

EXECUTIVE SUMMARY 2025



LETTER FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

We are a proudly Mexican company that, since 1952, has made steel an instrument of progress. More than seven decades later, we remain guided by a conviction we inherited from our founder: that generating growth with sustainable value is not a distant aspiration, but the way we choose to operate every single day.

2025 was a challenging year. The reconfiguration of the international trade order, with new tariff barriers, disrupted global supply chains and tested the resilience of many industries. Yet that same environment reaffirmed something we at DEACERO® have been proving through action for years: sustainability is one of the reasons we continue to consolidate our market position today. International regulatory frameworks and the demands of the most competitive supply chains all point in the same direction: sustainability is increasingly a key driver of competitiveness.

For our customers, it is increasingly important that we contribute to sustainable construction projects, that we meet responsible sourcing standards, and that we offer an environmental profile that is becoming a significant criterion in material selection. At the same time, the financial institutions we work with recognize DEACERO® as a company managed in alignment with the highest sustainability standards, as reflected in the closing of green financing deals, a clear sign of capital market confidence in the sustainable profile we have built and in our ability to generate long-term value.

We took a further step in strengthening our climate commitment by updating our Decarbonization Roadmap published in 2023. The validation of our emissions reduction targets by the Science Based Targets initiative (SBTi) has made us the only steelmaker in North America with scientifically validated reduction targets, and one of only nine globally. This is complemented by the certification of our strategy under The Steel Climate Standard of the Global Steel Climate Council (GSCC). This achievement positions

DEACERO® as a climate benchmark for the steel sector in the region and reinforces our strategic standing with customers, regulators and global investors.

In 2025, we remained a benchmark in the circular economy by recycling 3.3 million tons of scrap steel. We advanced construction of the new Ramos Arizpe steel mill and the expansion of our Recycling Centers in Toluca and Ciudad Juárez, while consolidating our energy transition through clean energy supply contracts in the Wholesale Electricity Market.

Through our Industrial Intelligence®, we transform data into information, information into knowledge, and knowledge into responsible decisions that protect our team, the environment and profitability. DEACERO's® Virtuous Circle, integrating economic, social, human and environmental value, is the essence of our business culture and the engine driving our vision of a more sustainable and prosperous future.

One concrete expression of that social commitment is in the work of Fundación DEACERO®, which for 21 years has contributed to the progress and development of Mexican communities. In 2025, we allocated more than more than MXN 34.4 million in monetary donations to Civil Society Organizations (CSOs), and more than more than MXN 25 million in social actions, generating MXN 1.63 in social benefit for every peso invested.

We dedicate this fourth Sustainability Report to our team, our suppliers and our customers, as a reminder of how far we have come and of the commitment we continue to build together. We assume the responsibility of remaining at the forefront of the national and global industry, because that is how we best honor the legacy that my parents built with such dedication.



RAÚL M. GUTIÉRREZ MUGUERZA

Chairman of the Board

Grupo DEACERO®

August 2026

OUR SUSTAINABILITY PERFORMANCE

SUSTAINABLE PRODUCTS

We are the first steelmaker in Mexico to offer our customers products capable of neutralizing their carbon emissions through the **NEUTRUM®** brand

During 2025, we generated new Environmental Product Declarations for Engineered Mesh, Processed Rebar, Processed Profiles and Cages through **Ingetek®**



CIRCULAR ECONOMY

3.3 M tons
of scrap steel recycled during 2025

97% of our
raw material is of recycled origin

99% of ferrous
waste reused in our process



DECARBONIZATION

0.39 tCO₂
per ton of hot-rolled steel in Scopes 1 and 2
at the organizational level



SOCIETY

34.4 M channeled
in monetary donations to
Civil Society Organizations (CSOs)

MXN 1.63
in social benefit for every peso invested (SROI)

18 Worksites
achieved one year or more without accidents,
reaffirming our commitment to the safety
and well-being of our people



VALUE CHAIN

+4,000
business partners
have signed our Code of Ethics

+29,000
rail trips
covering 21 million kilometers,
avoiding 70,000 road trips and reducing
CO₂e emissions



WATER MANAGEMENT

36% of the water
used in our operations is treated water.

RECOGNITIONS AND MILESTONES

ELSSA
ENTORNOS LABORALES
SEGUROS Y SALUDABLES



We obtained the Safe and Healthy Work Environments (ELSSA) Distinction, awarded by the Mexican Social Security Institute (IMSS), at our Santa Catarina and San Nicolás Recycling Centers and at the Guadalupe Wire Plant.



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

We received validation from the Science Based Targets initiative (SBTi) for our science-based targets, consolidating our alignment with global climate action.



Global Steel
Climate Council™

We obtained the Global Steel Climate Council (GSCC) certifications: the Corporate Average Steel Emissions Intensity (CASEI) and the Science-Based Emissions Target (SBET).



Since 2022, we have been signatories to the United Nations Global Compact.



We achieved the Responsible Work (TRe) Distinction at the Guadalupe Wire Plant and Monterrey Wire Plant, awarded by the Government of Nuevo León in recognition of our commitment to responsible and safe labor practices.



We certified our León Wire Plant and Morelia Wire Plant and our subsidiary DEACERO Summit under ISO 14001:2015, advancing our commitment to certify 100% of our Work-sites.



Empresa
Socialmente
Responsable

We were awarded the Socially Responsible Company Distinction (Distintivo ESR) by the Mexican Center for Philanthropy (CEMEFI) for the sixth consecutive year.



We secured green financing with international institutions, directed at energy efficiency, water treatment, emissions reduction and recycling projects, as well as at the acquisition of steel to drive the circular economy within our supply chain.

ABOUT DEACERO®

DEACERO® is a 100% Mexican company, founded in 1952 in a small workshop in Monterrey, N.L., Mexico, driven by the clear vision of don César Gutiérrez and doña Virginia Muguerza to build a business based on wire transformation. Together they built DEACERO®, the legacy of a life project that drives growth through steel transformation.

Today, more than seven decades later, DEACERO® has established itself as one of the most sustainable and recognized companies in the production, commercialization and distribution of long steel products, wire and reinforcing steel solutions in Mexico and around the world.



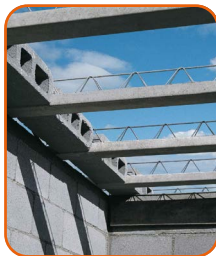
BRANDS AND COMPANIES

With more than 20 national and international brands, we offer a solid and diversified portfolio that allows us to reliably serve the main sectors of the economy.



PRODUCTS

Our presence extends to strategic industries including manufacturing, agriculture, infrastructure, construction and energy, offering specialized, high-quality solutions that meet the needs of each customer.



Construction
Systems



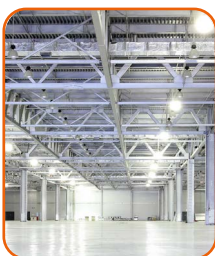
Wire Rod



Rebar



Concrete
Reinforcements



Structural and
Processed Profiles



Commercial
Profiles



Fencing, Mesh and
Accessories



DEACERO® Fencing
and Accessories



Nails, Staples and
Accessories



Mesh and
Multi-Purpose Products



Industrial
Wire

ENVIRONMENTAL PRODUCT DECLARATIONS

Our Environmental Product Declarations are available at deacero.com/sustentabilidad.



Profiles and Angles



Beam



Wire Rod



Reinforcing Bars

INTEGRATED BUSINESS MODEL

We base our business model on vertical integration and the circular economy, collecting and processing scrap steel at our Recycling Centers to transform it into high-value products for different sectors of the economy, which we commercialize through more than 7,500 business partners.

Processes, Systems, Technology and Talent

Recycling Centers



COLLECTION

**+3.3
million**

tons processed per year



+20

Recycling Centers

Steel Mills



MELTING

**+4.5
million**

tons of annual steel
production capacity



3

Steel Mills in Mexico

Wire Plants



TRANSFORMATION

**+1.4
million**

tons of annual wire
production capacity



+20

Wire Plants in Mexico and
the United States

Distribution and Sales Network



Brand Portfolio across
Different Markets

+20
brands



B2B and B2C channels,
Cercocentro, Almacén
ANSA, and direct sales to
industries and projects

SUSTAINABILITY MODEL

At DEACERO®, sustainability is a fundamental part of our business strategy. It enables us to balance economic growth with environmental and social responsibility, integrating best practices across all our operations. Based on the double materiality analysis conducted, we identified the most strategically relevant topics to guide our actions and strengthen our relationship with our stakeholders.

This approach helps us reduce environmental impacts, improve operating efficiency, anticipate regulatory and reputational risks, and seize new market opportunities. The strategy is organized around three pillars with defined objectives and metrics, facilitating steady progress toward continuous improvement in our sustainability performance.



ENVIRONMENT

- ◆ Circular economy
- ◆ Water management
- ◆ Decarbonization



SOCIETY

- ◆ Comprehensive development of our team
- ◆ Health and safety of our team
- ◆ Community development and well-being



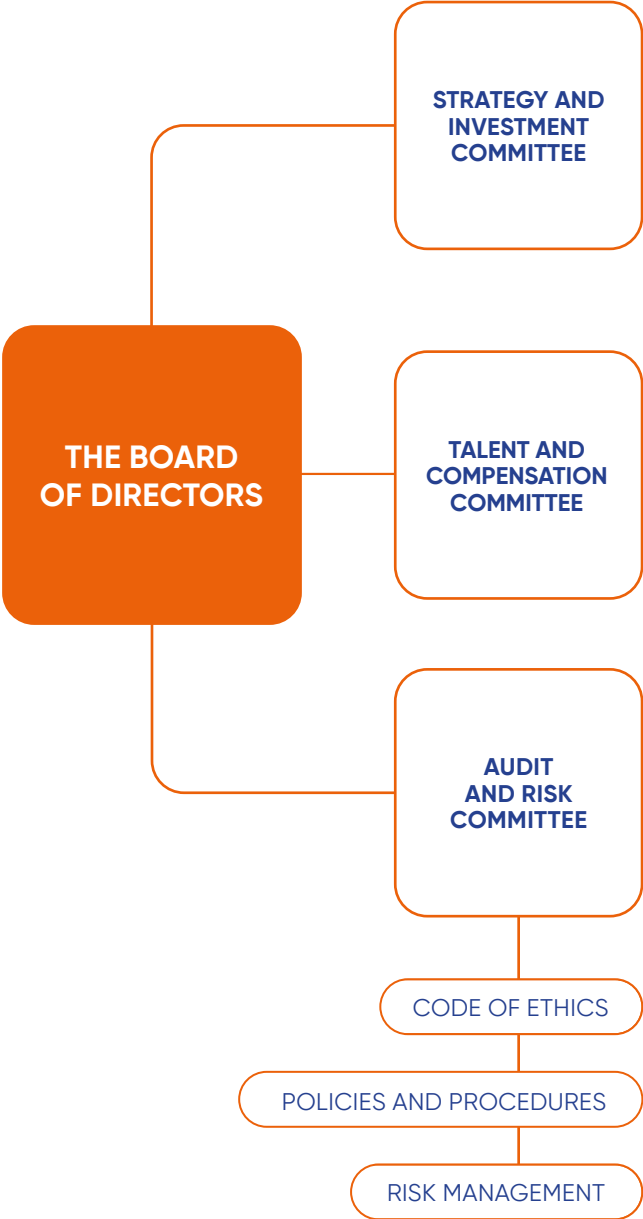
RESPONSIBLE BUSINESS

- ◆ Ethics and integrity
- ◆ Sustainable sourcing
- ◆ Stakeholder engagement

CORPORATE GOVERNANCE

DEACERO®’s organizational structure is designed to streamline decision-making and strengthen the development of management policies and strategies, with the objective of maintaining compliance, control and efficiency across the entire organization. Within this framework, the Board of Directors acts as the principal governing and oversight body, responsible for:

- ◆ Defining long-term strategy and overseeing its proper execution.
- ◆ Identifying and evaluating strategic and operational risks and opportunities.
- ◆ Approving the annual business plan, budget and performance objectives.
- ◆ Overseeing the performance of the organization and of the Chief Executive Officer.
- ◆ Evaluating and approving strategic business projects and investments.
- ◆ Driving talent development and establishing succession plans for key positions.
- ◆ Ensuring compliance with applicable laws, regulations and business best practices.
- ◆ Overseeing the energy and sustainability strategy, including the presentation of Sustainability Reports.
- ◆ Being transparently accountable to shareholders.



ENVIRONMENTAL MANAGEMENT SYSTEM

The Environmental Management System (EMS) is a fundamental component of DEACERO®'s sustainability strategy and is grounded in the guidelines of the ISO 14001:2015 standard. Initial certification was obtained in 2024 under a multi-site scheme and, since then, its scope has been progressively expanded with the objective of strengthening environmental performance, maintaining certification and driving the continuous improvement of the system.

DEACERO® currently holds nine certified Worksites. As a next stage, the certification process for the Recycling Centers will begin, reaffirming our commitment to gradually advance toward ISO 14001:2015 certification of 100% of our Worksites.



Worksite	Certification year
Celaya Steel Mill and Rolling	2024
Ramos Steel Mill and Rolling	2024
Saltillo Rolling	2024
Celaya Wire Plant	2024
Guadalupe Wire Plant	2024
México Wire Plant	2024
León Wire Plant	2025
Morelia Wire Plant	2025
DEACERO Summit, DEACERO® subsidiary	2025

DECARBONIZATION AS A STRATEGIC PILLAR

In 2025, our carbon emissions intensity performance placed us 77% below the global average under the World Steel Association (WSA) methodology, and within the range that CRU's 2025 study classifies as green steel.

This positions us below the main regional benchmarks with which Mexico competes (the United States, the European Union, China, Brazil and Canada) and reflects a regulatory and competitive advantage that is now part of the value proposition our customers integrate into their own climate and commercial objectives.

This performance stems from an industrial discipline built over decades. DEACERO® produces steel from recycled ferrous scrap, exclusively using an Electric Arc Furnace (EAF), without relying on coal or iron ore as primary inputs.

Science-Based Targets

Proud of the journey traveled, we took a decisive step toward formalizing our climate roadmap by achieving the validation of our climate targets by the Science Based Targets initiative (SBTi).

With this, our targets increase in ambition by also incorporating Scope 3 from processes related to the steel value chain, as well as other types of operations at Group level: Recycling Centers, Wire Plants, Distribution Centers (DCs) and subsidiaries.

🎯 **Target 1** Steelmaking and Rolling
-43.8%

Reduction in GHG emissions intensity per ton of hot-rolled steel, considering Scopes 1, 2 and 3, by 2030 relative to base year 2019.

🎯 **Target 2**
Steel Mill Services, Wire Plants, Recycling Centers and Subsidiaries.

-46.2%

absolute reduction in Scope 1 and 2 GHG emissions, by 2030 relative to base year 2019.

🎯 **Target 3** Value Chain
-27.5%

absolute reduction in Scope 3 GHG emissions, by 2030 relative to base year 2019.



Global Steel Climate Council

We received the two Global Steel Climate Council (GSCC) certifications: the Corporate Average Steel Emissions Intensity (CASEI) and the Science-Based Emissions Target (SBET). These two global steel certifications demonstrate DEACERO®'s commitment to credible, science-based, independently verified decarbonization targets aligned with global climate objectives.

ENERGY

At DEACERO®, energy management has moved beyond its operational function to become a central component of our sustainability strategy. As a steel company, electricity is a key input: our average demand represents close to 1% of national peak demand, which places us in a position of responsibility with respect to the energy transition.

The result of this strategy is an electricity matrix made up of 97% lower-emission-intensity sources, including efficient

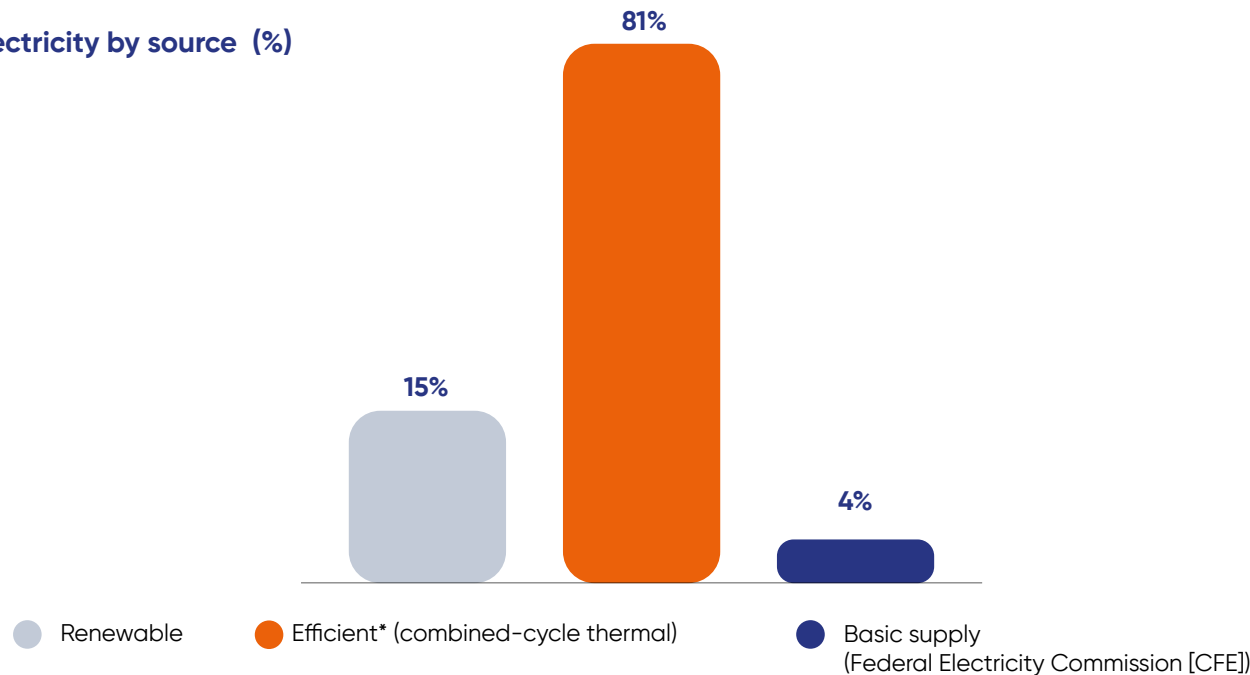
and renewable energy, achieved through Power Purchase Agreements (PPAs) with price, term and technology conditions adapted to the consumption profile of each Worksite.

This progress responds to a consistent strategy based on diversifying sources and supply schemes, which includes supply from a wind farm in Nuevo León and a solar park in Sonora, as well as our own photovoltaic systems installed at our Wire Plants in Puebla, Morelia, Querétaro and León.

Our objective is to reach 60% clean sources in our energy matrix and to drive our climate targets in the Load Centers that operate in the Wholesale Electricity Market.*

Ramos, Saltillo and Celaya complexes, as well as the Mexico Wire Plant.

Electricity by source (%)

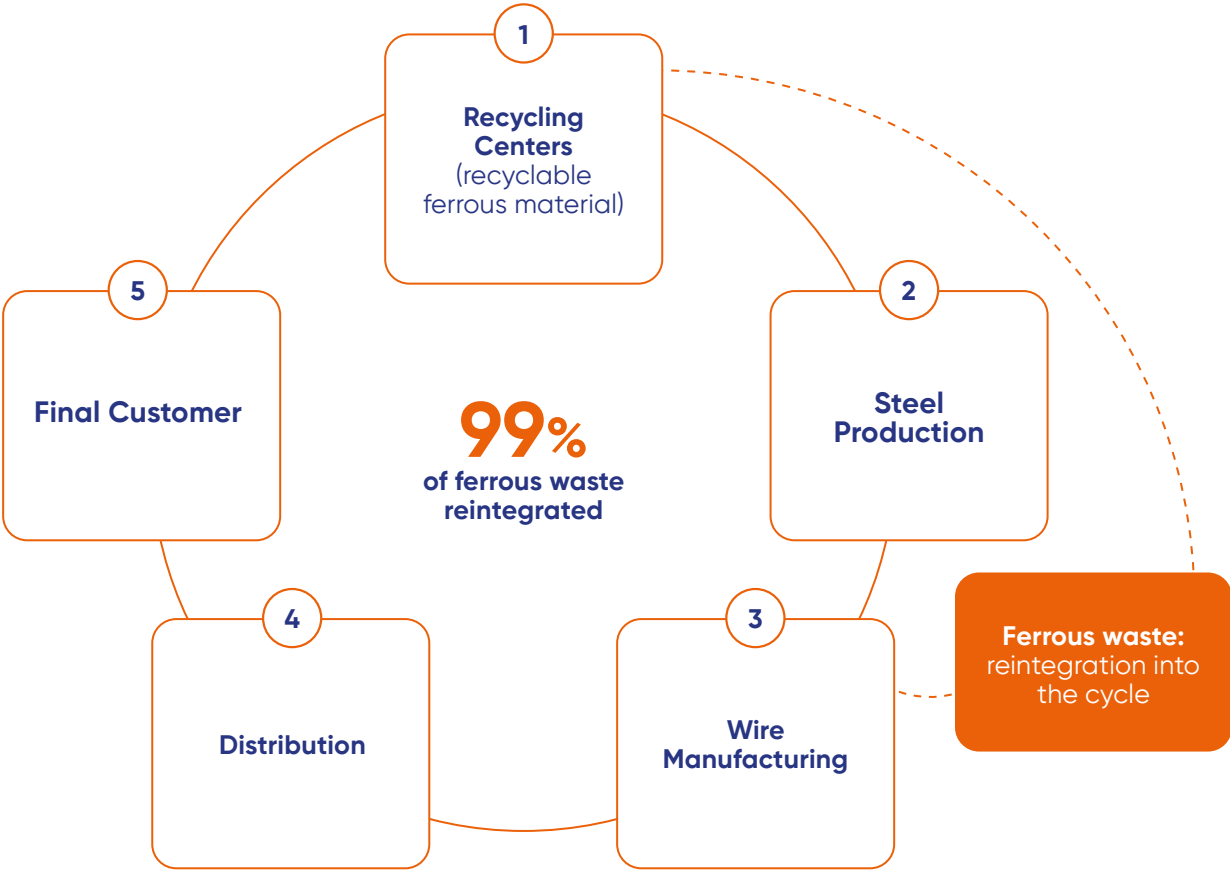


CIRCULAR ECONOMY AND WASTE MANAGEMENT

At DEACERO®, the circular economy is an essential attribute of our business model and a principle that guides the management of our operations. This approach is reflected in the way we define our processes, manage our resources and handle waste at every stage of our operation.

Our production model is based on the use of secondary raw materials, primarily scrap ferrous material, also known as scrap, which represents 97% of the inputs used in the manufacture of steel products. Integrating this model allows us to reduce the use of virgin resources, cut greenhouse gas (GHG) emissions and optimize energy consumption in our industrial processes.

99% of the ferrous waste generated during the manufacture of wire products is reintegrated into the steel production process.

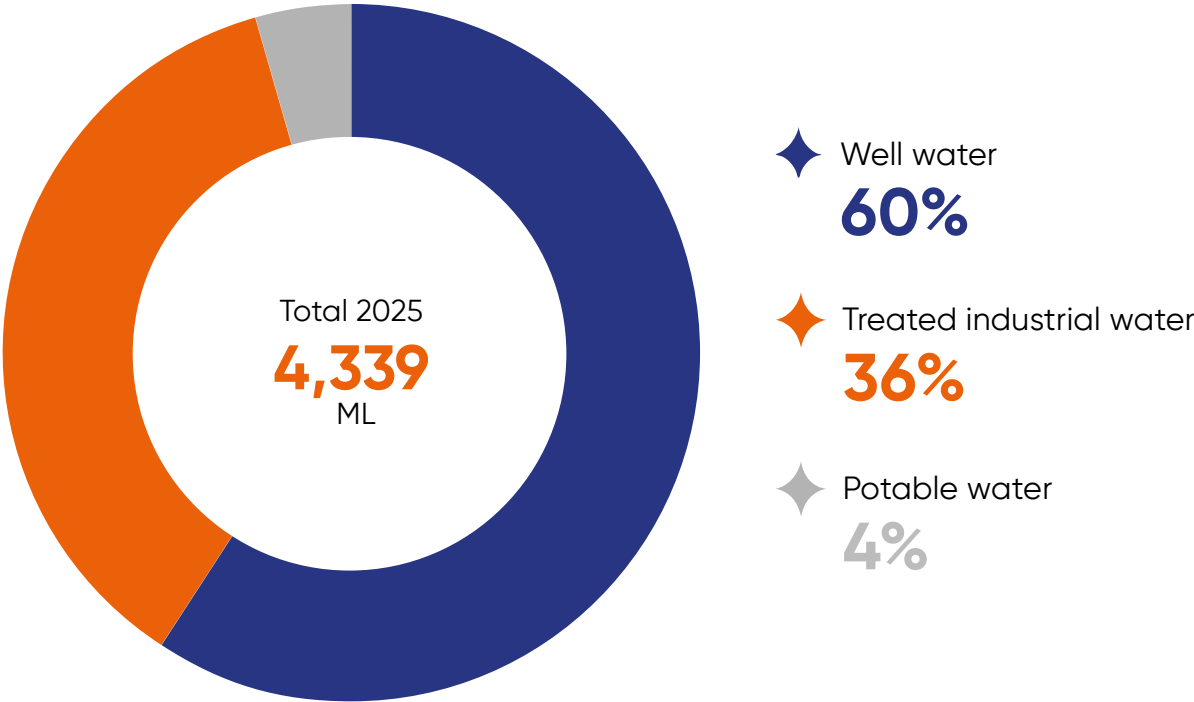


WATER MANAGEMENT

At DEACERO® Group, we produce high-quality steel with the commitment to achieve high water-efficiency standards in the sector, recognizing the importance of water resources for the environment and society in light of global water availability and water-stress conditions.

To this end, we conduct annual assessments of water availability conditions and, on a bi-weekly basis, monitor the progression of drought at the national level and the risks associated with its decline at the locations where we operate.

As part of this exercise, during 2025 the water-stress-level analysis was updated using the Aqueduct Water Risk Atlas as a reference, a widely used tool for measuring and projecting water risks. This assessment enables the identification of vulnerabilities and guides our actions toward more efficient resource management.



36% of the water we use in our processes comes from municipal treatment plants, reducing first-use water consumption.

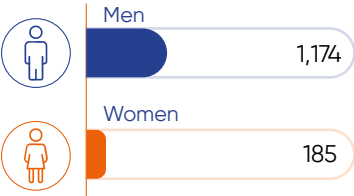
OUR TEAM

At DEACERO®, we are convinced that our team is a key element for the organization's performance and growth. We have a large, diverse and highly committed workforce whose talent, professionalism and dedication drive our achievements and strengthen our competitive position.

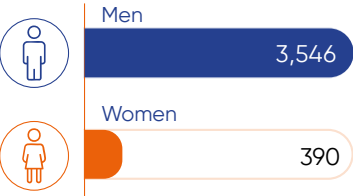


Employees by age range

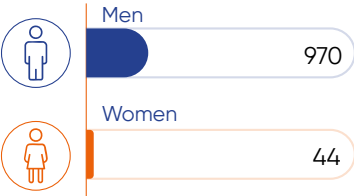
Under 30



30 to 50

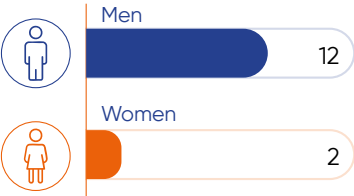


Over 50

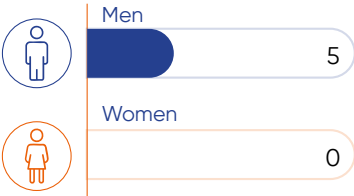


Employees by type of disability

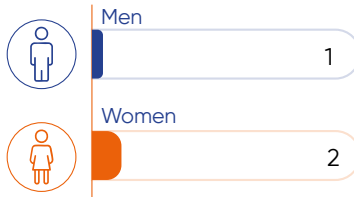
Motor



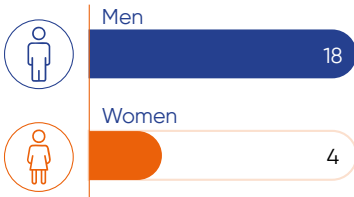
Visual



Psychosocial



Total



HEALTH AND SAFETY

At DEACERO®, occupational health and safety management is a fundamental pillar of our organizational strategy and is integrated transversally across all operational processes. We adopt a preventive approach based on the systematic identification of hazards, the continuous evaluation of risks and the application of controls that prioritize the protection of those who are part of the company.

We continuously strengthen our systems and practices through innovation and continuous improvement, incorporating tools that help maintain safe, reliable working conditions oriented toward well-being. In addition, we promote

the active participation of employees, ensuring they have the knowledge, resources and mechanisms needed to effectively manage occupational risks.

This comprehensive approach fosters safer work environments, strengthens trust with our stakeholders, contributes to operational continuity and ensures compliance with current regulations and applicable international standards.

To consolidate this approach, our internal policies provide the framework that guides health and safety management and promotes its uniform application across all Worksites.

Zero Accidents

In 2025, 18 Worksites went one more year without disabling work-related accidents, an achievement that demonstrates our organization's commitment to the safety, prevention and well-being of everyone who is part of our

operations. This result reflects operational discipline, the correct implementation of protocols and the consolidation of a safety culture that drives continuous improvement.

1st anniversary without accidents

- Aguascalientes Recycling Center
- San Nicolás Recycling Center
- Tultitlán Recycling Center
- Santa Catarina Recycling Center

2nd anniversary without accidents

- Torreón Recycling Center
- Mérida Recycling Center
- Hermosillo Recycling Center
- Tijuana Recycling Center
- Querétaro Wire Plant

3rd anniversary without accidents

- Querétaro Wire Plant
- Saltillo Recycling Center

5th anniversary without accidents

- Silao Recycling Center

6th anniversary without accidents

- Puebla Recycling Center
- Ramos Recycling Center
- Tepeyac Recycling Center
- Matamoros Recycling Center

12th anniversary without accidents

- San Luis Recycling Center

FUNDACIÓN DEACERO®

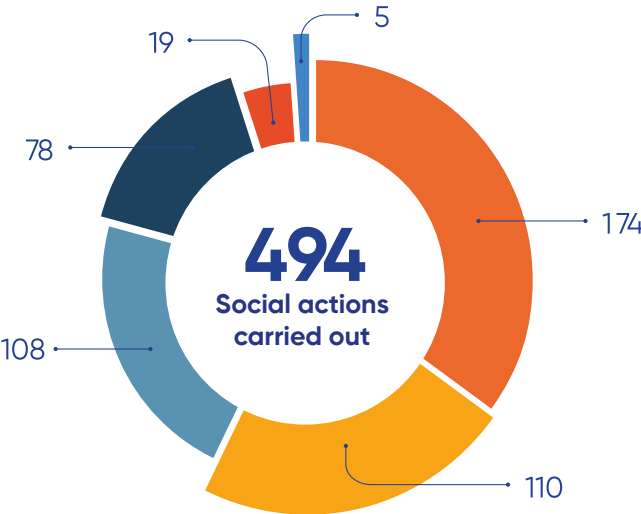
We generate

MXN 1.63

in social benefit for every peso invested

MXN 34.4 Million

channeled in monetary donations to Civil Society Organizations (CSOs)



- Health Alliance Cases
- Community activities
- Donations granted
- Scholarships granted
- Corporate volunteering activities
- CSO capacity-building sessions

People benefited

8,905 direct beneficiaries reached by Fundación DEACERO®

10,039 indirect beneficiaries

720,752 beneficiaries reached by supported CSOs

Awards and Recognitions

♦ We obtained the Institutional and Transparency Accreditation (AIT), awarded by the Mexican Center for Philanthropy (CEMEFI)

♦ We were recognized with the Premio Adalberto Viesca Sada as the philanthropic organization of the year 2025

♦ We received the Reconocimiento Nacional Galardón Cladodio 2025 National Recognition Cladodio Award 2025 thanks to our strategy and the positive impact generated

♦ +350 positive mentions in the media

Stakeholder Information

Company name
DEACERO S.A.P.I de C.V.

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1 877 343 8575**

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to sustainability and the results
we are generating.

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