fee of the Supervisory Board members	Monthly fee of the Supervisory Board chair	Travelling expenses	Total, 31 Dec 2025	Attendance at meetings of the Supervisory Board
Millariikka Rytönen, chair	880	3,960		4,840	5/5
Antti Zitting, vice chair	660	0	118	778	5/5
Riku Aalto	0	0		0	3/5
Maria Kaisa Aula	660	0		660	5/5
Nina Brask	660	0		660	5/5
Päivi Inberg	660	0		660	5/5
Jari Jokinen	660	0		660	5/5
Teemu Kokko	660	0		660	5/5
Antti Korpiemi	330	0		330	4/5
Tomi Lantto	660	0		660	5/5
Petri Lindroos (Member until 30 January 2025)	0	0		0	0/0
Salla Luomanmäki (Member until 30 January 2025)	0	0		0	0/0
Jorma Malinen (Member until 30 January 2025)	0	0		0	0/0
Matti Mettälä	660	0		660	5/5
Katarina Murto (Member from 30 January 2025)	330	0		330	4/5
Outi Mäkelä	660	0		660	5/5
Olli Nikula	660	0		660	5/5
Saila Ruuth	660	0		660	5/5
Annika Rönni-Sällinen	660	0		660	5/5
Samu Salo (Member from 30 January 2025)	660	0		660	5/5
Niko Simola (Member from 30 January 2025)	330	0		330	4/5
<b>Total</b>	<b>10,450</b>	<b>3,960</b>	<b>118</b>	<b>14,528</b>	

## FEES AND OTHER BENEFITS PAID TO THE MEMBERS OF THE BOARD OF DIRECTORS

The Supervisory Board decides on the remuneration of the Board of Directors. On 29 August 2024, the Supervisory Board decided that no changes would be made to the remunerations of the Board of Directors members for 2025. Members of the Board of Directors are paid remunerations on the following grounds:

Task	Fee EUR per month	Fee EUR per meeting
Chair of the Board of Directors	1,100	440
Vice chair of the Board of Directors	870	330
Other members of the Board of Directors	550	275

No other remuneration or supplementary pension arrangements are in place for the members of the Board of Directors.

In 2025, the Board of Directors met 12 times. The Board of Directors also held one strategy meeting, for which no remuneration is paid.

In 2025, the fees paid to the members of the Board of Directors were as follows:

Name	Annual fees of the Board of Directors	Meeting fees of the Board of Directors	Total, 31 Dec 2025	Attendance at meetings of the Board of Directors
Markku Jalonen, chair until 1 March 2025	2,200	880	3,080	2/2
Henrika Nybondas-Kangas, chair from 1 March 2025	12,100	4,675	16,775	11/12
Saana Siekkinen, vice chair	10,440	3,960	14,400	12/12
Tuomas Aarto	6,600	3,025	9,625	11/12
Taina Ahvenjärvi	6,600	3,025	9,625	11/12
Jarkko Eloranta (Member from 1 August 2025)	2,750	1,375	4,125	5/5
Minna Etu-Seppälä	6,600	3,025	9,625	11/12
Minna Helle (Member until 1 May 2025)	2,200	1,100	3,300	4/4
Ilkka Kaukoranta (Member until 1 August 2025)	3,850	1,925	5,775	7/7
Patrizio Lainà (Member until 27 October 2025)	4,950	2,750	7,700	10/10
Janne Makkula (Member from 1 May 2025)	4,400	2,200	6,600	8/8
Antti Palola	6,600	3,300	9,900	12/12
Pekka Piispanen	6,600	3,300	9,900	12/12
Vesa Rantahalvari	6,600	3,300	9,900	12/12
Juho Ruskoaho (Member from 1 March 2025)	5,500	2,750	8,250	10/10
Heikki Taulu	6,600	3,300	9,900	12/12
Pirjo Väänänen	6,600	3,300	9,900	12/12
<b>Total</b>	<b>101,190</b>	<b>47,190</b>	<b>148,380</b>	

The Supervisory Board decides on the fees paid to the members of the Audit Committee. The fees for the Audit Committee were EUR 440 per meeting for the chair and EUR 275 per meeting for the members of the committee. In 2025, the Audit Committee met four times.

In 2025, the fees paid to the members of the Audit Committee were as follows:

Name	Meeting fees for the Audit Committee	Total, 31 Dec 2025	Attendance at Audit Committee meetings
Pirjo Väänänen, chair	1,760	1,760	4/4
Minna Etu-Seppälä, vice chair	1,100	1,100	4/4
Henrika Nybondas-Kangas (Member until 1 March 2025)	275	275	1/1
Juho Ruskoaho (Member from 1 March 2025)	825	825	3/3
Heikki Taulu	1,100	1,100	4/4
<b>Total</b>	<b>5,060</b>	<b>5,060</b>	

## REMUNERATION OF ORGANS AND PERSONNEL

The remuneration of the members of the Supervisory Board and the Board of Directors of Employment Fund as well as the Managing Director and staff members have developed as follows during the past five financial periods:

	2021	2022	2023	2024	2025
<b>Supervisory Board<sup>1)</sup></b>					
Chair of the Supervisory Board	4,700	4,738	4,540	5,508	4,840
Vice chair of the Supervisory Board	944	620	726	990	778
Member of the Supervisory Board <sup>2)</sup>	825	410	567	715	557
<b>Board of Directors<sup>1)</sup></b>					
Chair of the Board of Directors	16,800	16,460	16,870	18,040	19,855
Vice chair of the Board of Directors	13,200	13,250	13,250	14,070	14,400
Member of the Board of Directors <sup>3)</sup>	8,577	9,220	9,466	9,826	9,932
<b>Managing Director<sup>4)</sup></b>	<b>170,426</b>	<b>178,559</b>	<b>187,901</b>	<b>189,981</b>	<b>202,408</b>
<b>Employment Fund's personnel<sup>5)</sup></b>	<b>60,257</b>	<b>57,790</b>	<b>61,480</b>	<b>80,613</b>	<b>80,680</b>

<sup>1)</sup> Annual fees of the Supervisory Board and the Board of Directors include monthly and meeting fees and travel expenses.

<sup>2)</sup> Average annual fee

<sup>3)</sup> Meeting fees for Board of Directors meetings and separate fees for Audit Committee meetings have been included in the average fees for Board of Directors members

<sup>4)</sup> Salaries, fringe benefits and variable performance-related bonus

<sup>5)</sup> Personnel expenses without social security contributions divided by the average number of personnel (person-years). These do not include the remuneration of the Managing Director.

### REMUNERATION SCHEME FOR THE MANAGING DIRECTOR

A separate remuneration scheme approved by the Board of Directors applies to the Managing Director. The Board of Directors decides on the payment of any bonuses. The bonuses of the other management members are based on a remuneration scheme approved by the Board of Directors. Based on a proposal of the Managing Director, and in accordance with approved bonus criteria, the Board of Directors decides on the payment of bonuses.

The salaries and other benefits and fees paid to the Managing Director for 2025 are shown in the following table. Social security contributions are excluded.

Position	Salary and fringe benefits	Variable performance-related bonus	1 Jan–31 Dec 2025	1 Jan–31 Dec 2024
Managing Director	184,693	17,715	202,408	189,981

### TERMS OF EMPLOYMENT OF THE MANAGING DIRECTOR

The Managing Director's terms of employment have been determined by the Board of Directors and they are stated in a written employment contract. The remuneration of the Managing Director consists of a fixed salary and a variable performance-related bonus. Performance targets and any remuneration to be paid are approved by the Board of Directors. The fixed salary of the Managing Director comprises a monetary compensation and taxable benefits (meal, telephone and car benefits). The retirement age and pension accrual of the Managing Director are based on the general employment pension legislation. The Fund has not provided a supplementary pension arrangement for the Managing Director. The Managing Director's notice period is defined in the employment contract for both parties.

### REMUNERATION FOR THE MANAGEMENT GROUP

The remuneration of Employment Fund's Management Group consists of a fixed salary and a telephone benefit as well as a variable performance-related bonus. In 2025, the maximum bonus was set at 12% of the annual salary including fringe benefits. The fixed salary comprises a monetary compensation and taxable benefits.

The Management Group's performance-related bonus is based on a remuneration scheme approved by the Board of Directors each year. Based on a proposal of the Managing Director, and in accordance with approved bonus criteria, the Board of Directors decides on the payment of bonuses.

The salaries and other benefits and fees paid to the Management Group during 2025 are shown in the following table. Social security contributions are excluded.

Position	Salary and fringe benefits	Variable performance-related bonus	1 Jan–31 Dec 2025	1 Jan–31 Dec 2024
Management Group	684,719	49,738	734,457	568,552

### TERMS OF EMPLOYMENT OF THE MANAGING GROUP

The terms of employment for Management Group members have been defined in a written contract. The retirement age and pension accrual of the Management Group members are based on the general employment pension legislation. The Fund has not provided a supplementary pension arrangement for the Management Group members. The Management Group members' notice period is defined in the employment contract for both parties.



# Financial statements

# Financial statements (IFRS) 2025

## STATEMENT OF CHANGES IN NET POSITION

The figures are in EUR thousand.

<b>Change in net position</b>	<b>Note</b>	<b>1 Jan–31 Dec 2025</b>	<b>1 Jan–31 Dec 2024</b>
<b>Contributions collected</b>			
Unemployment insurance contributions and other income	5	1,906,921	2,347,151
<b>Unemployment insurance contributions and other income</b>		<b>1,906,921</b>	<b>2,347,151</b>
<b>Financing contributions paid</b>			
Financing contributions paid	6	-2,636,731	-3,128,553
Administrative expenses	7	-31,421	-34,161
<b>Financing contributions paid and administrative expenses</b>		<b>-2,668,152</b>	<b>-3,162,714</b>
Net fair value gains on investments	14	33,148	68,308
Financing costs	8	-1,328	-1,445
<b>Change in net position</b>		<b>-729,412</b>	<b>-748,701</b>

**STATEMENT OF NET POSITION**

The figures are in EUR thousand.

Assets	Note	31 Dec 2025	31 Dec 2024
<b>Non-current assets</b>			
Property, plant and equipment	9	2,335	2,752
Intangible assets	10	0	363
<b>Total non-current assets</b>		<b>2,335</b>	<b>3,114</b>
<b>Current assets</b>			
Receivables from unemployment insurance contributions	11	1,732	14,032
Accruals of unemployment insurance contributions	11	298,783	401,914
Other receivables	13	51,562	27,895
Investment assets	15	741,492	1,394,904
Cash and cash equivalents	16	115,776	118,538
<b>Total current assets</b>		<b>1,209,345</b>	<b>1,957,284</b>
<b>Total assets</b>		<b>1,211,680</b>	<b>1,960,398</b>

Net position and liabilities	Note	31 Dec 2025	31 Dec 2024
<b>Net position</b>			
For previous periods		1,272,334	2,021,036
For the period		-729,412	-748,701
<b>Total net position</b>		<b>542,922</b>	<b>1,272,334</b>
<b>Non-current liabilities</b>			
Bonds	17	599,398	599,106
<b>Total non-current liabilities</b>		<b>599,398</b>	<b>599,106</b>
<b>Current liabilities</b>			
Unemployment insurance contribution liabilities	11	445	307
Other liabilities	18	68,914	88,651
<b>Total current liabilities</b>		<b>69,359</b>	<b>88,958</b>
<b>Total liabilities</b>		<b>668,758</b>	<b>688,064</b>
<b>Total net position and liabilities</b>		<b>1,211,680</b>	<b>1,960,398</b>

**STATEMENT OF CASH FLOWS**

The figures are in EUR thousand.

<b>Cash flows</b>	<b>1 Jan–31 Dec 2025</b>	<b>1 Jan–31 Dec 2024</b>
Unemployment insurance contributions collected	1,975,107	2,692,067
Benefits paid	-2,657,683	-3,148,470
Interests paid	3,129	-370
<b>Net cash flow from ordinary operations</b>	<b>-679,447</b>	<b>-456,773</b>
<b>Cash flows from investments</b>		
Investments in financial instruments	-901,865	-2,626,143
Sales of investment instruments and realised income	1,578,550	2,984,975
<b>Net cash flow from investments</b>	<b>676,685</b>	<b>358,832</b>
Loans withdrawn and repaid	0	0
<b>Net cash flow from financing activities</b>	<b>0</b>	<b>0</b>
Net increase/decrease in cash and cash equivalents	-2,762	-97,941
Cash and cash equivalents at the beginning of the financial period	118,538	216,479
<b>Cash and cash equivalents at the end of the financial period</b>	<b>115,776</b>	<b>118,538</b>

# Notes to the financial statements

## Accounting policies of the financial statements

### 1 GENERAL INFORMATION

Employment Fund ('the Fund') (business ID 1098099-7), established in 2019, is an independent institution managed by labour market parties and supervised by the Ministry of Social Affairs and Health and the Financial Supervisory Authority. Its main objectives are to finance unemployment benefits and grant adult education benefits. The Fund also directs, develops and supervises the implementation of the collection procedure of unemployment insurance contributions and determines and collects the employer's liability component and transition security contribution. The Fund also grants and pays employer's training compensations. The training compensation is based on the Act on Compensations for Training (1140/2013). Employment Fund

is domiciled in Helsinki and its address is Itämerenkatu 11–13, 00180 Helsinki.

The principal accounting policies applied in the financial statements of the Fund are set out below. These policies have been consistently applied to financial periods presented unless otherwise stated.

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND COMPARABILITY OF FINANCIAL PERIODS

#### 2.1 Basis of preparation

Employment Fund's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, conforming with the IAS and IFRS standards as well as the SIC and IFRIC

interpretations applicable as per 31 December 2025. IFRS refers to the standards and interpretations applicable to corporations and set out in the Finnish Accounting Act and the provisions issued under it in accordance with the procedure laid down in Regulation (EC) No 1606/2002 of the European Parliament and of the Council. The notes to the financial statements also comply with Finnish accounting and corporate legislation supplementing IFRS standards.

Employment Fund is a non-profit, government-affiliated fund whose operations are based on the Act on the Financing of Unemployment Benefits, Decree on the Financing of Unemployment Benefits and on the Decree on the Rules of Procedure of Employment Fund with amendments, as stated in section 1.

Employment Fund collects and pays unemployment insurance contributions. The Fund does not carry out business operations in which it would generate revenues arising from the sale of goods or rendering of services. Due to the nature of the Fund's operations, the Fund does not generate revenues, and common revenue recognition principles do not apply. IFRS standards do not directly regulate the structure of the IFRS financial statements of a fund like Employment Fund, or the basis for recognition and measurement of transactions. Employment Fund applied the framework of IFRS standards and general principles for recognition and measurement when it prepared its IFRS financial statements. Due to these factors, the primary statements of the Fund's IFRS financial statements are the statement of changes in net position, the statement of net position, and the cash flow statement.

The changes in net position for the financial period consist of the sum of unemployment insurance contributions collected and paid, gains on investments and financial

items. The difference between the Fund's assets and liabilities reflects the accumulated net position, which is also referred to as the business cycle buffer. A more detailed description of the business cycle buffer is provided in note 4.2. Employment Fund has no shares or equity. Therefore, these IFRS financial statements do not include the statement of changes in equity. Instead, the statement of changes in net position is presented as a separate primary statement.

During the presented financial periods, the Fund did not have any such transactions that should have been recognised in other comprehensive income. Therefore, these IFRS financial statements do not include a statement of other comprehensive income. Employment Fund does not operate as an insurer as it does not issue or hold insurance or reinsurance contracts. Therefore, the Fund's operations are not within the scope of IFRS 17 Insurance Contracts. The principal valuation method used in the financial statements is the acquisition cost, although financial assets and liabilities recognised at fair value through profit or loss

are measured at fair value. The financial statements are presented in euros unless otherwise stated.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies of the financial statements. The significant accounting estimates and judgements are described in note 3.

There are no new IFRS standards or IFRIC interpretations that are not yet effective and that would be expected to have a material impact on Employment Fund.

## 2.2 Foreign currency translation

The financial statements are prepared in euros, which is Employment Fund's functional and presentation currency. The Fund's foreign currency transactions are translated into the operating currency at the exchange rates prevailing on the transaction dates. Deposits denominated in foreign currencies are measured at fair value through profit and loss, and the effects of changes in exchange rates have been presented as part of the total fair value change.

## 2.3 Unemployment insurance contributions

Employment Fund determines and collects unemployment insurance contributions based on chapter 7 of the Act on the Financing of Unemployment Benefits. Employers report the paid wages and salaries to the Incomes Register. Unemployment

insurance contributions are determined four times per year based on the earnings payment data for the three preceding calendar months. Unemployment insurance contribution income is recognised in the financial statements on an accrual basis, and the unemployment insurance income for the final quarter of the year is recognised in the balance sheet under pre-payments and accrued income.

### Employer's liability components and transition security contributions

Employment Fund determines and collects liability components from employers. The liability component applies to employers whose payroll, used as the basis for the unemployment insurance contribution, exceeds the minimum level of EUR 2,455,500 (in 2025). An employer may be obligated to

pay the liability component if it has dismissed or laid off an aged employee whose employment relationship has lasted at least three years and the employee has been unemployed or laid off for a lengthy period. Unemployment benefit expenses are financed with the liability components.

Collected liability components that cover the cost of daily unemployment allowances are recognised as income for the period when the amount of income can be reliably measured. In order to cover the cost of additional daily allowances, the collected liability components are recognised as income within several financial periods based on the estimate of the realisation of corresponding expenses.

The statutory transition security scheme entered into force in January 2023. Employment Fund can collect the transition security contribution from an employer dismissing an employee on production-related or financial grounds if the employee in question has reached the age of 55 and has been employed by the employer in question for at least five years. The transition security contribution applies to large employers whose payroll on which the unemployment insurance contributions are based exceeds a specific minimum level in the year preceding the date of dismissal. In 2025, the minimum level was EUR 2,455 500.

The additional days of unemployment allowance will soon be abolished. The persons born in 1964 are the last age group eligible for the additional days. This also means that the employer will no longer be obliged to pay a liability component for

employees that they have dismissed or laid off. This means that the transition period for the liability component will end by the year 2035.

Transition security is intended for employees aged 55 or over dismissed on production-related or financial grounds, and it contains a transition security allowance, right to training and an extended job search leave. The transition security training is provided by the employment authority and it corresponds to the maximum of two months' wages of the dismissed employee. The transition security allowance is paid by the unemployment fund or Kela and it corresponds to one month's salary of the dismissed employee.

Employment Fund will finance the transition security scheme with a transition security contribution collected from the

employer. The contribution comprises two parts of equal size: a common part and a portion collected from the employer dismissing the employee. The common part is collected from all employers by raising the unemployment insurance contribution. A common part of 0.03 percentage points is included in the unemployment insurance contributions collected by Employment Fund from employers. The contributions collected from individual employers are recognised in the result for the financial period on an accrual basis under the account category 'Liability component and transition security contribution'. The non-invoiced part of the contributions is recognised in the balance sheet under prepayments and accrued income.

**Reconciliation based on chapter 12, section 3 of the Employment Contracts Act**

Under the Employment Contracts Act, when a court of law considers a reconciliation matter, it must provide Employment Fund with the opportunity to be heard. As a rule, 75% of the earnings-related daily unemployment allowance received by the employee during the indemnity period is deducted from the indemnity imposed on the employer for wrongful termination of employment. The court must order the employer to pay the amount deducted from the compensation to Employment Fund and inform it of the final judgement or ruling on the case. The payment of the deduction to the Fund must also take place when the employer and the employee reach a settlement on the compensation payable for wrongful termination of employment.

**Receivables subject to debt-collection**

The Fund collects and monitors neglected unemployment insurance contributions, those subject to enforcement and the contributions due by companies in bankruptcy or debt restructuring proceedings. As the receivables do not include any significant financial components, the Fund has used the simplified model permitted by IFRS 9.

**2.4 Subsidies to unemployment funds**

Under the Act on the Financing of Unemployment Benefits (555/1998), with regard to the financing of earnings-related unemployment allowances, Employment Fund is liable for the costs incurred from unemployment allowances, employment promotion measures and from job alternation compensation, insofar as the state or individual unemployment funds are not liable for these. The above-mentioned benefits are paid from the unemployment funds. The job alternation leave scheme was abolished on 1 August 2024, and from that date, new leave

agreements could no longer be concluded. However, leaves that had started before this date (up to 280 days) can be completed. Thus, expenses arising from job alternation compensation only accumulated during the first months of 2025.

Employment Fund is also liable for the insurance contributions for unemployed persons and recipients of the adult education allowance that are paid through the Finnish Centre for Pensions to the employment pension institutions.

Under the Decree on the Implementation of the Act on Unemployment Funds (272/2001), Employment Fund is tasked with processing prepayment applications and payment decisions and monitoring the sufficiency of prepayments. The Fund makes prepayments to the unemployment funds twice a month in accordance with the budget approved at the end of the previous financial period. The Fund receives

monthly statistics from the Financial Supervisory Authority on the accumulated allowances paid by the unemployment funds to their customers, and based on that, the Fund has accrued the prepayments and actual payments to each unemployment fund either as a receivable or liability in its accounts. This accrual is recognised by benefit type. Transition security allowance was added to the benefit types offered by the unemployment funds in 2023. Transition security is used to finance expenses arising from the transition security allowance paid to dismissed employees aged 55 and over.

The Ministry of Social Affairs and Health pays to Employment Fund the government contributions that the Fund pays to the unemployment funds as financing contributions. The Fund transfers the prepayments of government contributions to the unemployment funds on the first banking day of each month. In 2025, the Ministry of Social Affairs and Health paid government contributions to the Fund as fixed monthly prepayments unless otherwise proposed by Employment Fund.

From the beginning of 2025, municipalities' responsibility for financing unemployment benefits has also partially covered the basic component of earnings-related allowances. Municipalities' responsibility for funding part of the basic component starts after 100 days of unemployment and then gradually increases as unemployment continues. The municipalities' contribution to the basic component of the earnings-related daily allowance is invoiced monthly by the Social Insurance Institution of Finland afterwards, which pays the sum to Employment Fund.

The income received from the Ministry of Social Affairs and Health and municipalities and the payments made to the unemployment funds have been recognised in amounts corresponding to the benefit payments made by the unemployment funds to their customers. The Ministry of Social Affairs and Health will approve the financial statements of the unemployment funds on the basis of final information in summer 2025, at which point the Fund will make equalisations in the account balances between the unemployment funds, government and municipalities.

Under section 4 of the Act on the Financing of Unemployment Benefits, Employment Fund has sole responsibility for funding the increased earnings-related component laid down in section 6 of the Unemployment Security Act. The increased earnings-related component of unemployment security was abolished on 1 January 2025. However, it was paid after that for a maximum of 200 days in situations where the conditional employment promotion service had started in 2024.

From the beginning of 2015, the means by which the higher income earnings-related unemployment allowances are calculated was changed so that the level of allowances decreased slightly. The same change was carried out regarding the supplementary earnings-related allowances. These changes implement the reduction of unemployment allowances as specified in the Finnish Government's framework decision. The change has decreased expenses related to earnings-related daily unemployment allowances. To implement government savings, Employment Fund paid the amount of savings (about EUR 50.3 million) yearly

to the Social Insurance Institution of Finland to finance basic income security under section 23 of the Act on the Financing of Unemployment Benefits (555/1998). These payments have been discontinued and no further payments were made in 2025.

#### **Payments to the Finnish Centre for Pensions and the State Pension Fund and the interest on them**

Employment Fund's second-largest expense item has been the contribution paid to the Finnish Centre for Pensions to cover the pension liabilities and expenses arising from taking into account the time of unemployment, education and job alternation leave (sections 74 and 182 of the Employees Pensions Act [395/2006]). As set out in the Government Programme, training and job alternation leave are being abolished. However, pension liability contributions arising from them were still paid during the transition period in 2025. The amount of this contribution is determined by estimating the average amount of pension contributions that would be paid for the unpaid periods that constitute the basis of the accrued

pension security. As stated above, the Fund is liable to pay the contribution referred to in sections 62 and 133 of the State Employees' Pensions Act (1295/2006) to the State Pension Fund.

Payments made to the Finnish Centre for Pensions for the financial period in accordance with section 12c of the Employees Pensions Act (561/1998) are based on an estimate provided by the Finnish Centre for Pensions and adjusted in the financial statements. The difference between the payments made and the adjusted estimate is recognised as prepayments and accrued income or accruals and deferred income. The final payment amount is received from the Finnish Centre for Pensions in the spring of the year following the financial period, and the difference between the final payment and payment estimate used in the financial statements is presented as an adjustment, an equalisation payment for the previous year, in the following year's financial statements. The revised payment for the year and the equalisation payment

for the previous year have been specified in the notes to the financial statements.

The Finnish Centre for Pensions assigns interest on the charges imposed on Employment Fund according to the TyEL premium insurance interest rate. The revised payment included in the financial statements accrues interest until the end of the financial period (debiting interest). The Finnish Centre for Pensions refunds the interest to Employment Fund according to the actual payments and times of payment (compensatory interest).

The final payment amount determined in the following year accrues interest until the clearance date agreed between the Finnish Centre for Pensions and Employment Fund (previous year's debiting interest). Compensatory interest is correspondingly calculated for all payments made by the Fund in the previous year (compensatory interest for the previous year's payments). The debiting and compensatory interests for payments to the State Pension Fund are calculated in a manner identical to the above.

**Settlement to the Social Insurance Institution of Finland of income from the unemployment insurance contributions of employees who are not members of unemployment funds**

Under sections 8 and 23 of the Act on the Financing of Unemployment Benefits (555/1998), the Fund makes an annual prepayment to the Social Insurance Institution of Finland from the employees' unemployment insurance contribution income, corresponding to the percentage of employees who are not members of unemployment funds. The amount of the settlement is estimated from data collected by Statistics Finland, and the estimate is approved by the Ministry of Social Affairs and Health. The final amount of the payment is based on a calculation prepared by the Ministry of Social Affairs and Health of the amount of benefits financed in this manner paid by the Social Insurance Institution of Finland during the financial period. Transition security allowance was added to the benefits financed from 1 January 2023. Transition security is used to finance expenses arising from the transition security allowance of

dismissed employees aged 55 and over who are not members of unemployment funds.

**Adult education benefits**

Employment Fund grants and pays adult education allowance and scholarships for qualified employees in accordance with the Act on Adult Education Benefits (1276/2000). Employment Fund is also responsible for financing the adult education allowance scheme for employees and scholarships for qualified employees working for employers other than central government. The state is responsible for financing the adult education allowance scheme for entrepreneurs and scholarships for qualified employees working for central government. The responsibility for financing is specified in section 30 of the Act on Adult Education Benefits. Adult education benefits will be abolished by the act that entered into force on 1 June 2024. Adult education allowances and scholarships for qualified employees will only be granted during a transition period, and the granting of the adult education allowances will end on 31 December 2025.

**Financing of pay security**

Under section 31 of the Pay Security Act (866/1998), Employment Fund is responsible for the state's pay security expenses. Pay security expenses are paid once per year, normally in the spring of the following year, to the Ministry of Economic Affairs and Employment, based on an invoice sent by the Ministry.

**Transition security training**

The transition security scheme that entered into force from the start of 2023 includes transition security training for employees aged 55 and over dismissed on production-related or financial grounds. Employment Fund is responsible for financing the training. Employees covered by transition security are eligible for transition security training corresponding to pay of two months purchased by the employment authority. Employment areas compile the information on training expenditure and invoice the sum to Employment Fund on a quarterly basis.

**Member State invoicing for unemployment security**

Article 65 of Regulation (EC) No 883/2004 of the European Parliament and of the Council on the coordination of social security systems (basic regulation) provides for situations in which a person becomes unemployed after working in a Member State other than their country of residence. In Finland, Employment Fund has been designated as the competent body when implementing this basic regulation with regard to earnings-related unemployment insurance. The Fund's responsibilities include the payment and collection of the compensation laid down in paragraphs 6 and 7 of Article 65, incurred from unemployment allowance paid to the members of unemployment funds.

The Fund applies for compensation from Member States depending on how the unemployment funds have paid the unemployment allowances to the individuals who have been working in another Member State. In turn, Member States apply for compensation from Employment Fund for citizens of other Member States who have worked in Finland. The benefits will be fully repaid but not more than the amount that would have been paid in the country of employment. Income and expenses are recognised on a cash basis.

**Training compensation**

Employment Fund manages employers' training compensations. The training compensation is based on the Act on Compensations for Training (1140/2013). The training compensation is a financial support to

develop competence for those employers who are not eligible for a training deduction granted by the Business Income Tax Act or Agricultural Income Tax Act. These employers include municipalities, parishes and non-profit organisations. The purpose of the training compensation is to improve the employer's opportunities to organise training for its employees so that they can enhance their vocational competence.

Training compensation can be granted for a maximum of three training days per employee annually. The financing of training compensation has been designated so that each calendar year, the Ministry of Finance pays the amount that the Fund has refunded to employers in the form of training compensation based on an application from Employment Fund.

Parliament approved the act abolishing the training compensation scheme in December 2025. Under the act, no further training compensation will be granted for training completed on or after 1 January 2026. Training compensation can be paid in 2026 for training that takes place in 2025 and that meets the requirements. The application for training compensation for 2025 must be submitted before the end of January 2026. The applicants must also submit their requests for administrative review within one year.

#### **Pensions and employee benefits**

Employment Fund has only defined contribution pension schemes. Statutory pensions are managed by a pension insurance provider. Pension contributions are recognised as expenses for the financial period in which the payments are incurred.

The Fund has a bonus system for its employees. The Board of Directors decides on the payment of any bonuses on the Managing Director's proposal and in compliance with the bonus criteria. Realised bonuses

are recognised as expenses for the financial period relevant to the bonus system.

#### **2.5 Property, plant and equipment**

Property, plant and equipment comprises the Fund's machinery and equipment and the leasehold improvements. Property, plant and equipment are measured in the statement of net position at the historical cost minus the accumulated depreciation and impairment charges.

Leasehold improvements are added to the premises improvement's carrying amount when it is probable that future economic benefits associated with the item will flow to the Fund. The expenses of ordinary repair and maintenance costs are reported in the period in which they are incurred.

Depreciation on property, plant and equipment is calculated using the straight-line method over their estimated useful lives.

As a rule, the residual value is estimated to be zero. Assets' residual values and useful lives are reviewed when financial statements are prepared. Depreciation periods

are adjusted if the estimate changes significantly. Estimated useful lives by asset class are as follows:

- Leasehold improvements 5 years
- Machines and equipment 3 years

Gains and losses on disposal and decommissioning of property, plant and equipment are calculated as the difference between net proceeds and the carrying value. Gains and losses on disposals are included in the administrative expenses in the statement of changes in net position.

#### **2.6 Intangible assets**

Intangible assets with finite useful life comprise acquired or internally produced computer software, and other intangible assets when it is probable that future economic benefits associated with the asset will flow to the Fund and the cost can be measured reliably. Implementation costs related to the cloud computing service arrangement, which is a service contract, are primarily recorded as expenses incurred when the relevant implementation service is obtained. Implementation costs related to the

cloud service arrangement are only capitalised and amortised over a longer period of time in cases where the implementation service is not distinct from the service that allows access to the software, or when the costs relate to the creation of a separate intangible asset.

The cost of an internally generated intangible asset is defined as the sum of directly attributable production costs allocated to the asset.

Costs associated with maintaining computer software are reported as expenses incurred. Research costs are recognised as an expense in the financial period in which they are incurred. Development costs that are attributable to the design and testing of new software, or to significant changes to existing software, are capitalised only when they meet the above-mentioned criteria for the activation of intangible assets specified in International Accounting Standards (IAS 38) referred to above.

Intangible assets with finite useful life are measured at historical cost less

amortisation and impairment charges. Amortisation of intangible assets is calculated using the straight-line method over their useful lives. Estimated useful lives by asset class are as follows:

- Computer software 3 years
- Software development expenses 3 years

### **2.7 Impairment of non-financial assets**

At the end of each financial period, it is assessed whether there have been any events or changes in circumstances that indicate that the value of an intangible asset or an item of property, plant and equipment subject to amortisation or depreciation may have changed. If there are any indicators of impairment, the recoverable amount is determined.

The recoverable amount is the asset's fair value less the costs of disposal or the value in use, whichever is higher. Value in use refers to the asset's expected future net cash flows that have been discounted to net present value by using the determined discount rate. An impairment loss is recognised in the statement of changes in net position for

the amount by which the asset's carrying value exceeds its recoverable amount. The useful life of a depreciated asset is reviewed in connection with the recognition of impairment losses.

Impairments are reversed if circumstances change and an asset's recoverable amount changes after the recognition of the impairment but not to an amount higher than the carrying value would be without the impairment charge.

### **2.8 Financial assets and liabilities**

#### **Financial assets**

Employment Fund applies the IFRS 9 (Financial Instruments) standard, which was published by the International Accounting Standards Board and took effect on 1 January 2018. IFRS 9 specifies how an entity should classify and measure financial assets. It also includes a model for impairment charges based on expected losses and general requirements for hedge accounting. IFRS 9 requires financial assets to be classified into three measurement categories: those measured at amortised cost, those

measured at fair value through other comprehensive income and those measured at fair value through profit and loss. For financial liabilities, the standard retains most of the IAS 39 requirements. For impairment, a model based on expected credit losses is used.

Employment Fund's financial assets consist of investments (note 15) as well as cash and cash equivalents (note 16). On the date of acquisition, the management of the Fund classifies the financial assets into classes that determine the basis of valuation. All financial assets are recognised on the trade date (the day when the Fund commits to buy or sell the asset).

Investments are presented in the statement of net position as current assets unless their maturity is over 12 months and the management intends to dispose of them more than 12 months after the reporting date.

Investments are initially recognised at fair value. Transaction costs are recognised directly as expenses. After initial recognition,

the investments are measured at fair value on each reporting date, and realised and unrealised changes in fair value are recognised in the statement of changes in net position in the period in which they arise. Net changes in fair value are presented in the statement of changes in net position on the line 'Net income from measuring investments at fair value'. All interest and dividend income from investments are included in the net change of the fair value. The basis for defining fair value is presented in note 14.

Financial assets are de-recognised when the rights to receive cash flows have expired or have been transferred to another party such that all the risks and rewards have been transferred.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand and deposits held at call with banks.

#### **Loans**

Loans are recognised initially at fair value, the net of the transaction costs incurred. Loans are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of changes in net position over the period of the loan using the effective interest method.

Fees paid on loan facilities are recognised as the transaction costs of the loan to the extent that it is probable that some or all of the facility will be withdrawn. In this case, the fee is deferred and recognised in the statement of net position until the loan is withdrawn. To the extent there is no evidence that it is probable that some or all the loans of the facility will be withdrawn, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility.

#### **2.9 Rental agreements**

As a lessee, the Fund has applied the IFRS 16 Leases standard since 1 January 2019.

IFRS 16 specifies the requirements concerning recognition, valuation and information to be presented in the financial statements. The standard introduces a single lessee accounting model. In principle, all leases with a term of more than one year are recognised in the balance sheet unless the underlying asset is of low value. On the first day of the lease, the lessee recognises a liability for its obligation to make lease payments and an asset item for its right to use the asset. The lessee must recognise the interest expenses on the liability and the planned depreciation on the asset item. In addition, the lessee must redefine the amount of the lease liability in conjunction with certain events (such as a change in the term of the lease or changes to the lease payments due to index adjustments). The Fund uses the transition relief permitted by IFRS 16 with regard to short-term leases (with terms of less than 12 months) and leases of low-value assets.

### **3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of financial statements in conformity with IFRS requires the management to make estimates and assumptions that have affected the income, expenses, assets and liabilities presented in the financial statements. Judgement is also needed in the application of accounting policies. The estimates are based on the best information available on the reporting date. The evaluation is based on both earlier experience and assumptions about the future that are most probable on the reporting date. Actual results may differ from these decisions based on estimates and assumptions. Possible changes in estimates are recognised in the period in which the estimate is adjusted and all subsequent periods. The planning and management of Employment Fund's finances are largely based on forecasts of changes in the unemployment rate, unemployment expenses, employment rate and payroll. Under normal conditions, the Fund must set the insurance contributions at a sufficient level so that all projected expenses can be covered with the insurance contributions.

The unemployment insurance contributions (contribution rates) are determined for one calendar year at a time. When the contributions are changed, the employers' and employees' contributions are changed by the same percentage point.

If necessary, the Fund exercises judgement in applying the valuation methods used in the measurement of fair value insofar as the fair values are not received as direct prices from active markets. Valuation principles are described in note 15 (Investment assets).

Fair value determination of current money market investments is based on the discounted cash flows, and management has used judgement when it has concluded that the change of credit risk does not have a material impact on the change of fair values of investments due to their short duration and high credit rating. Credit risks are presented in section 4 Financial risk management. The Fund's critical assumptions concerning the future and key uncertainties in the reporting date are related to the factors mentioned above.

**Credit losses**

Employment Fund applies the IFRS 9 standard model for expected credit losses when estimating impairment charges associated with uncertain unemployment insurance contribution receivables (note 12). In this model, expected losses are recognised for the entire validity period of the financial asset, and the model is based on the amount of the outstanding receivables and the time period for which they remain outstanding. The parameters applied in the model are based on an estimate of the amount of unemployment insurance contribution receivables, liability component receivables, reconciliation receivables based on the Employment Contracts Act, benefit receivables and interest receivables to be recognised as credit losses on the reporting date. Expected credit losses throughout the entire period of validity are calculated by multiplying the gross carrying value of the unpaid receivables by the expected proportion of loss. Changes to expected credit losses are recognised through profit and loss.

**Segment reporting**

The IFRS 8 Operating Segments standard requires entities to disclose information to enable users of their financial statements to evaluate the nature and financial effects of the business operations in which the entity engages and the economic environments in which it operates. As defined in the standard, an operating segment is a component of an entity

- A. that engages in activities from which it may earn revenues and incur expenses
- B. whose operating result is regularly reviewed by the entity's most senior executive decision-maker to make decisions about resources to be allocated to the segment and assess its performance, and
- C. on which discrete financial information is available.

Further, according to the definition of the standard, the function of the most senior executive decision-maker is to allocate resources to and assess the performance of the operating segments of an entity.

Employment Fund is tasked with collecting unemployment insurance contributions, the level of which has been determined by the public authorities. The Fund pays the collected contributions onwards, mainly to unemployment funds.

Employment Fund uses the collected contributions for conservative investment activities in order to cover current financing contributions. The Fund also covers any deficits it incurs with loan financing.

Employment Fund is a non-profit, government-affiliated fund. The management monitors the Fund's operations as a single entity, which consists of the contributions collected and benefits paid, resulting in a change in net position. The Fund's management does not actually allocate resources to the entity's activities or review the effectiveness of operations.

For these reasons, Employment Fund's management has made the assessment that the presentation of segment information is not appropriate. Presenting segment

information would not improve the ability of a reader of the financial statements to assess the Fund's operations, nature of the operating environment and financial effects. According to Employment Fund's management, the nature of the Fund's operations and operating environment and the financial impacts are fairly presented in the IFRS financial statements.

#### **4 FINANCIAL RISK MANAGEMENT**

The Fund seeks to limit financial and investment risks to a level where their realisation will not result in significant losses for the Fund to the extent of creating pressure to increase contributions or endanger the liquidity of the Fund. The investment and financing activities and risk limits of Employment Fund are provided for in more detail in the investment principles approved by the Supervisory Board and the investment plan and debt management plan approved by the Board of Directors.

The market risk of investments is primarily measured by using the stress-test method, in which a risk indicator expressed

as annual volatility is assigned to each investment class on the basis of historical fluctuations in value. Employment Fund's financial risks mainly relate to investments, and they comprise market risk, credit and counterparty risk and liquidity risk. Investments are diversified in accordance with the investment principles approved by the Supervisory Board across various asset classes so as to reduce financial risks. Risk limits are set to such a level that their realisation would not result in the Fund incurring losses that would give rise to pressures to increase the level of contributions. The Fund may enter into derivative contracts for hedging purposes; however, derivatives were not used during the periods presented.

The Fund measures all its investments at fair value because they have been designated as financial assets at fair value through profit and loss. The investments are itemised in note 15, along with their fair values by asset class and the basis for defining fair value.

#### **4.1 Financial risk factors**

##### **Market risk**

The main market risk factor for Employment Fund's investments and liabilities is the interest rate risk. The Fund's investment portfolio is dominated by fixed-income investments (bonds and money market investments).

Employment Fund may make investments directly, or indirectly through investment funds. At the end of the review period, 28% (31 Dec 2024: 22%) of the investments were indirect.

On 31 December 2025 and 31 December 2024, the market risks for the investments were as follows:

Investment item, 31 Dec 2025	Risk, per cent	Capital, EUR thousand	Risk, EUR thousand
Bank deposits	0.50%	123,680	618
Money market	1.00%	185,028	1,850
Central government and general government bonds	4.00%	173,356	6,934
Bank bonds	4.50%	137,944	6,207
Corporate bonds	5.00%	129,656	6,483
Equities	25.00%	28,291	7,073
Alternative investments	10.00%	87,428	8,743
<b>Total risk</b>	<b>4.38%</b>	<b>865,383</b>	<b>37,908</b>

Investment item, 31 Dec 2024	Risk, per cent	Capital, EUR thousand	Risk, EUR thousand
Bank deposits	0.50%	116,567	583
Money market	1.00%	473,183	4,735
Central government and general government bonds	4.00%	244,324	9,773
Bank bonds	4.50%	279,942	12,597
Corporate bonds	5.00%	250,436	12,522
Equities	25.00%	43,663	10,916
Alternative investments	10.00%	103,356	10,336
<b>Total risk</b>	<b>4.07%</b>	<b>1,511,471</b>	<b>61,461</b>

Total risk was 4.38% (31 Dec 2024: 4.07%) of the Fund's assets and 2.0% (31 Dec 2024: 2.6%) of the Fund's income in 2025. The risk posed by the investment portfolio is moderate due to its conservative structure and moderately low risk level of the securities in the portfolio.

All money market investments carry variable interest rates (31 Dec 2024: 100%). Of the bonds, 11% were at variable rates (31 Dec 2024: 8%). Variable-rate investments expose the Fund to a cash flow interest rate risk, while investments at fixed rates expose the Fund to a fair value interest rate risk.

If, on 31 December 2025, the Euribor rates and interest rate curve (swap rates) had been 0.5 percentage points higher while all other variables remained constant, the change in net position would have been EUR 5.1 million (31 Dec 2024: EUR -9.1 million) lower. Respectively, if on 31 December 2025 the Euribor rates and interest rate curve (swap rates) had been 0.5 percentage points lower, the total change in net position would have been EUR 5.1 million (31 Dec 2024: EUR 9.1 million) higher.

**Credit risk**

The credit risk of the investments is managed by issuer credit limits. Limits for each issuer are determined by taking account of the absolute size, economic position and future outlook of the issuer. The Fund continuously monitors the credit standing and future outlook of the issuers, and when changes occur, the limits are either increased or decreased. The Fund mainly invests in banks in the Nordic countries that have high credit ratings, states with strong credit ratings (Finland, Germany, the Netherlands, Belgium, France, Austria and Sweden), companies mainly in Finland and

some in Sweden, and municipalities. Cash and cash equivalents are only held at banks with high credit ratings. The spread duration of the credit risk included in the investments at the end of the review period was 1.71 years (31 Dec 2024: 1.63 years).

The average credit rating of the investment portfolio is evaluated on Standard & Poor's rating scale, which is based on historical probabilities of credit losses. The investment portfolio credit rating is estimated to be about BBB+ on 31 December 2025 (31 Dec 2024: BBB+).

The Fund's investments mainly consist of government and bank bonds. Their creditworthiness has been determined using the S&P credit rating. Most of the banks that the Fund has invested in have good credit ratings. However, not every regional bank and company has an official credit rating, so the credit quality of these entities is determined using credit ratings received from a third party.

The following table describes Employment Fund's fixed-income investments and credit-worthiness by group. The figures are expressed in thousands of euros.

Investments distributed by the issuer's rating	31 Dec 2025, EUR thousand	31 Dec 2025, per cent	31 Dec 2024, EUR thousand	31 Dec 2024, per cent
AAA	60,185	8.1%	190,409	14.0%
AA+	121,950	16.4%	119,129	8.7%
AA	27,070	3.6%	35,981	2.6%
AA-	208,162	28.0%	244,046	17.9%
A+	18,556	2.5%	198,707	14.6%
A	42,463	5.7%	81,482	6.0%
A-	44,225	5.9%	81,888	6.0%
BBB+	15,676	2.1%	85,041	6.2%
BBB	126,620	17.0%	177,127	13.0%
BBB-	46,050	6.2%	70,027	5.1%
BB+	1,403	0.2%	4,765	0.3%
BB	4,226	0.6%	22,716	1.7%
BB-	6,827	0.9%	21,264	1.6%
B+	3,103	0.4%	0	0.0%
B	0	0.0%	0	0.0%
B-	0	0.0%	0	0.0%
CCC+	0	0.0%	0	0.0%
CCC	0	0.0%	0	0.0%
NR	18,219	2.4%	31,847	2.3%
<b>Total</b>	<b>744,735</b>	<b>100.0%</b>	<b>1,364,429</b>	<b>100.0%</b>

The amount of Employment Fund's unemployment insurance contribution receivables, liability component receivables, reconciliation receivables based on the Employment Contracts Act, benefit receivables, and interest receivables, are included in the credit risk. The most important factor in the realisation of the aforementioned credit risk is related to cases in which customers liable for paying unemployment insurance contributions become insolvent (due to bankruptcy, corporate restructuring or debt restructuring). The actual credit losses arising from unemployment insurance contribution receivables totalled EUR 3.5 (2.7) million in 2025. As a whole, Employment Fund's collection process is very efficient.

### Liquidity risk

The Fund aims to manage liquidity risk as follows:

1. Liquid realisable investments
2. Credit limits and borrowing capacity
3. Maintaining unemployment insurance contributions at reasonable level and increasing them as necessary

To secure its liquidity, in fixed-income investments with less than one year's maturity, the Fund keeps an amount that covers at least one month's expenses. When the liquidity buffer decreases below this limit, the Fund uses short-term borrowing to cover the temporary liquidity deficit. For this purpose, the Fund has a EUR 300 million commercial paper programme (31 Dec 2024: EUR 300 million). The Fund also has EUR 600 million in committed revolving credit facilities (RCF) with four banks (31 Dec 2024: EUR 600 million). The commercial paper programme and the revolving credit facilities remained unused at the end of 2024 and at the end of 2025.

The figures in the tables are in EUR million.

Unused committed revolving credit facilities	31 Dec 2025	31 Dec 2024
RCF due in more than one year	600	600
<b>Total</b>	<b>600</b>	<b>600</b>

Unused uncommitted revolving credit facilities	31 Dec 2025	31 Dec 2024
Commercial paper programme	300	300
<b>Total</b>	<b>300</b>	<b>300</b>

Employment Fund also secured its liquidity through debt financing during 2025. The Fund has the following issuer credit ratings as confirmed by Standard & Poor's (24 June 2025):

- Long-term credit rating AA+, stable outlook
- Short-term credit rating A-1+, stable outlook

Employment Fund used debt financing in 2025. At the end of the review period, EUR 600 million in bonds (31 Dec 2024: EUR 600 million) were in use.

### Fixed interest rate periods for loans

The fixed interest rate periods for loans in the statement of net position were as presented in the table. The figures are in EUR thousand.

Loans, 31 Dec 2025	Nominal value EUR million	Fixed interest rate period in years	Interest rate	Due date	Credit rating
Bond 2027	600	1.46	0.01%	16 June 2027	AA+
<b>Total</b>	<b>600</b>	<b>1.46</b>			

Loans, 31 Dec 2024	Nominal value EUR million	Fixed interest rate period in years	Interest rate	Due date	Credit rating
Bond 2027	600	2.46	0.01%	16 June 2027	AA+
<b>Total</b>	<b>600</b>	<b>2.46</b>			

### Maturity of financial liabilities

The following tables show Employment Fund's financial liabilities by group based on the maturities of outstanding contracts. The figures are in EUR thousand.

<b>Financial liabilities, 31 Dec 2025</b>	<b>Less than 6 months</b>	<b>6–12 months</b>	<b>1–3 years</b>	<b>4–7 years</b>	<b>Total cash flow based on contracts</b>	<b>Book value assets(-)/liabilities</b>
Accounts payable	4,662	0	0	0	4,662	4,662
Loans	60	0	600,060	0	600,120	599,398
Liabilities associated with right-of-use assets	274	270	1,056	1,030	2,631	2,536
<b>Total</b>	<b>4,996</b>	<b>270</b>	<b>601,116</b>	<b>1,030</b>	<b>607,412</b>	<b>606,596</b>

<b>Financial liabilities, 31 Dec 2024</b>	<b>Less than 6 months</b>	<b>6–12 months</b>	<b>1–3 years</b>	<b>4–7 years</b>	<b>Total cash flow based on contracts</b>	<b>Book value assets(-)/liabilities</b>
Accounts payable	2,261	0	0	0	2,261	2,261
Loans	60	0	600,120	0	600,180	599,106
Liabilities associated with right-of-use assets*	385	385	1,503	727	2,999	2,930
<b>Total</b>	<b>2,706</b>	<b>385</b>	<b>601,623</b>	<b>727</b>	<b>605,440</b>	<b>604,296</b>

\*Cash flows from liabilities associated with right-of-use assets have been adjusted to reflect the bases for book values as of 31 December 2024.

#### 4.2 Business cycle buffer

Under section 3 of the Act on the Financing of Unemployment Benefits, Employment Fund maintains a business cycle buffer to ensure liquidity and balance out changes in unemployment insurance contributions due to foreseeable economic fluctuations in the national economy.

The business cycle buffer accrues on the basis of the difference between Employment Fund's assets and liabilities. When the unemployment insurance contributions are set, the forecast for the maximum amount of assets or liabilities in the buffer may not exceed expenses corresponding to an unemployment rate of six percentage points. When the decision on the level of unemployment insurance contributions is made, the forecast for the business cycle buffer may by law exceed the maximum amount of assets over two years during a three-year review period to ensure a steady payment trend. In that case, however, unemployment insurance contributions may not be set higher than in the previous year. The maximum amount of the business cycle buffer is calculated on the basis of the figures in the annual financial statements.

The investment of the assets accrued in the buffer is regulated by the Fund's investment and debt financing principles and the investment plan approved each year. The use of debt financing is regulated in the same principles as well as in the debt management plan.

The maximum amount of the buffer (net position) is calculated by dividing Employment Fund's annual expenses by the average unemployment rate for the year and multiplying the result by six. The following table presents the amount of the business cycle buffer and the minimum and maximum amounts of the buffer as specified in the Act.

The figures are in EUR million.

<b>Business cycle buffer</b>	<b>1 Jan–31 Dec 2025</b>	<b>1 Jan–31 Dec 2024</b>
Amount	543	1,272
Maximum amount	1,218	1,726
Minimum amount	-1,218	-1,726

## 5 UNEMPLOYMENT INSURANCE CONTRIBUTIONS

The figures are in EUR thousand.

Unemployment insurance contributions by contribution type	1 Jan–31 Dec 2025	1 Jan–31 Dec 2024
<b>Employer's unemployment insurance contributions</b>		
Employer's insurance contributions	569,701	763,976
Training compensation reimbursements	-14,576	-11,513
Training compensation settlements paid by the Ministry of Finance	14,576	11,513
Employer's insurance contributions, co-owners	653	1,018
<b>Total</b>	<b>570,354</b>	<b>764,994</b>
<b>Employee's unemployment insurance contributions</b>		
Employee's insurance contributions	605,549	803,672
Employee's insurance contributions, co-owners	979	1,630
<b>Total</b>	<b>606,528</b>	<b>805,302</b>
<b>Collection fee income</b>		
Interest on overdue employer contributions	194	366
Interest on overdue employee contributions	450	2
Collection fee income	274	530
<b>Total</b>	<b>918</b>	<b>898</b>

Unemployment insurance contributions by contribution type	1 Jan–31 Dec 2025	1 Jan–31 Dec 2024
<b>Employer's liability components and transition security contributions</b>		
Liability components	5,687	7,484
Transition security contributions	20,771	16,405
Accruals	1,966	-207
<b>Total</b>	<b>28,424</b>	<b>23,682</b>
<b>Deductions under the Employment Contracts Act (ECA)</b>		
Deductions and lay-off income under ECA	850	855
Settlement to the Ministry of Social Affairs and Health	-453	-297
<b>Total</b>	<b>398</b>	<b>559</b>
<b>Contributions from the Ministry of Social Affairs and Health and municipalities</b>		
Earnings-related unemployment allowance Ministry of Social Affairs and Health	602,396	727,940
Earnings-related unemployment allowance municipalities	95,076	0
Job alternation compensation	1,150	20,063
Equalisation payment for the previous year	610	-1,059
Adult education benefits	1,067	4,772
<b>Total</b>	<b>700,299</b>	<b>751,716</b>
<b>Total unemployment insurance contributions</b>	<b>1,906,921</b>	<b>2,347,151</b>

## 6 FINANCING CONTRIBUTIONS PAID

The figures are in EUR thousand.

Financing contributions	1 Jan–31 Dec 2025	1 Jan–31 Dec 2024
<b>Employment Fund contributions paid to unemployment funds</b>		
Other earnings-related unemployment allowance	-637,010	-696,049
Additional days of allowance	-114,462	-126,484
Transition security allowance	-13,297	-12,237
Lay-off allowance	-287,166	-368,640
Job alternation compensation	-1,507	-26,836
Compensation for administrative expenses	-8,646	-9,400
Equalisation payment for the previous year	-777	1,557
<b>Total</b>	<b>-1,062,866</b>	<b>-1,238,089</b>
<b>Government and municipal contributions paid to unemployment funds</b>		
Other earnings-related unemployment allowance	-684,319	-714,104
Job alternation compensation	-1,150	-20,063
Unemployment allowance/entrepreneurs	-6,370	-6,470
Compensation for administrative expenses	-6,782	-7,366
Equalisation payment for the previous year	-610	1,057
<b>Total</b>	<b>-699,231</b>	<b>-746,946</b>
<b>Finnish Centre for Pensions</b>		
Equalisation payment for the previous year	-1,868	-8,627
Payment for the current financial period	-656,635	-713,566
<b>Total</b>	<b>-658,503</b>	<b>-722,193</b>
<b>State Pension Fund</b>		
Equalisation payment for the previous year	-342	-266
Payment for the current financial period	-9,329	-9,427
<b>Total</b>	<b>-9,672</b>	<b>-9,693</b>

Financing contributions	1 Jan–31 Dec 2025	1 Jan–31 Dec 2024
<b>Kela</b>		
Equalisation payment for the previous year	-1	0
Basic income security, additional component, employment programme additional benefit	-94,000	-167,300
Kela transition security allowance	-263	-200
<b>Total</b>	<b>-94,263</b>	<b>-167,500</b>
<b>Adult education benefits</b>		
Scholarships for qualified employees	-60	-9,555
Adult education allowance	-76,964	-202,655
Collection expenses for benefits	-3	-4
<b>Total</b>	<b>-77,027</b>	<b>-212,214</b>
<b>Ministry of Economic Affairs and Employment</b>		
Equalisation payment for the previous year	11	0
Payment for the current financial period	-29,923	-26,674
Keha transition security training	106	-5,134
<b>Total</b>	<b>-29,806</b>	<b>-31,808</b>
<b>Employment areas</b>		
Transition security training	-5,204	0
<b>Total</b>	<b>-5,204</b>	<b>0</b>
<b>Member State invoicing for unemployment security</b>		
Invoiced by Member States	-214	-164
Invoiced by the Fund	55	54
<b>Total</b>	<b>-159</b>	<b>-109</b>
<b>Total financing contributions paid</b>	<b>-2,636,731</b>	<b>-3,128,553</b>

## 7 ADMINISTRATIVE EXPENSES

The figures are in EUR thousand.

Administrative expenses by expense type	1 Jan–31 Dec 2025	1 Jan–31 Dec 2024*
<b>Personnel expenses</b>		
Wages, bonuses, and benefits	-9,854	-11,074
Pension expenses – defined contribution plans	-1,766	-1,921
Social security contributions	-280	-267
<b>Total</b>	<b>-11,900</b>	<b>-13,262</b>
<b>Other administrative expenses*</b>		
IT expenses	-14,773	-15,849
Purchases of services	-2,225	-2,259
Other personnel expenses	-748	-761
Expenses for office premises	-263	-254
Statutory audit	-111	-93
Other administrative expenses	-434	-475
Amortisation	-968	-1,208
<b>Total</b>	<b>-19,521</b>	<b>-20,898</b>
<b>Total administrative expenses</b>	<b>-31,421</b>	<b>-34,161</b>

\*The grouping of other administrative expenses and its content have been updated, and the reference figures for 2024 have also been regrouped.

Number of personnel	1 Jan–31 Dec 2025	1 Jan–31 Dec 2024
Average number of personnel	130	165
<b>Number of personnel at the end of the period</b>	<b>124</b>	<b>139</b>
Permanent employees	120	136
Fixed-term employees	4	3

## 8 FINANCING COSTS

The figures are in EUR thousand.

Financing costs by expense type	1 Jan–31 Dec 2025	1 Jan–31 Dec 2024
<b>Loan financing expenses</b>		
Revolving credit facility fees	-785	-915
Accrued expenses from loans	-79	-79
Interest expenses from loans	-416	-416
<b>Total loan financing expenses</b>	<b>-1,280</b>	<b>-1,410</b>
Interest on the contributions paid to the Finnish Centre for Pensions	-48	-35
Interest on the contributions paid to the State Pension Fund	0	0
<b>Total financing costs</b>	<b>-1,328</b>	<b>-1,445</b>

## 9 PROPERTY, PLANT AND EQUIPMENT

The figures are in EUR thousand.

Changes in property, plant and equipment	IFRS 16 Right-of-use asset	Total
Acquisition costs, 1 Jan 2025	4,670	4,670
Additions	1,320	1,320
Decreases	-1,190	-1,190
<b>Acquisition costs, 31 Dec 2025</b>	<b>4,800</b>	<b>4,800</b>
Accumulated depreciation, 1 Jan 2025	1,919	1,919
Depreciation during the period	605	605
Accrued depreciation of decreases	-59	-59
<b>Accumulated depreciation, 31 Dec 2025</b>	<b>2,465</b>	<b>2,465</b>
<b>Book value, 1 Jan 2025</b>	<b>2,752</b>	<b>2,752</b>
<b>Book value, 31 Dec 2025</b>	<b>2,335</b>	<b>2,335</b>

Changes in property, plant and equipment	IFRS 16 Right-of-use asset	Total
Acquisition costs, 1 Jan 2024	4,431	4,431
Additions	239	239
Decreases	0	0
<b>Acquisition costs, 31 Dec 2024</b>	<b>4,670</b>	<b>4,670</b>
Accumulated depreciation, 1 Jan 2024	1,221	1,221
Depreciation during the period	698	698
Accrued depreciation of decreases	0	0
<b>Accumulated depreciation, 31 Dec 2024</b>	<b>1,919</b>	<b>1,919</b>
<b>Book value, 1 Jan 2024</b>	<b>3,210</b>	<b>3,210</b>
<b>Book value, 31 Dec 2024</b>	<b>2,752</b>	<b>2,752</b>

**10 INTANGIBLE ASSETS**

The figures are in EUR thousand.

Changes in intangible assets	Software	Software development expenses	Intangible assets in progress*	Total
Acquisition costs, 1 Jan 2025	910	14,981	0	15,891
Additions	0	0	0	0
Transfers between items	0	0	0	0
<b>Acquisition costs, 31 Dec 2025</b>	<b>910</b>	<b>14,981</b>	<b>0</b>	<b>15,891</b>
Accumulated depreciation, 1 Jan 2025	910	14,617	0	15,527
Depreciation during the period	0	364	0	364
<b>Accumulated depreciation, 31 Dec 2025</b>	<b>910</b>	<b>14,981</b>	<b>0</b>	<b>15,891</b>
<b>Book value, 1 Jan 2025</b>	<b>0</b>	<b>363</b>	<b>0</b>	<b>363</b>
<b>Book value, 31 Dec 2025</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Changes in intangible assets	Software	Software development expenses	Intangible assets in progress*	Total
Acquisition costs, 1 Jan 2024	910	14,981	0	15,891
Additions	0	0	0	0
Transfers between items	0	0	0	0
<b>Acquisition costs, 31 Dec 2024</b>	<b>910</b>	<b>14,981</b>	<b>0</b>	<b>15,891</b>
Accumulated depreciation, 1 Jan 2024	910	14,107	0	15,017
Depreciation during the period	0	510	0	510
<b>Accumulated depreciation, 31 Dec 2024</b>	<b>910</b>	<b>14,617</b>	<b>0</b>	<b>15,527</b>
<b>Book value, 1 Jan 2024</b>	<b>0</b>	<b>872</b>	<b>0</b>	<b>872</b>
<b>Book value, 31 Dec 2024</b>	<b>0</b>	<b>363</b>	<b>0</b>	<b>363</b>

\*The item 'Intangible assets in progress' consists of capitalised development costs, giving rise to an internally generated intangible asset. There were no capitalised development costs in 2025.

## 11 RECEIVABLES AND PAYABLES FROM UNEMPLOYMENT INSURANCE CONTRIBUTIONS

The figures are in EUR thousand.

<b>Receivables from unemployment insurance contributions</b>	<b>31 Dec 2025</b>	<b>31 Dec 2024</b>
Receivables from employer's unemployment insurance contribution	3,035	15,123
Receivables from employer's unemployment insurance contribution, credit loss provision	- 2,554	- 2,815
Receivables from employee's unemployment insurance contribution	5,876	6,986
Receivables from employee's unemployment insurance contribution, credit loss provision	- 4,815	- 5,439
Overdue contribution and collection fee receivables	466	483
Overdue contribution and collection fee receivables, credit loss provision	- 276	- 305
<b>Receivables from unemployment insurance contributions</b>	<b>1,732</b>	<b>14,032</b>
Deferred unemployment insurance contribution receivables	298,783	401,914
<b>Total unemployment insurance contribution receivables</b>	<b>300,515</b>	<b>415,947</b>

<b>Unemployment insurance contribution liabilities</b>	<b>31 Dec 2025</b>	<b>31 Dec 2024</b>
Prepayments	2	0
Refunds	443	307
<b>Total unemployment insurance contribution liabilities</b>	<b>445</b>	<b>307</b>

**12 LIFETIME EXPECTED CREDIT LOSSES FROM THE UNEMPLOYMENT INSURANCE CONTRIBUTION RECEIVABLES AND FROM THE ADULT EDUCATION BENEFITS TO BE RECOVERED (IFRS 9)**

The figures are in EUR thousand.

Changes in expected credit losses	Receivables from employer's unemployment insurance contribution	Receivables from employee's unemployment insurance contribution	Overdue contribution and collection fee receivables for unemployment insurance contributions	Liability component and receivables specified in ECA	Adult education benefits to be recovered	Total
1 Jan 2025	-2,815	-5,439	-305	-295	-185	-9,039
Change	261	624	28	-135	84	864
<b>31 Dec 2025</b>	-2,554	-4,815	-276	-429	-101	-8,175

Changes in expected credit losses	Receivables from employer's unemployment insurance contribution	Receivables from employee's unemployment insurance contribution	Overdue contribution and collection fee receivables for unemployment insurance contributions	Liability component and receivables specified in ECA	Adult education benefits to be recovered	Total
1 Jan 2024	-2,119	-4,412	-410	-271	-221	-7,433
Change	-696	-1,027	105	-23	35	-1,606
<b>31 Dec 2024</b>	-2,815	-5,439	-305	-295	-185	-9,039

**13 OTHER RECEIVABLES**

The figures are in EUR thousand.

<b>Current other receivables</b>	<b>31 Dec 2025</b>	<b>31 Dec 2024</b>
Receivables from unemployment funds	6,526	10,483
Transition security receivables	3,997	2,421
Adult education allowance receivables	1,313	1,288
Adult education benefits, credit loss provision	-101	-185
Receivables from the Government related to training compensation	14,576	0
Employer's liability component receivables and compensation based on the Employment Contracts Act	718	877
Liability component and receivables specified in ECA, credit loss provision	-429	-295
Receivables from the Ministry of Social Affairs and Health	5,746	12,035
Receivables from Kela	280	728
Receivables from municipalities	8,706	0
Prepayments	290	533
Securities in settlement	9,926	0
Tax assets	14	9
<b>Total current other receivables</b>	<b>51,562</b>	<b>27,895</b>
<b>Total other receivables</b>	<b>51,562</b>	<b>27,895</b>

**14 NET FAIR VALUE GAINS FROM INVESTMENTS**

The figures are in EUR thousand.

<b>Types of income and expenses</b>	<b>1 Jan–31 Dec 2025</b>	<b>1 Jan–31 Dec 2024</b>
Dividend income	2,143	2,161
Gains on disposals	21,211	14,090
Other income	1,578	3,519
Net interest income	19,254	35,807
Net foreign exchange gains and losses	-69	0
Net change in value	-4,726	17,773
Losses on disposals	-5,945	-4,614
Other expenses	-297	-429
<b>Total net gains on investments</b>	<b>33,148</b>	<b>68,308</b>

## 15 INVESTMENT ASSETS

Investments in financial assets have been designated as financial assets at fair value through profit and loss, and are measured at fair value. Measurement of these assets is primarily based on either quoted prices or valuations based on available market data. Financial instruments carried at fair value have been divided into three hierarchy levels based on whether they are traded in active markets, and to what extent the inputs are based on observable market data as follows:

**Level 1** The valuation is based on quoted prices in active markets for identical financial assets and liabilities.

**Level 2** The inputs used in valuations are also based, directly or indirectly, using valuation techniques on observable inputs other than those at level 1.

**Level 3** The valuation is based on information other than observable market data.

### Investments by financial instrument class divided into fair value hierarchy levels

No reclassifications have been made between the hierarchy levels during the financial period. The figures are in EUR thousand.

Financial instrument classes, 31 Dec 2025	Level 1	Level 2	Level 3	Total
Government and municipal bonds	173,356	0	0	173,356
Bank bonds	127,225	0	0	127,225
Corporate bonds	124,702	0	0	124,702
Investments in funds and equities	140,298	0	0	140,298
Mezzanine funds	0	0	179	179
Deposits	0	46,246	0	46,246
Certificates of deposit	0	0	0	0
Municipal papers	0	0	0	0
Commercial papers	0	42,236	0	42,236
Alternative investments	0	0	87,250	87,250
<b>Total</b>	<b>565,581</b>	<b>88,482</b>	<b>87,429</b>	<b>741,492</b>

Financial instrument classes, 31 Dec 2024	Level 1	Level 2	Level 3	Total
Government and municipal bonds	244,324	19,687	0	264,011
Bank bonds	269,667	0	0	269,667
Corporate bonds	220,259	0	0	220,259
Investments in funds and equities	200,762	0	0	200,762
Mezzanine funds	0	0	199	199
Deposits	0	94,447	0	94,447
Certificates of deposit	0	99,589	0	99,589
Municipal papers	0	1,995	0	1,995
Commercial papers	0	140,818	0	140,818
Alternative investments	0	0	103,157	103,157
<b>Total</b>	<b>935,012</b>	<b>356,536</b>	<b>103,356</b>	<b>1,394,904</b>

Changes in level 3 financial assets measured at fair value. The figures are in EUR thousand.

Financial instrument classes	1 Jan 2025	Unrealised profit/loss	Realised profit/loss	Purchases	Sales	31 Dec 2025
Mezzanine funds	199	-20	0	0	0	179
Alternative investments	103,157	-1,085	420	0	-15,242	87,250
<b>Total</b>	<b>103,356</b>	<b>-1,105</b>	<b>420</b>	<b>0</b>	<b>-15,242</b>	<b>87,429</b>

Financial instrument classes	1 Jan 2024	Unrealised profit/loss	Realised profit/loss	Purchases	Sales	31 Dec 2024
Mezzanine funds	829	1,470	-1,704	0	-396	199
Alternative investments	82,504	-994	323	21,532	-208	103,157
<b>Total</b>	<b>83,333</b>	<b>476</b>	<b>-1,381</b>	<b>21,532</b>	<b>-604</b>	<b>103,356</b>

Deposits, certificates of deposit, commercial papers and municipal papers at **level 2** have been valued using the discounted cash flow method based on the Euribor or swap curve and on the forward rate, insofar as elements of foreign currencies are involved. Based on the management's judgement, the discount factor has been adjusted for the effect of changes in the credit risk of the investment. However, the adjustment has not had any material impact.

Investments classified at **level 3** are mezzanine funds that are valued based on the valuations prepared by the issuer. Investment funds have been measured at the net asset value of the fund as reported by the fund manager as of the reporting date, and they have been classified as level 1, 2 or 3 assets by their market activity and marketability. Equity investments are quoted on the Helsinki Stock Exchange, and they have been classified at level 1. The amount of equity investments is minor.

## 16 CASH AND CASH EQUIVALENTS

The figures are in EUR thousand.

<b>Cash and cash equivalents</b>	<b>31 Dec 2025</b>	<b>31 Dec 2024</b>
Bank deposits	115,776	118,538
<b>Total cash and cash equivalents</b>	<b>115,776</b>	<b>118,538</b>

## 17 LOANS

The figures are in EUR thousand.

<b>Long-term loans</b>	<b>31 Dec 2025</b>	<b>31 Dec 2024</b>
Employment Fund bonds	599,398	599,106
<b>Total long-term loans</b>	<b>599,398</b>	<b>599,106</b>

**18 OTHER LIABILITIES**

The figures are in EUR thousand.

<b>Other liabilities</b>	<b>31 Dec 2025</b>	<b>31 Dec 2024</b>
Accounts payable	4,662	2,261
Accruals	2,477	2,485
Accruals of adult education allowance	3,122	12,574
Accruals of liability component income	7,586	9,606
Finnish Centre for Pensions, capital accruals	5,635	66
Ministry of Economic Affairs and Employment, pay security accruals	29,923	26,674
Ministry of Social Affairs and Health, liability	443	19,391
ECA Ministry share	453	418
Administrative expense accruals	572	644
Liabilities to employment areas	213	0
Liabilities to the State Pension Fund	1,901	1,999
Liabilities KEHA Centre	0	1,731
Liabilities to unemployment funds	6,635	3,099
Holiday pay accruals	1,369	1,392
Lease liability	2,536	2,930
Adult education benefits, withholding tax liability	1,387	3,380
Interest accruals	0	0
<b>Total other liabilities</b>	<b>68,914</b>	<b>88,651</b>

## 19 LIABILITIES AND RECEIVABLES NOT RECOGNISED IN THE STATEMENT OF NET POSITION

The figures are in EUR thousand.

Investment commitments	31 Dec 2025	31 Dec 2024
Committed capital	2,250	2,250
Realised	-2,169	-2,169
<b>Total investment commitments</b>	<b>81</b>	<b>81</b>

Investment funds acquire call investments based on the financing needs of the investment fund. The commitments have no maturity date.

### Leases

The Fund has rented office and warehouse premises, telephone booths and two cars on non-cancellable lease contracts. The remaining lease periods for the cars are 2 years and 10 months, and 1 year and 8 months. At the end of the year, the remaining lease period for the telephone booths was 1 year and 2 months.

Some of the premises could be released by cancelling the respective part of the contract effective during 2025. The Fund used its right to cancel the contract in 2025 by giving up some of its premises and at the same time, the estimate of the use of the premises was updated. The Fund now estimates that it will use the premises until 31 December 2030. As a result, the remaining lease period of the premises on the balance sheet date was five years, after which the contract can be cancelled with a period of notice of 9 months. The Fund also has a subordinated right to lease vacant premises under the terms of the lease contract.



## 20 RELATED PARTIES

The following parties are considered as related parties of Employment Fund: members and deputy members of the Board of Directors and the Supervisory Board, Managing Director, Deputy Managing Director and the members of the Management Group as well as the family members or other close relatives of the above persons or the organisations controlled by them. Employment Fund's Supervisory Board is appointed by the Government on the proposal of the labour market parties. The Supervisory Board prepares the proposal for the level of unemployment insurance contributions in its autumn meeting. The Board of Directors is appointed by the Supervisory Board. The operations of Employment Fund are supervised by the Financial Supervisory Authority. The Ministry of Social Affairs and Health also has the right to receive information about the Fund's operations.

The government contributions payable to the unemployment funds are received from the Ministry of Social Affairs and Health. The Fund regularly pays contributions to the Finnish Centre for Pensions, State Pension Fund, Social Insurance Institution of Finland and the Ministry of Economic Affairs and Employment.

The regulations on related-party transactions set out in the Limited Liability Companies Act are not applicable to Employment Fund's operations. However, Employment Fund complies with IFRS standards and guidelines regarding related-party transactions (IAS 24). The related parties of Employment Fund comprise the members of the Supervisory Board, members of the Board of Directors, the Managing Director, the main auditor, the members of the Management Group, and their spouses, trustees, and controlled undertakings. Transactions involving related parties are handled in accordance with the guidelines on

related-party transactions approved by the Board of Directors. There were no major related-party transactions in 2025.

The salaries, bonuses and benefits paid to the related parties are summarised in the table below. The figures are in EUR thousand and they do not include social security contributions. More detailed breakdowns by each body are included in the section presenting Employment Fund's remuneration report for 2025.

<b>Fees and other benefits paid to the Board of Directors and the Supervisory Board</b>	<b>1 Jan–31 Dec 2025</b>	<b>1 Jan–31 Dec 2024</b>
Salaries, bonuses and benefits	168	170
Pension expenses – defined contribution plans	30	30
<b>Total</b>	<b>197</b>	<b>200</b>

<b>Remuneration of the Management Group members (excluding the Managing Director)</b>	<b>1 Jan–31 Dec 2025</b>	<b>1 Jan–31 Dec 2024</b>
Salaries, bonuses and benefits	734	569
Pension expenses – defined contribution plans	109	134
<b>Total</b>	<b>844</b>	<b>703</b>

<b>Managing Director's salaries and bonuses</b>	<b>1 Jan–31 Dec 2025</b>	<b>1 Jan–31 Dec 2024</b>
Salaries, bonuses and benefits	202	190
Pension expenses – defined contribution plans	36	34
<b>Total</b>	<b>239</b>	<b>224</b>

**SIGNATURES ON THE REPORT OF THE BOARD OF DIRECTORS AND FINANCIAL STATEMENTS**

## Confirmation of the Board of Directors and the Managing Director

We confirm that

- - the financial statements prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union give a true and fair view of the assets, liabilities, financial position and profit or loss of the Fund.
- - the management report includes a fair review of the development and performance of the business and the position of the Fund and the undertakings, together with a description of the principal risks and uncertainties that the Fund faces.

Helsinki 24 February 2026

Saana Siekkinen, chair

Vesa Rantahalvari, vice chair

Else-Mai Kirvesniemi

Heikki Taulu

Tuomas Aarto

Janne Makkula

Taina Vallander

Taina Ahvenjärvi

Henrika Nybondas-Kangas

Pirjo Väänänen

Jarkko Eloranta

Pekka Piispanen

Karo Nukarinen, Managing Director

Minna Etu-Seppälä

Juho Ruskoaho

**AUDITOR'S STATEMENT**

An audit report has been provided today.

Helsinki 25 February 2026

KPMG Oy Ab  
Juha-Pekka Mylén  
Authorised Public Accountant, KHT



# Auditor's Report

## To the Supervisory Board of the Employment Fund

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

We have audited the financial statements of the Employment Fund (business identity code 1098099-7) for the year ended 31 December, 2025. The financial statements comprise the statement of net position, the statement of changes in net position and statement of cash flows and notes, including material accounting policy information.

In our opinion the financial statements give a true and fair view of the fund's financial performance and financial position in accordance with IFRS Accounting Standards as adopted by the EU and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Board of Directors.

#### Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the fund in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We have not provided any non-audit services to the fund.

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

#### Materiality

The scope of our audit was influenced by our application of materiality. The materiality is determined based on our professional judgement and is used to determine the nature, timing and extent of our audit procedures and to evaluate the effect of identified misstatements on the financial statements as a whole. The level of materiality we set is based on our assessment of the magnitude of misstatements that, individually or in aggregate, could reasonably be expected to have influence on the economic decisions of the users of the financial statements. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for qualitative reasons for the users of the financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The significant risks of material misstatement referred to in the EU Regulation No 537/2014 point (c) of Article 10(2) are included in the description of key audit matters below.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

THE KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN THE AUDIT
<b>Determination and collection of unemployment insurance contributions (note 5 to the financial statements)</b>	
<ul style="list-style-type: none"> <li>• The determination and collection of unemployment insurance contributions by the Employment Fund is based on legislation. The unemployment insurance contributions which have been presented in the statement of changes in net position for the year 2025, amounted to EUR 1.2 billion.</li> <li>• The unemployment insurance contributions must be determined in such a way so that the Employment Fund is able to meet the obligations being responsible for. Unemployment insurance contributions are determined once per calendar year, in the preceding year.</li> <li>• The Employment Fund determines the contribution amounts and makes prepayment decisions based on the contribution rates which have been ratified by Parliament and the Employment Fund collects these prepayments.</li> <li>• The Employment Fund monitors defaults concerning the obligation to pay unemployment insurance contributions.</li> <li>• As the amount of unemployment insurance contributions is significant in the financial statements and the determination and collection of the contributions is subject to legal requirements, it has been identified as a key audit matter.</li> </ul>	<ul style="list-style-type: none"> <li>• Our audit has included assessing the process to determine the unemployment insurance contributions and evaluating the control environment.</li> <li>• We have evaluated the process of invoicing, collecting and managing unemployment insurance contributions and have performed substantive testing on chains of transactions.</li> <li>• We have assessed and tested the controls for determining and receiving contributions and for monitoring of payments received.</li> <li>• We have verified the correctness of the relevant payment rates applied in the system environment of the Employment Fund.</li> <li>• We gained an understanding of the accrual-based accounting for unemployment insurance contributions in the financial statements, and the calculation of impairment losses on receivables for unemployment insurance contributions.</li> <li>• The audit has also included testing of the controls in place over the flow of key data, change management and the transfer of information between systems.</li> </ul>

**Responsibilities of the Board of Directors and the Managing Director for the Financial Statements**

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the fund's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial

statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the fund or cease operations, or there is 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 good auditing practice 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 the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional

judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most

significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Other Reporting Requirements**

## Information on our audit engagement

Employment Fund was established in 2019 and became a public interest entity during the financial year 2020. We have been the fund's auditors since its establishment.

**Other Information**

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report, but does not include the financial statements or our auditor's report thereon.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in compliance with the applicable provisions.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in compliance with the applicable provisions.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

**Helsinki, 25 February 2026**

KPMG OY AB  
Audit Firm

Juha-Pekka Mylén  
Authorised Public Accountant, KHT

# Independent Auditor's Report on the ESEF Financial Statements of Employment Fund

(Translation of the Finnish original)

## To the Board of Directors of Employment Fund

We have performed a reasonable assurance engagement on the financial statements 7437002N0BQXM1JQUP81-2025-12-31-0-fi.xhtml of Employment Fund (Business ID 1098099-7) that have been prepared in accordance with the Commission's regulatory technical standard for the financial year ended 31.12.2025.

### RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors and the Managing Director are responsible for the preparation of the company's report of the Board of Directors and financial statements (the ESEF financial statements) in such a way that they comply with the requirements of the

Commission's regulatory technical standard. This responsibility includes:

- preparing the ESEF financial statements in XHTML format in accordance with Article 3 of the Commission's regulatory technical standard and
- ensuring the consistency between the ESEF financial statements and the audited financial statements.

The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of ESEF financial statements in accordance with the requirements of the Commission's regulatory technical standard.

### AUDITOR'S INDEPENDENCE AND QUALITY MANAGEMENT

We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to the engagement we have performed, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The auditor applies International Standard on Quality Management (ISQM) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### AUDITOR'S RESPONSIBILITIES

Our responsibility is to, in accordance with Chapter 7, Section 8 of the Securities Markets Act, provide assurance on the financial statements that have been prepared in accordance with the Commission's regulatory technical standard.

Our responsibility is to indicate in our opinion to what extent the assurance has been provided. We conducted a reasonable assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000.

The engagement includes procedures to obtain evidence on:

- whether the financial statements that are included in the ESEF financial statements are, in all material respects, in accordance with the requirements of Article 4 of the Commission's regulatory technical standard and
- whether there is consistency between the ESEF financial statements and the audited financial statements.

The nature, timing and extent of the selected procedures depend on the auditor's judgment. This includes an assessment of the risk of a material deviation due to fraud or error from the requirements of the Commission's regulatory technical standard.

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

### OPINION

Our opinion pursuant to Chapter 7, Section 8 of the Securities Markets Act is that the company's financial statements that are included in the ESEF financial statements of Employment Fund 7437002N0BQX-M1JQUP81-2025-12-31-0-fi.xhtml for the financial year ended 31.12.2025 have been prepared, in all material respects, in accordance with the requirements of the Commission's regulatory technical standard.

Our opinion on the audit of the financial statements of Employment Fund for the financial year ended 31.12.2025 has been expressed in our auditor's report dated 25.2.2026. With this report we do not express an opinion on the audit of the financial statements nor express another assurance conclusion.

**Helsinki 23 March 2026**

KPMG OY AB  
Audit Firm

Juha-Pekka Mylén  
Authorised Public Accountant, KHT



Työllisyysrahasto

Sysselsättningsfonden | Employment Fund