

EPR OVERSIGHT

Annual Report 2025-2026



divert^{NS}
Nothing Wasted

EXECUTIVE SUMMARY

Divert NS plays a key role as the oversight authority for Nova Scotia's Extended Producer Responsibility (EPR) program for packaging, paper products, and packaging-like products, which was announced as part of the Environmental Goals and Climate Change Reduction Act in 2023. This work represents an important evolution in how residential recycling is managed across the province, shifting responsibility from municipalities to producers while helping to create a more standardized, efficient, and sustainable recycling system.

Throughout 2025–26, Divert NS continued to build the structures, processes, and relationships required to support the successful implementation and long-term effectiveness of this program. After many years of research, planning, and collaboration, the EPR program for blue bag recycling officially launched on December 1, 2025.

This milestone marked a fundamental shift in the management of residential recyclables in Nova Scotia. The launch was celebrated at an event hosted by Circular Materials, the Producer Responsibility Organization (PRO), which brought together key stakeholders including the provincial government, municipalities, producers, processors, service providers, and partner organizations. It was an opportunity to recognize the contributions of all those involved and to reflect on Nova Scotia's strong track record as a leader in waste diversion.

Nova Scotia's implementation stands out nationally, as the program was rolled out across



Pictured above from left to right: Amy Hillyard (Waste Check), Andrew Philopolous (Circular Materials), Allen Langdon (Circular Materials), Mayor Andy Fillmore (HRM), Stacy Breau (Divert NS), Jacqueline Fahey (Divert NS), the Honourable Tim Halman, and Melissa Sheehy-Richard (Nova Scotia Environment and Climate Change)

the entire province on day one, rather than through a phased approach. This means a single, consistent system was established from the outset, providing greater clarity and simplicity for residents. One of the most important benefits is the introduction of a standardized list of accepted materials for residents, helping to reduce confusion and improve system performance across communities.

This year was a significant year of development for Divert NS' EPR Oversight division as foundational processes and infrastructure were established to support regulatory activities. A key milestone was hosting the first fee consultation, which invited input from producers and key stakeholders. This feedback helped shape the fee structure, with final fee rates posted in July 2025.

EXECUTIVE SUMMARY

Engagement with producers was a central focus throughout the year. Divert NS staff attended the Retail Council of Canada Sustainability Conference and participated in their EPR workshop aimed at advancing collaboration and knowledge-sharing across jurisdictions in Canada. To further support ongoing dialogue, Divert NS established a Producer Advisory Committee to provide a structured forum to gather input, share updates, and strengthen relationships with producers as the program continues to evolve.

Collaboration extended beyond Nova Scotia as Divert NS worked alongside other EPR oversight organizations across Canada. These discussions focused on identifying opportunities to align approaches, improve efficiencies, and reduce administrative burden for producers operating across multiple jurisdictions. This collaborative approach reflects a shared commitment to strengthening EPR systems nationally while delivering better outcomes locally.

IMPLEMENTATION

88%

**of municipalities/regions
opted to be a service
provider**

The implementation of the EPR for PPP program on December 1 marked a huge milestone for our province. Leading up to the launch, staff from Divert NS met with Circular Materials on a bi-weekly basis. These meetings served as a forum to stay updated on the progress being made to implement the common collection system and helped to quickly resolve any emerging issues.

337

**facilities registered
for collection services**

In total, 32 of 36 contracting municipalities/regions opted to be a service provider for Circular Materials and continue to collect recyclables from their residents. The remaining four municipalities stepped away from this role, with Circular Materials assuming responsibility for service delivery.

38

drop-off locations

In addition to providing curbside collection, Circular Materials implemented a drop-off network for certain recyclables, including polystyrene, aerosols, and flexible plastic. As of March 31, 2026, there were 38 drop-off locations across the province. Circular Materials is continuing to expand this network to improve accessibility for residents.

IMPLEMENTATION

During 2025–26, two intake periods allowed multi-family dwellings, schools and campgrounds to register for collection services. Circular Materials' registry remains open, providing access for additional facilities to receive curbside collection service. Engagement with First Nations communities has progressed well, with many now receiving service or actively exploring participation.

REGISTRATION & REPORTING

Registration and reporting are foundational to program oversight and performance measurement. In 2025–26, the number of registered producers rose by 13% from the previous fiscal to 463, with supply reporting compliance reaching 94% for the 2025 reporting year.

In 2025–26, Divert NS introduced a process to verify producer supply reports. Producers are selected for verification based on a risk-based approach. Factors assessed included significant year-over-year changes in supply data, alignment between reported data and brand lists, and current exemption status. These efforts, along with the registration of new producers, resulted in an increase of 1.58 million kg of reported supply.

Four processors have registered with Divert NS. These facilities have been contracted by Circular Materials to process designated materials that are collected as part of the common collection system.

Divert NS provided annual reporting guidelines to Circular Materials that outline the requirements for reporting on the common collection system's performance. The first annual report is due by June 30, 2027. Circular Materials will submit one report on behalf of all producers.

13%

increase in producer registration

94%

supply reporting compliance rate



OVERSIGHT FEES



22

fee consultation
submissions

94%

invoice payment
compliance rate

In 2025–26, Divert NS enhanced the EPR Portal to integrate with Divert NS’ accounting system and enable producer invoicing. The upgrade was completed on schedule and launched in September 2025.

Last year, Divert NS completed its first fee consultation, covering EPR Oversight costs for the 20-month period from August 2023, when the regulations were announced, to March 31, 2025. Total costs to be recovered were \$1.598 million.

A two-tier fee structure was presented to producers, along with proposed rates for each tier. Divert NS received 22 feedback submissions from producers and stakeholders. All of the feedback was taken into consideration before final fees were set.

The Fee Consultation Summary Report and final fee rates, outlined in the table below, were approved by Divert NS’ Board of Directors in June 2025 and published on our website in July. Producers were invoiced on October 1, 2025, and as of March 31, 94% of producer payments were received.

Table 1. 2025 Final Fee Rates

	Criteria	Final Fee Rates
Tier 1	Producers under the 25,000 kg threshold	\$250 flat fee
Tier 2	Producers at or above the 25,000 kg threshold	\$250 flat fee + 0.0289 / kg

Note: Total EPR Oversight costs for 2025-26 were \$1,280,266 as detailed on page 7 of this report. Total costs less any surplus will be invoiced in October 2026.

COMPLIANCE

Divert NS has taken a proactive approach to identifying obligated producers who have not yet registered, also known as free riders. In response to feedback from producers, Divert NS implemented an online, anonymous reporting tool where potential free riders can be reported. The tool became available on Divert NS' website in March 2026.

Divert NS developed a compliance framework that emphasizes education and support to help producers meet their obligations. The framework outlines a progressive approach with specific enforcement tools that may be applied in cases of non-compliance. These tools include warnings, directives and Summary Offence Tickets (SOTs).



PRODUCER ENGAGEMENT

In 2025-26, Divert NS staff worked to build stronger relationships with producers and other key stakeholders. In October, staff participated in the Retail Council of Canada (RCC) Sustainability Conference which brought together a wide range of producers, producer associations, regulators, and producer responsibility organizations. Divert NS staff participated in an Extended Producer Responsibility workshop that enabled all stakeholders to weigh in on emerging issues, as well as a panel discussion with other regulators to share the successes and challenges in their respective provinces.

In March, Divert NS established a Producer Advisory Council to provide advice and feedback to the EPR Oversight division. The council is comprised of producers and organizations representing producers. Current members include Retail Council of Canada (RCC), Food, Health and Consumer Products of Canada (FHPCPC), Restaurants Canada, Irving Consumer Goods, and the Nova Scotia Liquor Commission (NSLC).

HARMONIZATION

As producers report on EPR for packaging and paper in most provinces across Canada, there is growing demand to harmonize aspects of the program to reduce administrative burden and program costs. Divert NS staff continue to engage regularly with other provinces to identify potential efficiencies and opportunities to align where possible across jurisdictions.

In 2025-26, Divert NS participated in an inter-provincial working group with staff from EPR regulators in Ontario and Alberta. The focus of the working group was to identify ways to align the collection of brand information and to help producers understand the importance of a brand list.

In recognition of the importance of aligning processes to reduce administrative burden, there is an initiative underway to convene additional EPR Oversight organizations across Canada on harmonization opportunities. The goal is to optimize collaboration within the regulatory frameworks that exist in each jurisdiction.

Learn more about Divert NS' accomplishments and milestones in our full [2025-2026 Annual Report](#).



CONTACT



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Resource Recovery Fund (operating as Divert NS)

Combined Statement of Extended Producer Responsibility Oversight

Year ended March 31	Budget 2026 (Note 10)	2026	2025
Revenues			
Extended producer responsibility oversight recovery fees	\$ 1,438,000	\$ 1,274,495	\$ 1,017,913
Interest income	<u>-</u>	<u>5,771</u>	<u>-</u>
Total revenues	<u>1,438,000</u>	<u>1,280,266</u>	<u>1,017,913</u>
Expenses			
Amortization	292,000	254,582	135,564
Bad debt	-	3,883	-
Bank charges and interest	128,000	140,698	98,132
Computer and IT support	178,000	164,667	107,902
Dues and fees	7,000	5,257	7,053
Insurance	5,000	5,127	3,432
Licensing	37,000	45,879	32,488
Meetings and travel	10,000	4,023	4,073
Office	10,000	9,214	7,709
Professional development	17,000	13,449	6,892
Professional fees	208,000	63,979	199,763
Public relations	5,000	-	-
Rent	29,000	35,190	21,670
Salaries and benefits	499,000	529,721	391,468
Telecommunications	3,000	2,382	1,767
Website development and hosting	<u>10,000</u>	<u>2,215</u>	<u>-</u>
	<u>1,438,000</u>	<u>1,280,266</u>	<u>1,017,913</u>
Excess of revenues over expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>