Ontoly

The Carbon Registry Built for Buildings

Annual Report

Fiscal Year 2025/26 · Final · Revised 2 November 2026

Building Emissions Reduction Standard (BERS)

Certifying real, measured GHG emission reductions from building retrofits

www.ontoly.org

Letter from the Founder & CEO

Dear stakeholders, partners, and supporters,

When I founded Ontoly, I started with a question that had been nagging at me for years: why does the voluntary carbon market have virtually no representation from the buildings sector — the source of nearly 40% of global GHG emissions? The answer, I discovered, was not a lack of interest but a lack of infrastructure. No crediting programme had been purpose-built for the way buildings actually work: metered utility data, professional engineering reports, long capital cycles, and a fragmented ownership landscape that makes project-by-project validation prohibitively expensive.

This fiscal year — March 2025 through March 2026 — was the period in which Ontoly moved from concept to credible programme. We published the BERS Standard v1.0, our first quantification methodology, a full governance framework, and a suite of programme policies. We assembled an Independent Governance Board and a Scientific Advisory Board composed of licensed Professional Engineers. We built the Ontoly Registry and Buyers Portal from scratch. And we filed our application to the Integrity Council for the Voluntary Carbon Market (ICVCM) for assessment against the Core Carbon Principles.

We did all of this with a team of six, revenue under $100,000, and an unwavering conviction that the buildings sector deserves a crediting programme that meets the highest integrity standards from day one — not one that scales first and bolts on integrity later.

This report summarises what we built, how we built it, and where we are headed.

Ashley Sarauer *Founder & CEO, Ontoly*

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1. About Ontoly

Our Mission

Ontoly's mission is to mobilise climate finance for the decarbonisation of the existing building stock by certifying real, additional and independently verified greenhouse gas emission reductions from building retrofits.

Ontoly is a Canadian climate technology company that operates the Building Emissions Reduction Standard (BERS) — a voluntary carbon crediting programme purpose-built for the buildings sector. The programme certifies GHG emission reductions from energy efficiency and fuel-switching retrofits in existing commercial, institutional, and multi-residential buildings in Canada and the United States.

Each Building Emissions Reduction Unit (BERU) represents one verified metric tonne of CO2 equivalent (tCO2e) of emission reductions, quantified from actual metered utility data and independently verified by an ISO 14065-accredited Verification Body. BERUs are issued exclusively on an ex-post basis — no forward-looking or estimated credits are ever issued.

Our Approach: Why Buildings Need Their Own Standard

Buildings are not forests, cookstoves, or renewable energy installations. They are complex, data-rich assets with established regulatory frameworks, professional engineering oversight, and decades of metered performance history. Yet the existing voluntary carbon market has largely failed to develop crediting infrastructure tailored to this reality.

Ontoly was designed from the ground up to address this gap. Our programme leverages the unique characteristics of the buildings sector — actual utility bills as the basis for quantification, professional engineer (P.Eng.) validation reports as evidence of project integrity, and building performance standards as the regulatory baseline — to deliver carbon credits with a level of measurement precision and verification rigour that building owners, investors, and regulators can trust.

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2. Key Milestones

Period	Theme	Key Achievements
Q1 2025 (Jan–Mar)	**Programme Foundation**	Published BERS Standard v1.0, establishing the complete programme framework including project lifecycle, additionality testing, baseline methodology, monitoring requirements, and safeguard provisions. Initiated development of the Existing Building Methodology with reference to CDM AMS-II.E. Commenced buildout of the Ontoly Registry and Buyers Portal.
Q2 2025 (Apr–Jun)	**Governance & Technical Infrastructure**	Established the BERS Independent Governance Board with three members drawn from the real estate and climate finance community. Appointed the Scientific Advisory Board comprising three licensed Professional Engineers (P.Eng.) specialising in building energy performance, measurement and verification, and energy efficiency. Published the BERS Governance Board Document v1.0 and the Conflict of Interest Policy v1.0.
Q3 2025 (Jul–Sep)	**Methodology & Policy Suite**	Published the Existing Building Methodology v1.0 (ONTOLY_RETROFIT_EEFS-1.0) following SAB review and independent expert consultation. Published the Methodology Development and Review Process v1.0, the Public Parameter List v1.0, the KYC Policy, the Anti-Bribery and Anti-Corruption Policy, and the Corrective Actions Policy. Completed development of the Jurisdictional Regulatory Model covering 50+ jurisdictions across Canada and the United States.
Q4 2025 (Oct–Dec)	**Platform Launch & Verification Framework**	Launched the Ontoly Registry and Ontoly Portal with full project lifecycle support. Published the BERS Verification Standard v1.0, establishing requirements for ISO 14065-accredited Verification Bodies. Developed the NPV Financial Additionality Test with standardised sensitivity analysis parameters. Began pre-sales engagement with building owners and real estate asset managers.
2026 (Jan–May)	**ICVCM Application & Programme Refinement**	Filed application to the Integrity Council for the Voluntary Carbon Market (ICVCM) for assessment against the Core Carbon Principles. Published updated BERS Governance Board Document v1.2. Engaged early-stage projects for Preliminary Ex-Ante BERU Assessment Reports.

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3. Programme Development

3.1 The BERS Standard

The BERS Standard v1.0 is the foundational normative document of the programme. It establishes the complete project lifecycle — from eligibility screening and registration through monitoring, verification, and BERU issuance — along with requirements for additionality testing, baseline determination, safeguard compliance, and double counting prevention.

Development of the Standard drew on extensive consultation with the buildings sector, including building owners, asset managers, engineering firms, and energy consultants across Canada and the United States. Every design decision was informed by the practical realities of how building retrofits are financed, implemented, and measured — not by analogies to other carbon credit sectors.

Key design principles embedded in the Standard include: centralized quantification by Ontoly (eliminating project-level discretion in calculation), exclusive reliance on actual metered utility data (no modelled or estimated baselines), ex-post-only BERU issuance (no forward crediting), and a two-gate additionality framework combining regulatory surplus assessment with NPV financial analysis.

3.2 Existing Building Methodology

The Existing Building Methodology v1.0 (ONTOLY_RETROFIT_EEFS-1.0) is the programme's first approved quantification methodology, covering energy efficiency and fuel-switching retrofits in existing buildings. The methodology was developed with reference to CDM AMS-II.E and adapted specifically for the buildings sector.

The methodology underwent rigorous technical review by the Scientific Advisory Board — three licensed Professional Engineers with specialisations in building energy performance, measurement and verification (M&V), and energy efficiency. An independent external expert also reviewed the methodology prior to approval. The development process is governed by the Methodology Development and Review Process v1.0, which requires SAB review, independent expert consultation, and mandatory public consultation for all material revisions.

The methodology's quantification framework is grounded in IPMVP Option C (whole-building metered data analysis) and ASHRAE Guideline 14, the industry-standard approaches for verifying energy savings in buildings. This alignment was a deliberate choice: building owners and engineering firms already understand and trust these frameworks, and anchoring the BERS methodology in established M&V practice strengthens both technical credibility and market adoption.

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3.3 Additionality Framework

Ontoly's additionality framework was designed to be rigorous, transparent, and appropriate to the buildings sector. Every project must pass two independent gates:

Gate 1 — Regulatory Surplus Likelihood Assessment: Using Ontoly's proprietary Jurisdictional Regulatory Model — a continuously updated database covering 50+ jurisdictions across Canada and the United States — each project is assessed for the probability that existing building codes, efficiency standards, and climate regulations would independently achieve the same emission reductions. The assessment assigns a five-tier likelihood rating (Very Unlikely through Mandated), providing nuanced, jurisdiction-specific analysis rather than a simple binary test.

Gate 2 — NPV Financial Additionality Test: Each project must demonstrate that the retrofit investment has a negative net present value (NPV < 0) without carbon credit revenue, using standardised, publicly disclosed parameters. Every project that passes is then rated from 1 to 5 on the magnitude of its funding gap (the Financial Additionality Rating). A mandatory three-variable sensitivity analysis (CAPEX, energy savings, discount rate) confirms the robustness of the additionality determination. Results are publicly disclosed on the Ontoly Registry.

3.4 Data Quality & Transparency

During this fiscal year, Ontoly introduced the Ontoly Data Quality Score — a project-level rating system that provides transparent disclosure of input data quality. Each project receives a score from 1 to 3: Score 3 (Actual Data, equivalent to PCAF Score 1) for projects with full metered utility bills; Score 2 (Partially Estimated) where minor data gaps exist; and Score 1 (Primarily Estimated) where significant estimation is required. Data Quality Scores are published on the Ontoly Registry for every project that achieves Validated status.

This scoring system reflects Ontoly's broader commitment to transparency in quantification. All standardised parameters — GWP values (IPCC AR6), discount rates, emission factors, energy price escalation rates, and equipment useful lives — are published in the Public Parameter List v1.0 and independently verified annually by the contracted Verification Body.

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4. Governance & Independence

Ontoly made a deliberate decision to build governance infrastructure before scaling operations. While many early-stage crediting programmes defer independent governance to a later stage, Ontoly established its Independent Governance Board and Scientific Advisory Board during the programme's first year — ensuring that independent oversight was embedded from the outset, not retrofitted after the programme had already issued credits.

4.1 BERS Independent Governance Board

The BERS Governance Board is the programme's independent decision-making body, composed of three members drawn from the real estate and climate finance community. Board members bring demonstrated experience in voluntary carbon markets, environmental law, climate finance, building engineering, and building decarbonisation.

The Board holds binding authority over all major updates to the BERS Standard and serves as the final authority in the appeals and grievance process. No Ontoly staff hold Board seats or voting authority. Ashley Sarauer, CEO, serves solely as a non-voting Programme Administrator Observer. No investors hold seats on the Board. The BERS Governance Board Document v1.2, published during this reporting period, codifies all composition requirements, appointment procedures, term limits, quorum rules, and conflict of interest provisions.

4.2 Scientific Advisory Board

The Scientific Advisory Board (SAB) provides independent technical review of BERS Methodologies. All three SAB members are licensed Professional Engineers with specialisations relevant to building energy performance and measurement and verification:

Riley Beise, P.Eng. BEMP; Menush Akbari, P.Eng.; and Mohammad Fakoor, PhD, CEA, P.Eng.

The SAB's role is to ensure that every methodology approved for use under the BERS Program is scientifically sound, conservative, and fit for purpose. SAB members may issue Formal Objections by majority vote to any methodology provision they determine is scientifically unsound — a mechanism that provides a meaningful independent check on programme operations.

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5. Platform & Registry Development

Ontoly's technology platform was designed and built in-house during this reporting period, with a focus on transparency, security, and user experience for both building owners (sellers) and credit buyers.

5.1 Ontoly Registry

The Ontoly Registry is the programme's public record of all BERS projects and BERUs. For every project that achieves Validated status — meaning its Eligible Validation Documentation has been accepted by a licensed Professional Engineer — the Registry publishes the Project Description Report, including the building-level baseline summary, intervention description, additionality results, sensitivity analysis outcomes, Financial Additionality Rating, Data Quality Score, and safeguard summary.

The Registry enforces the full BERU lifecycle: issuance, transfer, retirement, and cancellation are all recorded with immutable audit trails. Retired and cancelled BERUs are permanently removed from circulation, with technical controls preventing any reversal of these final states.

5.2 Buyers Portal

The Buyers Portal provides a dedicated interface for credit buyers to discover, evaluate, and reserve BERUs. The portal operates a two-tier system: projects that have completed their Preliminary Assessment appear on the Non-Validated tab of the Buyers Portal, allowing buyers to view project details and express interest; projects that have achieved Validated status appear on the public Ontoly Registry. This structure gives buyers early visibility into the pipeline while maintaining the integrity principle that only validated projects appear on the public Registry.

Buyers may enter Pre-Purchase Agreements to reserve a portion of a project's anticipated BERU output, but no ownership transfer or payment obligation arises until BERUs are actually issued following successful ex-post verification. This design protects buyers from non-delivery risk while providing building owners with the revenue visibility needed to proceed with retrofit investments.

5.3 Ontoly Portal (Seller Interface)

The Ontoly Portal is the building owner's interface for project registration, document submission, monitoring report uploads, and attestation completion. The portal guides Building Representatives through each stage of the project lifecycle, from initial eligibility screening through annual monitoring submissions. All mandatory attestation forms —

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including the Data Quality & Safeguard Attestation Form, leakage prevention attestation, and permanence of measures attestation — are integrated into the portal workflow.

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6. Industry Engagement & Partnerships

Ontoly's engagement strategy during this period was intentionally focused on the audiences that matter most for a buildings-sector crediting programme: building owners, real estate asset managers, engineering firms, green building organisations, and climate finance professionals. Rather than pursuing broad visibility, we invested in deep, substantive relationships with the people and organisations that understand buildings.

6.1 Networking & Relationship Building

Ontoly prioritised networking across several key communities during this reporting period:

Green buildings and real estate sector: We engaged extensively with building owners, real estate investment trusts (REITs), property managers, and sustainability directors across Canada and the United States. These conversations directly informed programme design decisions — from the structure of the Pre-Purchase Agreement to the format of the Project Description Report.

Engineering firms: Relationships with energy engineering and M&V firms were essential to developing a validation approach grounded in existing industry practice.

Green building community: Ontoly engaged with green building councils, industry associations, and sustainability certification bodies to ensure alignment with existing frameworks and to build awareness of the BERS Program within the community that is best positioned to drive adoption.

6.2 Conference Presentations & Speaking

Ontoly presented at multiple industry conferences and events during this reporting period, sharing the rationale for a buildings-specific crediting programme and the technical foundations of the BERS Standard. These presentations targeted audiences in real estate, building decarbonisation, climate finance, and voluntary carbon markets — and consistently generated substantive engagement from building owners, asset managers, and engineering professionals who recognised the gap that Ontoly is filling.

6.3 Board & Advisory Engagement

Building the Independent Governance Board and Scientific Advisory Board required extensive outreach to identify individuals with the right combination of technical expertise, sector knowledge, and independence. Board members were drawn from the real estate and climate finance community through a formal nomination process, ensuring that the oversight body reflects the perspectives of the sector the programme serves — not the interests of the programme operator. The appointment of three licensed Professional Engineers to the SAB

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was similarly the result of deliberate engagement with the building engineering community to identify individuals with deep M&V expertise.

7. Programme Policy Suite

A crediting programme's integrity rests not only on its standard and methodologies but on the supporting policy infrastructure that governs day-to-day operations. During this reporting period, Ontoly developed and published a comprehensive suite of programme policies:

Document	Scope
BERS Standard v1.0	Core programme framework — project lifecycle, eligibility, additionality, baseline, monitoring, verification, safeguards, double counting prevention
Existing Building Methodology v1.0	Quantification methodology for energy efficiency and fuel-switching retrofits, based on IPMVP Option C and ASHRAE Guideline 14
BERS Governance Board Document v1.2	Composition, roles, responsibilities, appointment procedures, term limits, and independence provisions for the Independent Governance Board
Methodology Development and Review Process v1.0	Six-stage development workflow, material/administrative revision classifications, SAB review, public consultation, periodic review
Public Parameter List v1.0	All standardised parameters: GWP values (IPCC AR6), discount rates, emission factors, energy price escalation rates, equipment useful lives
BERS Verification Standard v1.0	Requirements for ISO 14065-accredited Verification Bodies, verification scope, programme-level model and parameter verification
Conflict of Interest Policy v1.0	COI management framework for Board members, SAB members, staff, and Verification Bodies
KYC Policy	Know Your Customer requirements for Building Representatives and Buyer Account holders
Anti-Bribery and Anti-Corruption Policy	Zero-tolerance framework aligned with Canadian and U.S. anti-corruption legislation
Corrective Actions Policy	Non-conformance classification (Minor/Major/Critical), corrective action procedures, BERU cancellation provisions
Programme Wind-Down Policy v1.0	Five trigger events, notification timelines, data custody, crediting period management, governance during wind-down

All normative programme documents are publicly available at www.ontoly.org.

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8. Financial Overview

Ontoly is an early-stage Benefit Company. Capital was deployed primarily toward programme design, policy development, governance establishment, platform engineering, regulatory research, and stakeholder engagement.

The company's financial strategy during this period was deliberately focused on building institutional and technical infrastructure before scaling revenue. This sequencing reflects a core conviction: in the voluntary carbon market, credibility must precede commercialisation. By investing in governance, methodology, and verification infrastructure before issuing credits, Ontoly positions itself to enter the market with a programme that meets the highest integrity standards from its first issuance.

Ontoly's cost structure during this period was lean and efficient. The team of six — comprising executive leadership, programme advisors, a programme analyst, and platform developers — delivered a scope of work that would typically require significantly larger teams and budgets. This efficiency was achieved through a combination of deep domain expertise, focused prioritisation, and a willingness to build from first principles rather than layer onto existing frameworks.

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9. ICVCM Application & Integrity Commitment

In May 2026, Ontoly formally filed its application to the Integrity Council for the Voluntary Carbon Market (ICVCM) for programme-level assessment against the Core Carbon Principles, including— governance, tracking, transparency, validation and verification, quantification, double counting prevention, sustainable development, additionality, and permanence.

Filing for ICVCM assessment at this stage of Ontoly's development is itself a statement of intent. Many programmes wait until they have a large portfolio of issued credits before seeking third-party integrity assessment. Ontoly chose to file early — before issuing any credits — because we believe integrity assessment should validate programme design, not just programme output. If the rules, governance, and methodology are right, the credits will be right.

The application process also served as a rigorous self-audit, prompting refinements to governance documentation, registry status terminology, regulatory surplus assessment methodology, and data quality disclosure practices that have made the programme stronger.

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10. Looking Ahead: FY 2026/27

The year ahead will mark Ontoly's transition from programme development to programme operation. Key priorities include:

First BERU issuances: Ontoly expects to issue its first BERUs during FY 2026/27 as early-stage projects complete their first full monitoring year and undergo ex-post verification by the contracted Verification Body.

Pipeline growth: Continued engagement with building owners and asset managers across Canada and the United States to build the project pipeline, with a focus on commercial and institutional buildings where retrofit activity is concentrated.

Buyer market development: Expansion of the Buyers Portal and engagement with corporate sustainability teams, ESG investors, and compliance buyers seeking high-integrity, buildings-sector carbon credits.

ICVCM assessment: Completion of the ICVCM assessment process, with the objective of achieving Core Carbon Principles approval and CCP labelling for BERUs.

Governance Board expansion: As the programme grows, Ontoly is committed to expanding the Independent Governance Board to include additional members with diverse geographic, sectoral, and governance perspectives — scaling governance capacity proportionally with programme scope.

Methodology expansion: Exploration of additional building types and retrofit categories for future methodology development, informed by verified project performance data and evolving regulatory landscapes.

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11. Our Team

Name	Role	Responsibilities
Ashley Sarauer	Founder & CEO	Programme development, governance oversight, ICVCM engagement, stakeholder relations
Adam Doran	Chief Technology Officer	Registry architecture, platform development, data infrastructure, security
Pieter Dorsman	Chief Financial Officer	Financial oversight, insurance, corporate governance, investor relations
Elyse Lindgren	Senior BERS Program Advisor	Programme design, methodology development, stakeholder engagement, quality assurance
Ellie Chen	BERS Program Analyst	Quantification support, data analysis, monitoring report review, programme operations
Laura Castellani	Senior Frontend UI Designer	Registry interface, portal design, platform user experience

Independent Governance Board

Jamie Gray-Donald, Matt Strand, Michael Pohlod

Scientific Advisory Board

Riley Beise, P.Eng. BEMP; Menush Akbari, P.Eng.; Mohammad Fakoor, PhD, CEA, P.Eng.

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