



2025 ANNUAL PERFORMANCE REPORT

WorkplaceNL

Health | Safety | Compensation

Message from the Board of Directors

On behalf of the Board of Directors, I am pleased to present WorkplaceNL's 2025 Annual Performance Report, prepared in accordance with the **Transparency and Accountability Act** and the Guidelines for Annual Performance Reports for Category 1 Government Entities. The Board is accountable for both the results achieved and the information presented.

In 2025, 3,859 workers had a new injury claim. While a record low number, we recognize that each injury affects workers, their families, employers and communities throughout the province. Our Board remains committed to maintaining a sustainable workers' compensation system that supports workers and employers, today and into the future.

This report highlights our progress towards the 2025 objectives for the reporting period January 1 to December 31, 2025 and three-year goals of our 2023-25 Strategic Plan – focusing on building healthy and safe workplaces, supporting return to work and recovery at work as well as growing strategic partnerships.

During the year, we completed work on the Prevention and Return-to-Work Insurance Management for Employers/Employees Program (PRIME), to enable launching of Path 2 for large employers in 2026. We also supported employers in improving psychological health and safety in their workplaces and improved our business processes to better support workers' return to work and recovery.

The lost-time injury rate was 1.2 per 100 workers – which matches a historical low. At year-end 2025, the Injury Fund was 139.5 per cent funded, compared to 131.6 per cent the previous year. Employers paid an average base assessment rate of \$1.94, discounted by \$0.21 to \$1.73 to address the surplus in the Injury Fund, consistent with the 2024 rate.

I commend the tremendous efforts of employers, workers, partners, stakeholders and our employees to strengthen workplace safety over the years and support those we serve. By working together, we will build on this meaningful progress.



John Peddle, ICD.D
Chair, Board of Directors
WorkplaceNL

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Overview

WorkplaceNL administers Newfoundland and Labrador’s mandatory, no-fault workers’ compensation system. The system is funded by assessments collected from employers and investment returns.

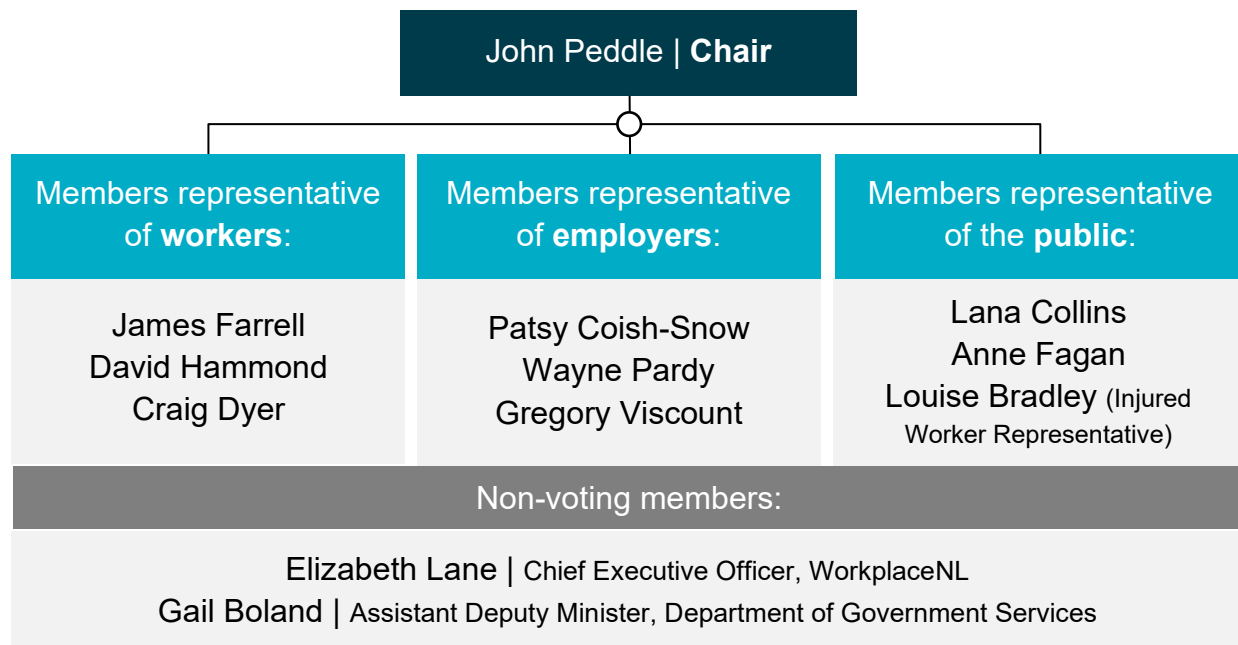
As of December 31, 2025, our 333 employees were located in three offices: St. John’s (289 employees), Grand Falls-Windsor (16 employees) and Corner Brook (28 employees). On a funding basis, our total revenue was \$374.3 million and total expenses were \$255.1 million.

Please refer to WorkplaceNL’s 2023-25 Strategic Plan for general information about our mandate, lines of business, programs and services.

Board Governance

In accordance with the **Workplace Health, Safety and Compensation Act, 2022**, the Lieutenant-Governor in Council appoints our 10-member Board of Directors. Our Board also has two non-voting members: the Chief Executive Officer of WorkplaceNL and a Provincial Government employee designated by the Minister Responsible for WorkplaceNL.

Our Board of Directors as of December 31, 2025, were:



At a Glance Statistics¹

	2025	2024	2023	2022	2021
Lost-time Injury Rate (per 100 workers)	1.2	1.2	1.3	1.5	1.5
Soft-tissue Injury Rate (per 100 workers)	0.8	0.8	1.0	1.0	1.1
Total New Claims	3,859	4,029	4,301	4,760	4,407
Lost-time Claims	2,921	2,971	3,193	3,540	3,259
Health Care Only Claims	921	1,032	1,093	1,190	1,130
Fatality Claims	17	26	15	30	18
Accidents	3	11	1	8	3
Occupational Disease	14	15	14	22	15
Hearing Loss Claims ²	191	270	246	248	162
Claims Denied ³	444	372	400	332	
Short-term Claims Duration (days) ⁴	50	49	47	42	50
Average Assessment Rate (\$) ⁵	1.73	1.73	1.69	1.69	1.69
Registered Employer Accounts	17,147	17,236	17,208	17,355	17,537
Employer Assessments (\$ million)	185.7	171.4	153.2	150.3	144.1
Claims Costs Incurred (\$ million) ⁶	202.0	197.1	193.0	195.0	177.8
Fund Balance (\$ million)	573.9	454.7	297.0	226.2	430.1
Funded Ratio (%)	139.5	131.6	121.0	116.2	132.3

1. Injury rates and most claim-related data refer to new injuries in the year that have been accepted and paid as of March 31st of the following calendar year. Fatality claims include those accepted in the calendar year. Data reported in other sources may differ as updates may occur if further claim decisions are made. Financial results are based on the funding basis of accounting method.
2. A subset of the reported lost-time or health care only claims. Reduced audiology testing during the COVID-19 pandemic led to fewer claims in 2021.
3. Number of claims adjudicated and denied upon initial review. Reporting this metric started in 2022.
4. Average number of days for which temporary earnings loss benefits are paid for injuries occurring in the same reference year.
5. A provisional rate per \$100 of assessable payroll, established before the beginning of the year based on cost estimates charged to employers. Rates for 2021 to 2025 include a \$0.21 discount.
6. Includes current year payments plus expected future payments for all injuries occurring and accepted in the year, excluding actuarial adjustments.

Highlights and Partnerships

Highlights

- The lost-time injury rate decreased to a record low, from 1.5 injuries per 100 workers in 2022 to 1.2 injuries in 2025 – a 20 per cent decrease.
- Announced that the 2026 average assessment rate paid by employers will remain stable at \$1.73 per \$100 of assessable earnings, which includes a \$0.21 temporary discount.
- Completed policy, system and communications work required to launch PRIME Path 2 on January 1, 2026. Large employers that meet the new requirements in 2026 may qualify for refunds.
- Expanded options to register for a MyWorkplaceNL account, allowing new residents and people residing outside the province access to this online service.
- Published a revised Worker Handbook, clarifying the benefits available to workers should they become injured at work.
- Launched a refreshed Move Well Work Well campaign, providing over 200 organizations with toolkits to help prevent musculoskeletal injuries. These injuries account for about 70 per cent of all claims involving lost time from work.
- Over 94,000 safety training certificates were issued in 2025 – a record high, up from over 62,000 in 2024.
- Launched four new online health and safety courses to help create safe workplaces.
- Delivered our annual Health and Safety Learning Symposium with over 370 in-person attendees and 135 virtually.
- Hosted our psychological health and safety webinar series in January with almost 2,500 attendees, up from about 1,500 in 2024 and 1,100 in 2023.



94,000+
safety training certificates
were issued

RECORD HIGH

More accomplishments are in the Report on Performance section of this report.

Accessible and Inclusive Services

Highlights of 2025 activities from our Accessibility Plan 2024 to 2026 include:

- Worked with the Association for New Canadians on the three basic rights of workers campaign – to know, to participate and to refuse unsafe work – written in clear, approachable language.
- Revised client letters for clear language as they were moved to our online services.
- Provided training to employees on strategies to foster more inclusive and effective communication.
- Moved employer invoices to our online platform.
- Opened an inter-faith prayer room for employees, providing a more inclusive workplace.



Partners

We are proud to collaborate with our stakeholders and community partners to improve client service and help prevent workplace injury or illness, including the Board of Trade, Newfoundland and Labrador Federation of Labour, safety sector councils and industry partners. See Annex A for the full list of partners we collaborated with in 2025.

We also build community partnerships through our annual safety awards. The recipients for 2025 include:

- Student safety video: [Orientations are Important](#), created by Darwin Anderson and Jayda Crummey of Holy Spirit High School, Conception Bay South along with Mehak Humayun of Macdonald Drive Junior High, St. John's
- Student safety radio ad: [The Safety Superhero](#), created by Eli Peach of Southwest Arm Academy, Little Heart's Ease
- Safe Student of the Year: Vanessa Earle of O'Donel High School in Mount Pearl
- Health and Safety Educator of the Year: Kris Brown of A.P. Low Primary School in Labrador City
- Safety Leadership Award for Employers: North Atlantic
- Safety Leadership Award for Workers: Richard Hynes, Fire Captain, Conception Bay South Fire Department

Report on Performance

2025 marks the third and final year of WorkplaceNL’s 2023-25 strategic plan. In keeping with the **Transparency and Accountability Act**, the plan identifies strategic issues, three-year goals and annual objectives for each of the three years.

Our strategic issues are:

<p>1</p> <p>Building healthy and safe workplaces</p> 	<p>2</p> <p>Return to work and recovery</p> 	<p>3</p> <p>Growing strategic partnerships</p> 
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Strategic Issue 1: Building Healthy and Safe Workplaces

We are guided by our 2023-28 Workplace Injury Prevention Strategy to continue our efforts in building healthy and safe workplaces throughout Newfoundland and Labrador. Positive outcomes are evident in our lost-time injury rate, which decreased to a record low during this strategic plan from 1.5 injuries per 100 workers in 2022 to 1.2 in 2025. Newfoundland and Labrador’s injury rate has been one of the best in the country for over a decade, demonstrating our strong safety culture. Our continued focus on injury prevention, along with the efforts of industry partners and workplaces throughout the province, can help sustain this positive safety performance.



Goal 1: By December 31, 2025, WorkplaceNL will have concentrated efforts to impact the safety culture of workplaces.

2025 Objective: By December 31, 2025, WorkplaceNL will have furthered program and service enhancements to advance the safety culture of workplaces.

2025 Indicator 1.1: Completed PRIME program changes to improve safety outcomes for large employers.

2025 Results

PRIME is our incentive program for employers who maintain safe workplaces. Employers can receive refunds under PRIME by meeting specific occupational health and safety (OHS) requirements and by preventing injuries in their workplaces. We completed a multi-year plan to enhance this program, which now has two streams. Path 1 was implemented for small employers in 2024, requiring them to complete certain OHS education. Path 2 is for large employers, which are generally those who employ 20 or more workers at any worksite and pay \$10,000 or more in average assessments. These employers are now required to implement a 15-element OHS program; new elements focus on: workplace violence, harassment and psychological health and safety; personal protective equipment; fall protection; occupational health and soft-tissue injury prevention.

We completed all remaining changes to launch Path 2, including implementing a new tool for employers to audit their OHS programs and publishing various materials on our website, including updated policies and procedures on program requirements, a gap analysis tool to help employers assess their readiness and a toolkit to help employers develop their OHS programs. Employers who meet Path 2 requirements are now eligible to receive refunds under this program effective January 1, 2026.

2025 Indicator 1.2: Provided support to employers on the prevention of psychological injuries.

2025 Results

We implemented various initiatives to support employers in preventing psychological injuries in their workplaces in 2025. “Workplace Violence, Harassment, and Psychological Health and Safety” was added as a new element for employers to meet under Path 2 of our PRIME program. To meet this requirement, employers need to:

- Assess the risk of workplace violence, communicate the risk to employees and maintain procedures to manage the risk.
- Maintain a workplace harassment prevention plan and train employees in preventing workplace harassment.

- Assess the workplace for psychological health and safety hazards, support employees' psychological health and safety by implementing control measures for the identified hazards, and train employees on these topics.

Every January, we host Psychological Health and Safety Week. Approximately 2,500 people participated in five webinars delivered during the week in 2025:

- EQ @ Work: The Benefits of Emotional Intelligence
- Neurodiversity in the Workplace: Actions for Neuro-inclusive Cultures
- Psychological Health and Safety: Evolving Blueprint in Canada and Beyond
- Psychosocial Hazards and Stress: Connecting the Dots
- The Mindful Workplace: Working Together

We also updated our supervisor training standard and curriculum in 2025 to help supervisors recognize, evaluate and control psychosocial risk factors in the workplace and to identify the causes, signs and symptoms of workplace stress. These changes will help raise supervisors' competency levels to lead, guide and direct work in a psychologically safe manner.

In addition to these initiatives, we provided targeted advisory services to individual workplaces to help improve psychological health and safety in their workplaces. In 2025, we collaborated with workplaces representing over 1,200 workers by helping them in administering surveys, delivering presentations and engaging their leadership teams on psychological health and safety. This was in addition to the advisory services we provide to over 200 other employers under the Priority Employer Program as discussed under goal indicator 1.1.

Goal 1 Indicator 1.1: Advanced programs and services that promote safe workplaces.

2023-25 Results

Since 2023, we reviewed and refined three of our primary programs aimed at improving workplace safety: the Priority Employer Program, the Sector Council Program and the PRIME program.

Through the Priority Employer Program, we provide targeted education and advisory services to employers with high claim volumes and costs to improve their OHS outcomes. In 2024, we started implementing recommendations from a process review of the program to address employers' feedback and improve how we provide services to employers. We implemented an evidence-based process to provide specific education

to employers and coordinated efforts between our case management and prevention departments to facilitate an enhanced focus on return to work.

The Sector Council Program promotes an industry-led focus on improving OHS and return-to-work outcomes.¹ Our program review concluded in 2023 and we subsequently implemented various program changes in collaboration with the Sector Councils. We developed new funding guidelines and planning and budgeting templates, which led to the development of new multi-year business plans focused on injury prevention and return to work. We also created a new governance model that provides a mechanism for WorkplaceNL and the Sector Councils to work together on strategic goals.

For information on the changes made to our PRIME program since 2023, see objective indicator 1.1 above.

Goal 1 Indicator 1.2: Supported workplaces to foster better health and safety outcomes.

2023-25 Results

Since 2023, we supported workplaces to foster better health and safety outcomes through a strategic focus on health and safety education. We focused on developing new courses and tools for workplaces and updating our training standards and programs.

In addition to the work reported under objective 1.2 above, highlights of our education initiatives completed since 2023 include:

- Developed six new online courses to help employers create safer workplaces:
 - OHS Committee, Worker Health and Safety Representative and Designate Certification Training – Level 1
 - Introduction to Early and Safe Return to Work
 - Introduction to Finding and Managing Hazards in the Workplace
 - Introduction to Musculoskeletal Injuries
 - Introduction to Incident Investigations
 - Introduction to Workplace Inspections

¹ Sector Councils include Forestry Safety Association of Newfoundland and Labrador, Made Safe NL, Newfoundland and Labrador Construction Safety Association and Newfoundland and Labrador Fish Harvesting Safety Association.

- Established a firefighter OHS working group to develop education tools for cancer prevention, mental health and health surveillance. The group collaborated to develop the online course Best Practices in Cancer Prevention.
- Updated the curriculum for the Power Line Hazards and Supervisor Health and Safety training standards to align with best practices.
- Collaborated with industry experts to develop new training programs in mine rescue and fishing vessel safety designates to promote better safety outcomes in those high-risk industries.

Strategic Issue 2: Return to Work and Recovery

A workplace injury impacts a worker, their family and their workplace. We take a continuous improvement approach by always reviewing and enhancing the way we provide programs and services to help workers recover and return to work. We updated our programs and business processes throughout 2025 to improve our return-to-work and recovery approaches.

Goal 1: By December 31, 2025, WorkplaceNL will have modified delivery approaches that support return to work and recovery from workplace injuries.

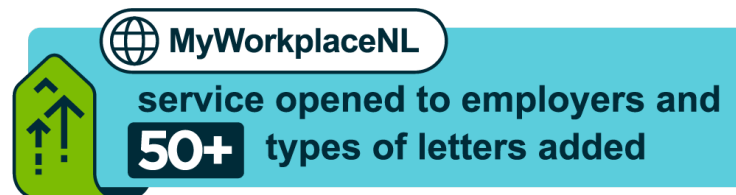
2025 Objective: By December 31, 2025, WorkplaceNL will have furthered enhancements to return-to-work and recovery approaches.

2025 Indicator 2.1: Implemented changes to improve return-to-work and recovery approaches in support of program review findings.

2025 Results

We implemented changes to improve return-to-work approaches in 2025 by focusing on timely and accessible communication and education with workers and employers and ensuring access to appropriate supports for psychological injuries.

We continued our service modernization journey in 2025 by enhancing online access to make more client correspondence available via MyWorkplaceNL, our online service platform. In 2024, workers could access 11 types of claim-related letters online. In 2025, we added over 50 more types of letters and opened the service to employers. This gives both workers and employers almost immediate access to claim-related correspondence, allowing them to explore return-to-work and recovery approaches earlier in a claim process.



In 2025, we implemented a system change to enable earlier communication with workplace parties to explore return-to-work options. We implemented another system change to categorize the types of information our case managers ask our internal medical consultants. This categorization avoids delays for workers by ensuring information requests affecting return to work and recovery are prioritized.

Our communication and education efforts also included launching a new webinar in 2025 to educate employers on approaches for permanent accommodations in the workplace following an injury, including psychological injuries. This was designed to build employers' understanding of their responsibilities in helping workers return to work either during or following their recovery, which is integral to fostering strong collaboration between workplace parties during the return-to-work process.

In 2025, we extended our agreement with our third-party service provider to continue offering our Traumatic Psychological Injury Program and implemented a rate increase for occupational therapists and psychologists to address delays in workers' ability to access recovery supports under this program. This comprehensive, interdisciplinary program supports recovery and return to work following a psychological injury. We began implementing a performance monitoring plan for this program in 2025, which will assist in measuring the program's outcomes over the longer term.

2025 Indicator 2.2: Continued improving business processes that support recovery and return to work.

2025 Results

We continued improving business processes that support recovery and return to work in 2025 through a strategic focus on complex injury types and capitalizing on opportunities to improve the timeliness of our internal processes.

Our focus on improving processes for complex injury types included developing a care pathway for concussion injuries. This evidence-based map outlines the steps to help case managers and health care providers ensure workers receive appropriate care at suitable points in their recovery. We reviewed best practices, analyzed claims and gathered input from employees and health care providers to draft a pathway. The pathway is designed to facilitate early access to an interdisciplinary health care team for assessment and the development of individualized treatment plans to improve management of claims involving concussion injuries.

In 2025, we also explored effective supports for workers who are injured and experience chronic pain, which can be a barrier to recovery and return to work. We piloted a multi-

disciplinary chronic pain recovery program that delivers personalized treatment plans that include an emphasis on pain education and self-management strategies. This proactive approach aims to empower workers to become active participants in their recovery and return to work.

We continued with our Lean process review in 2025 to explore efficiencies in documentation for return-to-work planning to reduce delays in payments for workers and the administrative burden on employers. This included developing a new online self-service option via MyWorkplaceNL that allows workers to submit information related to their return-to-work plan.

In addition, we developed a new quality assurance framework for auditing claim decisions. The framework sets out a formalized approach for WorkplaceNL's quality assurance team to provide an independent, objective review of claims on a regular basis. It includes the auditing process, templates and reports used and roles and responsibilities throughout the process. Implementation of the framework will ensure our claim decisions follow best practices.

Goal 2 Indicator 2.1: Launched initiatives to support safe and effective recovery from injuries.

2023-25 Results

Since 2023, we launched several different initiatives to support safe and effective recovery following a workplace injury.

Many of our initiatives focused on transitioning from a medical model to a wellness model for case management. The medical model focused on illness, injury, limitations and inabilities. Our new wellness model places the worker at the center of the recovery process and focuses on their functional abilities. We developed a new training program for case managers to give them new language, tools and approaches that support what workers can do during their recovery.



Wellness model

Transitioned to a wellness model for case management, which places the worker at the center of the recovery process and focuses on their functional abilities.

We also recognized that health care providers play a critical role in our transition to a wellness model. As a result, we secured 110 seats through the American College of Environmental and Occupational Medicine for health care providers to avail of the occupational medicine program “Getting Your Patients Back to Work: Work Disability Prevention for Clinicians.” As of the end of 2025, 99 participants had registered for the course with 30 completed and the remaining 69 in progress.

Since 2023, we also focused on ensuring the effectiveness of recovery supports provided to workers experiencing traumatic psychological injuries. This focus stemmed from an expansion of our psychological injury coverage and a recognition of the need for a trauma-informed approach to support workers in recovering from these injuries. We reviewed our Traumatic Psychological Injury Program in 2023, which led to improved processes in 2024, such as revised reporting tools and better tracking of workers' overall progress in meeting their recovery and return-to-work goals. We also developed and implemented a program accountability framework to help objectively assess whether the program is meeting its intended results.

For information on our 2025 initiatives that support safe and effective recovery following a workplace injury, see objective indicator 2.1 above.

Goal 2 Indicator 2.2: Streamlined business processes that support recovery and return to work.

2023-25 Results

Since 2023, we streamlined various business processes to support recovery from workplace injuries and safe return to work. Many improvements over this period were multi-year initiatives and included a focus on ensuring timely and appropriate health care services and supports.

In addition to the work reported under objective 2.2 above, highlights of our business process improvements since 2023 include:

- Updating the process for worksite occupational rehabilitation providers to standardize their reporting and add more accountability via an updated Memorandum of Agreement. This ensures workers receive consistent, timely and evidence-based treatment, with clear reporting parameters that support their recovery and return-to-work planning.
- Working with our prescription drug administrator to consolidate drug formularies, which specifies how prescriptions for groups of drugs are approved for payment. Consolidating formularies results in more timely service for workers and reduces case managers' administrative tasks so they can focus on helping workers recover and return to work.

Strategic Issue 3: Growing Strategic Partnerships

Our purpose is to improve the quality of life of the people of Newfoundland and Labrador through safe workplaces and support for our clients. We recognize this is a team effort and growing strategic partnerships through consultation and collaboration is critical to our success. Consulting and collaborating with organizations, industries and employers strengthens our partnerships and helps improve how we deliver our programs and services for workplaces throughout the province in achieving our mandate.

Goal 3: By December 31, 2025, WorkplaceNL will have strengthened partnerships with organizations, industries and employers to improve programs and services.

2025 Objective: By December 31, 2025, in collaboration with our partners, WorkplaceNL will have furthered the implementation of innovative program changes.

2025 Indicator 3.1: Consulted with partners to implement solutions that impact WorkplaceNL's mandate.

2025 Results

We consulted with partners throughout 2025 on solutions that impact our mandate, including consultations on policies that guide our service delivery to clients and consultations to inform our future strategic priorities.

Our consultations on policies that guide our service delivery included soliciting feedback from our primary stakeholders on revising Policy EN-19 Arising out of and in the Course of Employment. This is a foundational policy used to determine entitlement to benefits that was established in 2001. The policy requires modernization to keep up with how workplaces have changed in recent years, including how we determine entitlement to benefits when a worker is injured while working remotely. Feedback received will assist in implementing changes in 2026 to modernize the policy to improve understandability.

Following our 2024 policy consultation on expanding our psychological injury coverage, we also held a focus group with employers in collaboration with the Board of Trade. The focus group was designed to gather input and understand what workplaces would need to prepare for this expansion, including supports to prevent psychological injuries from workplace harassment. This consultation paved the way to implement operational and policy changes to prepare for expanded coverage in 2026.

We held a consultation session with our primary stakeholders to gather input on potential areas of focus for WorkplaceNL's next strategic plan to ensure we are effective in meeting our mandate over the next three years. The session included leadership and members from the Newfoundland and Labrador Federation of Labour and the Board of Trade. Participants provided valuable input to guide our future directions on injury prevention, return to work and modernizing our service delivery. Stakeholders identified pressing issues and we integrated their views to implement our 2026-28 strategic plan.

We also hosted meetings with technical advisory committees throughout the year to review our certification training standards. Each technical advisory committee is comprised of experts in their industry who provide insight on the certification training standard and whether changes are recommended. Through these committees, we updated two standards:

- The Supervisor Health and Safety curriculum was shortened from 16 hours to eight hours to encourage more supervisors to attend this voluntary course and to include a focus on psychological health and safety.
- The Fall Protection curriculum was updated to ensure participants become familiar with commonly used equipment and to clarify participants' learning expectations.

2025 Indicator 3.2: Strengthened engagement with employers and providers to improve program and service delivery.

2025 Results

We engaged with employers and service providers throughout 2025 to improve our program and service delivery and support effective injury prevention, recovery from injury and return to work.

Our engagement with employers included a strategic focus on the health care and social services sector, which accounted for 34 per cent of all lost-time injuries in the province in 2025. We formally established the Health and Safety Council with NL Health Services. The council includes representatives from NL Health Services, its unions and WorkplaceNL. The council's work in 2025 began with collaborating on joint initiatives to prevent soft-tissue injuries and workplace violence.

We also established a working group with employers through the Home Care Association of Newfoundland and Labrador to address health and safety outcomes in this area of the health care sector. We drafted a report outlining injuries and claims costs for the workplaces they represent so they can better understand their experience and work to improve their health, safety and return-to-work outcomes.

We collaborated with physicians to modernize the reporting form for workplace injuries (Form MD). This is designed to reduce administrative burdens and ensure the information we capture effectively supports recovery and return-to-work goals. We developed an inclusive engagement strategy that included an internal working group, an external group of community physicians and direct input from employers. By listening to these different perspectives, we developed a more responsive and user-friendly form.

We launched an accredited physician course in collaboration with NL Health Services and Memorial University's medical school, integrating occupational health concepts into the health care services provided to workers. Physicians completing the course will learn return-to-work principles and strategies, the value of focusing on patients' functional abilities and the importance of effective collaboration between all parties involved in the recovery and return-to-work process.

Our engagement with health care providers included initiatives designed to improve their accountability in achieving sound outcomes for workers. This included contract negotiations with the Physiotherapy Liaison Committee and the Newfoundland and Labrador Medical Association focusing on improved reporting of functional information and evidence-based return-to-work plans. It also included discussions with the Occupational Rehabilitation Liaison Committee on developing clinic profiles to drive consistency and accountability.

Goal 3 Indicator 3.1: Supported collaboration with partners, industries and employers.

2023-25 Results

Since 2023, we collaborated with key partners, industries and employers on matters essential to the effective delivery of our mandate, including injury prevention and return to work.

In addition to the work reported under objective 3.2 above, highlights since 2023 include collaborating with:

- Other Atlantic workers' compensation boards to launch the 'getting back is part of getting better' campaign. This campaign shows workers recovering at work, returning to a routine, receiving medical treatment and staying connected to the workplace – all important activities in the recovery process.
- Industry experts to develop a new Mine Rescue Certification Training Program and a new Fishing Vessel Safety Designate Certification Program. These programs support health and safety in high-risk industries.

- The Board of Trade and Newfoundland and Labrador Federation of Labour to establish new agreements for the continued delivery of employer and worker advisor programs. These services ensure employers and workers have access to independent support in navigating the workers' compensation system.
- The Workers' Compensation Independent Review Board to formalize the process for handling new claim information while a decision is being reviewed. The new process ensures timely consideration of the new information for clients to avoid potential delays in the review process.

Goal 3 Indicator 3.2: Enhanced partnerships and consultation efforts to inform program and service delivery change.

2023-25 Results

Since 2023, we enhanced our partnerships and completed several consultations to inform program and service delivery changes that help ensure we are effective in providing service to our clients.

We consulted with workers and employers on expanding our psychological injury coverage to include injuries from chronic stress, particularly as they relate to workplace harassment. This included holding an information session with our primary stakeholders and issuing a public call for input in 2023. We then followed up with our stakeholders on next steps to discuss options, as described under objective indicator 3.1.

Our collaboration included working with Memorial University to develop and deliver occupational medicine training to second-year medical students in 2024 and 2025. The training provided students with hands-on experience in gathering information from patients to identify potential work-related injuries, understanding the importance of return to work and completing WorkplaceNL's Form MD. We worked with Memorial University to formally include this training in the family medicine program going forward.

In addition, we worked with the Association of New Canadians to help their staff and clients understand our programs and services. We delivered a training session with their Newcomer Entrepreneurship Training group to help newcomers understand their responsibilities to ensure these entrepreneurs focus on OHS when developing new businesses. The training explained how to register a company with WorkplaceNL, health and safety considerations for a new company and how to report and manage a work-related injury.

For information on the partnerships and consultations completed in 2025, see objective indicator 3.1 above.

Opportunities and Challenges

Preventing injury and illness – We acknowledge the significant contributions of employers, workers and many safety partners in maintaining the lost-time injury rate at 1.2 injuries per 100 workers in 2025. Targeting initiatives in workplaces with the highest risk of injury and continuing these partnerships, guided by our Workplace Injury Prevention Strategy 2023–2028, will be essential to maintain or improve these results.

Return to and recovery at work – We believe that getting back is part of getting better. We continue to focus on a wellness model, supporting workers to focus on what they can do as they recover and return to work at the earliest, safest opportunity. However, the number of workers returning to work within 180 days declined from 84 to 80 per cent from 2019 to 2025. Increasing claim complexity and delays in accessing appropriate recovery supports are contributing factors. This is a challenge as research shows the likelihood of a worker returning is higher within 180 days of an injury.

Managing claims costs – The average assessment rate that employers pay rose by four cents in 2024 in response to rising claims costs due to inflation and improvements to benefits. Preventing injuries and implementing appropriate return-to-work programs will help create safer workplaces while lowering costs.

Managing financial sustainability – As a responsible steward of the Injury Fund, we continue to rely on stakeholder-agreed policies to guide us in setting annual assessment rates to ensure sufficient funds will be available to pay benefits for workers for the duration of their claims. These policies allow us to respond to external influences in a responsible, controlled manner. Fluctuations in global financial markets may impact our Injury Fund investments. We will continue to maintain a long-term view and diversified investment portfolio to mitigate impacts.

Modernizing service delivery – The critical technologies that support us in managing workers' claims and employers' accounts are aging. We are on a journey to offer modern and accessible services for our clients, making our online services easier to access and providing more real-time information. We will continue to rely on feedback from clients, health care providers and vendors as we progress. We believe in offering services via many channels to suit our clients' preferences, including digital, telephone, in-person and mail.

Management Discussion and Analysis

December 31, 2025

The Management Discussion and Analysis (MD&A) of the annual performance report provides management's perspective on the operations and the financial position of WorkplaceNL. The MD&A and the accompanying audited International Financial Reporting Standards (IFRS) financial statements reflect amounts and information available as of the reporting date. The Board of Directors (Board) has approved the MD&A following the recommendation of the Financial Services Committee.

Forward-looking Information

This report contains forward-looking information about certain matters that are by their nature subject to many risks and uncertainties. This may cause actual results to differ materially from the statements made herein.

Forward-looking information includes, but is not limited to: the organization's objectives, strategies, targeted and expected financial results; and the outlook for the provincial, national and global economies.

Risks and uncertainties include, but are not limited to: changing market, industry and general economic factors or conditions; changes in legislation affecting the organization's policies and practices; changes in claims experience; changes in accounting standards and other risks, known or unknown.

The reader is cautioned not to place undue reliance on forward-looking information contained within this report.

Note to Readers on IFRS Financial Statements

Publicly accountable enterprises in Canada are required to prepare financial statements in accordance with IFRS, including all Canadian workers' compensation boards. WorkplaceNL implemented IFRS 17 Insurance Contracts effective January 1, 2023. The consolidated audited financial statements and accompanying notes for the year ended December 31, 2025, are prepared using IFRS.

As with prior years, WorkplaceNL continues to apply a long-term view to measure funding levels and set assessment rates using financial information based on a going concern (funding basis) method. This method aligns with the objectives of our Policy IF-01 Long-term Financial Strategy (“Funding Policy”) to maintain a funded position that will provide for the security of benefits into the future, as promised to workers.

The funding basis financial results use a discount rate based on WorkplaceNL’s long-term expected rate of return to value the benefit liabilities, which is consistent with the long-term duration of many claims. By comparison, IFRS 17 uses a discount rate generated from a point-in-time, market-based interest rate, which may cause significant fluctuations in the value of the liabilities.

As we use the funding basis to manage our overall operations, the funding basis results are discussed in detail in this MD&A. The following two tables reconcile the 2025 IFRS financial statements and 2024 IFRS financial statements to the funding basis for 2025 and 2024.

Table 1: 2025 IFRS Financial Statements Reconciliation to 2025 Funding Basis

As of December 31, 2025 (\$ millions)	IFRS Financial Statements	Reclass Insurance Receivables and Payables (1)	Discount Rate Adjustment (2)	Funding Basis
Statement of Financial Position				
Total Assets	2,001.2	9.8		2,011.0
Total Liabilities	1,514.7	9.8	(87.4)	1,437.1
Fund Balance	486.5			573.9
Reserves	4.9			4.9
Funded Ratio	N/A			139.5%
Statement of Comprehensive Income				
Operating Surplus	125.9		(6.7)	119.2

Table 2: 2024 IFRS Financial Statements Reconciliation to 2024 Funding Basis

As of December 31, 2024 (\$ millions)	IFRS Financial Statements	Reclass Insurance Receivables and Payables (1)	Discount Rate Adjustment (2)	Funding Basis
Statement of Financial Position				
Total Assets	1,867.9	7.0		1,874.9
Total Liabilities	1,507.4	7.0	(94.2)	1,420.2
Fund Balance	360.5			454.7
Reserves	5.0			5.0
Funded Ratio	N/A			131.6%
Statement of Comprehensive Income				
Operating Surplus	145.6		12.2	157.8

1. Reclassification of insurance receivables and payables to insurance contract liabilities.
2. Discount rate methodology difference between IFRS 17 discount rate generated from a point-in-time market-based interest rate compared to the funding basis discount rate based on WorkplaceNL's long-term expected rate of return.

2025 Financial Highlights Funding Basis

Table 3: 2025 Financial Highlights Funding Basis

Financial Highlights (\$ millions)	Funding Basis	
	2025	2024
Investments	1,964.0	1,829.3
Benefit liabilities	1,409.0	1,392.2
Fund balance	573.9	454.7
Assessment Revenue	185.7	171.4
Investment income	183.9	254.2
Claims costs incurred	202.0	197.1
Actuarial Adjustments	6.2	28.0
Administration costs	23.3	22.9
Legislated obligations	8.0	8.5
Operating surplus	119.2	157.8
Average assessment rate	\$1.73	\$1.73
Rate of return on investments	8.7%	15.6%
Funded ratio	139.5%	131.6%

Statement of Financial Position Funding Basis

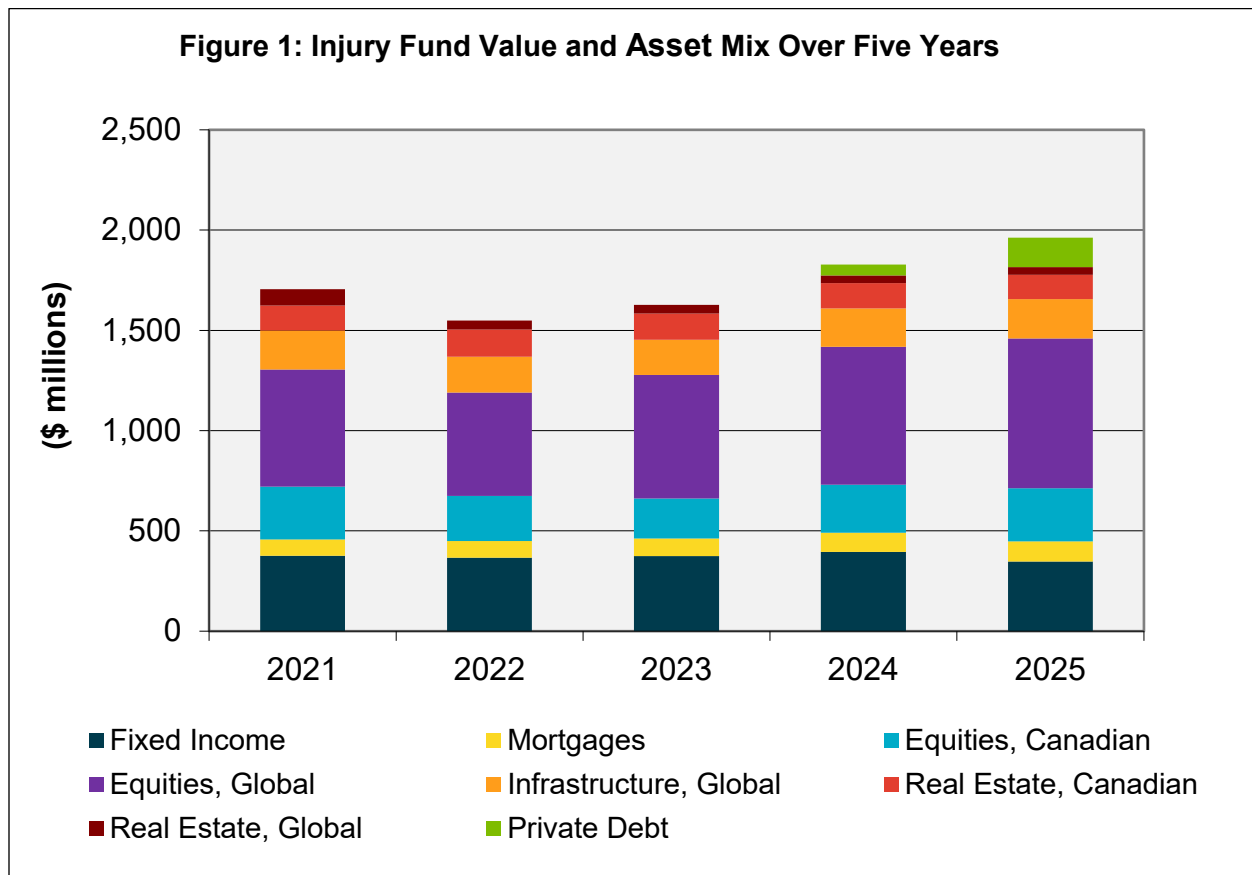
Investments

Table 4: Investments Funding Basis

(\$ millions)	Funding Basis	
	2025	2024
Investments	1,964.0	1,829.3

WorkplaceNL's Injury Fund is a diversified investment portfolio that provides for the security of benefits owed to workers. The fair value of the Injury Fund increased by \$134.8 million to \$1,964.0 million at December 31, 2025, from \$1,829.3 million at the end of 2024. This reflects investment gains of \$183.9 million and withdrawals of \$44.8 million to fund benefit payments and operations.

Figure 1 illustrates the Injury Fund value and asset mix over five years.



The Board’s responsibilities include ensuring the assets of the Injury Fund, along with future investment income, are sufficient to pay future benefits for existing claims. The Board takes a long-term approach to manage the Injury Fund given the majority of benefits promised to workers extend over many years.

The Statement of Investment Principles and Beliefs (SIPB) and Policy IF-01 Long-term Financial Strategy guide WorkplaceNL’s investment strategy. The SIPB outlines the governance structure for the Injury Fund, the importance of asset allocation in achieving long-term return objectives, the importance of diversification and the process to select a manager and evaluate performance. Policy IF-03 Long-term Investments documents the long-term asset mix target, return objectives, acceptable investments and limits on risk concentration.

WorkplaceNL undertakes an asset liability study approximately every three years. The study reviews the asset allocation strategy of our investment portfolio. It tests asset mixes under a range of economic scenarios to recommend a mix that provides for anticipated higher long-term returns and meets our funding objectives within acceptable

risk levels. It considers three elements: maintain a funded position that will provide for the security of benefits to workers; the liability structure; and the long-term risks and diversification attributes of each primary asset class.

The following table outlines the policy asset mix, drift ranges, and actual asset mix at December 31, 2025.

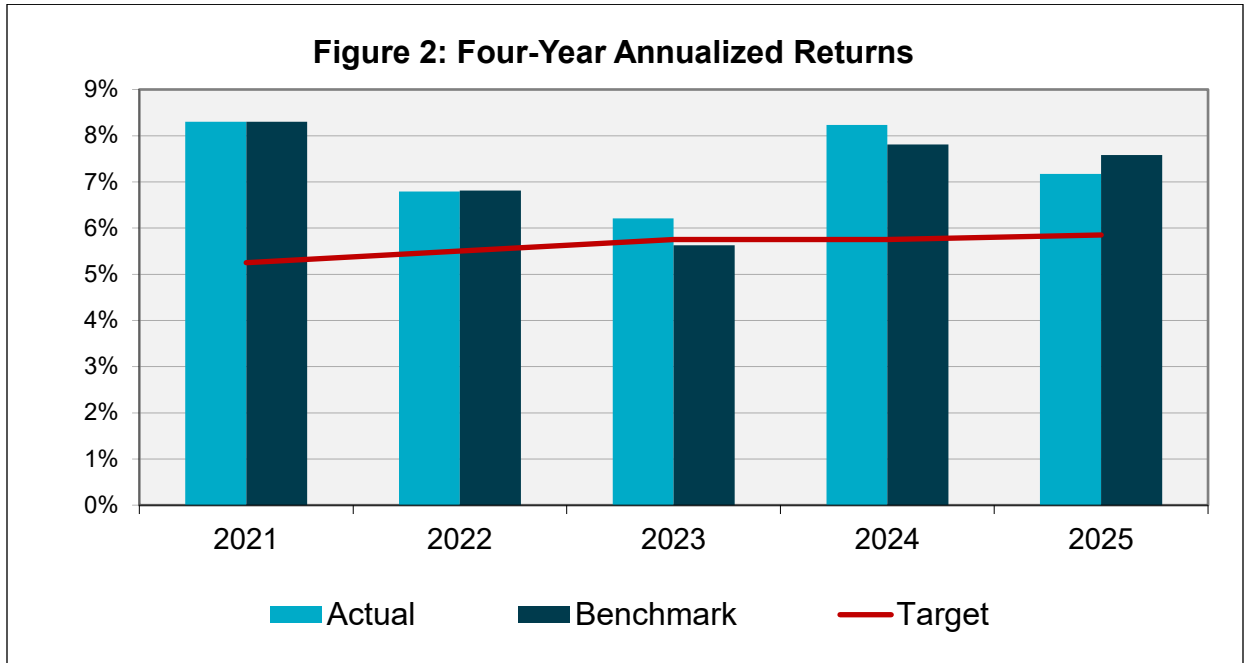
Table 5: Asset Mix at December 31, 2025

Asset Class	Policy Mix	Drift Range	Actual Mix
Fixed Income	20.0%	±5.0%	17.7%
Mortgages	5.0%	±2.5%	5.1%
Equities, Canadian	10.0%	±5.0%	13.5%
Equities, Global	35.0%	±5.0%	38.0%
Infrastructure, Global	10.0%	±5.0%	10.1%
Real Estate, Canadian	7.5%	±2.5%	6.2%
Real Estate, Global	2.5%	±2.5%	1.9%
Private Debt	10.0%	±5.0%	7.5%
	100.0%		100.0%

The asset mix at December 31, 2025 varies from the targets due to differences in the relative performance of the various financial market segments. All asset classes were within their respective tolerance ranges.

An objective of the Injury Fund is to exceed the return of the benchmark portfolio on a four-year moving average basis. The benchmark return is the return the Injury Fund would have earned had each asset class achieved the return of its respective passive index.

Figure 2 summarizes the four-year annualized actual, benchmark and long-term target returns in each of the last five years.



WorkplaceNL sets a long-term investment target that considers the long-term expected returns. Management estimates the long-term target rate of return for the investment portfolio to be 5.75 per cent for 2025, which is consistent with 2024 expectations.

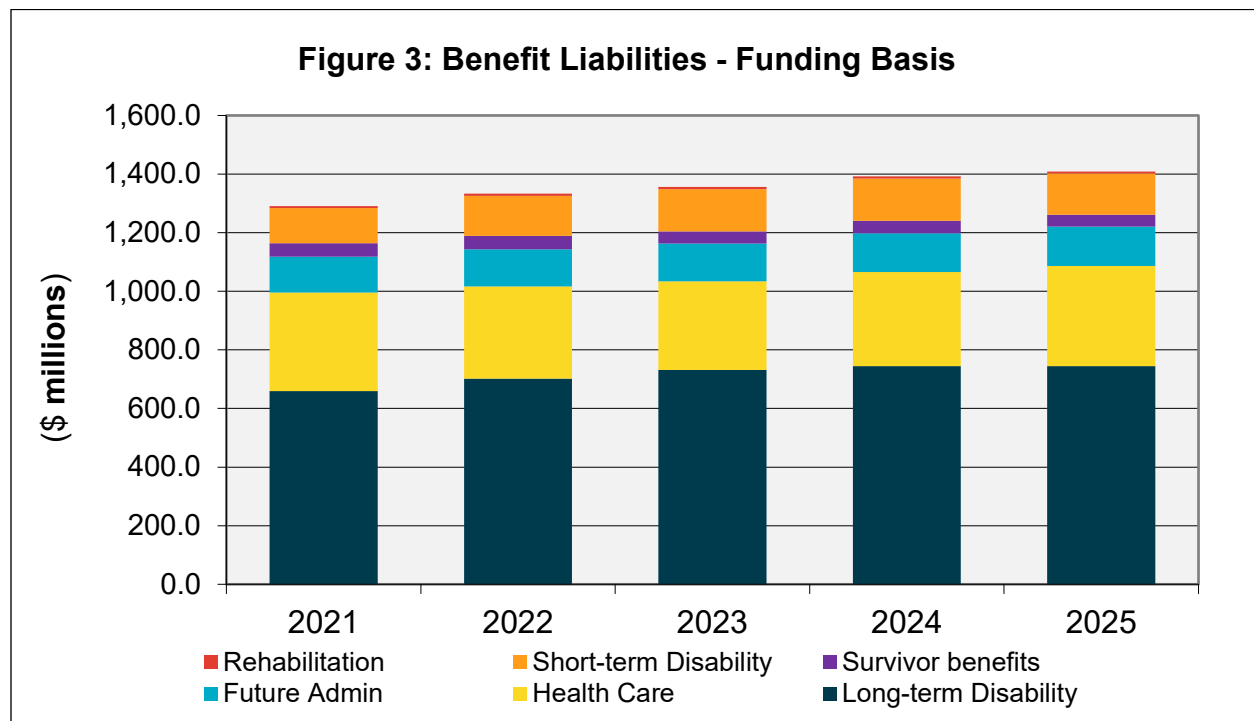
For the four-year period ending December 31, 2025, the Injury Fund earned an annualized return of 7.2 per cent, which was below the four-year benchmark of 7.6 per cent over the same period.

Benefit Liabilities

Table 6: Benefit Liabilities Funding Basis

	Funding Basis			
	2025		2024	
(\$ millions)	\$	%	\$	%
Long-term disability	744.6	53%	745.0	54%
Health care	342.2	24%	321.0	23%
Future administration	133.9	10%	132.3	10%
Survivor benefits	40.1	3%	42.0	3%
Short-term disability	140.8	10%	144.3	10%
Rehabilitation	7.4	1%	7.6	1%
Benefit liabilities	1,409.0	100%	1,392.2	100%

Benefit liabilities reflect the present value of all future payments expected to be made on behalf of workers for accepted claims for injuries occurring up to December 31, 2025, and the future cost of administering those claims. WorkplaceNL has also included a provision for future claims related to potential occupational disease claims expected to arise after December 31, 2025, due to long latency exposures that were incurred in workplaces in previous years.



Benefit liabilities increased \$16.7 million, or 1.2 per cent, from \$1,392.2 million at the end of 2024, to \$1,409.0 million at the end of 2025 (see figure 3). The main component of the increase in benefit liabilities was an experience loss of \$15.0 million for health care.

The actuarially reviewed discount rate represents the best estimate of the long-term average return that can be expected based on the benchmark asset allocation. The weighted average real rate of return of 3.75 per cent is compounded by the long-term inflation rate of 2.0 per cent to obtain the gross rate of return of 5.75 per cent. The underlying assumption is that investment income will be earned at an annual rate that is 3.75 per cent higher than the annual rate of long-term inflation.

Long-term disability benefits provided under the Act are indexed to inflation each year. WorkplaceNL calculates the annual inflation adjustment based on the year-over-year

change in the Canadian Consumer Price Index at July each year and applies the adjustment January 1 of the following year.

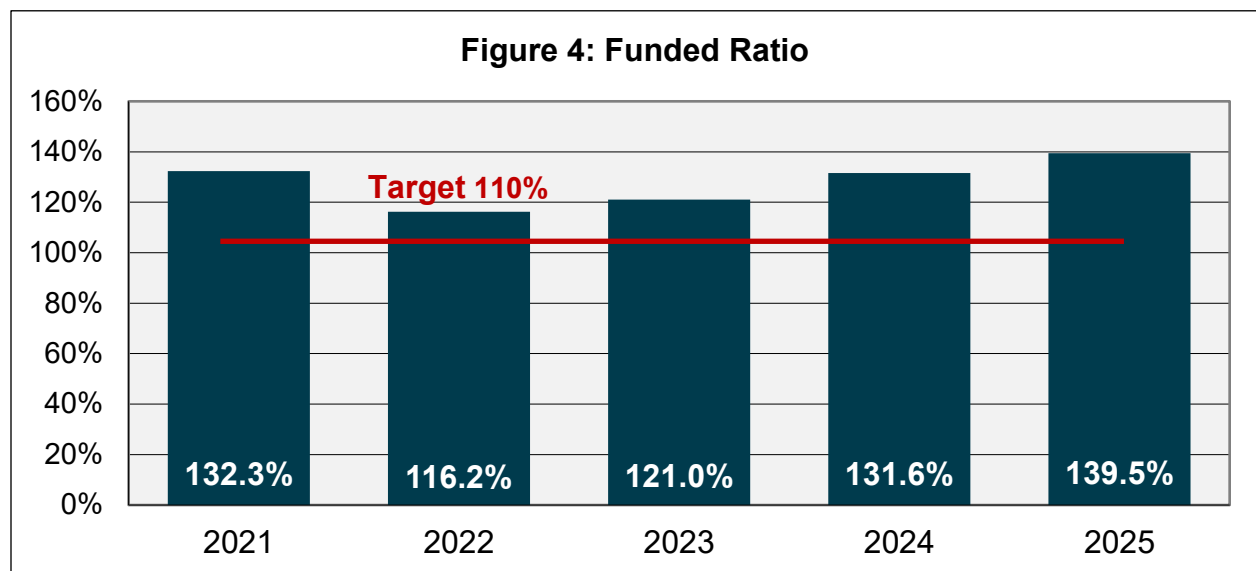
The inflation adjustment calculated in 2025 was 2.0 per cent and an assumed inflation rate of 2.0 per cent was used for 2026, 2027 and later in this year’s valuation. This is in line with the assumed rates in last year’s valuation.

Funding Policy and Funded Ratio

The Funding Policy guides WorkplaceNL’s response to external factors, such as volatile investment markets, in a controlled and responsible manner.

The Injury Fund is fully funded when total assets equal or exceed total liabilities plus reserves. Due to potential volatility of investment market returns, the Board has established a funding target of total assets equal to 110 per cent of total liabilities.

Figure 4 depicts the five-year history of the funded ratio versus target ratio.



Assessment rates for each year are established at a level that, along with investment revenue sources, will generate sufficient revenue to cover the anticipated lifetime cost of new injuries in the year. The Funding Policy specifies a funding target range of 100 to 120 per cent and requires WorkplaceNL to adjust the assessment rates paid by employers using a surcharge or discount, amortized over 15 years, to return to the desired funding target if the funded status moves outside this range.

Since 2019, the average assessment rate includes a \$0.21 discount aimed at returning the funded ratio to 110 per cent.

Using the funding basis method, the funded ratio is calculated by dividing total assets by total liabilities and reserves. This allows for a comparison to both the Funding Policy and to historical funding information.

The funded ratio increased to 139.5 per cent at December 31, 2025, from 131.6 per cent at December 31, 2024. This is primarily due to positive investment returns of 8.7 per cent as a result of global financial markets recording gains across most asset classes.

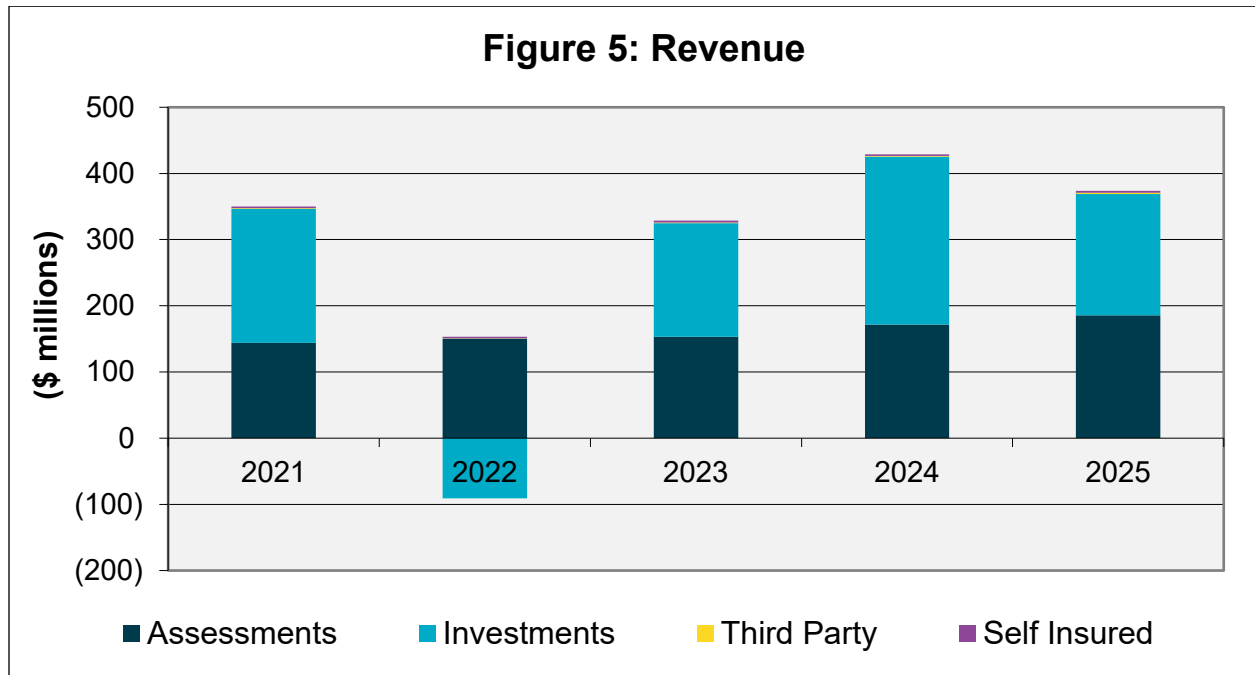
Statement of Comprehensive Income Funding Basis

Table 7: Statement of Comprehensive Income Funding Basis

(\$ millions)	Funding Basis	
	2025	2024
Revenue		
Assessments revenue	185.7	171.4
Investment income	183.9	254.2
Third Party Recoveries	2.0	0.7
Self-insured employer revenue	2.7	2.7
	374.3	429.0
Expenses		
Claims cost incurred	202.0	197.1
Actuarial adjustments	6.2	28.0
	208.2	225.1
Administration	23.3	22.9
Legislated obligations	8.0	8.5
Fees and interest	10.2	10.2
Amortization and depreciation	3.5	3.2
Other expenses	1.9	1.3
	255.1	271.2
Operating surplus	119.2	157.8
Other comprehensive income	0.2	0.2
Total comprehensive income	119.4	158.0

Revenue

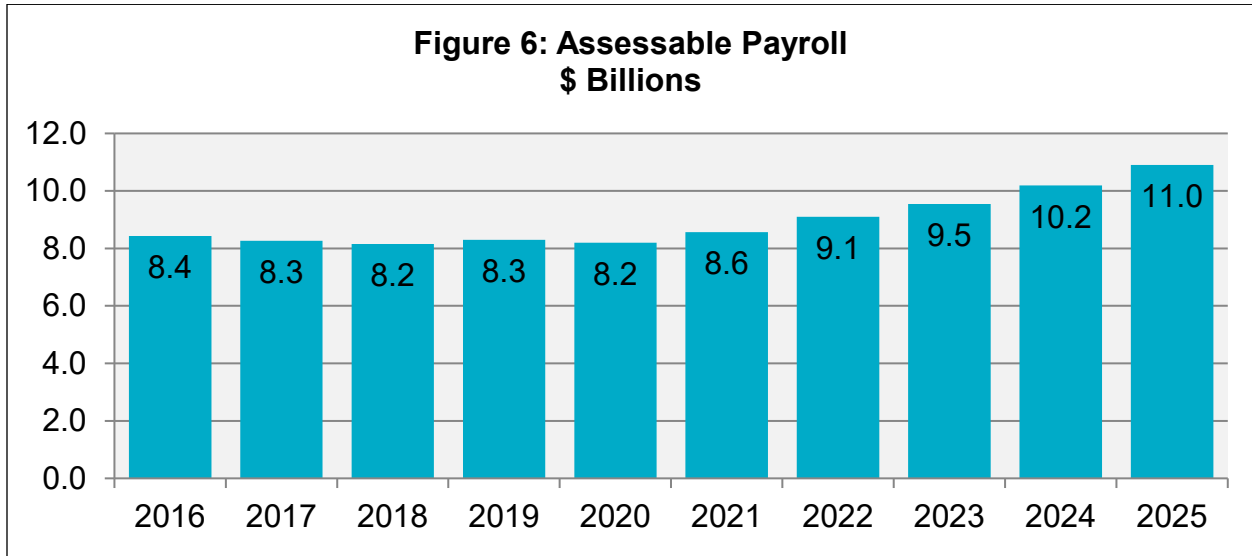
WorkplaceNL’s revenue sources are assessments paid by employers for workplace injury coverage, investment income as well as other revenue from self-insured administration fees and third-party recoveries. In 2025, revenue totaled \$374.3 million, a \$54.7 million decrease from 2024 revenue of \$429.0 million (see figure 5), due to reduced investment gains both realized and unrealized.



Assessment Revenue

Assessment revenue from rate-based employers increased 8.4 per cent to \$185.7 million in 2025 from \$171.4 million in 2024. Revenue from assessments, as per note 16 of the financial statements, consists of base assessments as well as refunds and charges administered through the PRIME program.

The higher revenue is largely due to a 7.0 per cent increase in employer assessable payrolls, to \$11.0 billion in 2025 compared to \$10.2 billion in 2024 (see figure 6). Most sectors grew, led by the Health & Social Services, Fishing, Mining and Manufacturing industries. However, Construction, Oil & Gas, Logging & Forestry, experienced declines.



The average base assessment rate paid by employers in 2025 remained the same at \$1.73 per \$100 of assessable payroll. The average rate continues to include a temporary \$0.21 discount in accordance with WorkplaceNL’s Funding Policy.

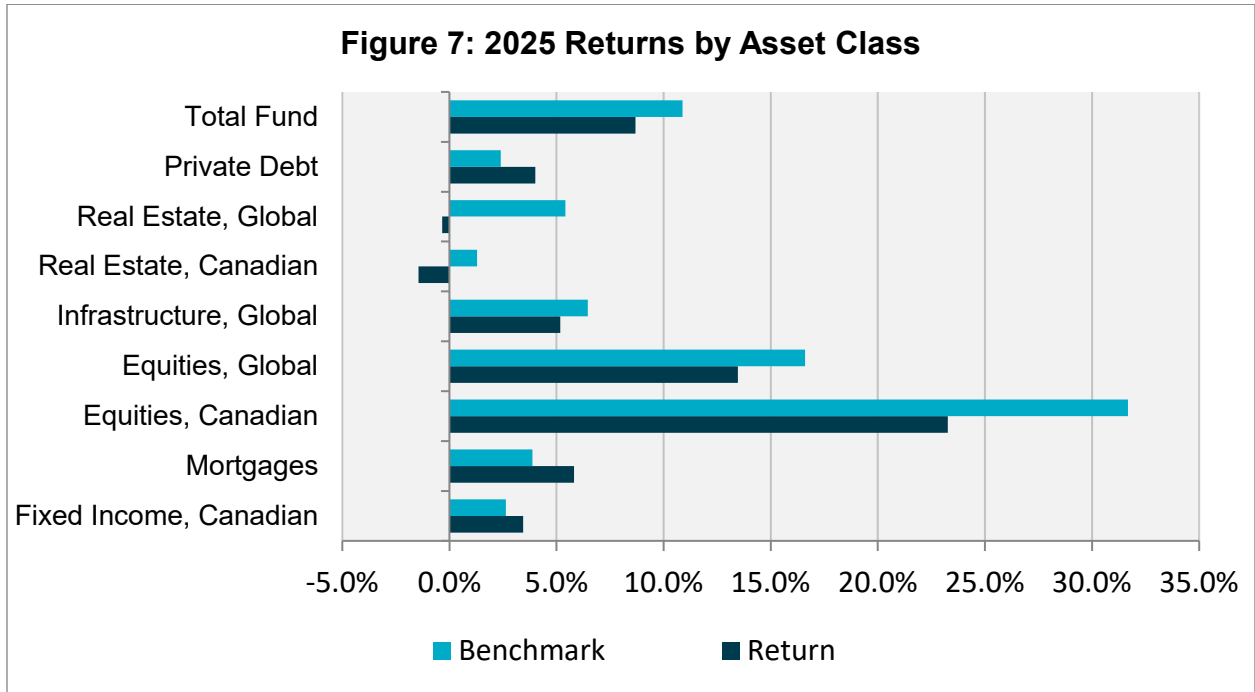
Investment Income

Table 8: Investment Income Funding Basis

(\$ millions)	Funding Basis	
	2025	2024
Investment income	183.9	254.2
Rate of return on investments	8.7%	15.6%

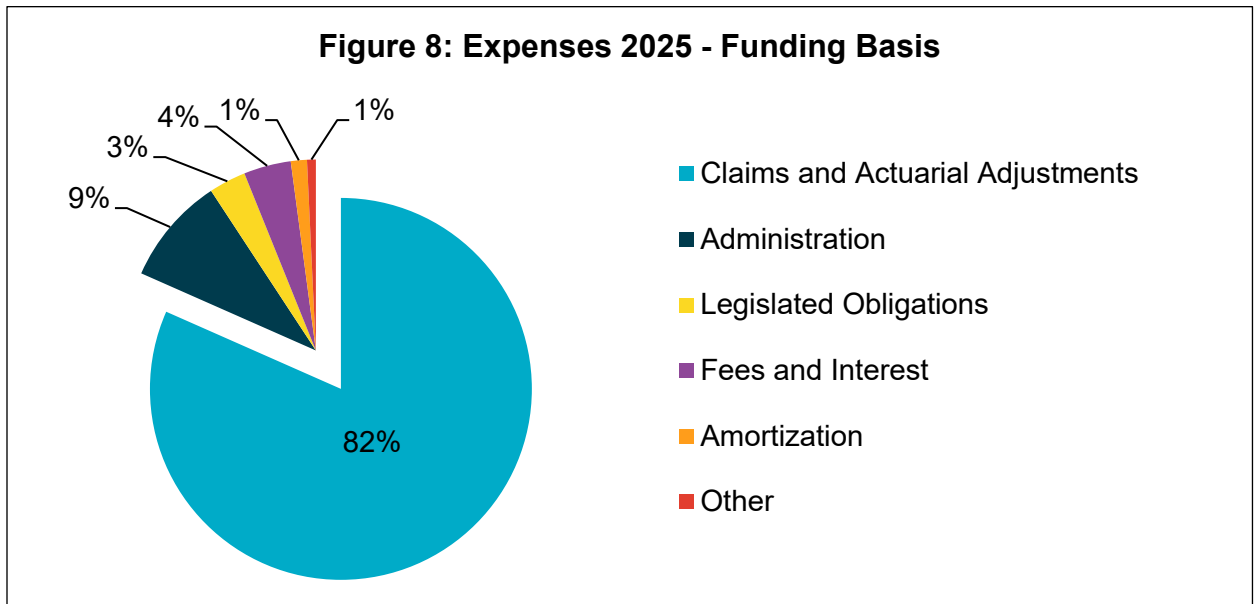
Investment income includes dividends and interest from the Injury Fund portfolio and short-term investments, as well as gains and losses arising from changes in the market value of investments. In accordance with IFRS, investment income includes both realized and unrealized gains and losses.

In 2025, WorkplaceNL’s investment income was \$183.9 million (2024 – \$254.2 million). The Injury Fund had a rate of return of 8.7 per cent (2024 – 15.6 per cent) compared to the long-term target of 5.75 per cent. Figure 7 shows the 2025 fund return by asset class.



Expenses

WorkplaceNL’s expenses include benefit costs, administrative expenses, legislated obligations, fees and interest, amortization and other expenses. Benefits for workers are the most significant component at 82 per cent (2024 – 83 per cent) of expenses (see figure 8).



Claims Costs Incurred

Table 9: Claims Cost Incurred Funding Basis

(\$ millions)	Funding Basis	
	2025	2024
Claims costs incurred		
Short-term disability	54.8	57.0
Long-term disability	75.2	72.0
Survivor benefits	3.7	3.8
Health care	48.9	45.2
Rehabilitation	2.2	2.4
Future administration costs	17.2	16.7
Subtotal	202.0	197.1
Actuarial adjustments	6.2	28.0
Total	208.2	225.1

Claims costs incurred are actuarially determined and include the full costs related to new injuries that occurred during the year and the interest expense due to the growth in the present value of the prior year benefit liabilities. Actuarial adjustments represent changes in assumptions used in prior years' valuations to the current year. These adjustments can be significantly impacted by economic assumptions, including changes in the discount rate and inflation.

Claims cost incurred and actuarial adjustments totaled \$208.2 million, a decrease of \$16.9 million (7.5 per cent) from \$225.1 million in 2024. This decrease is primarily due to the change in actuarial adjustments over the prior year. Actuarial adjustments of \$6.2 million in 2025 were mainly a result of a \$15.0 million experience loss in health care, a \$6.6 million experience loss in long-term disability, partially offset by an experience gain of \$9.3 million in short-term disability and rehabilitation (also referenced in the Benefit Liabilities section).

Claims Benefit Payments – Monetary Payments Issued

Table 10: Claims Benefits Cash Payments Made in 2025 and 2024

(\$ millions)	2025	2024
Claims Benefit Payments - Cash		
Short-term disability	49.7	50.2
Long-term disability	82.5	81.2
Health care	46.7	46.3
Survivor	5.7	5.9
Rehabilitation	1.9	0.9
Total	186.4	184.5

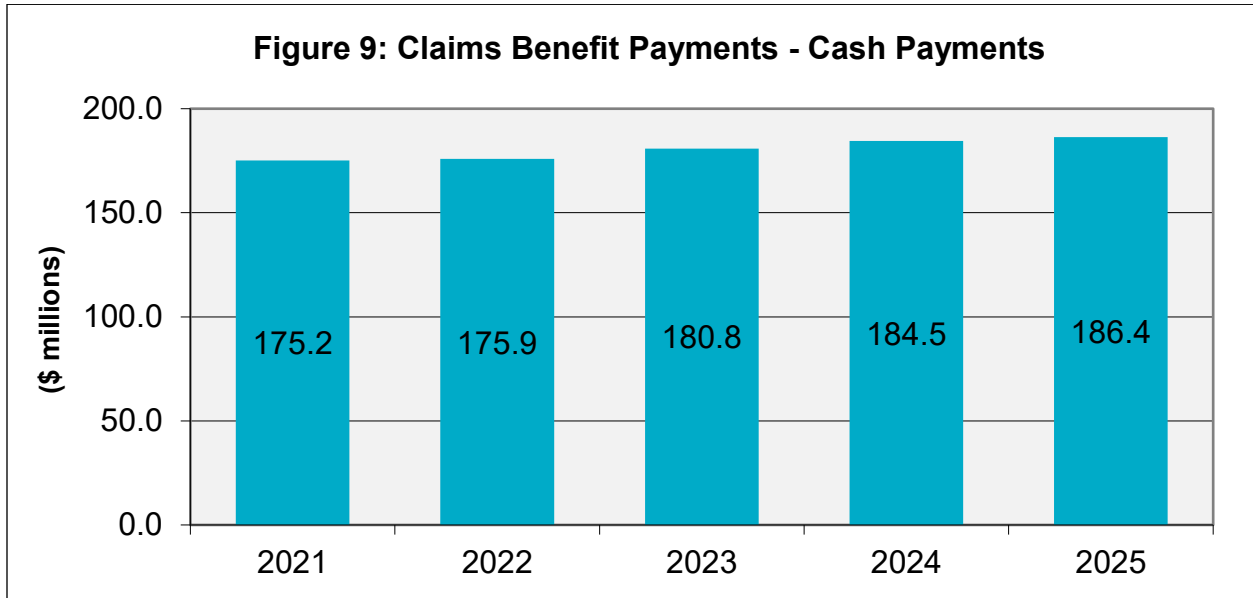
Claims benefit payments paid include actual cash payments made to workers for wage-loss and other benefits, payments to health care providers for services rendered to workers and payments to suppliers for health care goods and devices. These amounts also include payments made on behalf of self-insured employers.

In total, claims benefit payments increased 1.0 per cent to \$186.4 million in 2025, from \$184.5 million in 2024. The average rate of increase of these payments from 2020 to 2025 has been 1.3 per cent per year (see Figure 9). The major components are long-term disability, short-term disability and health care payments. Rising claims costs are primarily due to recent legislative changes that increased or added benefits for workers, as well as the impact of inflation on health care costs and wage-loss benefits.

Short-term disability payments – including temporary earnings loss, rehabilitation wage loss and early and safe return to work – decreased by 1.1 per cent to \$49.7 million in 2025 from \$50.2 million in 2024. This mainly resulted from fewer new claims.

Long-term disability payments increased by 1.6 per cent to \$82.5 million in 2025 from \$81.2 million in 2024. This is primarily due to indexing extended earning loss benefits and higher pre-injury earnings upon which the benefit is based.

Health care payments increased by 0.9 per cent to \$46.7 million in 2025 from \$46.3 million in 2024 primarily due to inflation.



Outlook

WorkplaceNL maintained the average assessment rate at \$1.73 for 2026, continuing to include the temporary \$0.21 discount to enable the funded position to return to the desired target of 110 per cent. WorkplaceNL is forecasting assessable payrolls of approximately \$11.1 billion in 2026.

In 2025, geopolitical uncertainties and elevated inflation continued to shape global economic conditions. The Bank of Canada reduced interest rates four times during the year, and this easing of monetary policy helped bring inflation closer to the two-per-cent target by year-end. Financial markets, particularly global equities, performed strongly throughout 2025, contributing to positive investment returns.

Looking ahead, ongoing geopolitical tensions, increased trade frictions, and pending trade negotiations with the United States and Mexico may slow Canada’s economic growth and create the potential for renewed inflationary pressure. With these uncertainties, WorkplaceNL continues to follow a long-term, diversified investment strategy to manage market volatility. Our goal remains to maximize returns at an acceptable level of risk across a range of economic scenarios. Our long-term, diversified strategy helps us ride out those uncertainties and not overreact to short-term pressures.

2025 Financial Statements

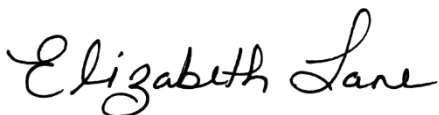
Management responsibility for financial reporting

The accompanying financial statements of WorkplaceNL have been prepared by management, who is responsible for the integrity and fairness of the information presented, including significant accounting judgments, estimates and actuarial assumptions. This responsibility includes selecting appropriate accounting principles and actuarial assumptions consistent with International Financial Reporting Standards. Financial information contained elsewhere in this Annual Performance Report is consistent with these financial statements.

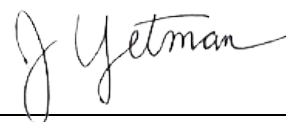
In discharging its responsibility for the integrity and reliability of the financial statements, management maintains a system of internal controls designed to provide reasonable assurance that relevant and reliable financial information is produced and that assets are properly safeguarded. The Internal Auditor performs audits designed to test the adequacy and consistency of WorkplaceNL's internal controls, practices and procedures.

The Board of Directors oversees management's responsibility for financial reporting through its Financial Services Committee, which recommends approval of the financial statements. The Financial Services Committee oversees the external audit of WorkplaceNL's annual financial statements and the accounting and financial reporting and disclosure processes and policies of WorkplaceNL. The Financial Services Committee of the Board meets with management, the independent consulting actuary and the independent auditors to discuss the results of the external audit, the adequacy of internal accounting controls and the quality and integrity of financial reporting. WorkplaceNL's Board of Directors has approved the financial statements included in this Annual Performance Report.

Eckler Ltd. has been appointed as independent consulting actuary to WorkplaceNL. Its role is to complete an independent actuarial valuation of the benefit liabilities of WorkplaceNL annually and to report thereon in accordance with accepted actuarial principles. Ernst & Young LLP, the independent auditors of WorkplaceNL, have performed an audit of the 2025 financial statements of WorkplaceNL in accordance with Canadian generally accepted auditing standards and their report follows.



Elizabeth Lane
On behalf of WorkplaceNL



Joelle Yetman
Chief Financial Officer

ECKLER

Actuarial statement of opinion

We have completed the actuarial valuation of the benefit liabilities of the Workplace Health, Safety and Compensation Commission of Newfoundland and Labrador (“WorkplaceNL”) as at December 31, 2025 (the “valuation date”) in accordance with IFRS 17. The valuation is based on the provisions of the Workplace Health, Safety and Compensation Act of Newfoundland and Labrador (the “Act”) and on WorkplaceNL’s policies and practices in effect on the valuation date.

The estimate of the actuarial liabilities for assessed employers as at the valuation date is \$1,496,406,000. The actuarial liabilities include provisions for benefits and administration expenses expected to be paid after the valuation date for accidents that occurred on or before the valuation date. They also include a provision for potential long-latency occupational disease claims associated with exposure that occurred on or before the valuation date. Self-insured employers are not included in this valuation.

Details of the data, actuarial assumptions, valuation methods and results are included in the actuarial valuation report as at the valuation date, of which this statement of opinion forms part.

In our opinion:

1. The data on which the valuation is based are sufficient and reliable for the purpose of the valuation. Data for the valuation were supplied by WorkplaceNL in accordance with specifications provided by us and we applied such checks of reasonableness of the data as we considered appropriate.
2. The assumptions are appropriate for the purpose of the valuation.
3. The methods employed in the valuation are appropriate for the purpose of the valuation.
4. The amount of the actuarial liabilities makes appropriate provision for all personal injury compensation obligations and the financial statements fairly present the results of the valuation.

Our valuation report has been prepared and our opinions have been given in accordance with accepted actuarial practice in Canada.

Further information on the data, assumptions, methods, and valuation results can be found in our actuarial valuation report.

Emerging experience, differing from the assumptions, will result in gains or losses which will be revealed in future valuations.

Respectfully submitted,



Scott Mossman, FSA, FCIA



Jeff Turnbull, FSA, FCIA

Independent auditor's report

To the Board of Directors of
Workplace Health, Safety and Compensation Commission

Opinion

We have audited the financial statements of **Workplace Health, Safety and Compensation Commission** [the "Organization"], which comprise the statement of financial position as at December 31, 2025, and the statement of comprehensive income, statement of changes in funded position and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2025 and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards ["IFRSs"].

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Other information consists of the information included in the Organization's Management's Discussion and Analysis other than the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines 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, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

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 Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, 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 Organization’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 management’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 Organization’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 Organization 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 in a manner that achieves fair presentation.

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.

The logo for Ernst & Young LLP is written in a black, cursive script font.

Chartered Professional Accountants

St. John’s, Canada
May 20, 2026

Statement of Financial Position
As at 31 December

(thousands of dollars)	2025	2024
Assets		
Cash, cash equivalents and short-term investments	20,793	17,621
Receivables and other (note 6)	2,936	6,166
Investments (note 7)	1,964,037	1,829,280
Right-of-use assets (note 10)	715	919
Property, plant and equipment (note 11)	8,004	7,547
Intangible assets (note 12)	4,746	6,398
	2,001,231	1,867,931
Liabilities		
Payables and accrued liabilities (note 15)	4,844	6,618
Employee future benefits (note 19)	1,599	1,478
Lease liabilities (note 10)	796	1,018
Insurance contract liabilities (note 18)	1,507,477	1,498,291
	1,514,716	1,507,405
Fund balance	486,515	360,526
	2,001,231	1,867,931

Authorized for issue on April 30, 2026 on behalf of the Board of Directors



John Peddle
Chair



Gregory Viscount
Director

Statement of Comprehensive Income
Year ended December 31

(thousands of dollars)	2025	2024
Insurance revenue (note 16)	185,743	171,437
Insurance service expense (note 17)	159,761	178,951
Total insurance service result	25,982	(7,514)
Total insurance finance expense (note 18)	(57,400)	(74,652)
Investment income (note 8)	183,907	254,185
Other expenses (note 20)	(26,569)	(26,445)
	99,938	153,088
Net income	125,920	145,574
Other comprehensive income		
Remeasurement of employee future benefits (note 19)	185	156
Total comprehensive income	126,105	145,730

Statement of Changes in Funded Position
Year ended December 31

(thousands of dollars)	2025	2024
Balance, beginning of year	355,825	210,457
Operating surplus	125,920	145,574
Reserve allocation (note 25)	-	(206)
	481,745	355,825
Accumulated other comprehensive income		
Balance, beginning of year	(299)	(455)
Other comprehensive income	185	156
	(114)	(299)
Reserves		
Occupational health and safety research (note 25)	4,885	5,000
	4,885	5,000
Fund balance, end of year	486,515	360,526

Statement of Cash Flows
Year ended December 31

(thousands of dollars)	2025	2024
Cash flows from operating activities		
Cash received from:		
Employer premiums	186,217	173,017
Investment fund withdrawal to operating ¹	44,800	63,852
Self-insured administration and claims cost	13,843	13,711
Third parties	1,971	630
	246,831	251,210
Cash paid to:		
Claimants or third parties on their behalf	(186,440)	(184,480)
Suppliers and employees for administrative services	(49,170)	(44,222)
Investment managers, interest and other fees	(6,168)	(7,375)
	(241,778)	(236,077)
Net cash provided by operating activities	5,053	15,133
Cash flows from investing activities		
Cash paid for:		
Purchase of property, plant and equipment	(1,108)	(438)
Purchase of intangible assets	(773)	(811)
	(1,881)	(1,249)
Net cash used in investing activities	(1,881)	(1,249)
Net change in cash and cash equivalents	3,172	13,884
Cash, cash equivalents and short-term investments, beginning of year	17,621	3,737
Cash, cash equivalents and short-term investments, end of year	20,793	17,621

¹ Certain figures on the Cash Flow statement have been reclassified to conform with the financial statement presentation adopted for the current fiscal year.

Notes to Financial Statements

1. NATURE OF OPERATIONS

The Workplace Health, Safety and Compensation Commission (WorkplaceNL) was established by the Newfoundland Legislature in 1951, in accordance with the **Workplace Health, Safety and Compensation Act, 2022** (the Act), as amended. WorkplaceNL is a legislative incorporated entity with no share capital. The main office of WorkplaceNL is located at 146-148 Forest Road, St. John's, Newfoundland and Labrador, Canada. WorkplaceNL operates two additional offices in Newfoundland and Labrador in Grand Falls-Windsor and Corner Brook.

WorkplaceNL is responsible for, in accordance with the provisions of the Act, preventing and reducing the occurrence of workplace injuries and diseases through the promotion of health and safety in workplaces; the establishment of occupational health and safety certification standards and certification of trainers; facilitating the claims management process and administering the payment of benefits to injured workers and dependents of fatally injured workers; levying and collecting assessment revenues from established classes of employers in amounts sufficient to cover the current and future costs of existing claims; investing funds; and setting and following investment policies. The Workers' Compensation Independent Review Board is established under the Act to make rulings on any appeals pertaining to WorkplaceNL assessment or benefit decisions. WorkplaceNL does not receive government funding or other assistance.

The funds, investments and income of WorkplaceNL are free from taxation pursuant to Section 12(2) of the Act.

2. BASIS OF PREPARATION

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

Going concern

WorkplaceNL has assessed the relevant financial and economic indicators and has determined that there is an ability to operate as a going concern.

Basis of measurement

The financial statements have been prepared on the historical cost basis unless otherwise explained in the significant accounting policies below. Historical cost is based on the fair value of the consideration given in exchange for assets.

The financial statements are presented in Canadian dollars, which is WorkplaceNL's functional currency.

3. MATERIAL ACCOUNTING POLICIES

Cash and cash equivalents and short-term investments

Cash and cash equivalents and short-term investments include cash at banks and on hand, bank overdrafts and money market instruments. Those assets with original maturity dates at the time of purchase of three months or less are classified as cash equivalents, whereas those with original maturities beyond three months and less than 12 months are classified as short-term investments. Cash and cash equivalents are measured at fair value. Cash equivalents bear interest rates in the range of 2.75% to 3.75% [2024 - 3.75% to 5.5%].

Insurance revenue

At the beginning of each year, an assessment is levied on employers by applying their industry assessment rate to their estimated payrolls. The assessment levy is payable by installments within the current year. At year-end, assessment revenue is adjusted based on a review of the employers' actual payrolls, as well for the estimate of practice and experience incentive refunds, which are payable to the employers under the Prevention & Return to Work Insurance Management for Employers/Employees Program (PRIME).

Right-of-use assets

Right-of-use assets are recognized at the lease commencement date. They are measured at cost, less accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:

Office premises	10 years
-----------------	----------

If ownership of the leased asset transfers to WorkplaceNL at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. Right-of-use assets are also subject to impairment.

Lease liabilities

At the commencement of the lease, liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments are discounted using WorkplaceNL's incremental borrowing rate.

Property, plant and equipment

Property, plant and equipment are reported at cost, less accumulated depreciation. These assets are depreciated on a straight-line basis over their estimated useful lives, as follows:

Buildings	40 years
Furniture and equipment	10 years
Computer equipment	1 to 5 years

3. MATERIAL ACCOUNTING POLICIES (continued)

At the end of each reporting period, the useful lives of items of property, plant and equipment are reviewed and adjusted if required, and an assessment is made whether there is any indication of impairment. If an item of property, plant and equipment is determined to be impaired, its carrying value is reduced to the net recoverable amount.

Intangible assets

Intangible assets, which include purchased software and internally developed systems including systems not available for use, are recorded at cost. Assets in service are amortized monthly on a straight-line basis over their estimated useful lives of five to ten years. The amortization method and period are reviewed at the end of each reporting period. Intangible assets are assessed for impairment whenever there is an indicator that the intangible assets may be impaired. If an asset is determined to be impaired, its carrying value is reduced to the net recoverable amount.

Software as a service

Software as a service arrangements are service contracts that provide WorkplaceNL with the right to access a cloud provider's software for a specified period. Costs incurred to configure and customize the software and the ongoing fees for access to the software are recognized as operating expenses when services are received.

Insurance contract liabilities

Insurance contract liabilities include the liabilities for remaining coverage and liabilities for incurred claims. Based on the contract boundary of one year, from January 1 to December 31, WorkplaceNL has a substantive obligation to provide assessed employers of Newfoundland and Labrador an insurance contract service. The liabilities for incurred claims represent the actuarial present value of all future benefit payments expected to be made for injuries that occurred in the current fiscal year or in any prior year. The liabilities for incurred claims include a provision for all benefits provided by current legislation, policies and/or business practices in respect of existing claims, as well as the estimated liability for latent occupational disease, an estimate for presumptive coverage for firefighters and a provision for the future costs of administering claims. The liabilities for incurred claims were valued by an independent actuary using accepted actuarial practices in accordance with the standards established by the Canadian Institute of Actuaries (CIA).

Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated into their Canadian dollar equivalent using exchange rates in effect on the reporting date. Revenue and expenses are translated into their Canadian dollar equivalent using exchange rates in effect at the transaction date. Realized and unrealized exchange gains or losses are included in income in the period they arise.

3. MATERIAL ACCOUNTING POLICIES (continued)

Investments

Investments are designated as fair value through profit or loss (FVTPL). Realized gains and losses on the sale of investments and unrealized gains and losses arising from the change in fair value of investments are recorded in investment income during the period in which they arise. All purchases and sales of investments are recognized on the dates the trades are executed. Income from interest and dividends is recorded as investment income in the period earned.

Financial instruments

WorkplaceNL's financial instruments consist of cash, cash equivalents and short-term investments, receivables and other, investments, and payables and accrued liabilities. The carrying value of financial instruments, with the exception of investments, approximate fair value due to their immediate or short-term maturity and normal credit terms. Losses arising from impairment of receivables and other are recognized in the statement of comprehensive income in fees and interest expense.

Financial assets and liabilities are initially recognized at fair value. Financial instruments are classified as follows for purposes of subsequent measurement:

Asset/Liability	Classification	Measurement
Cash, cash equivalents and short-term investments	FVTPL	Fair value
Receivables and other	Loans and receivables	Amortized cost
Investments	FVTPL	Fair value
Payables and accrued liabilities	Other liabilities	Amortized cost

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Financial instruments are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- Level 1 Valuation based on quoted prices [unadjusted] in active markets for identical assets or liabilities.
- Level 2 Valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly [i.e., as prices] or indirectly [i.e., derived from prices].
- Level 3 Valuation techniques using inputs for the asset or liability that are not based on observable market data [unobservable inputs].

3. MATERIAL ACCOUNTING POLICIES (continued)

WorkplaceNL uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Financial instruments included in Level 1 of the fair value hierarchy consist of cash and cash equivalents and equities. Fixed income investments and real estate financial instruments are included in Level 2, and infrastructure and private debt investments are included in Level 3. WorkplaceNL determines whether transfers have occurred between levels in the hierarchy for reassessing categorization at the end of each reporting period.

The fair value of publicly traded investments is based on quoted prices from security exchanges, while that of domestic real estate investment funds and pooled fund units are valued at their year-end net asset value, based on associated net asset value transactions. There are pooled unit funds in both the fixed income and equity investments (note 7). For infrastructure classified as Level 3, values represent WorkplaceNL's proportionate share of the underlying net assets at fair values estimated using one or more methodologies, including multiples of earnings or discounted cash flows. These values are supported by periodic appraisals performed by independent qualified appraisers. Private debt classified as Level 3 is valued at the most recent available net asset values determined by the fund managers.

Employee future benefits

Employees participate in the province of Newfoundland and Labrador's Public Service Pension Plan (PSPP), a multiemployer defined benefit plan. The employer's contributions are expensed as incurred. WorkplaceNL is neither obligated for any unfunded liability, nor entitled to any surplus that may arise in this plan. WorkplaceNL's share of the future contributions are dependent upon the funded position of the PSPP.

WorkplaceNL provides a payout of accumulated paid leave balances and had provided a severance payment upon retirement, resignation or termination without cause. The expected costs of providing these employee future benefits are accounted for on an accrual basis and have been determined using management's best estimate of wage inflation, and retirement ages of employees. Discount rates are based on the market yields of high-quality corporate bonds. Actuarial gains and losses are recognized immediately through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. These benefits are unfunded.

Reserves

In accordance with Section 30(1) of the Act, WorkplaceNL maintains a special reserve fund for the purpose of health and safety research. The Act permits WorkplaceNL to allocate up to a maximum of 2% of its total assessment and investment income in each calendar year to establish and maintain this special reserve fund.

3. MATERIAL ACCOUNTING POLICIES (continued)

In accordance with Section 138(1) of the Act, WorkplaceNL may, at its discretion, establish reserves for the following:

- To meet an increase in the capitalization of compensation payments payable in future years where the increase cannot be provided without placing an undue burden on the employers in an industrial classification;
- To meet the part of the cost of claims of workers suffering enhanced disabilities, because of similar or other disabilities previously suffered, that in the opinion of WorkplaceNL is the result of the previous disabilities, and to meet the cost of subsequent injuries resulting while a worker is participating in a rehabilitation program;
- To meet the loss arising from a disaster or other circumstances that would unfairly burden the employers in an industrial classification; or
- Subject to the approval of the Lieutenant-Governor in Council, to meet the costs of particular needs of WorkplaceNL that it considers necessary.

4. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of WorkplaceNL's financial statements are disclosed below. WorkplaceNL intends to adopt these standards, if applicable, when they become effective.

IFRS 18, Presentation and Disclosure in Financial Statements

In April 2024, the International Accounting Standards Board (IASB) released IFRS 18, Presentation and Disclosure in Financial Statements (IFRS 18), which will replace International Accounting Standard, Presentation of Financial Statements (IAS 1), with an effective date for annual reporting periods beginning on or after January 1, 2027. Several requirements in IAS 1 remain unchanged in IFRS 18.

The main new elements introduced in IFRS 18 relate to the presentation of the statement of comprehensive income, note disclosures of management-defined performance measures, and improvement of aggregation and disaggregation of financial results in the financial statements and notes. WorkplaceNL continues to assess the impact of the new standard on the financial statements.

Amendments to IFRS 9, Financial Instruments, and IFRS 7, Financial Instruments: Disclosures

In May 2024, amendments to IFRS 9, Financial Instruments, and IFRS 7, Financial Instruments: Disclosures were issued by the IASB with an effective date for annual reporting periods beginning on or after January 1, 2026.

The amendments include derecognition of financial liabilities settled through an electronic payment system, classification of financial assets with contingent features and enhanced

4. STANDARDS ISSUED BUT NOT YET EFFECTIVE (continued)

disclosures of derecognized assets. WorkplaceNL anticipates the amendments will not have a significant impact on WorkplaceNL's financial statements.

5. SIGNIFICANT JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of WorkplaceNL's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Liabilities for incurred claims

An actuarial valuation of the liabilities for incurred claims is prepared by an independent firm of consulting actuaries who have rendered their opinion that the valuation was prepared in accordance with accepted actuarial practice, and that the actuarial assumptions are appropriate.

A variety of estimation techniques are used in performing the valuation. They are generally based on statistical analyses of historical experience, which assume the development pattern of the current claims will be consistent with past experience. Due to the nature of the estimated liabilities for latent occupational disease and presumptive coverage for firefighters, and the extent of historical information available, these liabilities by their nature are more uncertain than other liabilities for incurred claims.

WorkplaceNL believes that the amount provided for the liabilities for incurred claims as at December 31, 2025 is adequate, recognizing that actuarial methods and assumptions as disclosed in note 18 may change over time to reflect underlying economic trends. Changes in assumptions could have a material impact on the liabilities for incurred claims.

Employee future benefits

A valuation of severance and accumulated paid leave liabilities is prepared using the assumptions disclosed in note 19.

Other disclosures relating to WorkplaceNL's exposure to risks and uncertainties includes:

- Level 3 investments Note 7
- Financial risk management Note 9
- Sensitivity analyses disclosures Notes 18 and 19

6. RECEIVABLES AND OTHER

(thousands of dollars)	2025	2024
Prepaid expenses	749	2,724
Other	2,187	3,442
	2,936	6,166

Aging of receivables

Receivables aging is less than one year.

7. INVESTMENTS

Fair value hierarchy

(thousands of dollars)	2025	2024
Level 1		
Cash and cash equivalents	11,122	33,177
Domestic equities	258,880	233,753
Foreign equities	774,221	710,448
	1,044,223	977,378
Level 2		
Fixed income investments	447,843	490,390
Real estate funds	159,595	165,212
	607,438	655,602
Level 3		
Infrastructure	164,898	160,071
Private debt	147,478	36,229
	312,376	196,300
	1,964,037	1,829,280

There have been no transfers between levels during 2025 [2024 - Nil].

7. INVESTMENTS (continued)

Summary of changes in Level 3 fair value measurements:

(thousands of dollars)	2025	2024
Balance, beginning of year	196,300	147,175
Purchases of Level 3 investments	101,875	40,828
Sale of Level 3 investments	(10,675)	(10,981)
Interest and dividends	20,752	1,896
Gain / (loss) less fees and expenses	(475)	1,667
Foreign exchange gain / (loss)	22	(406)
Unrealized change in fair market value	4,577	16,121
Balance, end of year	312,376	196,300

The Level 3 investments consist of infrastructure and private debt. The infrastructure investments consist of a limited partnership interest in a closed fund investing in global infrastructure assets with a market value of \$29.7 million [2024 - \$33.4 million], and a balance of \$135.2 million in open funds [2024 - \$126.7 million]. The closed partnership will dissolve on December 31, 2032. The general partner has the option to extend the fund's life for up to three additional one-year periods. These funds have no active market and no published net asset value as at December 31, 2025, and are therefore classified as Level 3 investments in the fair value hierarchy.

The private debt investments include two investments totaling \$147.5 million [2024 - \$36.2 million]. One private debt investment consists of an investment of \$60.1 million [2024 - \$36.2 million] in a closed fund with a four-year investment period and three-year amortization period. The expected end date of the fund is in 2033 with an allowance of two one-year extensions at the General Partner's discretion to extend the fund life to 2035. The other private debt investment of \$87.4 million [2024 - nil] is in an open fund structure resulting in the ability of ongoing recycling of capital. These investments are categorized as Level 3, as valuations are provided by the fund manager for financial reporting purposes.

8. INVESTMENT INCOME

Investment income is composed of the following:

(thousands of dollars)	2025	2024
Interest and dividends	49,401	37,141
Realized gain on sale of investments	120,706	146,581
Interest on short-term investments	391	469
Unrealized change in fair market value	13,409	69,994
Investment income	183,907	254,185

9. FINANCIAL RISK MANAGEMENT

WorkplaceNL manages its investment portfolio in accordance with its long-term investment policy. The investment risk inherent in an investment portfolio is managed through diversification in both asset classes and investments within each asset class. WorkplaceNL also engages a number of different fund managers with a broad range of investment philosophies and styles.

The Board of Directors (the Board) is ultimately responsible for the governance and strategic direction of WorkplaceNL's investments through its review and approval of the long-term investment policy and ensuring adherence to the policy.

Management is responsible for monitoring performance, regular reporting to the Board and recommending changes in the investment policy or fund managers. The Board and management use the services of an external consultant to benchmark the performance of fund managers and to provide advice on investment policies and practices. The following sections describe the key financial risk exposures and management strategies to mitigate these risks.

Credit risk

Credit risk arises from the possibility of loss from the issuer of an instrument that fails to meet its obligations. WorkplaceNL has indirect exposure to credit risk through its investments held. Credit risk is mitigated through a diversified investment portfolio with investments recorded at fair value.

WorkplaceNL may also invest in short-term commercial debt or paper rated R1 in accordance with Dominion Bond Rating Service. Provincial short-term debt and debt of agencies guaranteed by the provinces may be rated lower than R1. The short-term portfolio investments held with any one corporate issuer is limited to 10%, at any given time, of WorkplaceNL's estimated annual cash receipts.

9. FINANCIAL RISK MANAGEMENT (continued)

Currency risk

Currency risk is the risk that the value of financial assets and liabilities denominated in foreign currencies will fluctuate due to changes in their respective exchange rates compared to the Canadian dollar. Investments denominated in a foreign currency are translated into Canadian dollars at the exchange rate in effect at the reporting date. Funds significantly invested in foreign currency-denominated fixed-term investments manage their foreign exchange exposure through forward foreign exchange and future contracts. Hedge accounting has not been applied to hedging arrangements.

As at December 31, 2025, WorkplaceNL's holdings in foreign currencies has a market value of \$1.2 billion [2024 - \$1.1 billion] representing 60.2% [2024 - 62.5%] of the market value of the total investment portfolio.

The table below presents the impact on comprehensive income of a 10% appreciation in the value of the Canadian dollar to the following selected currencies.

(thousands of dollars)	2025	2024
CAD/USD	62,419	61,625
CAD/Euro	12,117	10,994
CAD/Pound sterling	4,670	5,096
CAD/Japanese yen	3,362	2,949
CAD/Australian dollar	2,251	3,805
CAD/Swiss franc	1,810	1,865
CAD/Danish krone	678	909
CAD/Mexican peso	1,490	-
CAD/Hong Kong dollar	2,665	1,306
CAD/Norwegian krone	453	785
CAD/Swedish krona	264	223

Interest rate risk

Interest rate risk is the risk that the value of a financial security will fluctuate due to changes in market interest rates. WorkplaceNL is exposed to interest rate risk through its investments in fixed income securities and private debt. Interest rate risk is managed through diversification of fixed income securities and private debt through sector allocation and security duration.

9. FINANCIAL RISK MANAGEMENT (continued)

The table below presents the impact on comprehensive income of changes in interest rates on the fixed income and private debt portfolios:

(thousands of dollars)	2025		2024	
Change in nominal interest rates	+/- 50 bps	+/- 100bps	+/- 50 bps	+/- 100bps
Impact on comprehensive income	13,544	27,480	13,838	28,186

The table below represents the remaining term to maturity of WorkplaceNL's fixed-term investments:

(thousands of dollars)	Remaining Term to Maturity				
Fixed-term Investments	Within 1 year	1 to 5 years	5 to 10 years	10+ years	Total
2025 fair value	28,872	106,311	119,627	92,914	347,725
2024 fair value	22,780	97,075	127,326	88,961	336,142

Liquidity risk

WorkplaceNL maintains a portfolio of highly marketable and diverse assets that can be easily liquidated in the event of an unforeseeable interruption of cash flow. WorkplaceNL also has committed lines of credit that it can access to meet liquidity needs.

Insurance funding risk – insurance contract liabilities

WorkplaceNL provides workplace injury insurance for all assessed employers with workers in the province of Newfoundland and Labrador. Insured events can occur at any time during the coverage period and can generate losses of variable amounts. WorkplaceNL is exposed to the risk that the actual obligations for claim payments exceed its estimate of insurance contract liabilities.

9. FINANCIAL RISK MANAGEMENT (continued)

Insurance contract liabilities are influenced by factors such as the following:

- The discount rate used to value future claims;
- Expected inflation;
- Availability, utilization and cost of health care services;
- Injury severity and duration;
- Availability of return-to-work programs and re-employment opportunities at pre-injury employers;
- Wage growth;
- New medical findings that affect the recognition of occupational diseases;
- Legislated changes to benefit rates or modification of the recognition of workplace injuries, which are sometimes applied retroactively; and
- Precedents established through various claims appeals processes.

WorkplaceNL mitigates these risks by utilizing both proprietary and commercially available actuarial models and assessing historical loss development patterns and other predictive analytics. These risks are also mitigated by engaging independent actuaries annually to review actuarial assumptions and methodologies in establishing insurance contract liabilities.

Note 18 provides further information regarding the nature of insurance risk associated with the insurance contract liabilities.

Equity price risk

Equity price risk is the risk that the fair value of marketable securities or long-term investments will change as a result of changes in the market price. Market prices of securities are subject to change as a result of perceived or real underlying changes in the economic condition of the issuer, the relative price of alternative investments and general market conditions.

WorkplaceNL manages market risk through adherence to an investment policy that prescribes an asset mix that provides for the diversification of risk across a broad group of securities that meet the long-term return objectives of the investment portfolio.

9. FINANCIAL RISK MANAGEMENT (continued)

The table below presents the impact on comprehensive income of a material change in the key risk variable measured as 1 or 2 standard deviations (std dev) of the sector benchmark, for each of the equity mandates in WorkplaceNL's equity portfolio.

(thousands of dollars)	2025		2024	
	1 std dev	2 std dev	1 std dev	2 std dev
Change in market benchmark (%)	16.3	32.7	17.2	34.3
Canadian equity (\$)	51,734	128,603	35,124	61,272
Change in market benchmark (%)	13.3	26.5	13.6	27.2
Global equity (\$)	114,213	269,705	82,314	147,032

10. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

WorkplaceNL has entered into leases for office premises with lease terms of five years and have exercised the option to renew for an additional term of five years. The carrying amounts of the right-of-use assets recognized and movements during the period were as follows:

Right-of-use assets		
(thousands of dollars)	2025	2024
Balance, beginning of year	919	1,144
Additions	195	-
Depreciation	(399)	(225)
Balance, end of year	715	919

10. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

The carrying amounts of lease liabilities and the movements during the period were as follows:

Lease liabilities		
(thousands of dollars)	2025	2024
Balance, beginning of year	1,018	1,244
Additions	16	-
Interest	38	45
Payments	(276)	(271)
Balance, end of year	796	1,018

The table below represents the contractual undiscounted payments of WorkplaceNL's lease liabilities:

(thousands of dollars)	Remaining Term to Maturity		
	1 to 5 years	Over 5 years	Total
Lease liabilities	853	-	853

11. PROPERTY, PLANT AND EQUIPMENT

(thousands of dollars)	2025			
	Opening Balance	Additions/Depreciation	Disposals	Closing Balance
Cost				
Land	3,000	-	-	3,000
Buildings	11,030	415	-	11,445
Furniture and equipment	411	200	-	611
Computer equipment	3,143	493	(4)	3,632
Total	17,584	1,108	(4)	18,688
Accumulated depreciation				
Buildings	7,539	236	-	7,775
Furniture and equipment	196	43	-	239
Computer equipment	2,302	372	(4)	2,670
Total	10,037	651	(4)	10,684
Net book value	7,547	457	-	8,004

(thousands of dollars)	2024			
	Opening Balance	Additions/Depreciation	Disposals	Closing Balance
Cost				
Land	3,000	-	-	3,000
Buildings	10,959	71	-	11,030
Furniture and equipment	424	30	(43)	411
Computer equipment	2,918	360	(135)	3,143
Total	17,301	461	(178)	17,584
Accumulated depreciation				
Buildings	7,318	221	-	7,539
Furniture and equipment	205	34	(43)	196
Computer equipment	2,124	313	(135)	2,302
Total	9,647	568	(178)	10,037
Net book value	7,654	(107)	-	7,547

12. INTANGIBLE ASSETS

(thousands of dollars)	Cost	Accumulated Amortization	Net Book Value
Balance, January 1, 2024	33,524	(25,293)	8,231
Additions	811	-	811
Disposals	(577)	577	-
Amortization	-	(2,644)	(2,644)
Balance, December 31, 2024	33,758	(27,360)	6,398
Additions	773	-	773
Amortization	-	(2,425)	(2,425)
Balance, December 31, 2025	34,531	(29,785)	4,746

Intangible assets include nil [2024 - \$620,290] related to internally developed software that is not yet available for use.

13. AMORTIZATION AND DEPRECIATION

(thousands of dollars)	2025	2024
Right-of-use assets depreciation (note 10)	399	225
Property plant and equipment depreciation (note 11)	651	568
Intangible assets depreciation (note 12)	2,425	2,644
	3,475	3,437
Less: Insurance service expense		
Allocation - other (note 17)	2,570	2,722
	905	715

14. FEES AND INTEREST

Fees and interest are composed of the following:

(thousands of dollars)	2025	2024
Fund managers' investment fees	10,030	9,758
Banking fees and interest	157	308
Lease interest	38	45
Interest paid to claimants	41	117
	10,266	10,228
Less: Insurance service expense		
Allocation - other (note 17)	35	-
Fees and interest, net	10,231	10,228

WorkplaceNL established an operating line of credit with its banker in the amount of \$20 million for 2025 (2024 - \$20 million). Advances on the line of credit bear interest at the daily simple Canadian Overnight Repo Rate Average plus 0.65 percent. The credit facility is unsecured, and \$19 million was used and repaid during 2025 (2024 - \$19 million). No amounts were outstanding on the line of credit as at December 31, 2025 or 2024.

15. PAYABLES AND ACCRUED LIABILITIES

(thousands of dollars)	2025	2024
Payables	3,739	5,475
Amounts due to employees	1,105	1,143
	4,844	6,618

16. INSURANCE REVENUE

(thousands of dollars)	2025	2024
Assessments	193,420	177,913
Assessment reporting penalties and interest	1,013	1,024
PRIME refunds	(8,690)	(7,500)
Total insurance revenue	185,743	171,437

17. INSURANCE SERVICE EXPENSE

(thousands of dollars)	2025	2024
Claims cost incurred	116,673	113,190
Actuarial adjustment	11,182	33,479
Administration insurance service expense	28,528	29,212
Other insurance service expense	3,378	3,070
Total insurance service expense	159,761	178,951

18. INSURANCE CONTRACT LIABILITIES AND CLAIM COSTS

Insurance contract liabilities represent the liabilities for incurred claims, reflecting the present value of all future payments expected to be made on behalf of all injured workers as well as receivables, payables and accruals to insurance contract fulfilment.

Insurance contract liabilities

(thousands of dollars)	2025		
	Liabilities for Remaining Coverage	Liabilities for Incurred Claims	Total
	Excluding Loss Component	Estimates of the Present Value of Future Cash Flows	
Insurance contract liabilities as at January 1, 2025	(8,443)	1,506,734	1,498,291
Insurance revenue	(185,743)	-	(185,743)
Current year incurred and other	-	148,579	148,579
Prior year development	-	11,182	11,182
Total insurance service expense	-	159,761	159,761
Insurance service result	(185,743)	159,761	(25,982)
Insurance finance expense	-	57,400	57,400
Total changes in the statement of comprehensive income	(185,743)	217,161	31,418
Cash flows			
Employer premiums	186,217	-	186,217
Claims and other expenses paid - excludes self insurers and includes other cash outflows required for contract fulfilment	-	(208,449)	(208,449)
Total cash flows	186,217	(208,449)	(22,232)
Insurance contract liabilities as at December 31, 2025	(7,969)	1,515,446	1,507,477

18. INSURANCE CONTRACT LIABILITIES AND CLAIM COSTS (continued)

(thousands of dollars)	2024			Total
	Liabilities for Remaining Coverage		Liabilities for Incurred Claims	
	Excluding Loss Component	Loss Component	Estimates of the Present Value of Future Cash Flows	
Insurance contract liabilities as at January 1, 2024	(10,023)	-	1,457,229	1,447,206
Insurance revenue	(171,437)	-	-	(171,437)
Current year incurred and other	-	(7,514)	145,472	137,958
Prior year development	-	-	33,479	33,479
Losses on onerous contracts	-	7,514	-	7,514
Total insurance service expense	-	-	178,951	178,951
Insurance service result	(171,437)	-	178,951	7,514
Insurance finance expense	-	-	74,652	74,652
Total changes in the statement of comprehensive income	(171,437)	-	253,603	82,166
Cash flows				
Employer premiums	173,017	-	-	173,017
Claims and other expenses paid - excludes self insurers and includes other cash outflows required for contract fulfilment	-	-	(204,098)	(204,098)
Total cash flows	173,017	-	(204,098)	(31,081)
Insurance contract liabilities as at December 31, 2024	(8,443)	-	1,506,734	1,498,291

Onerous contracts

Under the Act, employers are liable for assessments due January 1 in each year for workers employed at that time and updated throughout the year for additional worker employment. Insurance contracts for WorkplaceNL have a term of one year under legislation from January 1 to December 31 of each year. As at December 31, 2025, based on the one-year duration, no obligations for onerous contracts exist.

18. INSURANCE CONTRACT LIABILITIES AND CLAIM COSTS (continued)

Claims development

The table that follows presents the development of the estimated ultimate cost of claims and claim payments for accident years 2016-2025. The top part of the table illustrates how the estimate of total claims benefits for each accident year has changed with more experience over succeeding year-ends. It shows the estimated cost of claims for an accident year in the year of accident, one year after the year of accident, two years after the year of accident, and so on, and compares the total estimated cost to the actual cumulative payments over the development period. Due to the extremely long duration of many WorkplaceNL benefits, significant amounts may be paid out in the distant future beyond the valuation date. The bottom part of the table reconciles the total outstanding benefits amount to the discounted amount reported in the statement of financial position.

(thousands of dollars)											
Accident year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Estimate of cumulative claims:											
At end of accident year	141,515	144,998	134,992	155,063	146,635	137,143	163,480	153,869	155,364	162,021	
One year later	130,872	134,716	142,027	162,441	143,336	144,323	167,759	160,334	158,426		
Two years later	138,611	138,638	145,829	170,243	146,939	146,721	171,675	156,929			
Three years later	138,831	138,861	145,768	176,983	174,852	166,514	180,285				
Four years later	137,558	152,438	159,407	189,897	178,733	168,570					
Five years later	143,128	159,665	162,391	201,127	182,194						
Six years later	144,321	162,523	165,929	202,804							
Seven years later	147,960	167,420	179,790								
Eight years later	150,303	170,274									
Nine years later	152,951										
Estimate of cumulative claims	152,951	170,274	179,790	202,804	182,194	168,570	180,285	156,929	158,426	162,021	1,714,244
Cumulative payments	(88,369)	(89,135)	(92,766)	(102,430)	(84,035)	(72,907)	(68,178)	(56,200)	(44,095)	(20,974)	(719,089)
Estimate of future payments	64,582	81,139	87,024	100,374	98,159	95,663	112,107	100,729	114,331	141,047	995,155
2015 and prior years											837,084
Effect of discounting											(641,199)
Occupational disease											107,194
Firefighter presumptive coverage											55,979
Claims administration											142,192
Other insurance liabilities											19,041
Liabilities for incurred claims as at December 31, 2025											1,515,446

18. INSURANCE CONTRACT LIABILITIES AND CLAIM COSTS (continued)

The table below lists the principal assumptions used in the valuation of the liabilities for incurred claims.

	2025		2024	
	CPI-Indexed Awards	Other Payments	CPI-Indexed Awards	Other Payments
Discount rate	4.85%	4.85%	4.75%	4.75%
Inflation year 1	2.00%	2.00%	3.10%	2.00%
Inflation year 2	2.00%	2.00%	2.00%	2.00%
Inflation year 3	2.00%	2.00%	2.00%	2.00%
Inflation later years	2.00%	2.00%	2.00%	2.00%
Net rate of return year 1	2.85%	2.85%	1.65%	2.75%
Net rate of return year 2	2.85%	2.85%	2.75%	2.75%
Net rate of return year 3	2.85%	2.85%	2.75%	2.75%
Net rate of return later years	2.85%	2.85%	2.75%	2.75%
Occupational disease	9.00%	9.00%	9.00%	9.00%
Presumptive firefighters' coverage	4.70%	4.70%	4.70%	4.70%
Future administration	10.50%	10.50%	10.50%	10.50%

A description of the processes used to determine these assumptions is provided below:

General statement

Liabilities for incurred claims are valued based on the primary assumption that the system will be in operation for the long term. Economic assumptions are formulated to be consistent with the funding and investment policies adopted by the Board. Demographic assumptions are chosen to reflect WorkplaceNL's underlying experience and are updated over time as enough experience is available to suggest an underlying trend, rather than statistical fluctuations.

Discount rate

WorkplaceNL determines the IFRS 17, Insurance Contracts (IFRS 17), discount rates using a bottom-up approach. Under the bottom-up approach, discount rates are determined by adjusting a liquid risk-free yield curve to reflect the differences between the liquidity characteristics of the financial instruments that underlie the rates observed in the market and the liquidity characteristics of the insurance contracts. For purposes of developing the IFRS 17 discount rate under a bottom-up approach, the CIA has retained the services of

18. INSURANCE CONTRACT LIABILITIES AND CLAIM COSTS (continued)

Fiera Capital Corporation (Fiera Capital) to produce, on a monthly basis, the Fiera Capital's CIA IFRS 17 Market Curves and Reference Curves (IFRS 17 reference curve).

The key inputs used in the establishment of the IFRS 17 reference curve are the observable market rates in the Canadian bond market. This includes a Government of Canada (i.e., "risk-free") market curve, a provincial bond market curve and a corporate bond market curve. The IFRS 17 spot rates are determined as follows:

- Illiquid reference curve spot yield = risk-free spot rate + liquidity spread + additional liquidity premium, where:
 - The risk-free spot rate is developed from Government of Canada bond yield data.
 - The liquidity spread is a portion of the spot yield spread between Government of Canada bond yields and high-quality Canadian corporate bond yields.
 - The additional liquidity premium is a constant 0.5% to reflect the fact that the illiquid cash flows have liquidity characteristics more similar to those of mortgages and private debt than high-quality corporate bonds.

The gross discount rate in accordance with IFRS 17 is 4.85% as at December 31, 2025 compared to 4.75% as at December 31, 2024.

Inflation

The indexation rate for year 1 is known at the time of the valuation. WorkplaceNL calculates the change in the Consumer Price Index (CPI) for the 12-month period from July to June and over the previous 12-month period from July to June, and any resulting increase is applied beginning in January of the following year to dependency benefits, extended earnings loss benefits and maximum compensable earnings and assessable earnings, pursuant to the Act. The inflation rate assumption for later years is management's best estimate, consistent with the range of accepted actuarial practice for workers' compensation organizations in Canada.

Mortality

The mortality rates used in the valuation of the liabilities for incurred claims are based on general population experience, since actual injured worker mortality data is inadequate to develop a reliable assumption. The current valuation is based on the Newfoundland Life Table 2018-20 from Statistics Canada.

Occupational disease

The liability for occupational disease is intended to provide a reasonable allowance for future claims for known occupational diseases that arise from past workplace exposures.

18. INSURANCE CONTRACT LIABILITIES AND CLAIM COSTS (continued)

An actuarial study of WorkplaceNL’s occupational disease exposure is conducted periodically, focusing on long latency claims related to cancers, respiratory illnesses and hearing loss. These categories comprise the majority of long latency occupational disease claims accepted by WorkplaceNL. The most recent study was conducted in 2019 and concluded that a reasonable range would be 8.3%-10.5% of the liabilities for incurred claims. WorkplaceNL has included a provision of 9.0% of the liabilities for incurred claims for latent occupational disease [2024 – 9.0%].

Presumptive coverage for firefighters

The Government of Newfoundland and Labrador enacted legislation to provide presumptive coverage for certain cancers for the province’s career and volunteer firefighters. An actuarial study conducted in 2022 concluded a reasonable estimate would be 4.7% of the liabilities for incurred claims, which was maintained in 2025.

Future administration

The future administration liability is intended to provide a reasonable allowance for the management of claims, including compensation for lost wages and paying for health care services over the life of the claim. A detailed analysis of administration costs is performed periodically and an estimate is made of the proportion attributable to the management of claims, including a proportionate share of overhead costs. WorkplaceNL completed a recent analysis in 2024 and concluded that an allowance of 10.5% of the liabilities for incurred claims was still reasonable [2024 – 10.5%].

Sensitivity of insurance risk

In determining WorkplaceNL’s liabilities for incurred claims, a primary risk is that the actual benefit payments may exceed the amount estimated in determining the liabilities, particularly with potentially long claims run-off periods. The table below shows the sensitivity of the liabilities for incurred claims and claims costs to changes in the key economic assumptions.

(thousands of dollars)				
1% Change in Assumption	Impact	Liabilities for		Income/Fund Balance
		Incurred Claims	Claim Costs	
Decrease discount rate	Increase	110.2	6.8	117.0
Increase inflation rate	Increase	50.3	3.3	53.6
Increase health care inflation	Increase	60.9	2.4	63.3

18. INSURANCE CONTRACT LIABILITIES AND CLAIM COSTS (continued)

Claims risk

WorkplaceNL has an objective to manage claims risk, which can lead to significant variability in the loss experience due to its inherent uncertainty. Performance from operations is also significantly affected by external factors.

Insurance risk associated with the volume and cost of claims is addressed through prevention and proactive claims management. The Prevention Strategy focuses attention on workplace risks that lead to the highest frequency of claims. WorkplaceNL provides a Priority Employer Program to assist employers with high claims and costs, and invests in educating young workers, developing safety associations at the industry level, and delivering safety education to employers and workers to control workplace risks. The Early and Safe Return-to-Work process facilitates recovery at work and helps manage claim costs. In addition, the rate-setting model provides incentives to employers through the PRIME program to manage injuries and work to prevent future injuries.

Liquidity risk

Liquidity risk is the risk that WorkplaceNL will encounter difficulty in meeting obligations associated with insurance liabilities that are settled by delivering cash or another financial asset. In respect of catastrophic events, there is also liquidity risk associated with the timing differences between gross cash outflows and expected reinsurance recoveries.

(thousands of dollars)	Undiscounted Estimated Future Claims Payments as at December 31, 2025
2026	162,892
2027	138,211
2028	123,465
2029	114,923
2030	105,391
2031 and subsequent years	1,187,357
	1,832,239

18. INSURANCE CONTRACT LIABILITIES AND CLAIM COSTS (continued)

(thousands of dollars)	Undiscounted Estimated Future Claims Payments as at December 31, 2024
2025	161,726
2026	137,219
2027	123,683
2028	113,809
2029	106,411
2030 and subsequent years	1,142,897
	1,785,745

19. EMPLOYEE FUTURE BENEFITS

Public Service Pension Plan

WorkplaceNL's contributions to the PSPP of \$2,493,658 [2024 - \$2,380,963] are included in administration expenses and have been expensed as incurred. The expected contributions to the PSPP in 2026 are \$2,550,000.

Severance payments and paid leave

Cash payments for paid leave were \$132,000 [2024 - \$15,000], and severance was \$82,000 [2024 - \$28,000]. The weighted average time to expected benefit payment is 10 years [2024 - 10.0].

(thousands of dollars)	2025	2024
Accrued benefit obligation, beginning of year	1,478	1,326
Current service cost	441	285
Interest cost	79	66
Benefit expense	520	351
Gain	(185)	(156)
Benefits paid	(214)	(43)
Accrued benefit obligation, end of year	1,599	1,478

19. EMPLOYEE FUTURE BENEFITS (continued)

The significant assumptions used in measuring the accrued benefit obligation and benefit expense are as follows:

(thousands of dollars)	2025	2024
Discount rate - benefit cost	3.00%	3.00%
Discount rate - accrued benefit obligation	4.60%	4.50%
Rate of compensation increase	3.00%	3.00%

The table below shows the sensitivities of the accrued benefit obligation to a 25-basis-point change in the key assumptions:

(thousands of dollars)	Increase	Decrease
Discount rate	(26)	27
Rate of compensation increase	28	(27)

20. OTHER INCOME AND EXPENSES

(thousands of dollars)	2025	2024
Other revenue	4,636	3,376
Administration (note 21)	(10,939)	(9,492)
Legislated and other obligations (note 22)	(8,005)	(8,456)
Fees and interest, net (note 14)	(10,231)	(10,228)
Amortization and depreciation (note 13)	(905)	(715)
Other expenses (note 23)	(903)	(838)
System support (note 24)	(222)	(92)
	(26,569)	(26,445)

21. ADMINISTRATION

(thousands of dollars)	2025	2024
Salaries and employee benefits	32,633	31,591
Office and communications	4,301	4,189
Professional fees	1,473	1,926
Building operations	748	703
Travel and vehicle operating	312	295
	39,467	38,704
Less: Insurance service expense allocation (note 17)	28,528	29,212
	10,939	9,492

22. LEGISLATED AND OTHER OBLIGATIONS

WorkplaceNL is required by legislation to fund the operating costs of the Occupational, Health and Safety Division of the Department of Government Services in delivering their occupational health and safety mandate, and all of the costs of the Workers' Compensation Independent Review Board and statutory reviews that take place approximately every five years. WorkplaceNL is contractually required to fund the operating costs of the employer and worker advisors. Total expenses incurred by WorkplaceNL for legislated obligations are detailed below:

(thousands of dollars)	2025	2024
Department of Government Services	5,360	5,225
Workers' Compensation Independent Review Board	1,676	1,783
Employer and Worker Advisors	969	1,448
	8,005	8,456

23. OTHER EXPENSES

(thousands of dollars)	2025	2024
Sector advisors and grants	904	836
Bad debt	(18)	26
	886	862
Less: Insurance service expense allocation (note 17)	(17)	24
	903	838

24. SYSTEM SUPPORT

Other expenses in 2025 include \$1,012,000 in information systems projects costs related to software as a service [2024 - \$417,000].

(thousands of dollars)	2025	2024
Information systems projects	1,012	417
Less: Insurance service expense allocation (note 17)	790	325
	222	92

25. RESERVES

As provided by legislation, WorkplaceNL maintains a reserve for funding studies, projects and research relating to the enhancement of occupational health and safety in the workplace. During 2025, \$114,447 was charged to the reserve [2024 - \$206,436] and no amount [2024 - \$206,436] was allocated to the reserve in accordance with Section 30(1) of the Act.

26. RELATED PARTY TRANSACTIONS

These financial statements include amounts resulting from normal operating transactions with various provincial government departments, agencies and Crown corporations with which WorkplaceNL may be considered related.

The provincial government is also a self-insured employer, and account balances resulting from these transactions are included in the financial statements and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The amounts included on the statements of comprehensive income and cash flows for the Province of Newfoundland and Labrador are as follows:

(thousands of dollars)	2025	2024
Claims cost	5,016	4,759
Administration charges	1,114	970
	6,130	5,729

26. RELATED PARTY TRANSACTIONS (continued)

WorkplaceNL has identified the Board and senior management team as related parties. The senior management team includes the Chief Executive Officer, Chief Financial Officer, Vice President Prevention and Workplace Services, Vice President Business and Technology Services, General Counsel and Corporate Secretary, and three other senior staff members. Compensation related to these parties is shown below:

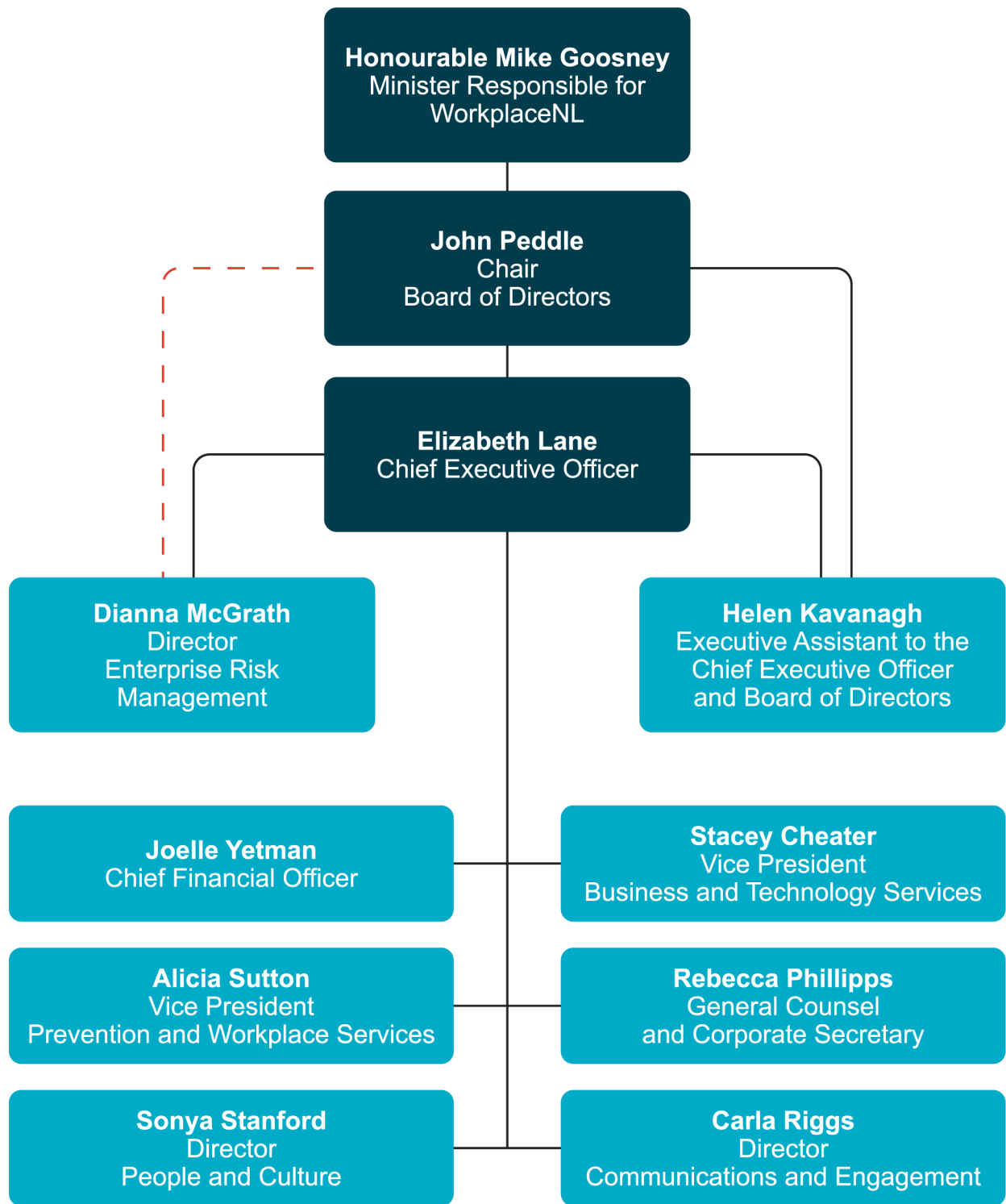
(thousands of dollars)	2025		2024	
	Number	Total	Number	Total
Board of Directors				
Salary and benefits	10	\$ 82	10	\$ 73
Senior management				
Salary and benefits	8	\$ 1,401	7	\$ 1,176

27. CAPITAL MANAGEMENT

The objective of WorkplaceNL's long-term financial strategy is to maintain a funded position that will provide for the security of benefits promised to injured workers within employers' ability to pay assessments.

The Board has established a funding basis target of total assets equal to 110% of total liabilities. When the funded basis ratio is less than 100% or more than 120%, WorkplaceNL adjusts subsequent years' assessment rates. These funding basis targets are not based on the financial statements prepared under IFRS 17.

Organizational Chart



(as of December 31, 2025)

Annex A: List of Partners and Stakeholders

Association for New Canadians
Association of Workers' Compensation Boards of Canada
Avalon Employment Inc.
Board of Trade
Canadian Centre for Cyber Security
Canadian Centre for Occupational Health and Safety
Canadian Council on Rehabilitation and Work
Canadian Manufacturers and Exporters – Newfoundland and Labrador
Canadian Mental Health Association
Canadian National Institute for the Blind
Empower NL, Disability Resource Centre
Fish, Food and Allied Workers – Unifor
Forestry Safety Association of Newfoundland and Labrador
Government of Newfoundland and Labrador
International Association of Fire Fighters
Made Safe NL
Memorial University of Newfoundland
Minister's Advisory Council on Occupational Health and Safety
Newfoundland and Labrador Association of Public and Private Employees
Newfoundland and Labrador Construction Safety Association
Newfoundland and Labrador Federation of Labour
Newfoundland and Labrador Fish Harvesting Safety Association
Newfoundland and Labrador Occupational Health and Safety Association
NL Health Services
Paramedic Association of Newfoundland and Labrador
SafetyNL
SeniorsNL
Task Force on Mental Health and Suicide Prevention in Construction
Threads of Life
Workers' Compensation Independent Review Board

WorkplaceNL

Health | Safety | Compensation

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