



The Fabric of a Wasteless Future

2025–2026
Annual Report



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Weaving the Fabric of a Wasteless Future

Building a wasteless future isn't about any one action or single solution. It's something we build together through many efforts across our communities, our systems, and our everyday choices. I often think of this work like weaving. Each thread represents a different effort, and it is how those threads come together that creates something strong and lasting.

It all starts with our recycling programs. By keeping materials like beverage containers and tires in circulation, we generate the revenue that allows us to weave these threads together across Nova Scotia, connecting individual actions to broader community impact. From supporting municipalities as they strengthen local waste diversion systems, to investing in education and youth leadership, to enabling community-led solutions, our work is designed to make a practical and measurable difference for both our environment and our economy.

This year, one area that stood out for me was our work on textile waste. It's a growing challenge, driven in part by fast fashion and changing consumption habits, yet it doesn't have a dedicated diversion system in our province. That gap is something we are actively working to address. Through research, partnerships, student innovation, and increased public awareness, we are beginning to better understand this complex issue and explore practical solutions. It's early work, but it's an important step toward a more circular approach to textiles in Nova Scotia.

We also saw a major shift this year with the transition of residential blue bag recycling to Extended Producer Responsibility. This is a significant change for Nova Scotia, placing greater responsibility on producers while helping create a more standardized and efficient recycling system. As Administrator of the EPR program, Divert NS monitored key aspects of the implementation and worked with producers and municipalities to help support a successful transition for all Nova Scotians.

What continues to stand out to me is that none of this progress happens in isolation. It reflects the collective efforts of many people. Our staff and Board bring deep expertise and commitment to this work every day. Our partners strengthen what we can achieve together. And across the province, Nova Scotians are making choices, big and small, that contribute to a more sustainable future.

Every program we deliver and every investment we make is another thread. Together, those threads are shaping a stronger, more connected system, one that reflects the kind of future we all want to see.

I am proud to share our annual report for the fiscal year ending March 31, 2026. It tells the story not only of what we have accomplished, but how we are moving forward together.

Stacy Breau
CEO, DIVERT NS



About Us

Since 1996, Divert NS has worked to reduce waste and improve resource recovery across Nova Scotia. We operate province-wide recycling programs for beverage containers and used tires, and provide oversight for the Extended Producer Responsibility program for packaging, paper products, and packaging-like products. These programs ensure materials are collected, processed, and returned to the economy, helping reduce reliance on landfill and supporting a more circular system.

At the heart of our work is a commitment to building a culture of environmental responsibility. By supporting a province-wide network of Enviro-Depots, municipalities, community organizations, innovators, and environmental change-makers, we are strengthening waste diversion, driving action, and advancing new solutions for a more sustainable Nova Scotia.

OUR VISION

Leading Nova Scotia to a sustainable, wasteless future.

OUR MISSION

Working with Nova Scotians to improve our environment, economy, and quality of life by reducing, reusing, recycling, and recovering resources.

OUR MANDATE



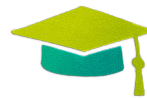
Develop and implement industry stewardship programs.



Fund municipal or regional diversion programs.



Develop and operate a deposit-refund system for beverage containers.



Develop education and awareness of source reduction, reuse, recycling, and composting.



Promote the development of value-added manufacturing in the province.



Act as the oversight authority for the Extended Producer Responsibility for Packaging, Paper Products, and Packaging-like Products Regulations.

OUR PILLARS

Stewardship

Foster industry stewardship to reduce or divert waste from landfills and encourage Nova Scotia's culture of refusing to waste.

Catalyst for Change

Support communities and environmental change-makers to drive environmental progress across Nova Scotia.

Innovation

Enable new opportunities and approaches to waste diversion and reduction.

Strategic Plan Overview

Divert NS continues to be guided by a clear vision and strategic roadmap that shapes how we deliver impact across Nova Scotia. In 2025–26, we marked the first year of our new five-year strategic plan, focused on strengthening our role as a catalyst for environmental, economic, and social progress. This direction builds on the momentum of previous years while sharpening our focus on where we can make the greatest difference.

The plan reflects both the evolving landscape and the opportunities ahead. It sets out a clear path to deepen our impact, strengthen partnerships, and continue advancing innovative solutions to reduce waste. Guided by five strategic focus areas, the plan provides a framework for how we will work, grow, and lead over the next several years.

Impact:

Drive meaningful improvements across environmental, economic, and social contributions, positioning Divert NS as a leader in sustainable diversion programs.

Our Team:

Build a healthy and strong team environment through professional development, employee wellbeing, and a commitment to accessibility and support.

Partnerships:

Cultivate strategic relationships with key partners to foster collaboration and enhance alignment on shared goals.

Organizational Resilience:

Strengthen operational and financial frameworks to support continued success and longevity in a dynamic landscape.

Issue Leadership:

Advance evidence-based research and dialogue on current issues facing the waste management industry.



438M

beverage containers
collected and recycled

1.4M

used tires collected
and recycled

Together, these two core programs contributed to:

17K

cubic metres of landfill space saved,
equivalent to six Olympic-sized
swimming pools.

1.6K

jobs supported, representing more
than \$47 million in wages earned.

49K

metric tonnes of greenhouse gas
emissions avoided, equivalent to
removing more than 11,000 cars
from the road for one year.

\$12M

in total funding provided to support municipal
recycling and composting programs and facilities,
regional educators and enforcement officers, and
other diversion programs for household hazardous
waste, construction waste, and more.

\$2.4M

invested to educate Nova Scotians
and build ongoing support for
environmental action.

\$508K

approved for research projects that
support entrepreneurs and encourage
innovation in waste reduction.

Turning Containers into Change

Nova Scotia's beverage container recycling program remains at the core of Divert NS' work, delivering measurable environmental impact across the province. In 2025–26, Nova Scotians returned more than 438 million beverage containers. Each one represents a simple act that contributes to something much larger: reducing waste, conserving resources, supporting the local economy, and lowering greenhouse gas emissions. Together, these everyday efforts added up to an estimated reduction of 47,000 metric tonnes in greenhouse gas emissions last year alone.

Strengthening customer service and operations

At the heart of this system is the province's Enviro-Depot™ network, where containers are returned, sorted, and prepared for recycling. With 76 locations province-wide, these locally owned and operated businesses are essential to the program's success, providing accessible service in communities across Nova Scotia. Each year, Divert NS brings depot owners and operators together through Depot Day, an annual event focused on strengthening operations, sharing ideas, and advancing the program. Since 2013, this gathering has created space to exchange best practices, explore industry trends, and build relationships that support a strong and efficient network.

In 2025, Depot Day featured a full slate of sessions designed to provide practical tools and real-world insights for depot operators. Topics included conflict resolution training to support customer interactions, updates on operations and emerging industry trends, and an overview of Extended Producer Responsibility and what it means for Nova Scotia. Sessions also focused on workforce challenges, with guidance on employee recruitment and retention in a competitive labour market. The day concluded with a facilitated discussion, giving participants the opportunity to reflect on key learnings, share experiences, and consider how new ideas could be applied in their day-to-day operations.

Depot Day also provides an opportunity to recognize excellence across the network. The Enviro-Depot™ of the Year Awards celebrate depots that go above and beyond in customer service, employee relations, and community engagement. In 2025, Nova Scotians submitted 324 nominations, highlighting the important role depots play in their communities. O'Connell's Recycling, serving Lower Sackville and area, was named Large Enviro-Depot™ of the Year, while Greentree Recycling in Windsor Junction received the Small Enviro-Depot™ of the Year award, reflecting their commitment to service, innovation, and community connection.



A family business built on service

For O'Connell's Recycling, this recognition is rooted in decades of dedication and a strong focus on customer experience. The business began with Brad O'Connell and has grown into a third-generation operation, currently owned and operated by his son, Terry O'Connell. As the depot looks to the future, Terry is preparing to pass the business on to his son Chris, who will soon take ownership and continue the family's recycling legacy. Over time, the depot has evolved alongside the needs of the community while staying grounded in its original values, with a continued focus on improving service and efficiency. From expanding lanes to improve traffic flow to offering express options that allow customers to remain in their vehicles, O'Connell's has continuously found ways to make recycling more convenient and accessible.

That commitment extends beyond operations to the people who make the depot run. Long-standing staff members, some with decades of service, contribute to a positive and welcoming environment that customers recognize and appreciate. This strong team culture is reflected in consistent feedback from the community and plays a key role in the depot's ongoing success. As ownership transitions to the next generation, the same values of service, efficiency, and care continue to guide the business forward.

O'Connell's also demonstrates the important role depots play in supporting communities. The team facilitates more than 100 bottle drives each year, helping local groups raise funds while making it easier for residents to participate in recycling. Whether through mobile collection trailers or on-site support, these efforts strengthen community connections and extend the reach of the program beyond the depot itself.

"Overall, just an all-around great place to take your recycling and bottles to, and I feel good knowing that a portion of what I bring in goes back to the community. The facility is very clean, the location is convenient, and there is virtually no wait time. A friend of mine, who takes her recycling and returnables to O'Connell's, recommended them when I moved to the community. It's my go-to now."

— Customer nomination

2025 ENVIRO-DEPOT™ OF THE YEAR AWARDS



582M

containers on which deposits were received,
compared to 571 million in F2025.

438M

containers returned for recycling,
compared to 443 million in F2025.

75.3%

recovery rate, compared
to 77.6% in F2025.

Expanding access to public recycling

Looking ahead, Divert NS continues to explore ways to improve access and increase recovery rates across Nova Scotia. In 2025, a refundable bin pilot was launched in partnership with the Town of Truro, the Village of Bible Hill, and the Truro Golf Club. A total of 45 branded bins were installed in public and recreational spaces to make it easier for residents to recycle refundable containers in places where recycling options may not typically exist. By placing bins in high-traffic areas such as parks, community spaces, and recreational facilities, the pilot helps capture containers that might otherwise be discarded as waste and provides a fundraising opportunity for the organizations that manage the refundables.

Expanding access in this way is key to improving recycling rates and ensuring valuable materials stay within the recycling system. Early feedback from the pilot has provided insights into bin design, placement, and user behaviour, helping refine the approach to maximize effectiveness and minimize contamination. Based on these learnings, the program will expand across Colchester County and into Pictou County in 2026, with the goal of making recycling more visible, convenient, and accessible wherever Nova Scotians gather.

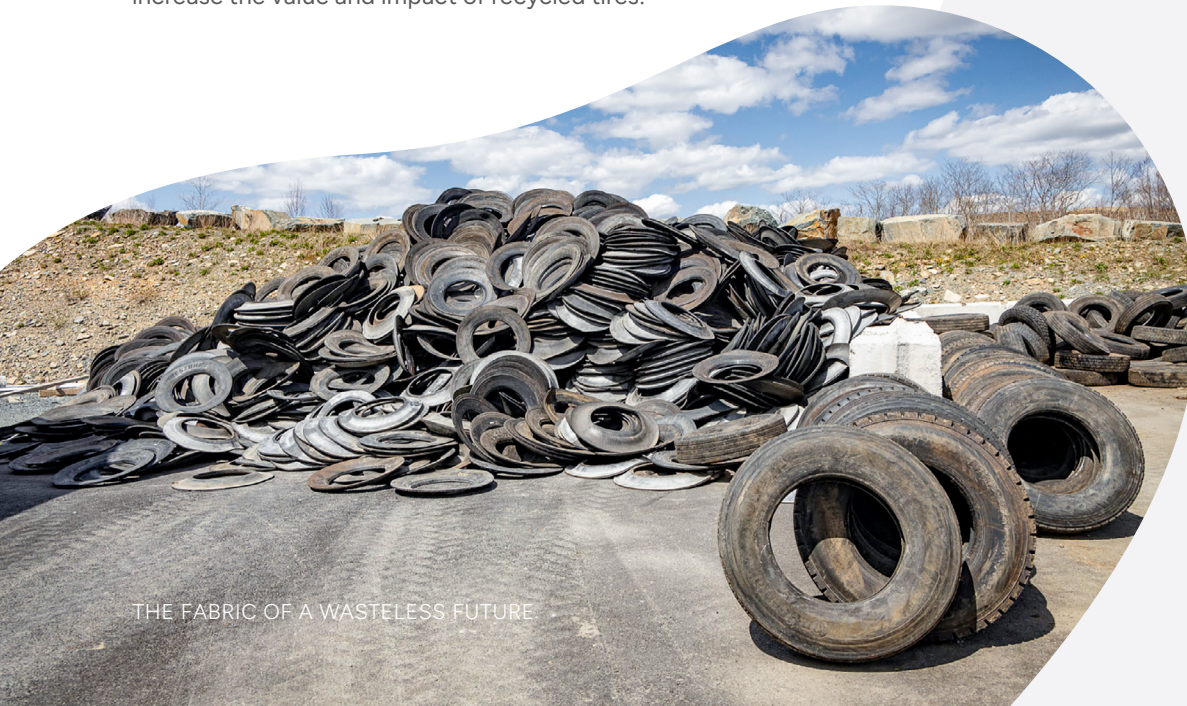
Through strong partnerships, continuous improvement, and a shared commitment to service, Nova Scotia's beverage container recycling program continues to evolve. Thanks to the dedication of depot operators and the participation of Nova Scotians, the system shows how everyday choices can drive meaningful environmental change.



Steering Tires Away from Landfills

Tire recycling is another core program delivered by Divert NS, connecting Nova Scotians, retailers, and processors in a province-wide system that keeps end-of-life tires out of landfill and in circulation. In 2025–26, more than 1.4 million tires were responsibly recycled through this network. Once collected, tires are processed and transformed into new products right here in Nova Scotia, with 70 percent managed by Halifax C&D Recycling and 30 percent by Geocycle Canada in Brookfield. This system ensures that what was once considered waste becomes a valuable resource, supporting both environmental and economic outcomes.

Halifax C&D Recycling plays a key role in this process, using end-of-life tires to produce tire-derived aggregate at its facility in Goodwood. Loosely compacted, this material is used for drainage and filtration applications in traditional construction projects and, more recently, at wind farm sites, replacing traditional materials and reducing demand for newly extracted resources. While this remains an important use, the organization continues to explore new opportunities to increase the value and impact of recycled tires.



1.64M

passenger tire equivalents sold,
compared to 1.63 million in F2025.

1.39M

passenger tire equivalents collected,
compared to 1.42 million in F2025.

84.5%

recovery rate,
compared to 87.3% in F2025.

2.7K

bicycle tires and tubes collected,
compared to 9,700 in F2025.

Local manufacturing of blasting mats

Building on its work with Nova Scotia's recycled passenger tires, Halifax C&D established a manufacturing facility for blasting mats made from end-of-life highway truck tires. These mats are used in construction projects to contain debris and improve safety during blasting operations. Prior to this facility, blasting mats used in Atlantic Canada were sourced from outside the region, requiring transportation from central and western Canada.

Now produced locally, these mats not only create a new use for recycled tires but also help reduce transportation-related emissions by shortening supply chains. In 2025–26 alone, Halifax C&D used more than 1,100 tonnes of tires to produce approximately 350 blasting mats. The mats are distributed to customers across Atlantic Canada, demonstrating how locally developed solutions can have regional impact.

“The close working relationship and assistance provided by Divert NS to Halifax C&D has enabled us to grow and diversify in the end-of-life tire recycling business. We look forward to working with Divert NS for many years to come as we continue to look for new opportunities.”

— Bev Connell

DIRECTOR, HALIFAX C&D RECYCLING

Beyond the environmental benefits, this innovation reflects a broader shift toward value-added manufacturing in Nova Scotia. By developing new end markets for recycled materials, projects like this help strengthen the circular economy and create long-term demand for recovered resources. They also show how targeted investment can unlock new opportunities within existing systems, turning a mature program into a platform for further innovation.

Nova Scotia's tire recycling program continues to advance, driven by collaboration and a focus on practical innovation. By supporting new uses for recycled materials and enabling local solutions, Divert NS is helping keep tires out of landfill and in circulation for long-term environmental benefit.



Catalyst for Change

Divert NS is a catalyst for change, transforming revenue generated from our stewardship programs into meaningful outcomes across Nova Scotia. This is where our impact becomes visible. Through strategic funding, education, and leadership, Divert NS supports the people, communities, and programs that make waste diversion possible every day. This work helps ensure environmental progress is shared, inclusive, and grounded in homegrown solutions.

\$10M

in diversion credits and municipally approved program funding to support municipal waste diversion programs, such as composting and construction waste management.

\$770K

to support the development and delivery of education and awareness initiatives focused on waste diversion practices.

\$346K

to support collaboration among Nova Scotia's solid waste regional committees.

\$210K

to help municipalities cover the costs of proper household hazardous waste disposal.

\$700K

for enforcement and compliance activities related to recycling and diversion programs.

1.5K

illegal dump sites reported.

10.8K

inspections, audits, and proactive compliance visits.

728

offence tickets issued.

60

court convictions.

Enabling Community Impact

Divert NS supports municipalities across Nova Scotia through a coordinated suite of funding programs and leadership initiatives that help communities strengthen their waste diversion efforts. The majority of this funding is delivered through performance-based diversion credits, complemented by programs that help municipalities implement new solutions, adopt proven approaches, reduce litter, and safely manage materials. We also invest in partnerships and knowledge-sharing that drive progress, including regional coordination, enforcement activities, and leadership forums.

Diversion credits are the primary funding mechanism supporting waste diversion across Nova Scotia, accounting for between 50 and 70 percent of the funding Divert NS provides to municipalities. In 2025–26, these credits totalled just over \$10 million, supporting a wide range of activities, from strengthening organics diversion programs to developing solutions for hard-to-recycle materials. They helped municipalities cover the real costs of keeping waste out of landfill while creating jobs, conserving resources, and protecting the environment.



Expanding construction and demolition diversion

In 2025–26, diversion credits directly supported Valley Waste-Resource Management's expansion and redesign of its construction and demolition storage yard in Kentville. The upgraded facility allows materials to be more effectively separated into marketable streams, improving diversion rates and operational efficiencies while supporting compliance with new regulations. The enhanced design also increases the region's ability to respond to natural disasters by improving capacity and flexibility in managing debris.



Supporting organics collection

Diversion credits also play a critical role in sustaining essential programs such as curbside organics collection. In the Municipality of East Hants, steady population growth has led to increased volumes of organic material, with more than 70 additional tonnes collected annually compared to 2020. To meet this demand, the municipality continues to expand green carts, collection, processing, and program support. Diversion credit funding helps offset these rising costs and supports the continued success and long-term sustainability of this core diversion program.

"From special collections, to easily accessible bins after a fire/flood, offsetting sudden increases in fuel costs, paying local community groups to collect litter along highways, replacing outdoor garbage cans with waste sorting stations, labour to prepare green bins for recycling, pay to transport rope for recycling, drop-off locations for batteries, and ever increasing costs to safely manage household hazardous waste, these are just some of the ways diversion credits help municipalities protect the environment."

— Christine H. McClare

REGIONAL COORDINATOR, REGION 6 SOLID WASTE MANAGEMENT,
SOUTH SHORE AND WEST HANTS AREA

Investing in community litter prevention

Litter reduction is another key area where Divert NS drives community impact. In 2025–26, Divert NS provided \$50,000 to province-wide initiatives such as Adopt-a-Highway and the Great Nova Scotia Pick-Me-Up, helping mobilize volunteers for litter cleanups across the province. These efforts brought together 7,200 participants across 395 cleanups, covering 311 kilometres of roadway and 10.5 kilometres of shoreline. In total, participants collected more than 65,000 pounds of waste, including thousands of bags of garbage and recyclables, demonstrating the scale of impact that collective action can achieve.

Complementing these province-wide efforts, Divert NS also provided more than \$23,000 through the Litter Intervention Fund to support seven municipal projects, enabling communities to implement targeted strategies that address litter in meaningful and visible ways.

In 2025–26, the Municipality of Pictou County applied this funding to a wildlife photography contest, which generated more than 150 submissions, with winning images featured on anti-littering signage installed across the region. The signs used compelling visuals of Nova Scotia's wildlife and approachable messaging to capture attention and encourage behaviour change. In the Municipality of Barrington, funding supported the installation of accessible waste bins in a high-traffic area, paired with eye-catching signage designed to reduce littering.

"We've wanted more signage for a while now. Thanks to the funding we received from Divert NS, we can make a greater impact than before. We have one of the most beautiful counties in the world here, and we need to protect that."

— Darla MacKeil

LITTER AWARENESS COMMITTEE CHAIR AND DISTRICT 3 COUNCILLOR, PICTOU COUNTY



Connecting leaders to advance circular solutions

While these projects demonstrate the power of local leadership, broader progress also depends on collaboration across sectors. In March 2026, Divert NS hosted a [Circular Economy Summit](#) in Dartmouth, bringing together municipal leaders, innovators, policymakers, and industry partners from across Nova Scotia and beyond. The event created space for meaningful dialogue, where participants examined practical ways to turn ideas into action, whether through circular procurement, reusable packaging, sustainable construction, or new approaches to managing materials like fishing gear. By connecting people across sectors and geographies, the summit empowered participants to apply what they learned in their own communities, helping accelerate circular solutions across the province.

Through initiatives like the Circular Economy Summit, Divert NS enables cooperation and supports the exchange of knowledge that helps advance solutions grounded in local needs. Paired with strategic funding and program support, this work is helping municipalities strengthen their systems and deliver measurable progress across Nova Scotia.

Advancing Waste Literacy

At the heart of waste reduction is a strong foundation in education and awareness. This is why Divert NS funds, leads, and supports waste literacy initiatives across the province, helping Nova Scotians understand how everyday actions contribute to a more sustainable future. Through education and awareness, we empower people to make informed choices that reduce waste and support responsible resource use.

This work begins with regional education funding that supports consistent, on-the-ground engagement across Nova Scotia. In 2025–26, we contributed \$770,000 to support waste educators in every solid waste region as they engaged schools, communities, and businesses in responsible recycling practices. We also provided funds to youth-focused initiatives such as Eddie’s Litterless Quest, delivered through Clean Foundation, which reached more than 2,700 students in 41 schools last year and helps build early awareness and lasting habits around waste reduction and litter prevention.

Investing in the next generation

These investments help create a strong pipeline from education to action. Through our partnership with Clean Foundation, we provided an additional \$215,000 to the Clean Leadership Summer Internship Program, giving 11 youth hands-on job experience in the solid waste sector, including conducting waste audits, organizing litter cleanups, and leading public education initiatives. These opportunities strengthen workforce development in the environmental field by equipping young Nova Scotians with the skills and experience needed to support a more circular, low-waste future.

“Divert NS’ support for Clean Leadership Summer Internships is helping create meaningful, hands-on work experience for youth across Nova Scotia in waste management and diversion. Through this collaboration, we are supporting waste management organizations with new talent and fresh ideas while helping train the future workforce for a cleaner, more sustainable Nova Scotia.”

– Zeynep Oncu

MANAGER, WORKFORCE DEVELOPMENT, CLEAN FOUNDATION



Scholarships for environmental leaders

Recognizing the next generation of environmental leaders is also key to advancing waste literacy. This year, Divert NS awarded \$25,500 in [Champion of the Environment](#) scholarships to 15 students across Nova Scotia who are already making a difference in their communities. Among this year's recipients is Kai Retter, who demonstrated their environmental passion through a wide range of initiatives.

Kai was selected for this award based on their strong record of environmental leadership and community engagement, including participation in the Youth Challenge International Climate Action Catalysts program, where they hosted three workshops focused on turning climate grief into action, and the development of a website connecting youth with environmental volunteering opportunities, recognized in the 2024 Nova Scotia Annual Climate Change Plan Progress Report. Kai also contributed as a volunteer with the Ecology Action Centre's Wilderness Issues Committee, completing an 80-hour co-op placement that included research, leading a Wetland Appreciation Week social media campaign, and supporting the 2024 People's Parade of Life on Earth. Within their school, Kai led the Environmental Club, organizing clothing swaps, coordinating guest speakers, and planning Citadel Earth Week events. Their efforts were recognized with the 2024 Bubby Mooers Award, and they now serve on the Nova Scotia Youth Climate Council, advancing climate action at the provincial level. Through leadership and community engagement, Kai is already driving change and plans to continue this work while pursuing studies in Biochemistry and Microbiology at Dalhousie University.



Ocean Action Camp with the Discovery Centre

Hands-on learning opportunities further bring waste literacy to life. In 2025–26, Divert NS supported the inaugural Ocean Action Camp in partnership with the Discovery Centre, engaging 40 youth in Halifax and Truro. Through interactive activities, shoreline cleanups, and science-based exploration of topics such as microplastics and ocean health, participants gained a deeper understanding of the connection between waste and the marine environment. Guest speakers from municipalities and environmental organizations shared real-world perspectives and inspired youth to get involved in their own communities.

This program builds on our ongoing partnership with the Discovery Centre, including the Ocean Action Zone exhibit and refreshed curriculum-based programming for Grades 7 and 8. These initiatives provide accessible, engaging opportunities for youth to explore sustainability through hands-on learning and real-world connections.

“The 2025 Divert NS Ocean Action Camps gave nearly 40 young Nova Scotians the opportunity to explore ocean science, waste reduction, and environmental stewardship through real, hands-on experiences. From squid dissections with our staff scientists to beach cleanups at Point Pleasant Park, campers did not just learn about ocean conservation; they lived it. All the campers left with a deeper understanding of their role in protecting our ocean. We are extremely proud to partner with Divert NS to nurture our next generation of ocean stewards.”

— Helen Dolan

DIRECTOR OF PARTNERSHIPS, DISCOVERY CENTRE



Youth advocacy through 4-H speaking competition

Divert NS also supports youth in developing communication and advocacy skills through initiatives such as the 4-H Senior Public Speaking Competition. The competition includes a dedicated category for youth aged 16 to 21, where participants deliver speeches on environmental topics and showcase their passion for sustainability. The top three speakers in this category are recognized at the 4-H Provincial Rally, receiving cash prizes for their achievements.

In 2025, 12 students from across the province delivered compelling speeches on environmental issues, with top honours awarded to Gretchen Archibald of the Valley Region for her presentation on reducing single-use plastics. This competition encourages young Nova Scotians to think critically, share ideas with confidence, and take an active role in advancing environmental solutions.



Change in Action

Creating a more sustainable Nova Scotia depends on the efforts of people across the province. In addition to supporting municipalities and advancing waste literacy, Divert NS invests directly in Nova Scotians who are leading change in their communities. Through funding, partnerships, and recognition programs, we support individuals, businesses, and organizations working to reduce waste and build more sustainable systems. This work reflects our commitment to inclusion, helping ensure that opportunities to participate in and benefit from waste diversion are accessible to everyone in Nova Scotia.



Award-winning circular food solutions

Each year, Divert NS holds the [Mobius Awards of Environmental Excellence](#), which celebrate individuals and organizations that are turning ideas into impact. In 2025, seven awards were presented, including Small Business of the Year to Upward Kitchen & Café in Halifax. A social enterprise rooted in sustainability and social impact, Upward Kitchen transforms surplus food into nutritious, chef-prepared meals for shelters and community organizations. In less than a year, they have served more than 225,000 meals, diverted thousands of kilograms of food from landfill, and built strong local partnerships. Their work demonstrates how circular solutions can address both environmental and social challenges.

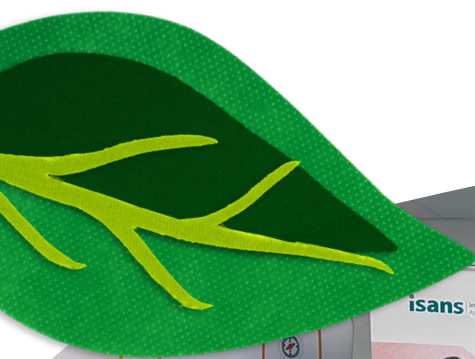
Supporting newcomer business sustainability

Furthering this commitment to inclusive economic participation, Divert NS also partners with the Immigrant Services Association of Nova Scotia to support small businesses in adopting waste reduction practices. In 2025–26, \$42,000 in funding was distributed through ISANS, directly supporting 31 businesses with grants to implement practical waste diversion solutions. These initiatives focused on reducing single-use materials, improving waste sorting, and repurposing waste materials. From introducing edible alternatives to single-use cups, to improving waste management practices in retail settings, to transforming discarded wood and furniture into new products, these projects show how targeted support can unlock innovation and build capacity within equity-seeking communities.

“When we arrived in Halifax just a few months ago, we came with hope, but also with uncertainty as a newcomer family of four. In my home country, I had my own carpentry workshop, and my dream was always to continue working with my hands and my skills. Receiving the support from ISANS and Divert NS has given us more than just financial help. It has given us the opportunity to rebuild that dream in a new country. Through this project, I can repair and repurpose furniture that would otherwise go to waste, giving it a second life while also contributing to a more sustainable community. This grant has allowed us to take our first steps, not only in starting a small business, but in building a future for our family. We are deeply grateful for this opportunity and proud to be contributing to Halifax in a meaningful way.”

— Santiago Fernandez

BUSINESS OWNER, SDF INTEGRAL DESIGN



THE FABRIC OF A WASTELESS FUTURE





Turning wetsuits into new products

Community-based organizations are also driving innovative solutions with support from Divert NS. With \$20,000 in funding, The Ark, a community organization dedicated to providing services to people with challenges, launched Atlantic Canada's first wetsuit recycling program, addressing a material that can take hundreds of years to break down in landfill. Wetsuits are repaired or repurposed into new products such as mats, bags, and accessories, while the remaining material is processed into reusable fill. In its first year, the program diverted more than 100 wetsuits and provided paid employment opportunities for participants involved in collection and processing.

"Our Wetsuit Recycling Program has provided a tremendous opportunity for employment to many of our participants. We have managed to divert hundreds of pounds of neoprene, which takes over 100 years to deteriorate, from the landfill, all of which is reused or repurposed. The Canada-wide response to our program has been very positive, as many people are realizing the importance of recycling this very difficult material."

— Jon Wolstenholme
PRODUCTION COORDINATOR, THE ARK

Woodshop expansion for waste diversion

A similar intersection of environmental and social impact is evident at Sunset Community in Pugwash, a centre of learning and excellence for adults with disabilities. With an initial contribution of just over \$45,000 in fiscal 2024–25, Divert NS supported the expansion of its woodshop, enabling the organization to divert more than 40 tonnes of wood waste annually and transform it into handcrafted products. Following this success, additional funding in 2025–26 supported new equipment to further process wood waste into premium kindling. Divert NS' support of organizations like Sunset Community and The Ark not only extends the life of materials, it also creates meaningful employment opportunities and enables community-based solutions.





Section 6:

Leading Textile Change in Nova Scotia

Textile waste is an emerging challenge in Nova Scotia, and one without a dedicated diversion program. As volumes continue to grow, Divert NS is taking a proactive approach to better understand the issue and identify solutions that can be scaled across the province. This work draws on both our Catalyst for Change and Innovation pillars, combining research, partnerships, and public engagement to address a complex and rapidly evolving waste stream.

The need for change is clear. Between 2017 and 2023, textile waste disposed in Nova Scotia landfills more than doubled, reaching more than 58,000 tonnes per year. This reflects a broader trend. Canadians purchase an average of 70 new clothing items annually and discard nearly 500 million kilograms of textiles each year. On a global scale, the equivalent of one garbage truck of clothing is landfilled every second. These materials put significant pressure on our environment. Synthetic fibres persist indefinitely, while natural fibres release methane as they break down in landfill. Textiles are often treated with dyes and chemicals that can leach into soil and water, and the production of new clothing requires significant resources, including an estimated 2,700 litres of water to produce a single t-shirt.



"As Nova Scotia's population continues to grow, so does the amount of waste we produce. By focusing on textiles, we are tackling a major component of our waste stream that has been overlooked until now. This initiative has the potential to transform the way we manage textile waste and position Nova Scotia as a leader in sustainable resource management."

— Charlotte Genge
NACTR PROJECT LEAD

Mapping Nova Scotia's textile waste system

To better understand this challenge and identify pathways forward, Divert NS has strengthened its focus on research and data, ensuring decisions are grounded in evidence and informed by localized insights. In 2024–25, the National Association for Charitable Textile Recycling, with support from Divert NS and Environment and Climate Change Canada, released the *Textile Transformation Nova Scotia Phase I* report. This first-of-its-kind study provides a comprehensive look at the province's textile waste system, identifying key infrastructure gaps, market challenges, and opportunities to expand reuse and recycling.

Building on this foundation, Divert NS funded Phase II of the research in 2025–26 through our Research and Development program, with an investment of just over \$29,000. This next phase will generate critical data to strengthen diversion efforts, including analysis of donation behaviours and a fibre composition audit to better understand material types and viable recycling technologies. The findings will help inform end-use market development and support future policy considerations, with the final report expected in early 2027.



THE FABRIC OF A WASTELESS FUTURE



“Be Kind, Rewear”

Public awareness and behaviour change are also critical to reducing textile waste. During Waste Reduction Week 2025, Divert NS focused on textiles through its “Be Kind, Rewear” campaign, encouraging Nova Scotians to rethink how they buy and use clothing. The campaign highlighted the fact that many garments are only worn a handful of times before being discarded and emphasized the environmental benefits of choosing second-hand.

Thrifted and reuse play an important role in a circular economy by keeping materials in use for longer and reducing the need for new production. To support this, Divert NS developed a [short video featuring Charlotte Genge](#), Senior Project Manager at NACTR and founder of the Great Halifax Clothing Swap, who shared the impacts of fast fashion and the role of second-hand shopping in reducing waste. The campaign also included a “Gifted Thrifter” social media contest, which invited Nova Scotians to share their favourite thrifted outfits for a chance to win a gift card to their favourite thrift store. The response was strong, with more than 360 submissions, reinforcing growing public interest in sustainable consumption.

During this period, Divert NS also updated its [textile waste web resources](#) to provide Nova Scotians with clear, accessible information on how to reduce, reuse, and recycle textiles responsibly. Together, these efforts reflect a comprehensive approach to textile waste, combining research, innovation, and public engagement to drive change. As understanding grows and new solutions emerge, Divert NS is helping build the foundation for a more sustainable and circular future for textiles in Nova Scotia.

Student-led textile solutions

While research helps guide the path forward, innovation and new ideas are needed to turn insight into action. In early winter 2026, Divert NS partnered with Saint Mary’s University to host the [Textile Pitch Competition](#), challenging post-secondary students to develop creative solutions for textile waste diversion. The event brought together emerging leaders from across the province, with the top five finalists presenting their ideas to a panel of judges.

The winning proposal, *Divert on Campus* by Daniella Akpoguma, envisioned a province-wide partnership with post-secondary institutions to establish student-operated thrift and redistribution stores. By leveraging campus infrastructure and student leadership, the program would extend the lifecycle of clothing and essential goods while reducing waste. In summer 2026, Daniella will join Divert NS as an intern, where she will further develop her idea into a comprehensive business plan.



Innovation

Across Nova Scotia, waste challenges are evolving, and lasting solutions often require more than incremental change. That is why Divert NS invests in new ideas, emerging technologies, and practical projects that can reduce waste at the source, improve diversion outcomes, and create stronger pathways for materials to be reused, repurposed, or recovered.

Divert NS' innovation funding supports work at multiple stages, from early exploration to real-world pilots. This includes research and development projects that test what is possible, student research grants that help build knowledge and future capacity, and value-added manufacturing initiatives that transform recovered materials into useful products. These programs help move promising concepts into practical application and accelerate the shift toward a more circular economy in Nova Scotia.

\$260K

to support municipalities' innovative efficiency and adoption projects.

\$230K

to support research and development initiatives.

\$18K

for student research grants.

From single-use to reuse in schools

This approach is reflected in our support of Friendlier, a reusable packaging company advancing a practical reuse system within Nova Scotia's provincial school lunch program. With \$150,000 in funding through Divert NS' Research and Development program, Friendlier is launching a reusable container pilot designed to eliminate daily single-use packaging waste in participating schools. By embedding reuse into an existing program that families rely on, the project helps make waste reduction easier and more accessible in everyday routines.

To make the pilot possible, Friendlier has opened a pilot-scale wash facility in Halifax Regional Municipality that will enable the company to collect, wash, sanitize, and redistribute containers for continued use. The pilot includes 27 schools across four school boards and will run for 13 months, creating the operational foundation needed to scale reuse more broadly. Over the course of the pilot, the project is expected to divert approximately 47,000 kilograms of waste, avoid 138,000 kilograms of greenhouse gas emissions, and save 6.5 million litres of water.

"Thanks to the support from Divert Nova Scotia, Friendlier has been able to accelerate reuse across Nova Scotia's growing school lunch programs. We're proud to be building local circular infrastructure that helps reduce waste while making reuse simple and scalable for communities across the province."

— Kayli Smith

CO-FOUNDER & CEO, FRIENDLIER



Advancing solutions for fishing gear waste

End-of-life fishing gear presents a unique challenge in Nova Scotia, where coastal industries generate materials that are difficult to manage through traditional recycling systems. That's why Divert NS supports the development and scaling of circular solutions for abandoned, lost, and discarded fishing gear, with a focus on materials that have historically been hard to process, including contaminated rope and netting.

Through a combination of Research and Development and Municipal Efficiency funding, projects are advancing both end-market solutions and practical, on-the-ground processing methods. Nets for Net Zero, a Canadian non-profit organization, received \$50,000 in R&D funding to explore recycling options for materials such as lead-contaminated rope and nylon netting, successfully identifying three viable manufacturing applications with the potential to divert up to 1,500 tonnes annually.

At the same time, the Yarmouth County Solid Waste Park pilot, supported with \$74,000, demonstrated how fishing rope can be effectively processed at the municipal level. By developing and testing a custom rope-cutting system, the project addressed key challenges related to handling, transportation, and material preparation, enabling the rope to be converted into feedstock for new products, including synthetic fuels.

These efforts highlight the role innovation plays in addressing complex waste challenges like abandoned fishing gear. By turning materials once seen as difficult or unrecoverable into viable inputs for new products, these projects demonstrate how strategic support in both research and real-world application can remove barriers and unlock new opportunities.



EPR Oversight

Divert NS plays a key role as the oversight authority for Nova Scotia's Extended Producer Responsibility 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 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 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.

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.

To learn more about the milestones achieved and key outcomes from this year of EPR oversight in 2025-26, we invite you to explore the full report below.

 [EPR Oversight Report](#)

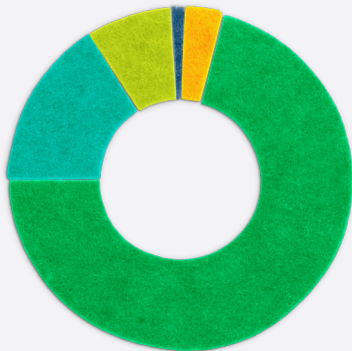


Financial Overview: 2025–26 Revenue & Expenditures

Below is the financial overview of the organization as of March 31, 2026.

Divert NS Revenue

\$80,679,468 Total Revenues



\$57,213,163

Beverage Program Deposits

\$13,365,289

Sale of Beverage Program Recyclable Materials

\$6,353,889

Tire Program Environmental Fees

\$1,280,266

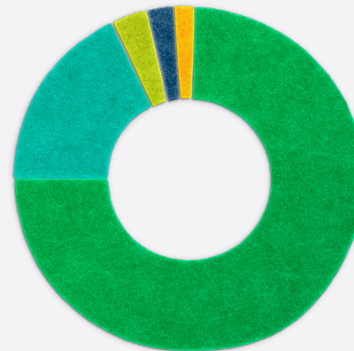
Extended Producer Responsibility Oversight

\$2,466,861

Rental, Investment, and Other Income

Total Operational & Program Expenditures

\$79,093,768 Total Expenditures



\$59,135,029

Operating Costs

\$14,124,587

Program Expenditures

\$2,540,295

Administration

\$2,013,591

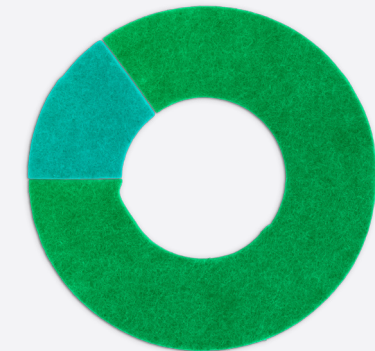
Other Expenditures & Funding

\$1,280,266

Extended Producer Responsibility Oversight

Program Expenditure Details

\$14,124,587 Total Program Expenditures



\$12,026,600

Municipal Funding

\$2,097,987

Nova Scotia Environment

COMBINED FINANCIAL STATEMENTS

Independent Auditor's Report

To the Board of Directors of the **Resource Recovery Fund Board Inc. and Resource Recovery Fund (operating as Divert NS)**

Opinion

We have audited the accompanying combined financial statements of the Resource Recovery Fund Board Inc. and Resource Recovery Fund (operating as Divert NS) (the "Organization"), which comprise the combined statement of financial position as at March 31, 2026, the combined statements of operations, changes in net financial resources, remeasurement gains and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying combined financial statements present fairly in all material respects, the financial position of the Organization as at March 31, 2026, and its results of operations, changes in net financial resources, remeasurement gains and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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 Combined 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 combined 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 Matter

Our audit was conducted for the purpose of forming an opinion on the combined financial statements taken as a whole. The schedules included on Page 17 and 18 are presented for purposes of additional information and are not a required part of the combined financial statements. Such supplementary information has been subjected to the auditing procedures applied only to the extent necessary to express an opinion in the audit of the combined financial statements taken as a whole.

Responsibilities of Management and Those Charged with Governance for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to a 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 Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined 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 combined 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 combined 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 combined 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 combined financial statements, including the disclosures, and whether the combined 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.

Doane Grant Thornton LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

HALIFAX, CANADA
MAY 28, 2026

Combined Statement of Operations

Year ended March 31	Budget 2026 (Note 10)	2026	2025
Revenues			
Deposits	\$ 54,839,000	\$ 57,213,163	\$ 55,744,532
Sales of recyclable materials	10,635,000	13,365,289	10,314,334
Tire program	6,225,000	6,353,889	6,201,757
Extended producer responsibility oversight (Page 17)	1,438,000	1,280,266	1,017,913
Investment and other income	986,000	2,154,315	1,552,243
Rental income	313,000	312,546	307,926
Total revenues	74,436,000	80,679,468	75,138,705
Expenses			
Operating (Page 15)	60,065,000	59,135,029	57,651,072
Administrative (Page 16)	2,484,000	2,540,295	2,120,129
Extended producer responsibility oversight (Page 17)	1,438,000	1,280,266	1,017,913
Other expenditures and funding:			
Approved program grants	1,250,000	1,050,000	1,172,811
Education and communication	2,544,000	2,407,652	2,393,431
Household hazardous waste program	210,000	210,000	210,000
Municipal enforcement program funding	700,000	700,000	700,000
Programs, development and other funding	550,000	574,279	243,356
Regional chairs and coordinators	346,000	346,941	330,093
	69,587,000	68,244,462	65,838,805
Excess of revenues over expenses before allocations	4,849,000	12,435,006	9,299,900
Municipal solid waste diversion credits (Note 7)	3,394,300	8,751,319	6,640,228
Nova Scotia Environment and Climate Change (Note 7 and Note 8)	969,800	2,097,988	1,577,086
Excess of revenue over expenditures	484,900	1,585,699	1,082,586
Accumulated annual net resources, beginning of year	15,804,790	15,804,790	14,722,204
Accumulated annual net resources, end of year (Note 9)	\$ 16,289,690	\$ 17,390,489	\$ 15,804,790

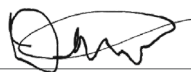
See accompanying notes to the combined financial statements

Combined Statement of Financial Position

March 31	2026	2025
Financial assets		
Cash and cash equivalents	\$ 10,987,070	\$ 12,768,957
Receivables	7,511,696	7,475,493
Accrued receivables	2,560,050	2,811,975
Notes receivable (Note 3)	636,099	700,139
Investments (Note 4)	32,915,960	26,075,061
Inventory	158,237	176,096
	54,769,112	50,007,721
Financial liabilities		
Bank indebtedness (Note 6)	3,018,208	2,389,810
Payables and accruals	5,189,960	4,551,579
Municipal solid waste diversion credits payable	12,155,521	10,454,202
Payable to Nova Scotia Environment and Climate change (Note 7 and Note 8)	2,500,377	1,897,208
Unearned revenue	24,398,500	23,779,200
	47,262,566	43,071,999
Net financial resources (Page 6)	7,506,546	6,935,722
Non-financial assets		
Prepays	15,718	26,470
Deposits on tangible capital assets	1,339,252	1,339,252
Tangible capital assets (Note 5)	8,944,917	7,852,411
	10,299,887	9,218,133
Accumulated net resources (Note 9)	\$ 17,806,433	\$ 16,153,855

Commitments (Note 12)

On Behalf of the Board



Director

Kim Fraser

Director

Combined Statement of Changes in Net Financial Resources

March 31	Budget 2026 (Note 10)	2026	2025
Excess of revenue over expenditures	\$ 484,900	\$ 1,585,699	\$ 1,082,586
Net remeasurement gain (Page 7)	–	66,879	186,145
Deposits on tangible capital assets	–	–	58,129
Purchase of tangible capital assets	(4,517,500)	(2,338,909)	(1,494,187)
Amortization of tangible capital assets	1,490,000	1,246,40	1,142,281
Proceeds on disposal of tangible capital assets	20,000	11,011	1,739
Gain on disposal of tangible capital assets	(20,000)	(11,011)	(1,279)
	(3,027,500)	(1,025,627)	(107,172)
Acquisition of prepaids, net	10,752	10,752	(12,838)
(Decrease) increase in net financial resources	\$ (2,531,848)	\$ 570,824	\$ 962,576
Net financial resources, beginning of year		\$ 6,935,722	\$ 5,973,146
Increase in net financial resources		570,824	962,576
Net financial resources, end of year		\$ 7,506,546	\$ 6,935,722

Combined Statement of Remeasurement Gains

Year ended March 31	2026	2025
Accumulated remeasurement gains, beginning of year	\$ 349,065	\$ 162,920
Unrealized gain attributable to portfolio investments (Note 9)	66,879	186,145
Accumulated remeasurement gains, end of year	\$ 415,944	\$ 349,065

Combined Statement of Cash Flows

Year ended March 31	2026	2025
Increase (decrease) in cash and cash equivalents:		
Operating		
Excess of revenue over expenditures	\$ 1,585,699	\$ 1,082,586
Amortization	1,246,403	1,142,281
Realized gains on investments	(1,035,545)	(625,511)
Gain on disposal of tangible capital assets	(11,011)	(1,279)
	1,785,546	1,598,077
Change in non-cash operating working capital		
Receivables	215,722	(1,936,750)
Inventory	17,859	(4,148)
Prepays	10,752	(12,838)
Payables and accruals	2,942,869	79,528
Unearned revenue	619,300	682,600
	5,592,048	406,469
Financing		
Proceeds from bank indebtedness	628,398	1,367,433

Capital		
Proceeds on disposal of tangible capital assets	11,011	1,739
Deposits on tangible capital assets	–	58,129
Purchase of tangible capital assets	(2,338,909)	(1,494,187)
	(2,327,898)	(1,434,319)
Investing		
Proceeds from sale of investments	16,261,525	12,857,515
Purchase of investments	(22,000,000)	(5,500,000)
Interest in joint venture	–	1,951
Issue of notes receivable	(52,395)	(136,650)
Repayment of notes receivable	116,435	110,544
	(5,674,435)	7,333,360
Net (decrease) increase in cash and cash equivalents	(1,781,887)	7,672,943
Cash and cash equivalents, beginning of year	12,768,957	5,096,014
Cash and cash equivalents, end of year	\$ 10,987,070	\$ 12,768,957



Notes to the Combined Financial Statements

March 31, 2026

1. NATURE OF OPERATIONS

The Resource Recovery Fund Board Inc., operating as Divert NS (“Resource Recovery Fund”), is a not-for-profit organization established by the Nova Scotia government to develop and administer industry stewardship programs that increase waste diversion; enable the establishment of new industries based on the processing of materials diverted from the waste stream; administer and oversee the Extended Producer Responsibility for Packaging, Paper Products, and Packaging-like Products program; and work in partnership with Nova Scotians to improve the province’s environment, economy and quality of life by reducing, reusing, recycling and recovering resources.

Under regulation, all revenues earned are deposited to the Resource Recovery Fund, which is the property of the Province of Nova Scotia. All expenditures incurred by the Resource Recovery Fund Board Inc. to operate, administer and fulfil the mandates of the Province of Nova Scotia Solid Waste Management Strategy are expenditures of the Resource Recovery Fund. Accordingly, all assets, liabilities and net resources reported in these financial statements are the property of the Resource Recovery Fund and are held on behalf of the Province of Nova Scotia by the Resource Recovery Fund Board Inc.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The combined financial statements include the accounts of the Resource Recovery Fund Board Inc. and the Resource Recovery Fund. Significant inter-entity loans and transactions have been eliminated in these combined financial statements. These combined financial statements are the representations of management prepared in accordance with generally accepted accounting principles for accounting in the public sector as established by the Canadian Public Sector Accounting Board (PSAB) of Chartered Professional Accountants (CPA) Canada.

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires the Resource Recovery Fund’s management to make estimates and assumptions that affect the amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and reported amounts of revenue and expenditures during the year. Certain of these estimates require subjective or complex judgements by management that may be uncertain. Some of these items include allowance for doubtful accounts, estimated useful life of tangible capital assets in addition to estimated rates and basis of amortization and unearned revenue. Actual results could differ from those reported.

Revenue recognition

Revenues earned from transactions with performance obligations are recognized when the performance obligation is satisfied by providing the promised goods and/or services to the payor. Revenue from transactions with no performance obligations are recognized when the Resource Recovery Fund has the authority to claim or retain the revenue and identifies a past transaction or event that gives rise to an asset. To the extent funds are collected and relate to unfulfilled performance obligations, the revenue is deferred until the performance obligation is satisfied. Interest income is recognized as it is earned.

Tangible capital assets

Tangible capital assets are recorded at cost. Rates and bases of amortization applied to write-off the cost of tangible capital assets over their estimated lives are as follows:

Buildings	5%, straight-line
Paving	8%, straight-line
Field equipment	20%, straight-line
Processing equipment	12.5%, 20%, straight-line
Leasehold improvements	10%, straight-line
Office and warehouse equipment	20%, straight-line
Computer software and hardware	14.3%, 20%, 33 1/3%, straight-line
Containers	
- Bags	33 1/3%, straight-line
- Tubs	10%, straight-line
Vehicles	33 1/3%, straight-line
Trailers	14.3%, straight-line

When conditions indicate that a tangible capital asset no longer contributes to the Resource Recovery Fund's ability to provide goods and services, or that the value of future economic benefits associated with the tangible capital asset is less than its net book value, the cost of the tangible capital asset is reduced to reflect the decline in the asset's value. Write-downs are not reversed.

Inventory

Inventory is valued at the lower of cost and net realizable value.

Forgivable loans

The Resource Recovery Fund accounts for forgivable loans as conditional grants. The forgivable loans are non-interest bearing and are advanced with repayment not to be expected unless certain conditions are not met.

Unearned revenue and measurement uncertainty

Unearned revenue represents deposits received for beverage containers that have not been returned for redemption and fees received for tires which will be returned for disposal at a future date. Unearned beverage revenue is sixty (60) days' worth of revenue calculated on the last twelve (12) months' average daily revenue adjusted by the current year's return rate. Unearned tire revenue is calculated on the last three (3) years of tire revenue adjusted by the past six (6) years' average return rate. The actual revenue the Resource Recovery Fund may collect compared to the unearned revenue calculation is uncertain as the calculation is affected by the above management assumptions. However, in the past, the unearned revenue has remained consistent even with updated inputs for the calculation for each fiscal year. As a result, it is expected that the range of uncertainty for the unearned revenue is not significant.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks and short-term investments with maturity dates of 90 days or less. Bank borrowings are considered to be financing activities.

Foreign currency translation

The Resource Recovery Fund does not enter into foreign currency futures and forward contracts to reduce its exposure to foreign currency fluctuations. Monetary assets and liabilities denominated in foreign currencies are translated at the period end exchange rate. Revenue and expenditures denominated in foreign currencies are translated at the exchange rate prevailing at the time of the transaction. Translation gains or losses are recognized in the period in which they occur.

Financial instruments

Financial instruments include cash and cash equivalents, receivables, accrued receivables, notes receivable, investments, payables and accruals, payable to Nova Scotia Environment and Climate Change, and municipal solid waste diversion credits payable. They are initially recognized at cost, except for portfolio investments, and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets. Portfolio investments with underlying assets quoted in active markets are measured at fair value.

Management assesses each financial instrument to determine whether there are any impairment losses, if there are, they are reported in the statement of operations.

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instrument.

Unrealized gains or losses are reported on the statement of remeasurement gains and losses. The realized gain or loss upon derecognition of a financial instrument measured at fair value is recognized in the statement of operations.

Income taxes

The Resource Recovery Fund is exempt from income taxes under Section 149(l)(d) of the *Canadian Income Tax Act*.

3. NOTES RECEIVABLE

	2026	2025
Non-interest bearing notes with variable payments, maturing between fiscal 2027 and 2032.	<u>\$ 636,099</u>	<u>\$ 700,139</u>

4. INVESTMENTS

	2026	2025
Investments consist of the following:		
i) Promissory notes from the Province of Nova Scotia Department of Finance. These notes are issued at interest rates ranging from 2.03% to 3.08% and mature as follows: \$3.0 million maturing in 2027 and \$3.0 million maturing in 2031.	<u>\$ 6,000,000</u>	<u>\$ 3,000,000</u>
ii) Fixed GICs with CIBC and Scotiabank. These GICs are issued at rates ranging from 3.38% to 4.33% and mature as follows: \$2.0 million maturing in 2027, \$5.5 million maturing in 2028, \$3.0 million maturing in 2029, and \$2.0 million maturing in 2030.	<u>12,500,000</u>	<u>9,500,000</u>
iii) Principal protected notes held with CIBC, initially measured at cost, subsequently recorded at the higher of cost and fair value, maturing as follows: \$2.0 million maturing in 2029, \$1.0 maturing in 2030, \$4.3 million maturing in 2031, \$5.0 million maturing in 2032, and \$2.0 maturing in 2033. These notes are subject to variable interest, to be paid on the maturity date.	<u>14,415,960</u>	<u>13,575,061</u>
Total investments	<u>\$ 32,915,960</u>	<u>\$ 26,075,061</u>

5. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated Amortization	2026 Net Book Value	2025 Net Book Value
Land	\$ 294,100	\$ —	\$ 294,100	\$ 294,100
Field equipment	172,560	58,500	114,060	87,330
Processing equipment	1,221,281	542,032	679,249	741,981
Buildings	5,537,278	2,779,569	2,757,709	2,402,798
Paving	605,845	296,166	309,679	356,383
Office and warehouse equipment	373,818	325,552	48,266	42,594
Containers	846,808	535,323	311,485	360,950
Leasehold improvements	97,614	20,491	77,123	13,712
Computer hardware and software	2,833,558	893,289	1,940,269	1,208,674
Vehicles	101,963	64,302	37,661	16,863
Trailers	5,581,328	3,206,012	2,375,316	2,327,026
	<u>\$ 17,666,153</u>	<u>\$ 8,721,236</u>	<u>\$ 8,944,917</u>	<u>\$ 7,852,411</u>

6. BANK INDEBTEDNESS

The Resource Recovery Fund has an operating credit facility of \$8,000,000 of which \$3,018,208 is used at March 31, 2026 (2025 – \$2,389,810). Interest is calculated at prime minus 0.5%.



7. ALLOCATIONS

As stipulated in the agreement with the Nova Scotia Department of Environment and Climate Change:

- a) the Board shall reimburse the Department up to a maximum of 20% of the net revenue of the Fund for all reasonable services performed and related expenses incurred by the Department; and
- b) the Board shall pay up to 70% of the net revenue of the fund to be divided among municipalities in each region based on the solid waste diverted by the municipality or region.

The allocations as presented on the combined statement of operations are determined as follows:

	2026	2025
Excess of revenues over expenses before allocations	\$ 12,435,006	\$ 9,299,900
Net remeasurement gains	66,879	186,145
Net revenue	\$ 12,501,885	\$ 9,486,045
Nova Scotia Environment and Climate Change (20%)	\$ 2,500,377	\$ 1,897,208
Municipal solid waste diversion credits (70%)	\$ 8,751,319	\$ 6,640,228

The Nova Scotia Environment and Climate Change reimbursement expense was credited \$402,389 (2025 - \$320,122) in the current year for the unused portion of the prior year payable.

8. RELATED PARTY TRANSACTIONS

Included in the financial statements are transactions with the Province of Nova Scotia and various provincial Crown Corporations, agencies, boards and commissions. The parties are deemed to be related due to common control or ownership by the Province of Nova Scotia. These transactions include the following:

- a) Deposit revenues received from entities under common control totalling \$17,406,484 (2025 – \$17,684,394).
- b) Included in accounts receivable are amounts owed from the Province of Nova Scotia and provincially controlled entities in the amount of \$2,695,014 (2025 – \$2,393,977).
- c) The Resource Recovery Fund reimburses Nova Scotia Environment and Climate Change (as noted above) up to a maximum of 20% of the net revenues of the Fund for services and expenses incurred on the Resource Recovery Fund's behalf. During the year, a reimbursement expense of \$2,097,988 (2025 – \$1,577,086) was recorded. The total liability at the end of 2025 is \$2,500,377 (2025 – \$1,897,208).

All transactions with related parties are in the normal course of operations and are transacted at the exchange amount agreed to by related parties.

9. ACCUMULATED NET RESOURCES

	Invested in Capital Assets	Restricted	Unrestricted	2026 Total	2025 Total
Balance, beginning of year	\$ 7,852,411	\$ 3,364,360	\$ 4,937,084	\$ 16,153,855	\$ 14,885,124
Excess (deficiency) of revenues over expenditures	(1,235,392)	(476,255)	3,297,346	1,585,699	1,082,586
Net remeasurement gain	—	—	66,879	66,879	186,145
Transfers	2,327,898	544,327	(2,872,225)	—	—
Balance, end of year	<u>\$ 8,944,917</u>	<u>\$ 3,432,432</u>	<u>\$ 5,429,084</u>	<u>\$ 17,806,433</u>	<u>\$ 16,153,855</u>
Restricted funds represented by:					
Committed funds (Note 12)		\$ 390,687			
Future projects		3,041,745			
		<u>\$ 3,432,432</u>			
Accumulated net resources represented by:					
Accumulated annual net resources				\$ 17,390,489	\$ 15,804,790
Accumulated remeasurement gains				415,944	349,065
				<u>\$ 17,806,433</u>	<u>\$ 16,153,855</u>

Net resources under the Resource Recovery Fund restricted for future projects, represents funds committed to approved programs and funds internally restricted for funding various future projects as approved and in accordance with the goals and objectives of the Resource Recovery Fund (Divert NS).

10. BUDGET FIGURES

The budgeted figures presented are approved annually by the Board and represent planned revenues and expenses for entity wide operations. The budgeted figures presented are consistent with Public Sector Accounting Standards ("PSAS"). The fiscal 2026 budget was approved by the Board on January 9, 2025.

11. FINANCIAL INSTRUMENTS RISK MANAGEMENT

Credit risk

Credit risk is the risk of financial loss to the Resource Recovery Fund if a debtor fails to make payments when due. The Fund is exposed to this risk relating to its receivables and notes receivable.

Credit risk is mitigated by management's review of aging and collection of receivables, only 8.1% (2025 – 8.6%) of receivables are over 60 days. The Fund recognizes a specific allowance for doubtful accounts when management considers the expected amounts to be recovered is lower than the actual receivable.

The Resource Recovery Fund is exposed to investment credit risk through its investments. The maximum exposure to investment credit risk is outlined in Note 4.

There have been no significant changes from the previous year in exposure to risk or policies, procedures and methods used to measure the risk.

Liquidity risk

Liquidity risk is the risk that the Resource Recovery Fund will encounter difficulty in meeting the obligations associated with its financial liabilities. The Resource Recovery Fund is exposed to this risk mainly in respect of its payables and accruals and municipal solid waste diversion credits payable. At March 31, 2026, the Resource Recovery Fund has available financial assets to meet these obligations and there was no significant change in exposure from the prior year.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of market factors. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Resource Recovery Fund is mainly exposed to currency and price risk related to its sales of recyclable materials. The Organization is exposed to interest rate risk on its variable rate operating credit facility.

Currency risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign currency exchange rates. The currency risk is predominately US funds. The average US exchange rate was \$1.382 for the twelve-month period. As at March 31, 2026 the receivables denominated in US currency were approximately \$996,523 (2025 – \$1,125,459).

Other price risk is the risk that the fair value of future cash flows will fluctuate due to changes in market prices. Price risk is related to fluctuations in commodities. During the year commodity prices for polyethylene terephthalate (PET) and aluminium fluctuated by approximately 18.22%. This fluctuation could result in an increase or decrease of sales by approximately \$2,557,145. The Resource Recovery Fund participates in a national buying group on certain of its commodity sales to minimize the risk.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

12. COMMITMENTS

The Resource Recovery Fund has entered into agreements with specific organizations and businesses to provide funding for various recycling programs across Nova Scotia. At March 31, 2026, \$390,687 (2025 – \$322,616) of the restricted for approved programs resources has been committed under these agreements.

The Resource Recovery Fund is committed under certain contracts relating to construction in progress as at March 31, 2026. The estimated minimum commitment for payment of services under these contracts is \$2,836,042.

Combined Statement of Operating Expenses

Year ended March 31	Budget 2026 (Note 10)	2026	2025
Inventory, beginning of year	\$ 176,096	\$ 176,096	\$ 171,948
Amortization	1,044,000	851,192	848,750
Deposit refunds	22,800,000	22,433,780	22,721,610
Enviro-Depot handling fees	23,604,000	23,175,326	22,827,403
Insurance	207,000	202,449	170,530
Local cartage	4,020,000	3,932,983	3,300,936
Meetings and travel	32,500	36,529	31,803
Non-deposit materials	50,000	59,762	44,893
Other	167,000	312,732	216,612
Postage, delivery and office	28,000	30,681	20,404
Professional fees	68,000	36,730	54,154
Repairs and maintenance			
Equipment	45,000	25,622	29,160
Miscellaneous	160,000	159,759	135,034
Salaries and benefits	1,217,000	1,340,015	1,073,068
Supplies			
Shipping	137,000	42,320	79,905
Warehouse	45,000	52,178	47,452
Telecommunications	5,000	3,130	3,222
Training	10,000	6,603	8,583
Used tire management program	6,402,000	6,371,192	5,998,050
Utilities	21,000	42,855	42,037
Vehicle	2,500	1,332	1,614
	60,241,096	59,293,266	57,827,168
Inventory, end of year	176,096	158,237	176,096
	<u>\$ 60,065,000</u>	<u>\$ 59,135,029</u>	<u>\$ 57,651,072</u>

Combined Statement of Administrative Expenses

Year ended March 31	Budget 2026 (Note 10)	2026	2025
Amortization	\$ 153,000	\$ 140,629	\$ 157,967
Bad debt	15,000	246,466	19,957
Bank charges and interest	14,000	15,357	16,141
Board fees and expenses	60,000	47,504	53,022
Building	179,000	241,389	131,692
Dues and fees	30,000	22,671	26,995
EDIA initiatives	100,000	78,550	105,726
Insurance	222,000	188,057	203,161
Meetings and travel	31,000	22,980	20,202
Office	28,000	34,749	28,730
Postage, printing and delivery	3,000	2,075	1,132
Professional development	60,000	53,621	24,546
Professional fees	337,000	120,929	231,196
Public relations	55,000	52,359	36,578
Salaries and benefits	1,084,000	1,163,483	977,822
Technology support and licensing	98,000	103,121	77,618
Telecommunication	10,000	6,355	7,644
Website development and hosting	5,000	—	—
	<u>\$ 2,484,000</u>	<u>\$ 2,540,295</u>	<u>\$ 2,120,129</u>

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	—	5,771	—
Total revenues	1,438,000	1,280,266	1,017,913
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	10,000	2,215	—
	1,438,000	1,280,266	1,017,913
Excess of revenues over expenses	\$ —	\$ —	\$ —

Supplementary Schedule of Individual and Combined Statements of Operation

Year ended March 31	Resource Recovery Fund Board Inc.	Resource Recovery Fund	Combined
Revenues			
Administrative ¹	\$ 63,852,513	\$ –	\$ –
Deposits	–	57,213,163	57,213,163
Sales of recyclable materials	–	13,365,289	13,365,289
Tire program	–	6,353,889	6,353,889
Extended producer responsibility oversight	–	1,280,266	1,280,266
Investment and other income	–	2,154,315	2,154,315
Rental income	–	312,546	312,546
Total revenues	63,852,513	80,679,468	80,679,468
Expenses			
Operating	58,265,977	869,052	59,135,029
Administrative ¹	2,153,200	64,239,608	2,540,295
Extended producer responsibility oversight	1,025,684	254,582	1,280,266
Other expenditures and funding			
Approved program grants	–	1,050,000	1,050,000
Education and communication	2,407,652	–	2,407,652
Household hazardous waste program	–	210,000	210,000
Municipal enforcement program funding	–	700,000	700,000
Programs, development and other funding	–	574,279	574,279
Regionals chairs and coordinators	–	346,941	346,941
	63,852,513	68,244,462	68,244,462
Excess of revenues over expenses before allocations	–	12,435,006	12,435,006
Municipal solid waste diversion credits	–	8,751,319	8,751,319
Nova Scotia Environment and Climate Change	–	2,097,988	2,097,988
Excess of revenues over expenditures	\$ –	\$ 1,585,699	\$ 1,585,699

¹ Administrative revenue and expenses of \$63,852,513 have been eliminated on combination.



2025–2026 Annual Report

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