



December 2024

B Lab Statement on Hidroner's B Corp Certification

B Lab's independent Standards Advisory Council has rendered the following decision and guidance regarding eligibility for B Corp Certification for companies in the fossil fuel industry, including those that generate or sell energy derived from fossil fuels:

"Companies involved in the production and sale of fossil fuels, including those that generate or sell energy derived from fossil fuels, are eligible for B Corp Certification if they are not engaged in specific prohibited practices regarding extraction, lobbying, and financial incentives; have successfully transitioned their energy portfolio to be at least 50% carbon-free; and have committed to make progress towards transitioning to a fully carbon-free portfolio within specified timeframes."

Hidroner is required to disclose a summary of how it complies with these industry requirements as a part of its B Corp Certification. For more information on the specific requirements, please refer to B Lab's position statement on Fossil Fuel and Energy Companies [here](#).

Summary of Company

Hidroner SpA is a Chilean company dedicated to the generation of electric energy through non-conventional renewable energy sources with a high degree of respect for the environment and the surrounding communities. Today, the company has the Terra Austral Power Plant, which consists of a hydraulic unit and photovoltaic solar plant. Both units generate clean electricity without emissions or polluting waste into the atmosphere. With this system, the company is able to provide energy to the Austral region of Chile.

Hidroner's Disclosure on Prohibited Practices

Fossil fuel and energy companies engaged in the following practices are currently ineligible for B Corp Certification:

- Companies with involvement in the coal and oil sands industry. This includes companies that earn revenue from coal mining and/or oil sand extraction, companies that operate coal-fired energy generation plants without a clear retirement plan for all coal-fired capacity in line with a science-based carbon budget, and companies that have constructed new coal-fired energy generation plants since 2010 or have plans for expanding their coal-fired generation in the future.



- Companies that have components of their executive compensation tied to the growth of their fossil-fuel portfolio.
- Companies engaged in any form of lobbying or policy advocacy to oppose climate-friendly policies and/or support climate-negative policies in the past five years, including membership, Board involvement, or funding of trade associations that have climate-negative activities or positions.

Hidroner has been reviewed in accordance with B Corp Certification's Disclosure Questionnaire and background check requirements in order to verify it is meeting the above requirements regarding prohibited industry practices. The company's approach to managing these material topics to the industry are further detailed below.

Hidroner's Disclosure on Required Best Practices

1. *Companies must have a current product portfolio/energy mix that consists of at least 50% carbon-free energy, which may include the purchase of green energy certificates or their equivalents.*

Hidroner markets 100% clean energy from hydrologic and solar energy sources.

2. *Companies must have a formal commitment to transition 100% of non-generated electricity sales (i.e. electricity that is not directly generated by the company) to carbon-free sources by 2030, and to transition entirely to a carbon-free product portfolio/energy mix by 2040, both of which may include the purchase of green energy certificates or their equivalents. This commitment is aligned with a science-based emissions target based on a 1.5°C scenario. The commitment must include a transition plan and interim targets.*

Hidroner markets 100% clean energy from hydrologic and solar energy sources.

3. *Companies must formalize a policy that acknowledges the issue of climate justice and includes an assessment of how their operations might impact individuals and communities, particularly those who are already marginalized.*

Hidroner has a Climate Justice Policy that covers their commitment to improving their operations in order to drive continuous benefits and upholding the best possible standards in relation to climate action, socioeconomic local development, and onward supply chain responsibility. The policy is applicable to all people with whom Hidroner maintains a direct or indirect relationship, and is therefore made available to their interested parties seeking to make known their commitment and expand opportunities for positive collaborative impact.



Hidroner's Climate Justice Playbook areas of focus are as follows:

Climate Justice Obstacles: How to Mitigate Them

1. **Specific Position:** Hidroner prioritizes its mission and vision over other business alternatives, remaining faithful to developments in the field of renewable energy that help reduce CO2 emissions and counteract the use of fossil fuels
2. **Regulatory Changes:** Hidroner will persevere in proposing new and better projects that care for the environment despite the difficulties of new regulations, greater legal uncertainty and higher costs of carrying out renewable energy projects.
3. **Misinformation:** It is common for the community to be confused and think that energy generation projects are generally polluting and destructive. However, Hidroner has the firm conviction that with timely and up-to-date information, this feeling can be mitigated and the community can receive adequate knowledge about renewable generation projects.

Hidroner's approaches to climate justice

1. **Growth:** Hidroner has established a unique line of growth and development: the materialization of renewable energy plants whose energy source is water or the sun, completely avoiding sources of fossil fuels or those that emit CO2 into the atmosphere.
2. **Financing:** Hidroner has defined that its financing policy must be with those institutions that are focused on the protection of natural resources, better well-being of society and respect for its workers.
3. **Protection of Water Resources:** Hidroner cares for and respects the responsible use of water. For this reason, it has committed to the reserve of the Puelo River in the commune of Cochamó, providing the necessary support and permits to carry out the reserve of the river's flow.
4. **Local Support:** Hidroner promotes and supports rural schools, local entrepreneurs, neighborhood associations and neighboring indigenous communities to carry out their typical activities to generate positive impacts and collaboration with the nearby communities.

4. Public disclosure on Scopes 1,2 and 3 GHG emissions.

Between 2022 and 2023, Hidroner has reduced the emission of more than 3,300 tons of CO2 into the atmosphere by use of the company's Hydraulic unit, managing to generate clean energy



without greenhouse gas (GHG) emissions into the atmosphere. Hidroner expects to save an additional 2,000 tons during 2024 resulting from the incorporation of their Photovoltaic unit. For more information on Hidroner's CO2 savings, please visit their [website](#).

B Lab's Public Complaints Process

Any party may submit a complaint about a current B Corp through [B Lab's Public Complaint Process](#). Grounds for complaint include:

1. Intentional misrepresentation of practices, policies, and/or claimed outcomes during the [certification process](#), or
2. Breach of the core values articulated in our [Declaration of Interdependence](#) within the B Corp Community.