

# **SUSTAINABILITY REPORT**

## **2024**

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# ABOUT THIS REPORT

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This 2024 Sustainability Report represents our second edition in reporting sustainability initiatives and covers the period from **January 1 to December 31, 2024**.

This document is published annually and presents the results of impact management in environmental, social, and governance (ESG) areas. The information contained in this report refers to the operations of **DEACERO S.A.P.I. de C.V.** and its subsidiaries (collectively, "Grupo DEACERO").

For its preparation, we used as a reference the methodology of the **Global Reporting Initiative (GRI) standards**, as well as the indicators of the **Sustainability Accounting Standards Board (SASB)** applicable to iron and steel producers. We also include our contribution to the United Nations 2030 Agenda **Sustainable Development Goals (SDGs)**. In addition, this report includes limited assurance performed by an independent third party on key ESG indicators. The details of this assurance are included in this document.

This report reflects our commitment to transparency and accountability to our stake-

holders regarding material sustainability topics. Any restatements of information from the 2023 fiscal year, such modifications are specified in the corresponding sections.

The information presented includes certain forward-looking statements based on management's understanding, as well as on assumptions and the information currently available.

## DISTRIBUTION OF THE SUSTAINABILITY REPORT

The report will be available through our **official website: <https://deacero.com/sustentabilidad>** and **via email**.

**Publication date**  
August 8, 2025

**Previous report publication date**  
October 3, 2024

# LETTER FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

GRI 2-11, 2-22

At DEACERO, a 100% Mexican company with integration in North America and an international presence, we have established ourselves as the benchmark in reinforcing steel in Mexico and one of the most relevant wire rod producers worldwide.

Since 1952, our history has been characterized by combining industry and intelligence to face the challenges of a world with increasingly limited resources. We do so with solutions that more effectively meet market needs, driven by constant innovation, quality, and the commitment of a great human team.

The year 2024 was a complex and challenging one globally. The political and commercial reconfiguration, coupled with the most severe environmental context on record—the warmest year in history with more than 150 extreme weather events—highlights the urgency of moving towards a more resilient and sustainable development model. In this context, we reaffirm that sustainability is not an option, but the only possible path forward to grow while generating value with meaning and purpose.

Guided by the vision of our founders, Don César and Doña Virginia, we continue to invest in cutting-edge technologies and make existing ones more efficient, such as electric arc furnace steelmaking and the use of scrap steel as our main raw material.



**DEACERO, a 100% Mexican** company with integration in North America and an **international presence.**

Thanks to this, we produce steel with 97% recycled content, positioning us as the largest steel recycler in Mexico and reaffirming the circular economy as a fundamental pillar of our business model.

A key outcome of our strategy is driving economic development in the regions where we operate is the central outcome of our strategy. In 2024, we took a key step with the opening of a new Wire Plant in Mexicali, Baja California, strengthening our presence in the north of the country, fostering regional industrialization, and creating high-value jobs. This effort is complemented by strengthening the use of rail transport as the most efficient logistics route with the lowest environmental impact.

In addition, we increased our local sourcing to 93%, meaning that most of the supplies and services we use come from companies in Mexico. This not only strengthens local economies but also builds more resilient, efficient, and sustainable supply chains. Strengthening connections with national and regional suppliers allows us to reduce our environmental footprint, shorten delivery times, and generate shared value for the country.

In a context where there are still voices questioning the relevance of the 2030 Agenda and the Paris Agreement, at DEACERO we reaffirm our commitment to deep decarbonization by 2030, with a goal of reducing CO<sub>2</sub> emissions intensity per ton of steel by 56% and using 60% clean energy by that same year. Today, we maintain the lowest level of emissions per ton of steel in North America, and since 2022 we have launched the first carbon-neutral steel option in Mexico, under the brand Neutrum®.

We increased our local sourcing to **93%**, meaning that most of the **supplies and services** we use **come from companies in Mexico**.



Our sustainability strategy is based on a rigorous analysis of both financial and environmental/social impacts, aligned with the most relevant topics for our stakeholders. Through our Industrial Intelligence®, we integrate actions in the areas of environment, society, and responsible business. These actions have been recognized by the highest references in corporate sustainability, such as the United Nations Global Compact, which awarded us the LOGRA 2024 Award in the Planet category for our Decarbonization Roadmap.

FUNDACIÓN DEACERO® contributes to social progress through financial donations to Non-Governmental Organizations and the implementation of environmental, educational, social, and health projects. In 2024, its social investment amounted to 65 million pesos, directly benefiting more than 15,000 people. With a social return of \$1.63 for every peso invested, our programs not only transform lives but also maximize the value of each contribution with measurable and sustainable results.

We extend our deep gratitude to clients, partners, and suppliers, who drive us to achieve the highest global standards in sustainability.

This Sustainability Report reflects our commitment to transparency and continuous improvement. All our actions and processes are based on the DEACERO Virtuous Circle®, which aims to consistently and responsibly generate economic, social, human, and environmental value.

**ING. RAÚL M. GUTIÉRREZ MUGUERZA**  
Chairman of the Board  
Grupo DEACERO

# OUR SUSTAINABILITY PERFORMANCE 2024



## SUSTAINABLE PRODUCTS

### NEUTRUM®

We offer our clients carbon-neutral products

Updated **ENVIRONMENTAL PRODUCT DECLARATIONS** for our key products



## DECARBONIZATION

**0.40 tCO<sub>2</sub>** per ton of hot-rolled steel

**-56% tCO<sub>2</sub>** per ton of steel by 2030, using 2019 as the baseline year



## WATER

**38% OF TREATED WATER** used in our operations



## CIRCULAR ECONOMY

**3.3 M TONS** of scrap steel recycled per year

**97% OF OUR RAW MATERIAL** is recycled

**99% OF ferrous WASTE** reused in our process



## VALUE CHAIN

**+4,000 BUSINESS PARTNERS** have signed our Supplier Code of Ethics

**93% OF OUR SUPPLIERS** are local



## SOCIETY

**MXN 43.3 M** in donations through FUNDACIÓN DEACERO

**+15,000 PEOPLE DIRECTLY BENEFITED** by FUNDACIÓN DEACERO



# AWARDS AND MILESTONES

GRI 3-3



◆ **ISO 14001:2015 CERTIFICATION** for the Environmental Management System of our Steel Mills in Celaya, Ramos, and Saltillo, as well as the Wire Plants in Guadalupe, Mexico, and Celaya



◆ **RECOGNIZED AS A SOCIALLY RESPONSIBLE COMPANY (ESR)** by the Mexican Center for Philanthropy (CEMEFI) for the fifth consecutive year



◆ **WINNERS IN THE ENVIRONMENTAL CATEGORY** of the Sustainable Innovation Leading Companies Award by HSBC and EY for our circular economy strategy



◆ Ranked among the **TOP 35% OF COMPANIES** worldwide by EcoVadis



◆ **LOGRA 2024 AWARD FROM THE UNITED NATIONS GLOBAL COMPACT** in the "Planet" category for our "Decarbonization Roadmap"

◆ Recognized for our participation in the **FIRST VOLUNTARY REPORT OF COMPANIES IN MEXICO** on the 2030 Agenda

◆ **SIGNING OF A GREEN LOAN AGREEMENT WITH BBVA** for the acquisition of scrap steel with the aim of continuing to promote the circular economy in our supply chain



# WHO WE ARE

- 1 About DEACERO
- 2 Our history
- 3 DEACERO Model
- 4 Our brands
- 5 Integrated business model

# ABOUT DEACERO

GRI 2-1

## WHO WE ARE

Founded by visionary Mexican entrepreneurs from Monterrey, Don César Gutiérrez and Doña Virginia Muguerra, we are a 100% Mexican steel company committed to quality, innovation, and sustainability. After more than 70 years of experience and collaboration with our clients, distributors, suppliers, and employees, we have positioned ourselves as a recognized leader in the steel industry, both in Mexico and internationally.

Our production model is one of the most sustainable in the world, producing steel from recycled steel melted in electric arc furnaces. Our production generates almost five times less CO<sub>2</sub> emissions compared to the traditional blast furnace method.





### MISSION

Generate growth with value through DEACERO's strength.



### PRINCIPLES

- ◆ Agility
- ◆ Innovation
- ◆ Collaboration
- ◆ Specialization
- ◆ Empowerment



### VISION 2026

To be the most attractive steel and steel derivatives company in North America for our sustainable growth, culture, products, solutions, and services.



### VALUES

- ◆ Respect for the individual
- ◆ Lead with humility
- ◆ Responsibility with integrity

# DEACERO IN NUMBERS

**+4.5** million tons  
Annual steel production  
capacity

**+20** plants (3 steel  
mills and 18 steel product  
manufacturing plants)

**+1.4** million tons  
Annual wire production  
capacity

**+30**  
Distribution centers

**+9,000**  
SKUs

**+20**  
Recycling centers

# 70

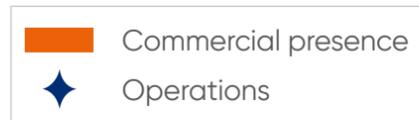
**years of experience**

**+7,500**  
distributors

**+7,000**  
employees

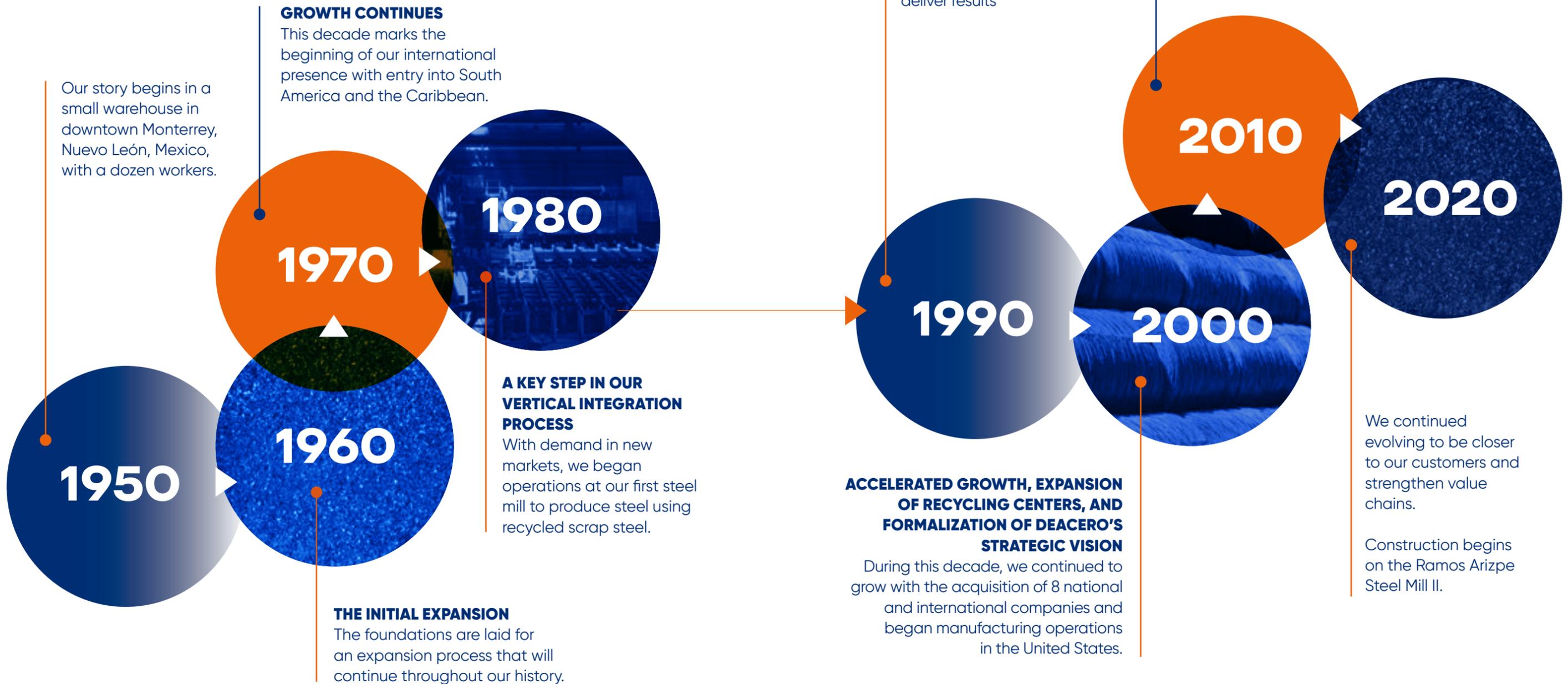


# GLOBAL PRESENCE

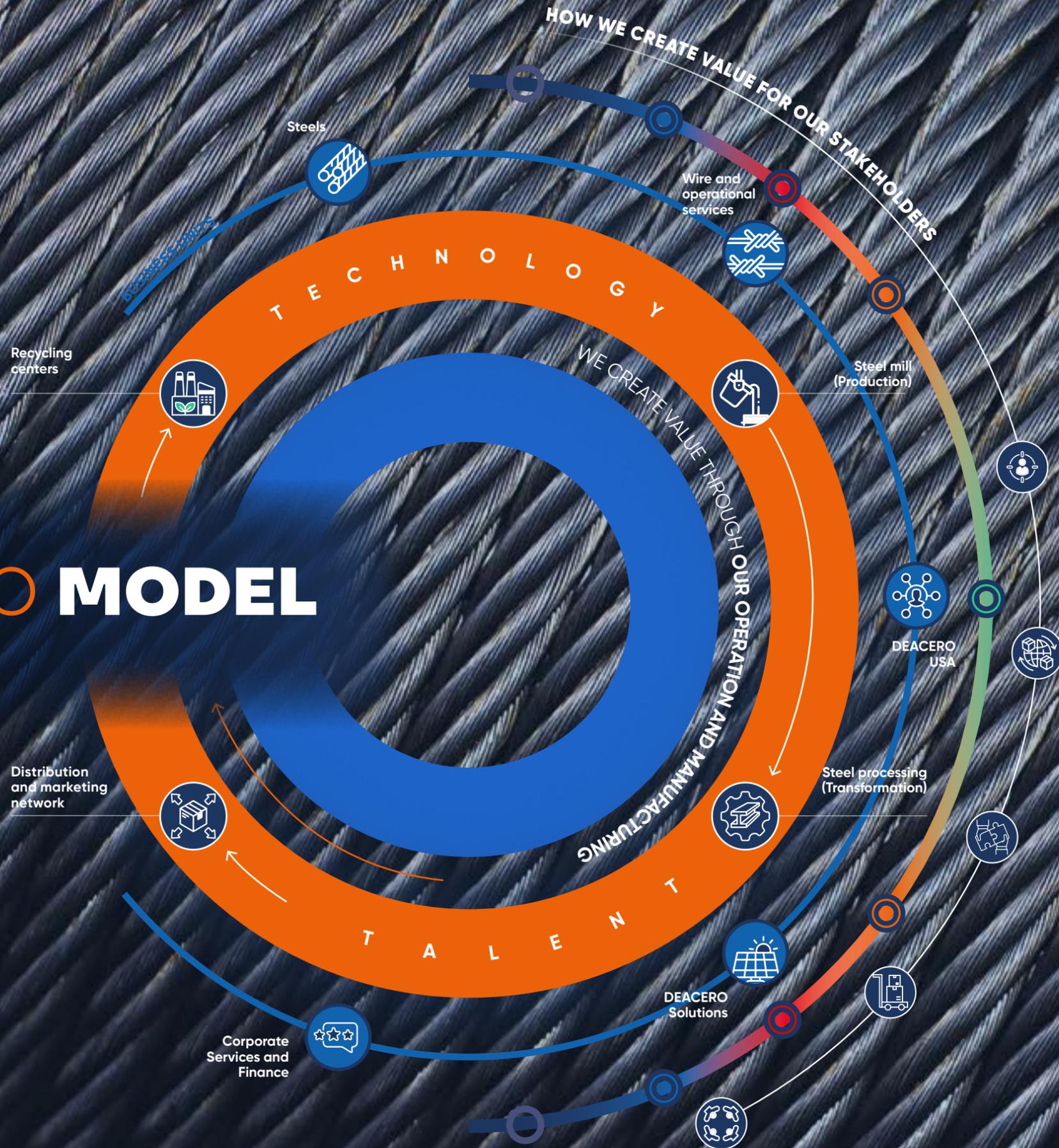


# OUR HISTORY

◆ **70 YEARS GENERATING GROWTH THROUGH STEEL**



# DEACERO MODEL



# OUR VIRTUOUS CIRCLE

With the mission of generating meaningful growth with value and aware of the needs and challenges of an environment with increasingly limited resources, we respond with what we call Industrial Intelligence. Through our Industrial Intelligence, we drive and consolidate a Virtuous Circle that generates growth with value. This integrated model guides our actions toward responsible development, balancing economic growth with social and environmental impact. It is a strategic approach that amplifies DEACERO's multiplier effect, allowing us to generate shared value in four fundamental pillars:

### Economic progress

Our commitment is to sustainable economic development. We invest in infrastructure and technology to offer high-quality products and innovative solutions to our clients and partners.

### Human development

We believe in the power of human talent, so we offer continuous training programs and develop diverse and dynamic teams to face everyday challenges, fostering an inclusive, adaptable, and safe work environment.

### Social progress

We work to generate a positive impact in the communities where we operate. We support social and educational projects that improve people's quality of life.

### Environment

DEACERO's production model ranks among the world's most sustainable in terms of CO<sub>2</sub> emissions and water efficiency. Our commitment to the planet is firm: we recycle steel to minimize our environmental impact and implement sustainable practices.



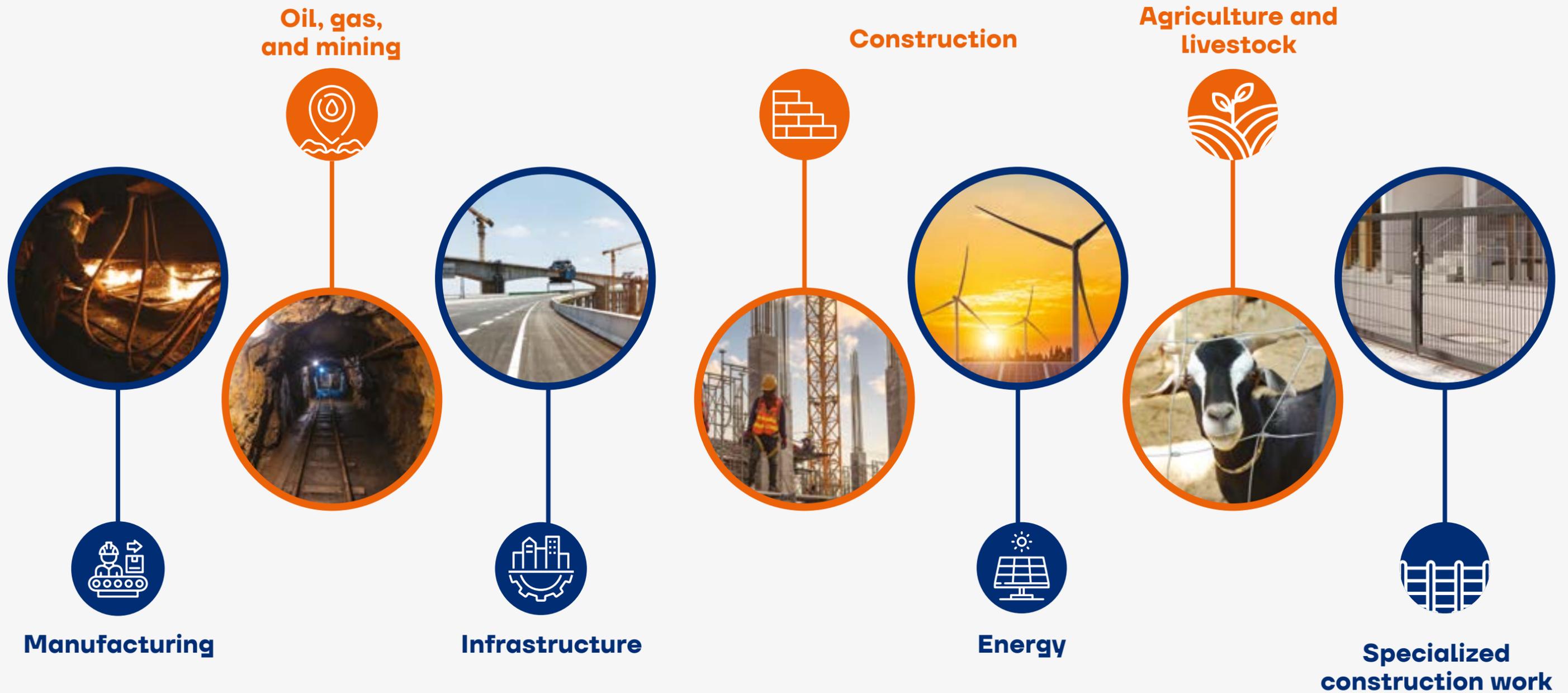
# OUR BRANDS

We have positioned our brands nationally (DEACERO, Cercocentro, Xtreme, and Reja DEACERO) and internationally (DEACERO, Stay-Tuff, Designmaster, and Rangemaster).



# MARKET DIVERSIFICATION

Our products allow us to serve the 7 major sectors of the economy.



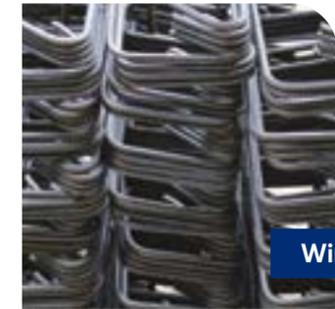
# OUR PRODUCTS

To address our clients' needs, we have a portfolio of products, solutions, and construction systems with over 9,000 SKUs, enabling us to serve a wide range of sectors such as agriculture, oil, mining, energy, manufacturing, and construction.

We have the broadest portfolio of products and solutions.



Wire rod



Wire Stirrup



Rebar



Truss Girder



Wire Reinforcement Column



Reinforcing steels and Construction Reinforcement Systems



Structural beams and bars



Commercial Bars



Ladder Wire



Wire meshes, panels, and grains



Fences and accessories



Cables and stay cables



Fencing, barriers, and accessories



Chains



Nails, staples, and accessories



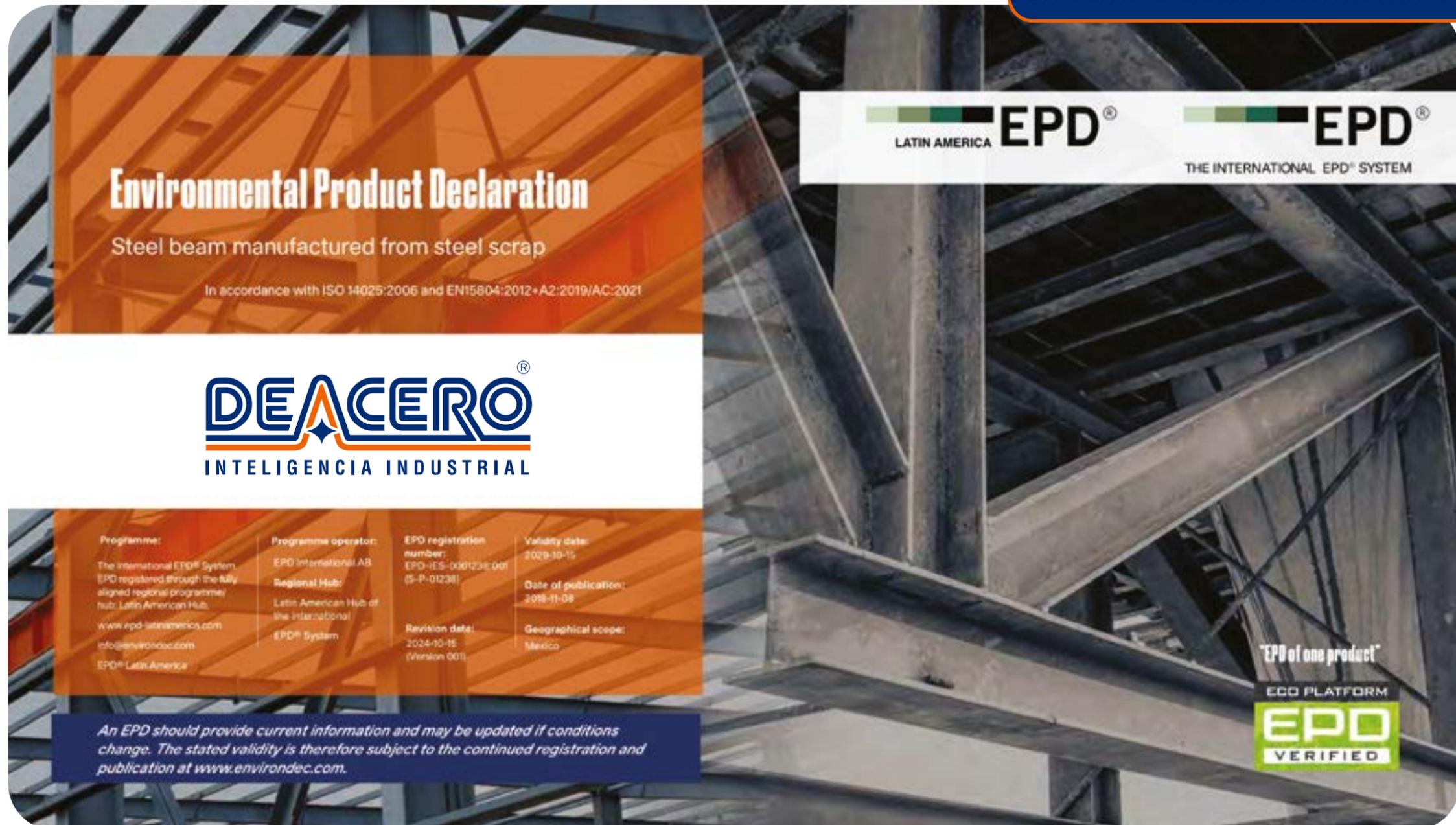
Wires and semi-flat wires

## ENVIRONMENTAL PRODUCT DECLARATIONS

We were the first steel company in Latin America to conduct Life Cycle Analyses and the first in Mexico to produce Environmental Product Declarations (EPDs) in 2018. These declarations are developed in accordance with ISO 14025:2006 and verified by an independent third party, ensuring the integrity of the information. The measured environmental impacts include global warming potential, acidification, eutrophication, and others.

In 2024, we carried out the update process of the Environmental Product Declarations for 4 of our main product families.

Learn about our Environmental Product Declarations here.



# Neutrum

Sustainability made of steel

Our **Neutrum**® brand is composed of 97% recycled steel and is produced through a low **CO<sub>2</sub>** emission process. Additionally, it maintains a firm commitment to emissions reduction and uses carbon credits to offset those that cannot be eliminated.

To calculate the emissions to be offset, we measure the carbon footprint of each product family throughout its “cradle-to-gate” life cycle, considering all stages from raw material procurement and production to delivery to the customer.

In 2024, we began the certification process in alignment with the new **ISO 14068-1:2023 Carbon Neutrality** standard, published at the end of 2023. This standard establishes a comprehensive framework to quantify, reduce, and offset the carbon footprint through a third-party verified process.

Since offsetting is the final stage in offering carbon-neutral products, we have implemented a **Carbon Credit Desk** to ensure the acquisition of these instruments under the highest principles of social and environmental integrity.

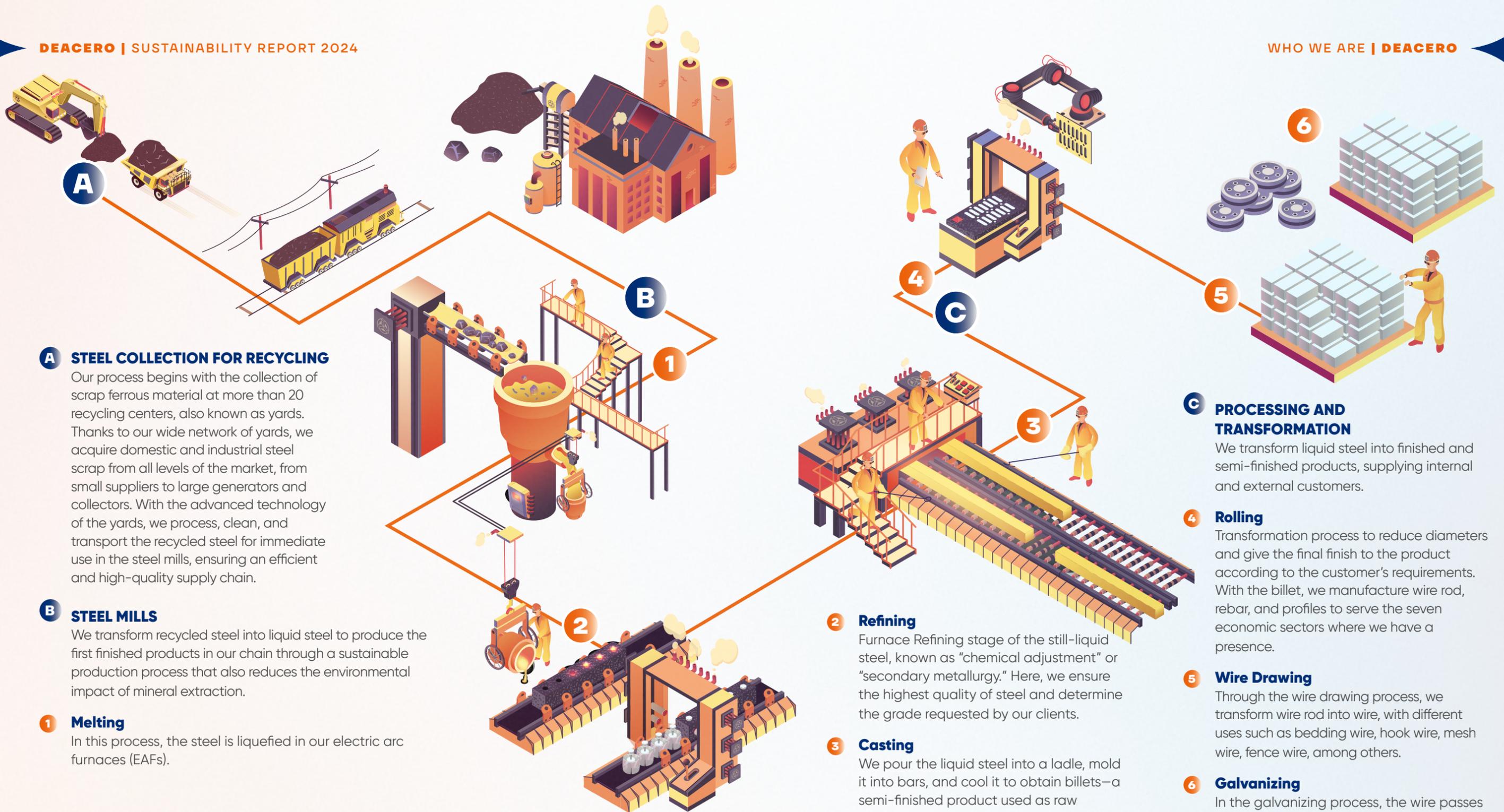
Learn more about our **Carbon Credit Desk** on page 109.

# INTEGRATED BUSINESS MODEL

GRI 2-6

We stand out for our integrated business model, which begins with the collection and processing of scrap steel at our recycling centers, followed by steel production under the highest quality standards and its transformation into steel and wire products sold through more than 7,500 business partners.





**A STEEL COLLECTION FOR RECYCLING**

Our process begins with the collection of scrap ferrous material at more than 20 recycling centers, also known as yards. Thanks to our wide network of yards, we acquire domestic and industrial steel scrap from all levels of the market, from small suppliers to large generators and collectors. With the advanced technology of the yards, we process, clean, and transport the recycled steel for immediate use in the steel mills, ensuring an efficient and high-quality supply chain.

**B STEEL MILLS**

We transform recycled steel into liquid steel to produce the first finished products in our chain through a sustainable production process that also reduces the environmental impact of mineral extraction.

**1 Melting**

In this process, the steel is liquefied in our electric arc furnaces (EAFs).

**2 Refining**

Furnace Refining stage of the still-liquid steel, known as "chemical adjustment" or "secondary metallurgy." Here, we ensure the highest quality of steel and determine the grade requested by our clients.

**3 Casting**

We pour the liquid steel into a ladle, mold it into bars, and cool it to obtain billets—a semi-finished product used as raw material for the rolling process.

We convert the waste generated in the process into useful by-products for industries such as rail, agriculture, pharmaceuticals, oil, ceramics, and construction.

**C PROCESSING AND TRANSFORMATION**

We transform liquid steel into finished and semi-finished products, supplying internal and external customers.

**4 Rolling**

Transformation process to reduce diameters and give the final finish to the product according to the customer's requirements. With the billet, we manufacture wire rod, rebar, and profiles to serve the seven economic sectors where we have a presence.

**5 Wire Drawing**

Through the wire drawing process, we transform wire rod into wire, with different uses such as bedding wire, hook wire, mesh wire, fence wire, among others.

**6 Galvanizing**

In the galvanizing process, the wire passes through a bath of liquid zinc, which gives the wire greater quality and corrosion resistance.

**D SHIPPING AND DISTRIBUTION**

The finished product is stored and shipped for delivery to internal and external customers.

# MANUFACTURING PROCESS

# ORGANIZATIONAL STRUCTURE

GRI 3-3

Since 2022, DEACERO has been organized into four Business Units and one Corporate Services Management, each led by its respective General Manager to achieve the organization's global and local goals.



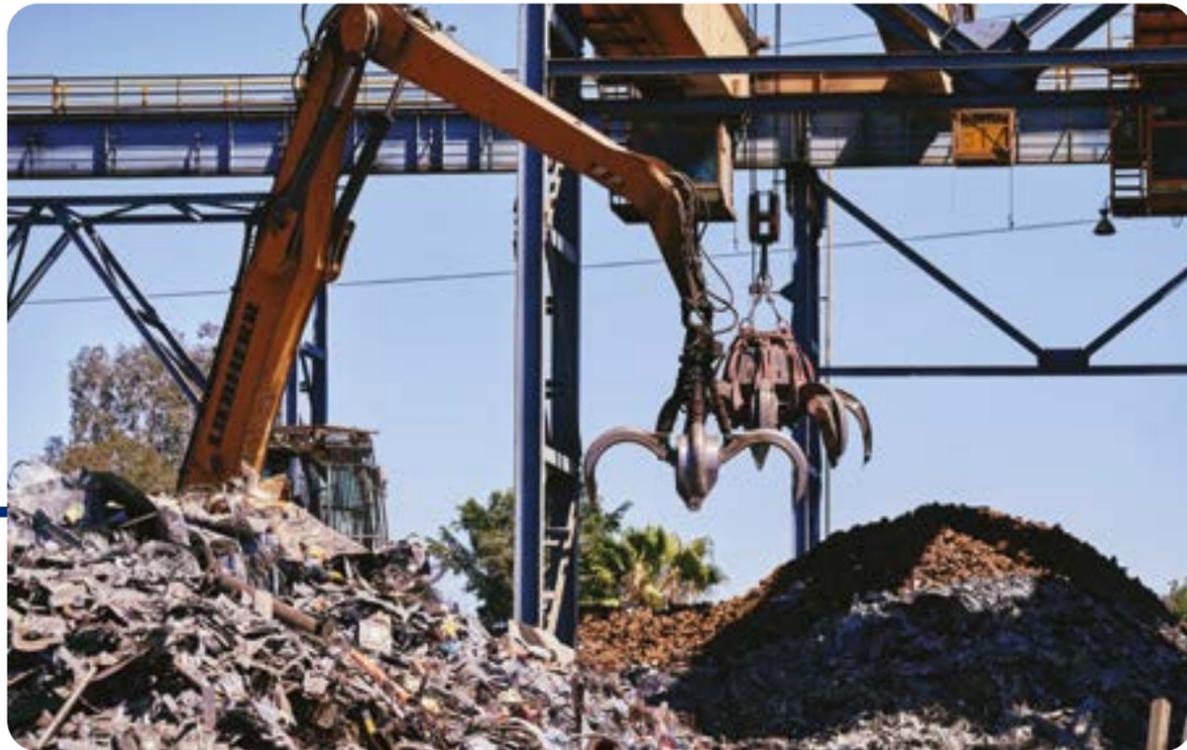
## STEELS



### WHAT WE DO

In **Steels**, we are responsible for the production and marketing of long steels, which is a key element in DEACERO's value chain. This is where our production process begins: we transform recycled steel into high-value products, ensuring their direct distribution to customers, business partners, and other Business Units within the Group.

Driven by a strong commercial force and market intelligence, we develop specialized service models focused on meeting the specific needs of each segment. Our strength lies in having integrated and highly specialized processes that range from the collection and recycling of steel to its transformation and commercialization.



Among our key processes, we have:

1

◆ **Raw material collection process**

This is where our process begins, with the purpose of supplying the steel mills on time and with the highest-quality, most competitive metallic charge mix to achieve high profitability in the finished product. All of this is carried out through our collection and transformation oper-

ations at more than 20 recycling centers, located mainly in Mexico and the United States, making us the largest steel recycler in Mexico, with an annual steel scrap collection of approximately 4 million tons. Our goal is to increase this to 30 centers by 2026.

2

◆ **Transformation process**

Subsequently, in our three steel mills in Mexico, the raw material is transformed into steel-derived products such as wire rod, profiles, and rebar, with a current rolling capacity of 4.2 million tons and 4.4 million tons of billets. This transformation process is carried out using Electric Arc Furnace (EAF) technology, which generates five times less CO<sub>2</sub> per ton of rolled steel produced than traditional Blast Furnace technology.

3

◆ **Distribution and marketing processes**

We market our products through a specialized sales approach based on an understanding of market, segment, channel, and customers' needs to create a differentiated value proposition that allows us to generate greater value for our customers and business partners. This enables us to gain deeper market insight, create specialized service models, and maximize business profitability.



### MARKET AND APPLICATIONS

One of our distinguishing features is the diversification of our portfolio and the added value we generate in the markets in which we operate. We have the largest long steel portfolio in North America, and we are leaders in the Mexican steel industry thanks to our market, product, and solution diversification.

- ◆ **Product Portfolio:** Our main products are rebar, wire rod, meshes, wires, and profiles, sold to distributors, customers, and other Group Business Units: Wires, DEACERO USA, and DEACERO Solutions.
- ◆ **Market Diversification:** We participate in various markets, including manufacturing, construction, energy, infrastructure, agriculture and livestock, and specialized construction work.



### ACHIEVEMENTS AND ASPIRATIONS

Through our purpose of "Building a sustainable world for all, with innovative solutions and industrial intelligence," we seek to consolidate our leadership in long steels. We differentiate ourselves by generating greater value for the customer and tripling business profitability sustainably through the following strategies:

- ◆ **Generate new sources of growth and profitability:** we drive our growth through solutions that generate value for stakeholders, meeting their needs and strengthening long-term trust relationships.
- ◆ **Optimize the use of invested capital:** we seek to maximize profitability through efficient use of installed capacity and new investments, such as shredders and steel mills, ensuring compliance with our service offerings while maintaining minimal inventory levels.

- ◆ **Optimize expenses and costs:** we have developed a management system aimed at identifying and eliminating waste throughout the value chain, fostering a culture of continuous improvement and optimal resource utilization.
- ◆ **Build the best place to work:** we promote employee well-being and the development of differentiating skills in safe and collaborative environments that foster value creation and operational effectiveness.
- ◆ **Strengthen business intelligence and risk management:** we use reliable, timely, and high-quality data to transform it into strategic information that enhances decision-making aligned with business objectives.
- ◆ **Grow from Sustainability:** we position the company as a benchmark in low-carbon-footprint products, supported by efficient and environmentally responsible operations.

All this is backed by an organizational culture focused on talent development, safety, health, and a business excellence model that drives continuous improvement, innovation, and a growth mindset across the organization, thus building a lasting legacy aligned with our objectives.



## WIRES, SUBSIDIARIES, AND OPERATIONAL SERVICES



### WHAT WE DO

We are the Business Unit responsible for developing innovative, intelligent, and sustainable solutions that meet our customers' needs. We manufacture wire products such as DEACERO Fence, high-tech meshes for the agricultural and construction sectors, construction systems used as reinforcing steel in infrastructure works, and the highest quality industrial wires. All of this is achieved through drawing and galvanizing processes, which use wire rod from our steel mills as the main raw material.

We also have subsidiaries specialized in serving various industries nationally and internationally:

- ◆ **DEACERO Summit** is dedicated to manufacturing carbon steel wires for highly specialized industries, such as automotive and aerospace, in Mexico and the United States.
- ◆ **Wiremax by DEACERO** produces steel cables for applications in oil and gas, lifting and hoisting industries, as well as for the energy and telecommunications sectors, in both countries.

Additionally, through our **Operational Services**, we provide strategic support to the rest of the Business Units under three action lines: provide *visibility*, *enable*, and *standardize*.



### MARKET AND APPLICATIONS

We are global leaders in the production of wires and reinforcing steels. We operate 18 wire plants with an installed capacity of over **1.7 million tons**, distributed through a robust logistics network, serving customers throughout Mexico and in **13 countries located in the regions of North America, Central America, South America, and Europe.**

We address five service channels through specialized models:

- ◆ Wholesalers
- ◆ Retailers in the distribution channel
- ◆ Industrial customers
- ◆ Project customers
- ◆ Customers in emerging channel

Our portfolio includes solutions for various sectors:



1

#### Agriculture and Livestock

Perimeter fences, agricultural meshes, barbed wire, and systems for protected agriculture.



2

#### Construction

Concrete reinforcements, mining and engineering meshes, steel fibers, prestressed strand, annealed wire, and other related products.



3

#### Manufacturing

High-quality carbon steel products for the automotive, aerospace, marine, and other industries.



### ACHIEVEMENTS AND ASPIRATIONS

We aspire to protect people's lives and property through sustainable solutions, while increasing the value of our business in the production, distribution, and sale of wire. We pursue six strategic priorities:

- ◆ Consolidate specialized business models aligned with our commercial plan.
- ◆ Simplify and focus our product portfolio.
- ◆ Promote comprehensive innovation as a growth engine.
- ◆ Ensure optimal resource use through smart productivity.
- ◆ Optimize our value chain.
- ◆ Digitize key processes with a focus on technological efficiency.

Our key capabilities support us:

- ◆ Deep knowledge of the channel and the market.
- ◆ Smart portfolio of customers and products.
- ◆ Reliable and assertive relationships with our business partners.
- ◆ Superior comprehensive quality in each of our products.
- ◆ Efficiency in cost and expense management.





## DEACERO SOLUTIONS



### WHAT WE DO

North America is undergoing a reindustrialization process that is positioning the Mexico–Southern United States region as a new development hub. To support this transformation, it is necessary to evolve construction systems. In this context, **DEACERO Solutions** emerges as our proposal to make building and infrastructure more agile, efficient, and sustainable. Through our brands **INGETEK** and **Neutrum**<sup>®</sup>, we develop solutions that enable builders to be better prepared to face current challenges.

Our purpose is to respond to the structural changes in the construction industry and the nearshoring phenomenon, accelerating business relocation and capitalizing on major infrastructure projects. We aim to modernize the sector through construction systems that reduce labor needs, optimize time and costs, and lower the carbon footprint.



### HOW WE DO IT

We are a company focused on generating value by enabling rebar and profiles by incorporating engineering and advanced technologies to provide efficient solutions to our customers.

We are vertically integrated with DEACERO's three steel mills, which ensures excellence in production, quality, and efficiency throughout the value chain, as well as reinforcing our commitment to sustainability using recycled steel. This backing strengthens our operational capabilities and drives technological innovation.



### OUR KEY SERVICES

We have a highly qualified engineering team that offers specialized technical assistance, including:

- ◆ Preliminary studies and efficiency proposals
- ◆ Preparation of assembly plans and cutting schedules
- ◆ Value engineering to optimize design and construction
- ◆ Technical recommendations based on project requirements
- ◆ Advice on our product and solutions portfolio

We complement this with a **Project Management** area that offers:

- ◆ Planning and monitoring during project execution
- ◆ Specialized attention through a single point of contact
- ◆ Visibility of delivery status and progress
- ◆ Timely resolution of needs and clear, periodic reports



**MARKET AND APPLICATIONS**

Our solutions are applied in projects in Mexico and the United States in sectors such as:



**BUILDING**



**INFRASTRUCTURE**



**HOUSING**



**INDUSTRIAL**



**ENERGY**



◆ **2D & 3D products:** ready-to-install elements such as stirrups, welded mesh, columns, baskets, and 6000 rebar.

◆ **Rebar preparation:** cut and bent rebar, connectors, piles, segments, and engineered mesh.

◆ **Profile enabling:** custom prefabricated pieces for solar parks, transmission towers, warehouses, racks, trailers, and guardrails.

◆ **Turnkey projects:** design, supply, installation, and execution of comprehensive projects in building, pavements, and foundations.

◆ **DEACERO® solutions:** we are the only certified installer of DEACERO® reinforcing steel solutions.



**OUTSTANDING ACHIEVEMENTS AND ASPIRATIONS**

- ◆ Alliance with DEACERO Logistics to redirect our strategy in the United States toward private energy projects.
- ◆ Recognized by Bechtel and Blattner for our excellence in liquefied natural gas projects in Texas.
- ◆ Start of operations at the enabled and galvanized profile plant for galvanized products; soon to be the largest galvanizing facility in the region.
- ◆ Opening of the new plant in Ciudad Juárez to serve the growing regional market.
- ◆ Implementation of an automated system at the *García* Plant, adding 5,000 tons of capacity without increasing staff.
- ◆ Launch of the Neutrum® seal, which distinguishes products manufactured with recycled steel, sustainable processes, and carbon neutrality certifications.
- ◆ The supply of rebar for multiple projects with ICA and Mota-Engil.



**Our goal for 2025** is to stabilize production and service, ensure profitability, and capitalize on the boom in public and private projects.



**DEACERO USA**



**WHAT WE DO**

We specialize in the commercialization and distribution of a wide range of steel products, such as wire rod, rebar, wire products, and specialized solutions, throughout the United States. Although most of our products are sourced from Mexico, we also have manufacturing facilities for wire products in the Mid-west and South-Central United States, allowing us to better adapt to the specific needs of our customers and offer more efficient response times.



**MARKET AND APPLICATIONS**

We serve a wide variety of industries, including the agricultural and livestock, manufacturing, and construction sectors. To effectively reach these markets, we operate through various distribution channels: direct sales, retail chains, as well as national and regional distributors.

Through Mid-Continent, DEACERO's company, we market an extensive range of products under different brands in the United States and Canada, consolidating our presence in the region.



**ACHIEVEMENTS AND ASPIRATIONS**

We have established a strong binational footprint in the nail and fencing markets. Looking ahead, we aim to **expand our product and service offerings**, strengthen our closeness to customers, and increase local production of higher value-added solutions in the wire and rebar segment.

Our goal is to **consolidate our position as leaders in the supply of high-quality, environmentally responsible steel solutions**, responding quickly to new market demands and contributing to more sustainable industrial development.



**CORPORATE SERVICES AND FINANCE**



**WHAT WE DO**

Our main objective is to enable the Business Units in administrative and support functions to generate economic, social, legal, ethical, and regulatory value for DEACERO, its customers, and other stakeholders.

We achieve this through an agile, efficient, and productive **Service Delivery Model**, composed of:

- ◆ **Centers of Expertise (COE – Corporate):** provide visibility and reliability in information, enablement and advisory services, regulations and compliance, and strategic direction.
- ◆ **Shared Services Center (SSC):** consolidates high-volume transactional operations, standardizing and optimizing processes to deliver quality services at low cost, allowing the Business Units to focus on their core activity.



**ACHIEVEMENTS AND ASPIRATIONS**

We aspire to strengthen the value and profitable growth of Grupo DEACERO through functional specialization, capacity building, regulatory compliance, and an agile service model. We are guided by our institutional values, promoting a culture of collaboration, empowerment, and responsibility.

To align efforts, we operate under six Strategic Lines:



# OUR SUSTAINABILITY

- 1 Sustainability model
- 2 Contribution to the Sustainable Development Goals
- 3 Our materiality
- 4 Participation and partnerships

# SUSTAINABILITY MODEL

GRI 3-3, 2-22

At DEACERO, our sustainability model is a key pillar of our business strategy, as it allows us to balance environmental and social responsibility with long-term economic growth. This approach integrates sustainable practices across all our operations, from efficient resource management to engagement with our stakeholders, in alignment with the strategic topics identified in the double materiality analysis conducted in 2023.

By adopting this vision, we minimize our environmental impact, optimize operational efficiency, reduce regulatory and reputational risks, and seize new market opportunities. Our model is based on three strategic pillars with clearly defined objectives and metrics, allowing us to drive continuous improvement in our sustainability performance.



# CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS

GRI 3-3

Through our sustainability model, we contribute to specific targets of 8 of the 17 Sustainable Development Goals of the 2030 Agenda promoted by the United Nations.



## ENVIRONMENT

### ◆ CIRCULAR ECONOMY

We promote the circular economy by recycling 97% of the steel we use, contributing to the sustainable management of natural resources and waste reduction.

[Learn more on page 132](#)

#### ◆ DEACERO material topic

Materials management and circularity



#### ◆ ODS

**12.5** By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse activities.

### ◆ WATER MANAGEMENT

We promote the efficient and responsible use of water resources and encourage the use of treated water in our operations.

[Learn more on page 144](#)

#### ◆ DEACERO material topic

Water resource management



#### ◆ ODS

**12.2** By 2030, achieve sustainable management and efficient use of natural resources.

### ◆ DECARBONIZATION

We are leaders in low emissions in North America and have committed to reducing our emissions intensity by 56% by 2030.

[Learn more on page 100](#)

#### ◆ DEACERO material topic

Climate change and emissions strategy



#### ◆ ODS

**9.4** By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.



**13.3** Improve education, awareness, and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning.



## SOCIETY

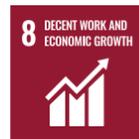
### ◆ COMPREHENSIVE DEVELOPMENT OF OUR TEAM

We foster the personal and professional growth of our employees through training and wellness programs.

[Learn more on page 170](#)

#### ◆ DEACERO material topic

- Commitment to the comprehensive development of employees
- Talent attraction and retention



#### ◆ ODS

**8.5** By 2030, achieve full and productive employment and decent work for all women and men, including young people and persons with disabilities, and equal pay for work of equal value.

### ◆ HEALTH AND SAFETY OF OUR TEAM

We promote a culture of prevention and comprehensive care, ensuring safe and healthy work environments.

[Learn more on page 182](#)

#### ◆ DEACERO material topic

Employee health and safety



#### ◆ ODS

**8.8** Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, particularly women, and those in precarious employment.

### ◆ COMMUNITY DEVELOPMENT AND WELL-BEING

Through Fundación DEACERO, we promote health, education, and development initiatives, generating a positive impact in the communities near our operations.

[Learn more on page 200](#)

#### ◆ DEACERO material topic

Community engagement



#### ◆ ODS

**3.8** Achieve universal health coverage, including financial risk protection, access to quality essential health-care services, and access to safe, effective, quality, and affordable essential medicines and vaccines for all.



**4.1** By 2030, ensure that all girls and boys complete free, equitable, and quality primary and secondary education leading to relevant and effective learning outcomes.



## RESPONSIBLE BUSINESS

### ◆ ETHICS AND INTEGRITY

We operate based on a strong code of ethics and promote a culture of integrity throughout the organization.

[Learn more on page 230](#)

#### ◆ DEACERO material topic

- Ethics and integrity
- Corruption and bribery risk management
- Environmental, social, and governance compliance
- Business risk management
- Human rights in operations and value chain



#### ◆ ODS

**16.5** Substantially reduce corruption and bribery in all their forms.

### ◆ SUSTAINABLE SOURCING

We promote responsible practices in our supply chain, prioritizing local suppliers and promoting environmental and social standards.

[Learn more on page 78](#)

#### ◆ DEACERO material topic

Comprehensive supply chain management



#### ◆ ODS

**12.6** Encourage companies, especially large and transnational ones, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

### ◆ STAKEHOLDER ENGAGEMENT

We maintain constant, transparent, and constructive dialogue with our stakeholders to strengthen partnerships that contribute to sustainable development.

[Learn more on page 74](#)

#### ◆ DEACERO material topic

- Long-term strategic business vision
- Certifications and alliances to promote sustainability



#### ◆ ODS

**17.17** Encourage and promote effective public, public-private, and civil society partnerships, building on the experience and resourcing strategies of partnerships.

# OUR MATERIALITY

GRI 3-1

## WE PRIORITIZE THE KEY TOPICS FOR US AND OUR STAKEHOLDERS

In 2023, we carried out DEACERO's Double Materiality study with the aim of identifying the actual or potential impacts, both positive and negative, that our operations could generate on people and the environment. This analysis considered short-, medium-, and long-term horizons, as well as the financial risks associated with such impacts. We were one of the first companies in Mexico to develop this exercise, which was conducted with the support of an external consultancy, which provided us with a robust methodology aligned with major international standards.

The study followed the approach and guidelines of the European ESRS (European Sustainability Reporting Standards), based on the GRI (Global Reporting Initiative) Standards and considering IFRS (International Financial Reporting Standards).

For its development, we first established the scope of the analysis, identifying and selecting key indicators. As part of this process, we reviewed pre-established methodologies for the steel industry, taking into account the standards of the Sustainability Accounting Standards Board (SASB) and

the Global Industry Classification Standard (GICS). Subsequently, we carried out an internal analysis through surveys and interviews with employees to understand their expectations and how environmental, social, and governance (ESG) topics are managed within the organization.

Additionally, we conducted an external analysis to evaluate the sector's development and the level of maturity in ESG management within our industry. In this process, we analyzed global trends and best practices in sustainability, while considering the expectations of key stakeholders such as authorities, investors, clients, communities, and specialized organizations.

Based on the information gathered, we developed an impact matrix that took into account the sectoral context and our stakeholders' expectations. Finally, we compared the priority topics identified in both the internal and external analysis, which allowed us to obtain a Double Materiality matrix with the most relevant topics in terms of impact on society, the environment, and DEACERO's finances.



## MATERIAL TOPICS

GRI 3-2

### Double Materiality Matrix

Impact on DEACERO (outside in)	<ul style="list-style-type: none"> <li>Customer relations</li> <li>Corporate governance and relationship with shareholders</li> </ul>	<ul style="list-style-type: none"> <li>Environmental management and contingency handling</li> <li>Business risk management</li> <li>Strategic business vision over time horizons</li> <li>Hazardous waste and spill management</li> </ul>	<ul style="list-style-type: none"> <li>Comprehensive supply chain management</li> <li>Water resource management</li> <li>Material management and circularity</li> <li>Employee health and safety</li> <li>Climate change strategy and emissions</li> <li>Corruption and bribery risk management</li> <li>Insecurity and organized crime</li> <li>ESG compliance</li> <li>Sustainability strategy linked to business strategy</li> </ul>
			<ul style="list-style-type: none"> <li>Commitment to the comprehensive development of employees</li> <li>Talent attraction and retention</li> <li>Energy efficiency</li> <li>Strengthening cybersecurity</li> <li>Human rights in operations and value chain</li> </ul>
	<ul style="list-style-type: none"> <li>Diversity and inclusion</li> <li>Ethics and integrity</li> <li>Certifications and alliances to promote sustainability</li> </ul>		<ul style="list-style-type: none"> <li>Transparency and accuracy of information</li> <li>Community engagement</li> </ul>
Impact on stakeholders (inside out)			

#### TOPICS WITH DOUBLE MATERIALITY



##### Governance

- Comprehensive supply chain management
- Corruption and bribery risk management
- Environmental, social, and governance compliance
- Sustainability strategy linked to the business
- Strengthening cybersecurity
- Business risk management
- Strategic business vision over time horizons



##### Environmental

- Water resource management
- Material management and circularity
- Climate change and emissions strategy
- Energy efficiency
- Environmental management and contingency handling
- Hazardous waste and spill management



##### Social

- Employee health and safety
- Insecurity and organized crime
- Commitment to the comprehensive development of employees
- Talent attraction and retention
- Human rights in operations and value chain

#### MATERIAL TOPICS



##### Material topics with greater financial relevance

- Customer relations
- Corporate governance and relationship with shareholders



##### Material topics with non-financial impact

- Diversity and inclusion
- Ethics and integrity
- Certifications and alliances to promote sustainability
- Transparency and accuracy of information
- Community engagement

# STAKEHOLDER RELATIONS

GRI 2-29, 413-1



## ◆ EMPLOYEES AND THEIR FAMILIES

At DEACERO, we recognize that the well-being of our team is fundamental to the organization's success. For this reason, we maintain constant communication through internal channels, the *Grupo DEACERO TIPS Line*, our Performance and Development Management Process (PADD), and organizational climate surveys. We address priority topics such as health and safety, comprehensive development, talent attraction and retention, diversity and inclusion, as well as human rights in the value chain. This ongoing relationship allows us to better understand their needs, effectively communicate organizational changes, implement training and wellness programs, improve the work climate, and strengthen the connection with the company's values.



## ◆ CUSTOMERS

With our customers, we maintain a close relationship based on ethics, transparency, and sustainability. Through channels such as direct communication with sales representatives, the *Grupo DEACERO TIPS Line*, participation in forums and conferences, and our website, we foster understanding of their expectations and ensure access to clear and reliable information. This translates into better communication about prices, product and service quality, sustainability attributes of our products, and greater customer satisfaction and loyalty, measured through our Net Promoter Score (NPS).



## ◆ SUPPLIERS

With our suppliers, we maintain transparent and constant dialogue, mainly through direct communication with procurement representatives, and we make the *Grupo DEACERO TIPS Line* available to them. We work based on sustainable supply chain management criteria and respect for human rights in operations. This relationship focuses on ensuring compliance with DEACERO's values and policies, with an emphasis on efficiency, reliability, and transparency.



## ◆ PARTNERS AND DISTRIBUTORS

Our business partners and distributors are key players in the efficiency of our supply chain. The relationship with them is based on direct communication with sales and logistics teams, also supported by the *Grupo DEACERO TIPS Line*. We focus on comprehensive chain management, ensuring efficient and reliable relationships, which allows us to build long-term bonds and generate lasting trust.



## ◆ COMMUNITIES

We are committed to the communities where we operate through continuous dialogue, the implementation of social initiatives, and Fundación DEACERO programs. We have community intervention mechanisms through the "*Madrinas DEACERO*" Program, which focuses on understanding and addressing local needs in a comprehensive manner. This engagement allows us to identify needs, implement wellness projects, strengthen trust, and generate social licenses to operate, mitigating social and environmental risks.



## ◆ GOVERNMENT

We maintain a proactive relationship with authorities through our Corporate Affairs area, ensuring compliance with environmental, social, and governance regulations. We address key issues such as ethics and integrity, corruption prevention, environmental regulations, and occupational health. This institutional engagement ensures legal compliance, facilitates adaptation to new regulations, and strengthens DEACERO's reputation as a company committed to sustainable development and legality.

# PARTICIPATION AND ALLIANCES

GRI 3-3, 2-28

We seek to create alliances with various organizations that allow us to maximize our positive impacts on society and the environment. We manage our relationships with these organizations through the Corporate Affairs and International Trade Department. We have an **Affiliation Policy with Chambers, Associations, and Industrial Organizations,**

aimed at centralizing and coordinating all *Grupo DEACERO* affiliations to organizations and associations. This will allow us to optimize their strategic use and influence the public agenda and the sector. In addition to strengthening the company's presence in working committees to maximize benefits.

## ACADEMIC CONTRIBUTION

Convinced of the importance of analyzing Mexico's industrial policy to improve the competitiveness of economic sectors and promote national development and well-being, the Center for Economic Research and Teaching (CIDE) and *Grupo DEACERO* launched the "2024 Industrial Thought Award," which recognizes research works on industrial policy focused on Mexico's interests and seeks to encourage the study of development policies. Through this strategic alliance, CIDE and DEACERO commit to joining efforts to promote the research and development that Mexico needs to remain competitive and sustainable.

### In 2024, we engaged with various business chambers and associations:

- ◆ **ECIL** - *Empresarios de la Ciudad Industrial de León A.C.* (Business leaders from the Industrial City of León Association)
- ◆ **Coparmex Celaya** - Employers' Confederation of the Mexican Republic
- ◆ **AERIBAC** - *Asociación de Ejecutivos de Relaciones Industriales del Bajío* (Association of Industrial Relations Executives of Bajío)
- ◆ **AMPIP** - Mexican Association of Private Industrial Parks, A.C.
- ◆ **CONCAMIN** - Confederation of Industrial Chambers of the United Mexican States
- ◆ **CANACINTRA** - National Chamber of the Transformation Industry
- ◆ **CAINTRA** - Chamber of the Transformation Industry of Nuevo León
  - Corporate Sustainability Committee
- ◆ **CANACERO** - National Chamber of the Iron and Steel Industry
  - Vice-Chair of the Board of Directors
  - Chair of the Political Engagement Committee
  - Chair of the Logistics and Transport Safety Committee
  - Chair of the Energy Committee
- ◆ **CCE** - Business Coordinating Council
  - Early Childhood Subcommittee
  - Energy Committee
- ◆ **CLAUT** - Automotive Cluster of Nuevo León
  - Social Responsibility Committee
- ◆ **Nuevo León Social Investment Cluster**
- ◆ **COMCE NORESTE** - Mexican Business Council for Foreign Trade, Investment, and Technology, A.C.
- ◆ **Instituto de Control Interno México** (Mexican Institute of Internal Control)
- ◆ **ERIAC Capital Humano**
- ◆ **ANTAAC** - National Association of Steel Transformers
- ◆ **ICC** - International Chamber of Commerce
  - Chair of the Energy Committee (Mexico)
- Vice-Chair of the Global Environment and Energy Commission
- ◆ **AIEMAC** - Association of Industrialists of the State of Michoacán
- ◆ **IMCA** - Mexican Institute of Steel Construction
- ◆ **ANIVIP** - Mexican Association of Prestressed Concrete Manufacturers
- ◆ **ANIPPAC** - National Association of Prestressed and Prefabrication Industries, A.C.
- ◆ **Secretariat of Equality and Inclusion of Nuevo León**
  - STEM Nuevo León Network

# SUSTAINABLE SOURCING

- 1 DEACERO as a supplier
- 2 Sourcing management
- 3 Logistics
- 4 Our clients

# DEACERO AS A SUPPLIER

We are proud to be an essential link in the supply chain of strategic sectors such as construction, manufacturing, and agriculture. Our ability to meet their demands drives us to remain at the forefront of innovation, quality, and sustainability, taking an active role in adopting more responsible practices.

We understand that being a value-adding supplier not only means delivering high-quality products but also having a positive impact on the environment and society. Therefore, we implement innovative technologies and sustainable processes that reduce our environmental footprint and improve operational efficiency.

As part of our commitment to continuous improvement, we participate annually in EcoVadis®, a global platform that evaluates sustainability performance. In 2024, we earned the bronze medal, positioning us among the top 150,000 companies worldwide in terms of results. This rating recognizes our practices in key areas such as environmental management, ethics, human rights, labor conditions, and sustainable procurement.



DEACERO structural beam

Being part of such diverse and demanding value chains represents an ongoing challenge that we embrace responsibly. Our dedication to excellence, innovation, and sustainability strengthens our position as a reliable partner, ready to meet today's challenges and lead with vision toward a more sustainable future.

# SOURCING MANAGEMENT

GRI 3-3, 204-1, 308-1, 308-2

Sourcing is a strategic function that drives both operational efficiency and our sustainability commitments. We oversee and optimize all activities related to the acquisition, storage, production, and distribution of raw materials, as well as intermediate and final products. Our comprehensive approach spans demand planning and inventory management to logistics, transportation, and collaboration with suppliers and customers across the entire value chain.

Sustainability is embedded in our Sourcing Policy, which standardizes processes and controls to ensure ethical business conduct, information security, regulatory compliance, and continuous improvements in total cost and service quality. To reinforce this commitment, we have established a Supplier Code of Ethics that outlines mandatory criteria related to integrity, labor rights, environmental compliance, and anti-corruption practices. More than 4,675 suppliers have signed this code, marking a 30% increase compared to the previous year. These principles are also reflected in the commercial contracts we sign with our suppliers, which include social, environmental, and ethical clauses.

**93%**  
of our suppliers were local, a 16% increase compared to the previous year.

We have established ourselves as a driver of economic development by actively promoting local and responsible sourcing. In 2024, we advanced in the environmental evaluation of our strategic suppliers, a process led by the Sustainability area in coordination with Sourcing, aimed at systematically integrating environmental criteria into our purchasing decisions. Given that scrap steel is our main input, since 2024 we have collaborated with various industry stakeholders to strengthen sustainability capabilities among MSMEs that supply us with this material. We began this effort with an initial assessment that allows us to identify opportunities and, based on this, establish action plans and support schemes aimed at continuous improvement.

In 2024, we took an important step by setting specific sustainability criteria for suppliers of

IT equipment and logistics services, laying the groundwork to apply these standards to other key inputs in 2025. This strategy ensures that our suppliers share our environmental and social values, fostering a more responsible and sustainable supply chain.

To ensure continuity and resilience in our operations, we apply strategies such as Dual Sourcing and conduct quarterly performance reviews with critical and strategic suppliers. We have also implemented the Zycus platform, which optimizes payment and supplier relationship management, enabling more robust traceability and greater operational efficiency. Supply management at DEACERO not only ensures quality products and on-time deliveries but also reinforces our commitment to sustainable development, transparency, and the creation of shared value throughout our entire supply chain.

**+4,675** suppliers have signed our Supplier Code of Ethics, +30% vs. 2023

# LOGISTICS

At DEACERO, logistics plays an essential role in ensuring operational efficiency and reducing our environmental footprint. Our logistics strategy begins with the collection and transportation of scrap steel from our Recycling Centers to our Steel Mills, where it is melted to produce new steel, moving approximately 185,000 tons of material each month.

Aware of the environmental impact of transportation, we have committed to a sustainable model that prioritizes rail transport over road freight. Currently, 55% of our products are moved by rail and 45% by road, departing from more than 30 strategically located Distribution Centers nationwide, representing a significant optimization in terms of energy efficiency and emissions reduction.

**55%**  
of our products are transported by rail

**In 2024:**

-  We carried out more than 45,000 rail trips, covering over 30 million kilometers.
-  Rail use avoided 127,500 road trips, reducing CO<sub>2</sub> emissions, decongesting roadways, and lowering wear on road infrastructure.
-  We used a private fleet of 1,000 railcars, 840 of them Jumbo type, designed to maximize load capacity per trip and reduce trip frequency.
-  We collaborated with our clients to meet their demand by optimizing delivery logistics. We reduced the number of trips needed through better scheduling, without affecting the total product volume delivered. This translates into greater efficiency, cost reduction, and a lower environmental impact.

This model improves competitiveness and operational continuity while strengthening our commitment to sustainability by significantly reducing transport-related emissions. The preference for low-impact transportation methods reflects our belief that it is possible to operate efficiently while being responsible for the planet.

# OUR CLIENTS

GRI 3-3

At DEACERO, we seek to engage our clients on the path toward sustainability. In this context, we actively participate in specialized trade shows and forums in sectors such as agriculture, construction, and manufacturing, where we share DEACERO solutions, highlighting their technical attributes with a sector-focused approach and placing sustainability at the center. We received the Better Stand Award for the most sustainable booth at Expo CIHAC 2024—Mexico and Latin America’s leading construction, engineering, and design event—after presenting a proposal without disposable structures, generating zero waste, and being carbon neutral.

DEACERO Booth Winner at Expo CIHAC



86

87



In addition, we promote our own events focused on trends and innovation as part of our initiatives to strengthen relationships with our clients and support them in evolving their businesses toward more responsible models.

**Net Promoter Score (NPS)**

To capture our customers' voice, we implemented the Net Promoter Score (NPS) tool, a key indicator that allows us to measure the

experience we provide and understand to what extent we meet their expectations. This tool helps us identify improvement areas, strengthen client relationships, and drive joint growth.

At DEACERO, we want every interaction to be an opportunity to listen, understand, and create value. Therefore, we promote a customer-centered culture as the cornerstone of our commercial strategy.

In 2024, we achieved an NPS of 64, and for 2025, we aim to reach 74, a goal that will reinforce our positioning and trust with customers and business partners.

To achieve this, we are driving four key projects:



# OUR ENVIRONMENTAL MANAGEMENT

- 1 Environmental Sustainability Governance
- 2 Environmental Management System
- 3 Decarbonization as a strategic pillar
- 4 Energy
- 5 Circular economy
- 6 Waste management
- 7 Water management

# ENVIRONMENTAL SUSTAINABILITY GOVERNANCE

At DEACERO, we are firmly committed to embedding sustainability across all aspects of our operations. Our robust and continuously evolving environmental governance framework is designed to drive strategic initiatives that foster a more responsible, resilient, and future-ready organization.

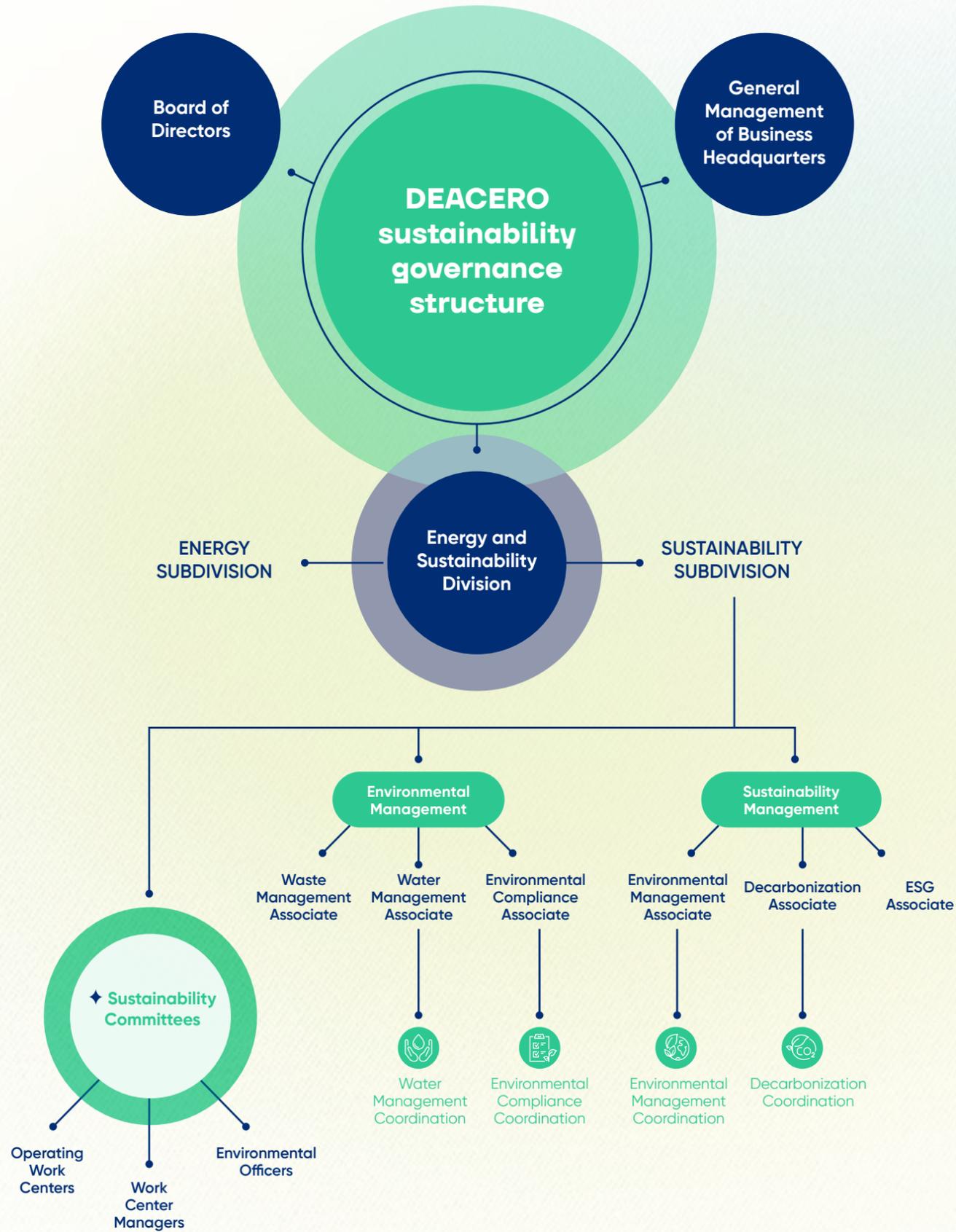
During 2024, this structure was strengthened with a comprehensive focus on ensuring environmental compliance across all operations, continuously improving environmental performance, advancing on our decarbonization pathway through the integration of renewable energy and advanced technologies, and developing products with a carbon-neutral footprint. We also systematically seek to incorporate sustainability best practices that strengthen our competitiveness and responsiveness to global environmental challenges.

To reinforce the execution and governance of the strategy, we have consolidated a specialized team responsible for coordinating and driving priority environmental actions, following sustainability initiatives, and aligning strategic objectives.

Each operating division has a Sustainability Committee responsible for validating technical solutions, investment projects (CAPEX), and other improvement initiatives. These committees meet monthly to present progress on indicators and targets for priority projects, as well as to review environmental legal compliance reports from each operating site, ensuring close follow-up on execution. The status of DEACERO's sustainability strategy is monitored monthly by the Executive Management and quarterly by the Board of Directors.



We ensure that sustainability is not an isolated concept, but rather a shared and cross-cutting responsibility embedded in decision-making throughout the organization.



## ENVIRONMENTAL SUSTAINABILITY POLICY

**GRI 2-23, 2-24**

Our Environmental Sustainability Policy establishes principles and guidelines to ensure environmental sustainability across all our operations. Its purpose is to communicate these principles institutionally, applicable to all business units and external personnel. The policy includes compliance with current regulations, integration of the sustainability strategy into annual planning, efficient use of natural and energy resources,

and collaboration with contractors, suppliers, and carriers to integrate sustainable practices. In addition, the policy focuses on:

- ◆ Measurement, evaluation, and reporting of environmental performance.
- ◆ Prevention and control of impacts.
- ◆ Promotion of a culture of sustainability throughout the value chain.

# ENVIRONMENTAL MANAGEMENT SYSTEM (EMS)

GRI 3-3, 2-25

The Environmental Management System (EMS) is the foundation that guides our responsible operation, aimed at preventing negative impacts on the environment and consolidating a culture of continuous improvement. Our EMS is aligned with the ISO 14001:2015 standard, and this year we reached a key milestone by obtaining certification for our Steel Mill–Rolling operations in Celaya and Ramos, Rolling in Saltillo, and Wire Plants in Celaya, Guadalupe, and Mexico City, reaffirming our commitment to world-class environmental management.

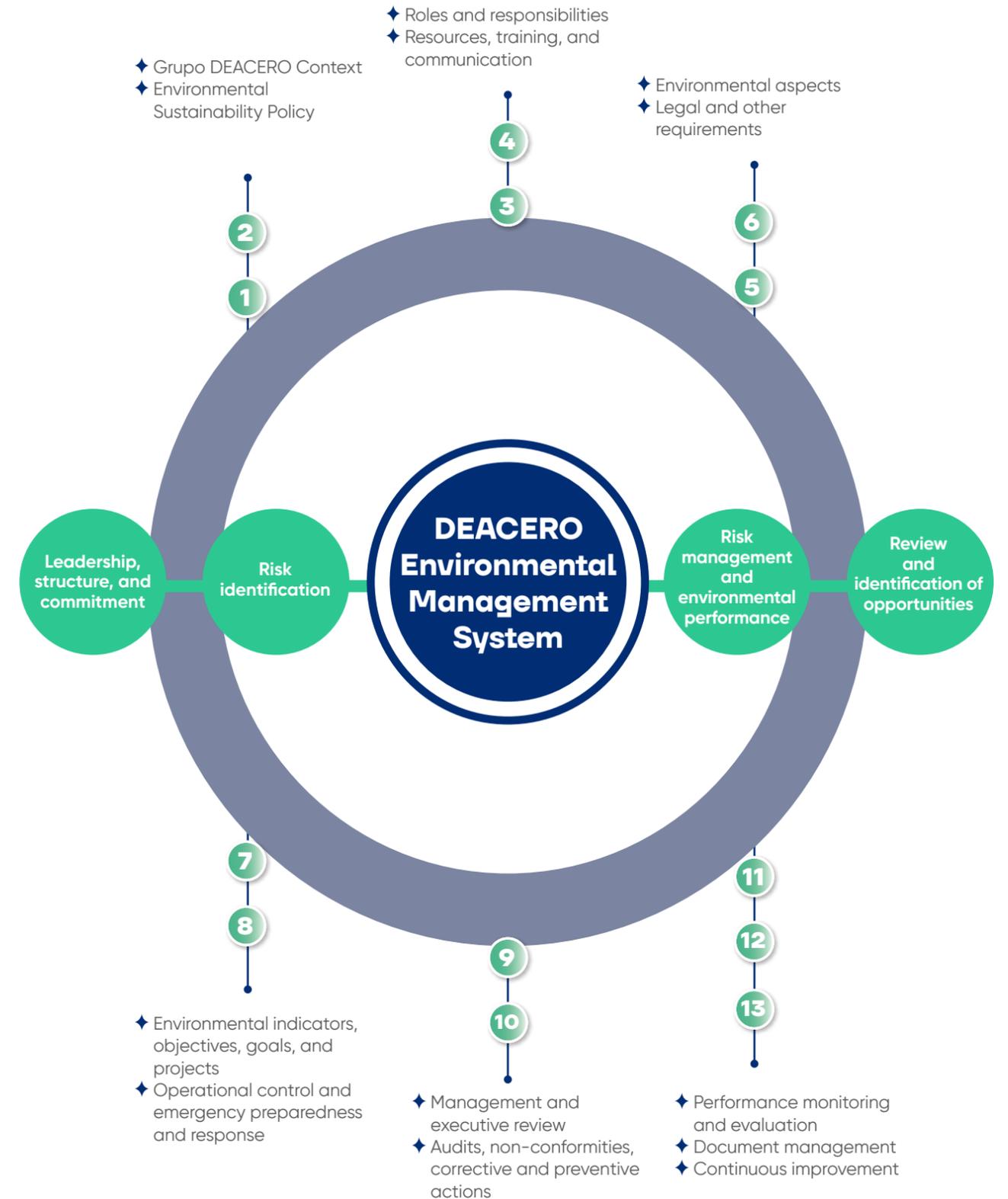
During this period, we strengthened the system through various actions. We improved the central document manager to standardize required information, facilitating its availability and updating. We also conducted an external gap closure analysis in key workplaces, allowing us to identify areas for improvement and strengthen system implementation. In parallel, we advanced the digitalization and automation of the EMS using Cority software, which has allowed us to more efficiently manage environmental performance. Our goal for 2025 is to manage

**Our commitment is to certify 100% of our Work Centers under ISO 14001:2015.**

environmental compliance through Cority and PRYSMEX software.

To ensure the technical competence of personnel, we developed and implemented an annual training program for environmental managers, focused on applicable legislation, water management, waste management, and the functioning of the management system.

We also promote technical collaboration and the exchange of best practices through inter-area technical groups, which has driven environmental improvement projects with an operational, practical focus aligned with the organization’s strategic objectives.



# ENVIRONMENTAL LEGAL COMPLIANCE

**GRI** 3-3, 2-27

Permanent compliance with environmental legal requirements is a cornerstone of DEACERO's Environmental Management System. To ensure this, each workplace has an environmental legal compliance matrix, where applicable requirements at the federal, state, and municipal levels are systematically identified. These matrices allow the degree of compliance to be evaluated and specific action plans to be established to address any deviations, remaining up to date in response to regulatory changes or modifications in the terms and conditions of permits and authorizations.

Monitoring of these environmental obligations is reinforced through biweekly technical meetings with the environmental managers of each work center. These meetings provide specialized support to strengthen technical and regulatory knowledge, promote the development of projects that improve compliance, and address any questions. As a complement, a monthly executive report is delivered to each General Management by business unit, communicating the level of compliance, identified risks, and the main activities carried out.

To promote the standardization of criteria and the exchange of best practices, periodic sessions are held with multidisciplinary technical groups to analyze key environmental actions and projects that affect performance and compliance. In 2024, for the Wire business unit, a more robust environmental audit process was established, focused on evaluating processes for environmental management based on the ISO 14001:2015 standard, with the particular feature of a full review of applicable environmental legal requirements for each workplace. This process was conducted internally. In the Steel Mills business unit, audits focused on legal compliance were carried out by a specialized third party, while in the Raw Materials business unit, these audits were conducted internally.

The implementation of these exercises aims to maintain and strengthen the understanding of regulatory requirements, in addition to reaffirming our commitment to continuous improvement and environmental responsibility. Additionally, ongoing monitoring of changes in environmental regulations is carried out, allowing us to identify potential risks in a timely manner and respond quickly and effectively to any regulatory modifications.

# DECARBONIZATION AS A STRATEGIC PILLAR



Decarbonization is an essential pillar of our sustainability strategy and a priority to strengthen business resilience in the face of climate change. We are convinced that producing steel in a cleaner and more efficient way is both possible and, above all, necessary in a global context where emission reduction is no longer optional, but a shared responsibility.

For more than three decades, we have relied on Electric Arc Furnace (EAF) technology and a circular economy model based on steel recycling, which allows us to maintain one of the lowest emission intensities in the region, reaching 0.40 tCO<sub>2</sub>/t of hot rolled steel within Scope 1 and 2 in 2024. This is complemented by strategic investments in infrastructure, technological innovation, energy efficiency, and the promotion of renewable energy use.

We also implement offset mechanisms through certified carbon credits as part of our commitment to the neutrality of our products under our Neutrum® brand.



In 2023, we became the first Mexican steel-maker to join the Science Based Targets initiative (SBTi), committing to set emission reduction targets aligned with climate science to limit global warming and promote responsible and sustainable business practices.

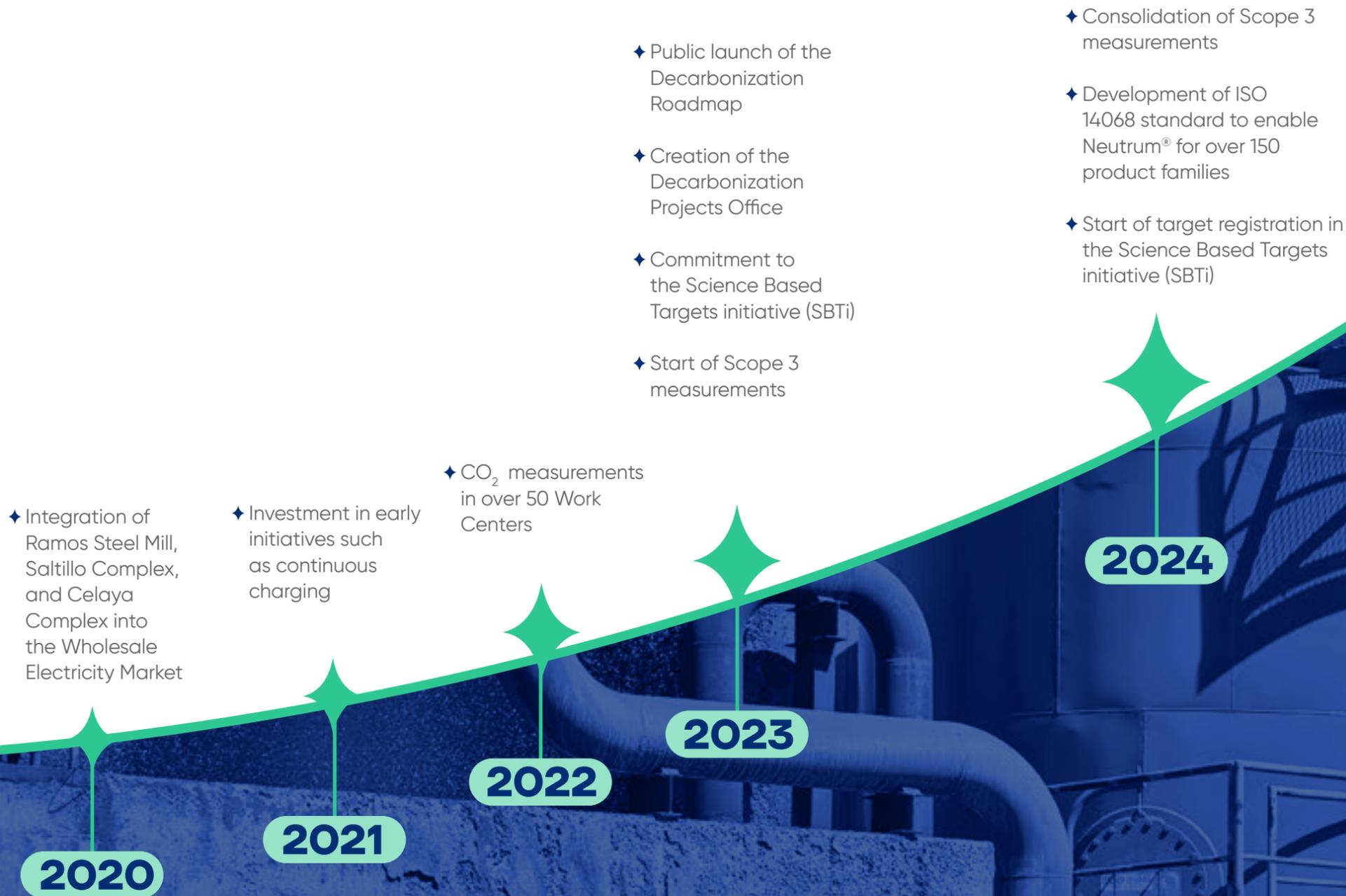
These actions reflect our ambition to remain leaders in decarbonization in the sector, with public and verifiable targets toward 2030.

### DECARBONIZATION PROJECTS OFFICE

In line with our climate commitment, since 2023 the Decarbonization Projects Office has coordinated the identification, evaluation, and monitoring of key initiatives to achieve emission reduction goals. This effort is based on the continuous measurement of the carbon footprint at operational sites and the consolidation of strategic projects.

We are driving industry transformation through deliberate and impactful actions, recognizing that addressing climate change is not only the right course of action, but also a strategic advantage and a key pathway toward building a more sustainable future.

# OUR PATH TO DECARBONIZATION



## Next steps

- ◆ Alignment with science-based emission reduction targets
- ◆ Carbon neutral product certification for Neutrum®

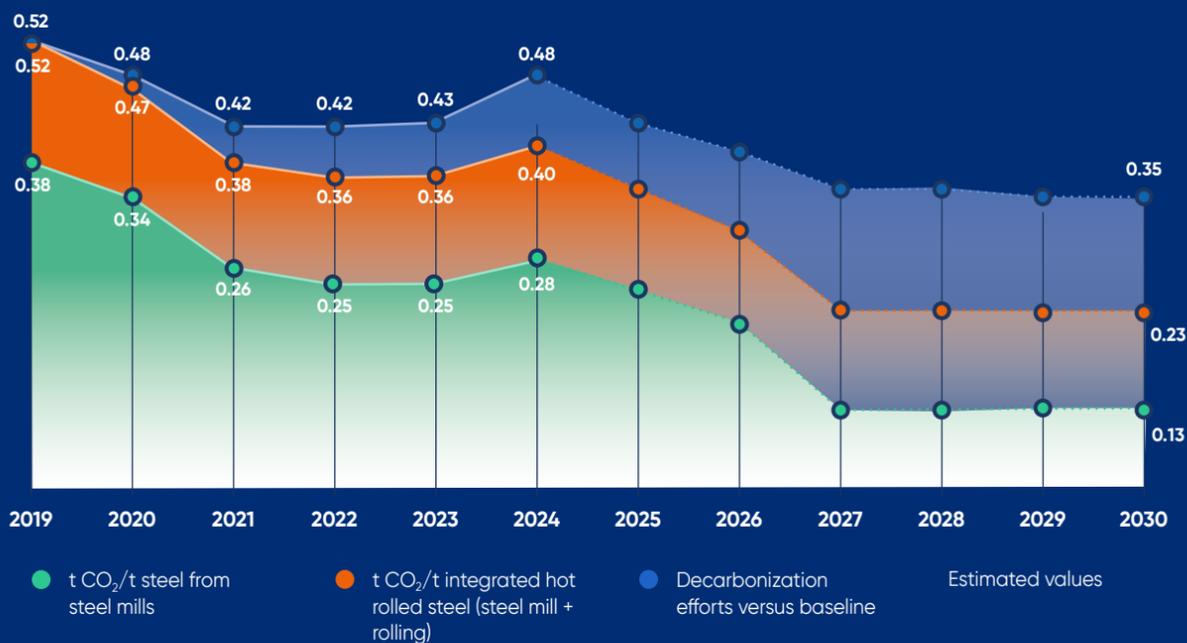
## 2030 DECARBONIZATION ROADMAP

Aware of our role in climate transformation, in March 2023 we took a decisive step by publishing our first Decarbonization Roadmap, aligning ourselves with the Paris Agreement and its 1.5 °C target. Now more than ever, we responsibly embrace our role as leaders in the transition toward cleaner steel, committing to reduce by 56% the emission intensity of Steel Mill and Rolling operations (Scopes 1 and 2) by 2030, using 2019 as our base year.

From 2023 to 2024, our intensity increased from 0.36 to 0.40 tCO<sub>2</sub>/t of rolled steel due to changes in demand. However, our 2030 commitment remains, and this intensity continues to be significantly lower than the sector average published by CRU (independent analysis) in 2022 of 1.94 tCO<sub>2</sub>/t of rolled steel.

The trajectory of our Decarbonization Pathway is shown in the following chart:

### tCO<sub>2</sub>/t hot rolled steel



NOTES:

- The Decarbonization Pathway is closely tied to the expected competitiveness of renewable energy prices versus thermal energy from natural gas.
- The "Baseline" represents a hypothetical scenario in which DEACERO's strategic decarbonization projects had not been implemented.

## DECARBONIZATION INITIATIVES

### Scope 1 – Operational efficiency



#### ◆ Continuous charging system (ECS) at Ramos Arizpe Steel Mill

Installed in 2020, this system feeds scrap metal via a conveyor belt, preheating it using residual thermal energy before it enters the melting furnace. This prevents opening the furnace lid, increasing energy efficiency.



#### ◆ Hot charging at Celaya Steel Mill

We optimized the hot billet charging process to the rolling mill, increasing its utilization by 12% and reducing the reheating furnaces' energy consumption. In 2024, we achieved 61% hot charging from our own steel mill into rolling and wire drawing lines.



#### ◆ Shredders at Recycling Centers

We increased the use of shredded scrap steel by up to 31% in the metallic charge mix, improving the melting process efficiency and reducing casting times. Our goal is to reach 49% by 2025.

### Scope 2 – Clean energy



#### ◆ Electricity coverage

We source electricity with an emission factor 12% lower than the National Electric System. This supply comes from the most efficient combined-cycle power plants in the country and powers our Ramos Arizpe steel mill, as well as the Celaya and Saltillo complexes.



#### ◆ Wind farms

We receive clean energy supply from the wind farm located in General Bravo, Nuevo León. It supplies our Wire Plants and Recycling Centers, as well as some Distribution Centers. In 2024, consumption reached 72,282 MWh.



#### ◆ Solar farms

In 2024, we sourced energy from a solar farm in Sonora, with a consumption of 299,755 MWh. In addition, our Wire Plants in Puebla, Morelia, Querétaro, and León have solar panels that generated over 1,500 MWh annually.

In December 2023, we agreed to contract over 1.16 TWh of renewable energy, with service expected to begin between 2026 and 2028. This supply will come from bifacial technology solar farms in Coahuila and San Luis Potosí.

## PARTNERSHIPS FOR DECARBONIZATION

Partnerships are key to achieving our decarbonization goals. That's why we actively promote collaboration with various public and private institutions. This creates opportunities to exchange knowledge, foster innovation, and develop high-impact climate solutions.

In 2024, we participated in the United Nations Global Compact Climate Action Peer Learning Group to share and learn about best practices and challenges in climate matters, alongside professionals from different companies and industries.

Since 2022, we have been part of the Global Steel Climate Council (GSCC), an international initiative promoting ambitious strategies to reduce emissions in the steel industry. As part of this commitment, in 2025 we will set a reduction target aligned with its standard, reaffirming our focus on science-based, globally scoped decarbonization.

We participate in the Sustainable Development Commission of the Mexican National Chamber of the Iron and Steel Industry (CANACERO), contributing to the development of sectoral indicators and strengthening the environmental and climate regulatory framework. We also take part in other forums to establish standards and policies that drive low-emission steel production.

## CARBON CREDIT DESK

As part of our decarbonization strategy towards product neutrality, we have implemented a carbon credit offset system. Each credit represents one ton of CO<sub>2</sub> removed from projects certified by international standards such as VERRA, Climate Action Reserve (CAR), and the American Carbon Registry (ACR). We have a specialized team that monitors the carbon credit market daily, considering prices, availability, and quality to ensure informed decisions.

Credit purchases and retirements are verified by independent third parties and follow criteria established in our Neutrum® protocol,

aligned with ISO 14068-1:2023, the carbon neutrality standard, ensuring environmental integrity. Our goal for 2025 is to certify our product neutralization process under this standard.

In 2024, we retired 133 carbon credits, of which 95 were used by DEACERO to offset our participation in events during the year, and 38 were assigned to INGETEK to neutralize the Neutrum® product offering. This last action represents the offset of 38 tons of CO<sub>2</sub>, reaffirming our commitment to verifiable climate solutions aligned with international standards.

## EMISSIONS

**GRI 305-1, 305-2, 305-5**

Data collection for our greenhouse gas inventories is carried out in accordance with the principles and requirements set out in ISO 14064-1:2018, as well as the GHG Protocol Corporate Accounting and Reporting Standard. This ensures the quality, consistency, and traceability of the reported information. **We recorded a sub-**

**stantial decrease in Scope 1 and Scope 2 gross GHG emissions between 2023 and 2024.** At the end of 2023, as part of our continuous improvement in carbon footprint measurement, we carried out for the first time a Scope 3 emissions inventory for the 2019–2022 periods at the group level, including applicable categories.

### CO<sub>2</sub> equivalent emissions (Thousands of tons)

#### SCOPE 1

	2022	2023	2024
Gross GHG emissions from Scope 1	626	619	549

#### SCOPE 2

	2022	2023	2024
Gross GHG emissions from Scope 2 – location-based	1,048	1,079	1,003
Gross GHG emissions from Scope 2 – market-based	760	770	734

#### SCOPE 3\*

	2022	2023
Purchased goods and services	852	649
Capital goods	2	52
Fuel- and energy-related activities	186	191
Upstream transportation and distribution	265	383
Waste generated in operations	10	37
Business travel	2	2
Employee commuting	6	8
Downstream transportation and distribution	0	0
Processing of sold products	77	122
End-of-life treatment of products sold	96	117
<b>Total Scope 3 emissions</b>	<b>1,496</b>	<b>1,562</b>

\* Scope 3 includes subsidiaries and DEACERO USA facilities. The Scope 3 emissions inventory for 2024 is under development.

## GHG EMISSIONS INTENSITY

GRI 305-4

In 2024, there was a 12% increase in intensity compared to 2023 as a result of a change in demand, generating variations in our operations.

### Emissions per operational unit (tCO<sub>2</sub>e / ton produced or shipped)



\*Tons of CO<sub>2</sub> per ton of raw material shipped



### DEACERO AT COP29

In Baku, Azerbaijan, the twenty-ninth Conference of the Parties (COP29) was held, where DEACERO was represented by Alejandro De Keijser Torres, Director of Energy and Sustainability. During his participation, he attended the daily business intelligence sessions organized by the International Chamber of Commerce and took part in key discussions on climate finance mechanisms, low-emission steel, and the implementation of Article 6 of the Paris Agreement, aimed at enabling the global trade of carbon offsets.

### TONS OF CO<sub>2</sub> EMISSIONS PER OPERATIONAL UNIT

The Steel Mill and Rolling unit is the main generator of emissions at DEACERO, accounting for 91% of total Scope 1 and 2 greenhouse gas emissions. This high proportion is due to the fact that this unit is at the core of the steel production process, where key operations such as melting, rolling, and steel transformation take place—activities that are energy- and fuel-intensive. The following tables show the emissions generated by each operational unit by scope.

### Thousands of tons of CO<sub>2</sub> per business unit in Scope 1 and 2



# OTHER ATMOSPHERIC EMISSIONS

GRI 305-7

We are committed to protecting the environment and the well-being of the communities where we operate. We work continuously to prevent and reduce our atmospheric emissions, as well as other environmental externalities such as noise and traffic congestion. To this end, we have environmental control systems in place at our main operations, which allow us not only to comply with current regulations but also to minimize our environmental impact and actively contribute to sustainable development.

One of the main advancements in 2024 was the installation of new dust collectors at our wire plants, along with the design and implementation of hermetic systems for emission encapsulation. These technologies prevent the dispersion of particles into the environment and are complemented by enclosed transportation systems and fully sealed circuits for dust handling. Together, these actions have contributed to a significant reduction in fugitive emissions.

In our wire drawing machines, we have incorporated environmentally focused technologies, achieving a substantial reduction in particle generation during the wire drawing process. In the steel mills, investment projects

were approved for particle reduction through the implementation of new technologies in process equipment and emission control systems.

Regarding noise management, we carry out periodic measurement campaigns at site boundaries to verify regulatory compliance. We also use acoustic panels and living barriers (trees) to mitigate the propagation of noise to the outside.

Additionally, in order to prevent traffic congestion associated with material transportation, we manage efficient routes and staggered loading and unloading schedules at our work centers. These actions reflect our commitment to the continuous improvement of environmental performance, technological innovation, and the protection of air quality and the surrounding environment in which we operate.

To ensure the effectiveness of these actions, we conduct periodic monitoring at emission sources, as well as estimates of regulated and unregulated pollutants. These analyses focus on the main atmospheric pollutants and confirm that all our work centers operate within the limits established by environmental legislation.

We installed new dust collectors and hermetic systems for emission encapsulation.



In 2024, we achieved an overall decrease in evaluated atmospheric emissions. Significant reductions were observed in VOC, NOx, and CO emissions, mainly due to lower diesel and natural gas consumption. PM10 and SO<sub>2</sub> also showed decreases, representing an improvement in particulate and sulfur compound emission control.

The following table presents atmospheric emissions generated in our operations over the past years. The results support the ongoing compliance of our work centers with current environmental legislation on emissions.

These reductions reflect a significant improvement in environmental performance in 2024, linked to greater efficiency in the use of fossil fuels in operations.

VOC: Volatile Organic Compounds  
NOx: Nitrogen Oxides  
CO: Carbon Monoxide  
PM10: Particles suspended in the air with an aerodynamic diameter of up to 10 micrometers  
SO<sub>2</sub>: Sulfur Dioxide

**COV**

	 Natural Gas (kg)	 LP Gas (kg)	 Diesel (kg)	 Gasoline (kg)	Total (kg)	Total (t)
2022	12,084	-	-	-	12,084	12
2023	12,205	-	-	-	12,205	12
2024	10,956	-	-	-	10,956	11

**NOx**

	 Natural Gas (kg)	 LP Gas (kg)	 Diesel (kg)	 Gasoline (kg)	Total (kg)	Total (t)
2022	219,710	4,518	406,395	582	631,305	631
2023	221,901	4,817	404,627	255	631,601	632
2024	199,193	3,867	362,774	233	566,068	566

**CO**

	 Natural Gas (kg)	 LP Gas (kg)	 Diesel (kg)	 Gasoline (kg)	Total (kg)	Total (t)
2022	184,556	2,544	87,545	354	274,999	275
2023	186,397	2,712	87,165	155	276,429	276
2024	167,322	2,177	78,149	142	247,790	248

**PM10**

	 Natural Gas (kg)	 LP Gas (kg)	 Diesel (kg)	 Gasoline (kg)	Total (kg)	Total (t)
2022	16,698	241	28,567	36	45,542	46
2023	16,865	257	28,443	16	45,581	46
2024	15,139	207	25,501	14	40,861	41

**SO<sub>2</sub>**

	 Natural Gas (kg)	 LP Gas (kg)	 Diesel (kg)	 Gasoline (kg)	Total (kg)	Total (t)
2022	1,318	5	26,724	30	28,078	28
2023	1,331	5	26,608	13	27,958	28
2024	1,195	4	23,856	12	25,067	25

**RESTATEMENT OF INFORMATION**

**GRI 2-4**

For the information related to atmospheric emissions, we performed a restatement of the data reported in the previous report. This adjustment was due to changes in the presentation format, which modified the order of the information but not its content.

# ENERGY



At DEACERO, we continue moving toward an increasingly sustainable energy model. We are currently the largest consumer of renewable energy in the steel industry in Mexico, thanks to our supply from sources such as the Ventika wind farm in Nuevo León and the PIMA solar farm in Sonora, both located in Mexico, as well as our own photovoltaic systems installed at our Wire Plants in Puebla, Morelia, and León.

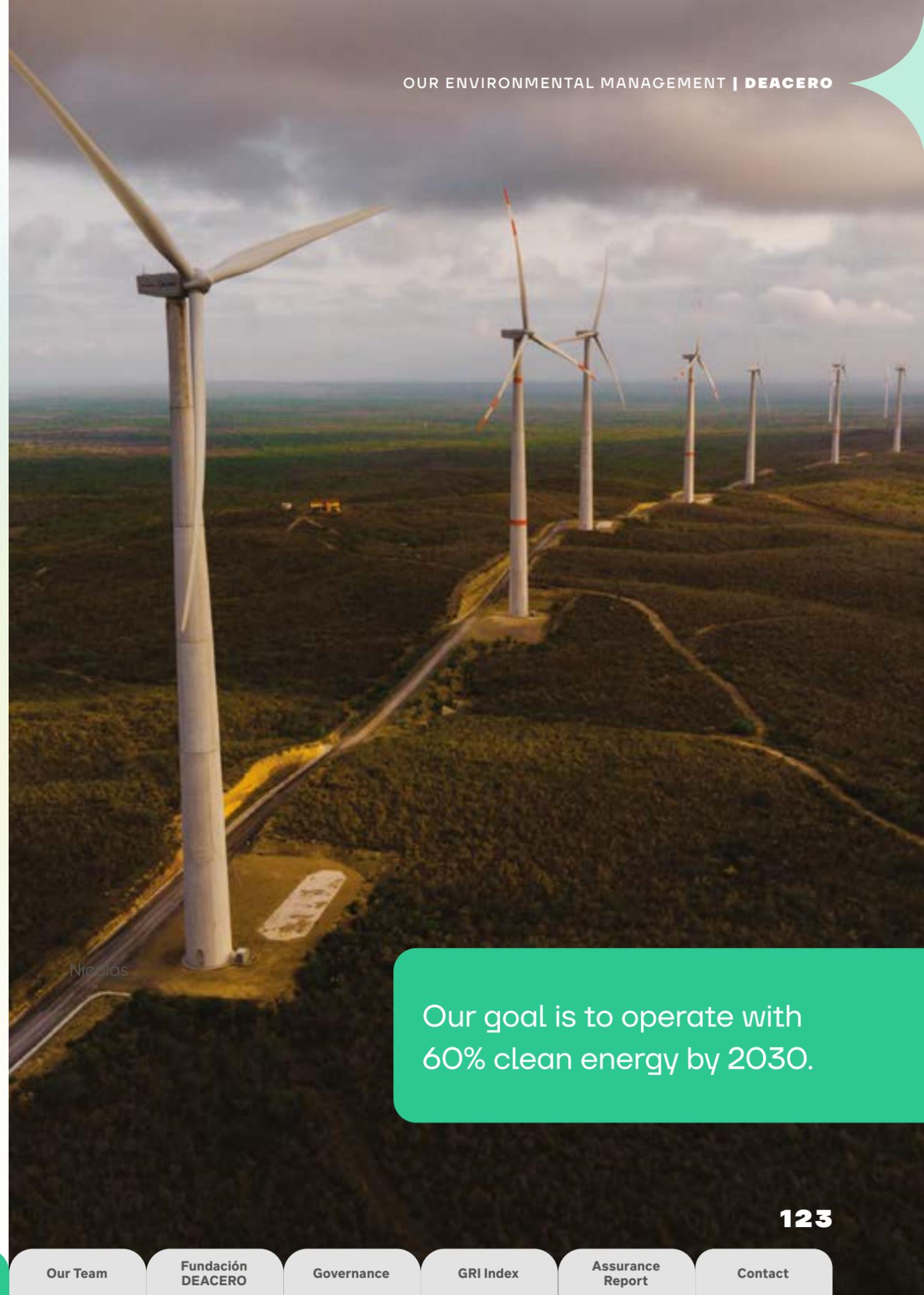
In 2024, 16% of our total electricity consumption came from renewable sources, primarily solar and wind. This percentage represents steady progress compared to the 5% recorded in 2020, reaffirming our commitment to decarbonization and the use of clean energy.

In addition, in 2023 we launched a strategic process to acquire energy from new renewable projects, inviting more than 20 developers and marketers. As a first result, we

signed a supply commitment for more than 150,000 MWh per year of solar energy, with delivery starting in 2026.

**97% of our electricity matrix is composed of efficient and renewable sources.**

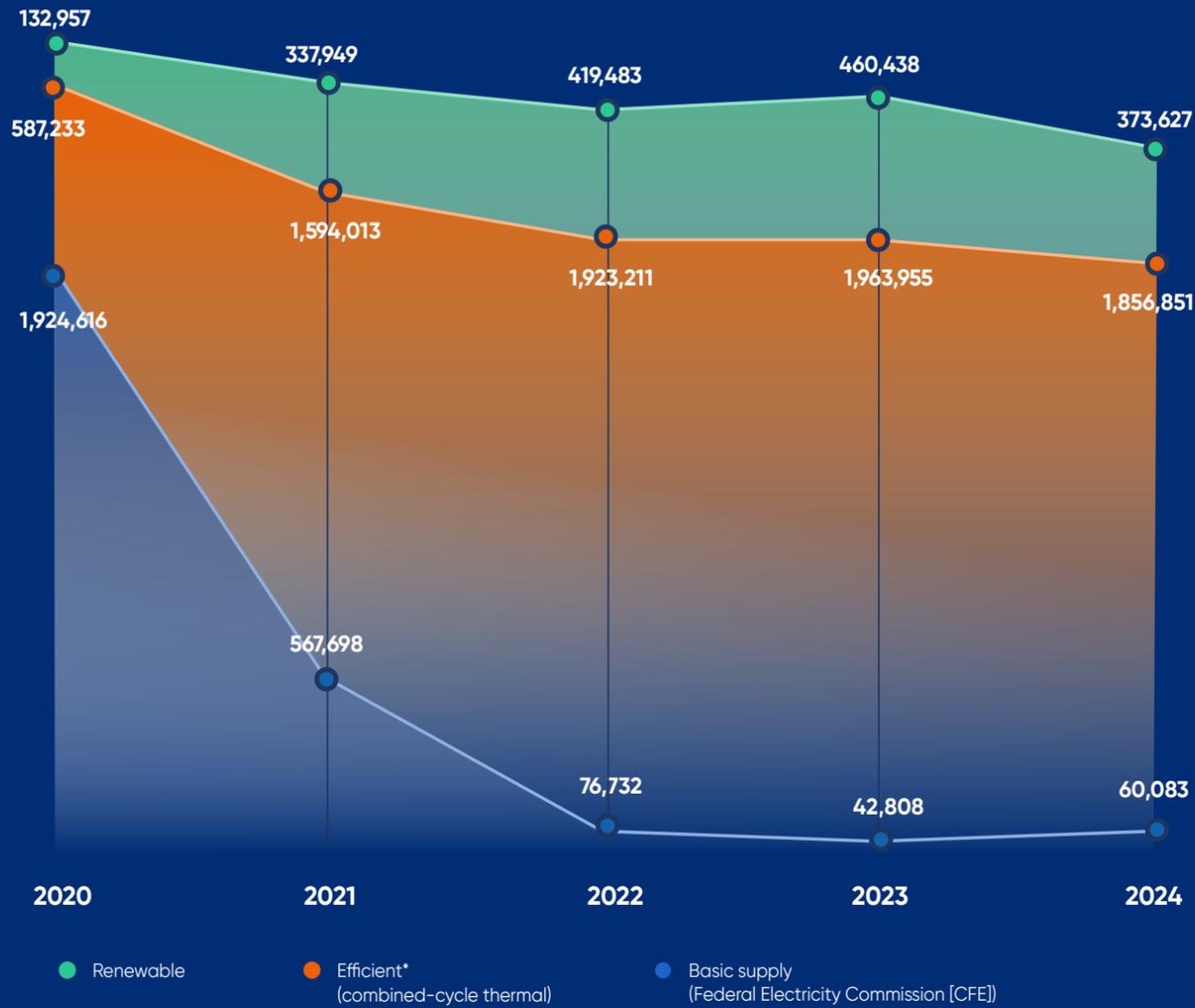
We know that the energy transition requires collaboration; therefore, we work with universities, research centers, and industry organizations to promote innovative projects focused on energy efficiency, as well as with public and private stakeholders to advance policies and processes that accelerate the shift toward a low-emission industry.



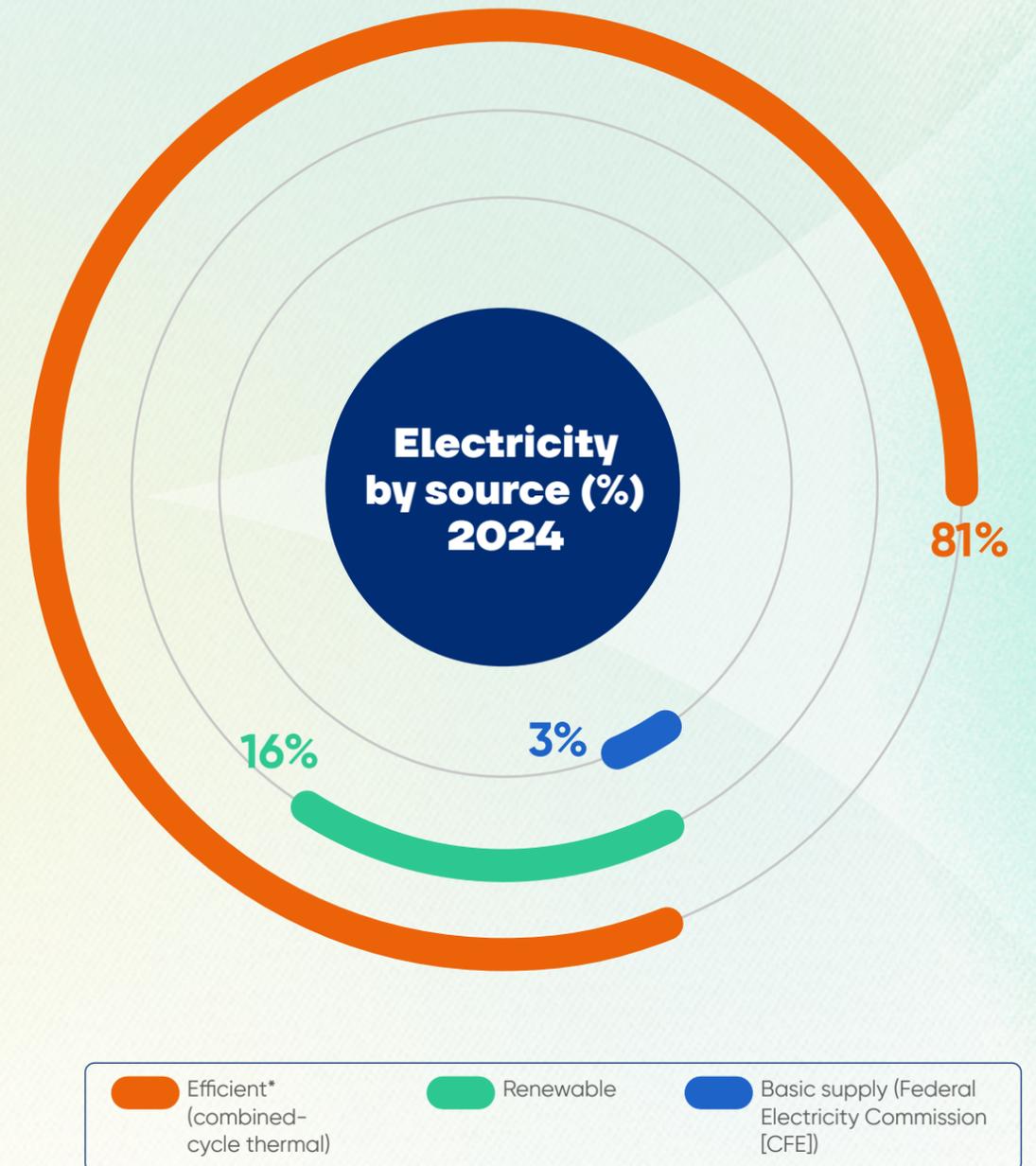
Nicolás

Our goal is to operate with 60% clean energy by 2030.

# ELECTRICITY SUPPLY (MWh)



\*We consider energy to be efficient when its heat rate for energy conversion is better than the national average.





# ENERGY MATRIX

GRI 302-1, 302-4

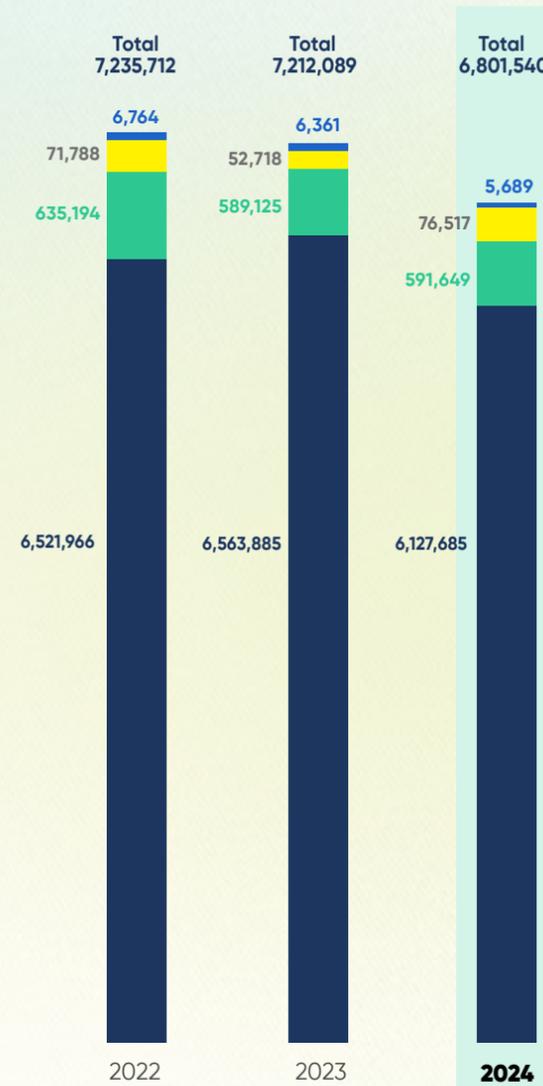
Our energy matrix is composed of various sources that allow us to ensure a reliable and efficient supply. It includes electricity from the national grid and combined-cycle sources, as well as energy generated from renewable sources such as solar and wind. In addition, we use natural gas as our main fuel; in our steel mills, we supplement consumption with other inputs such as LP gas, diesel, and different types of coal, depending on specific operational requirements.

vious year due to variations in production demand. The largest decrease was recorded in the category of other fossil fuels, with a 15.2% reduction, followed by natural gas with a 10.2% reduction. The share of renewable electricity in our matrix saw a slight decrease of 0.7% in 2024 compared to 2023, due to lower generation from one of our supplier plants. We continue working to consolidate our position as a leader in clean energy within the steel sector in Mexico.

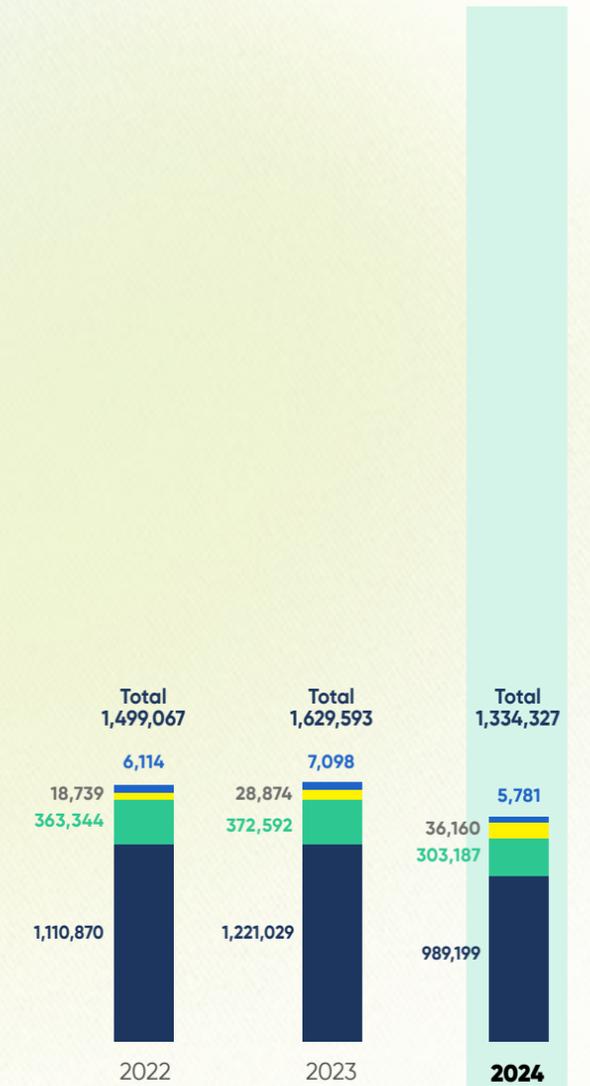
In 2024, we had a 9.8% reduction in total energy consumption compared to the pre-



## Electricity from thermal sources (GJ)



## Electricity from clean sources (solar and wind) (GJ)

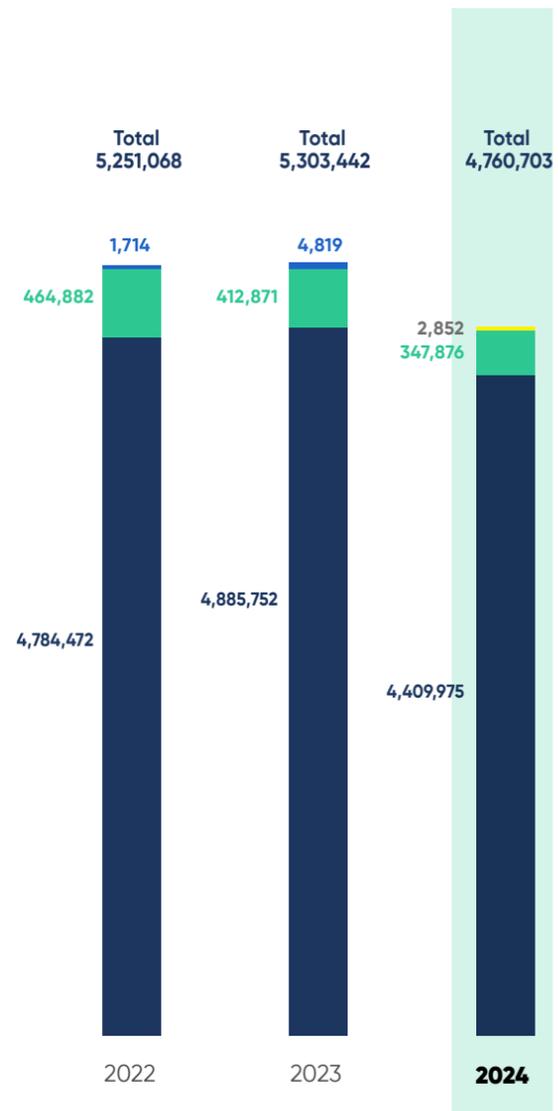


■ Steel mills and rolling ■ Wire ■ Recycling centers ■ Distribution Centers and Corporate Offices

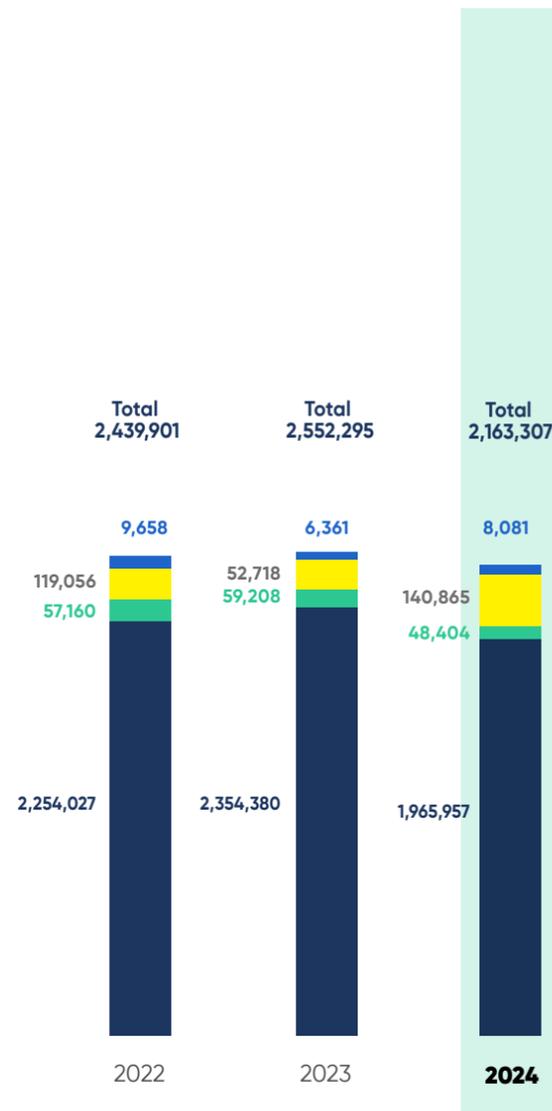
Energy consumption in 2024 does not include the Chontalpa Distribution Center.



**Natural gas (GJ)**



**Others (GJ)**



■ Steel mills and rolling ■ Wire ■ Recycling centers ■ Distribution Centers and Corporate Offices

Energy consumption in 2024 does not include the Chontalpa Distribution Center.



# ENERGY EFFICIENCY

GRI 302-3, 302-4

Energy efficiency is a key pillar of our sustainability strategy, as it enables us to reduce emissions, optimize resources, and strengthen operational competitiveness. Between 2023 and 2024, our energy intensity increased by 6.9% due to operational variations during the year. Nevertheless, we remain well below the global average of 21.27 GJ/t of crude steel reported by the World Steel Association in 2023, meaning we are still almost three times more efficient than the sector's average.

various projects across operations. Notable initiatives include the continuous charging system (ECS) at the Ramos Arizpe Steel Mill, which uses residual thermal energy to pre-heat scrap and feed the melting furnace without opening the cover; hot charging at the Celaya Steel Mill, which prevents reheating of billets; and an increased share of shredded scrap in the metallic mix, which has reduced energy demand. Additionally, the wire galvanizing process has significantly reduced natural gas consumption and related emissions thanks to advanced technology.

This performance is the result of our commitment to energy efficiency, supported by

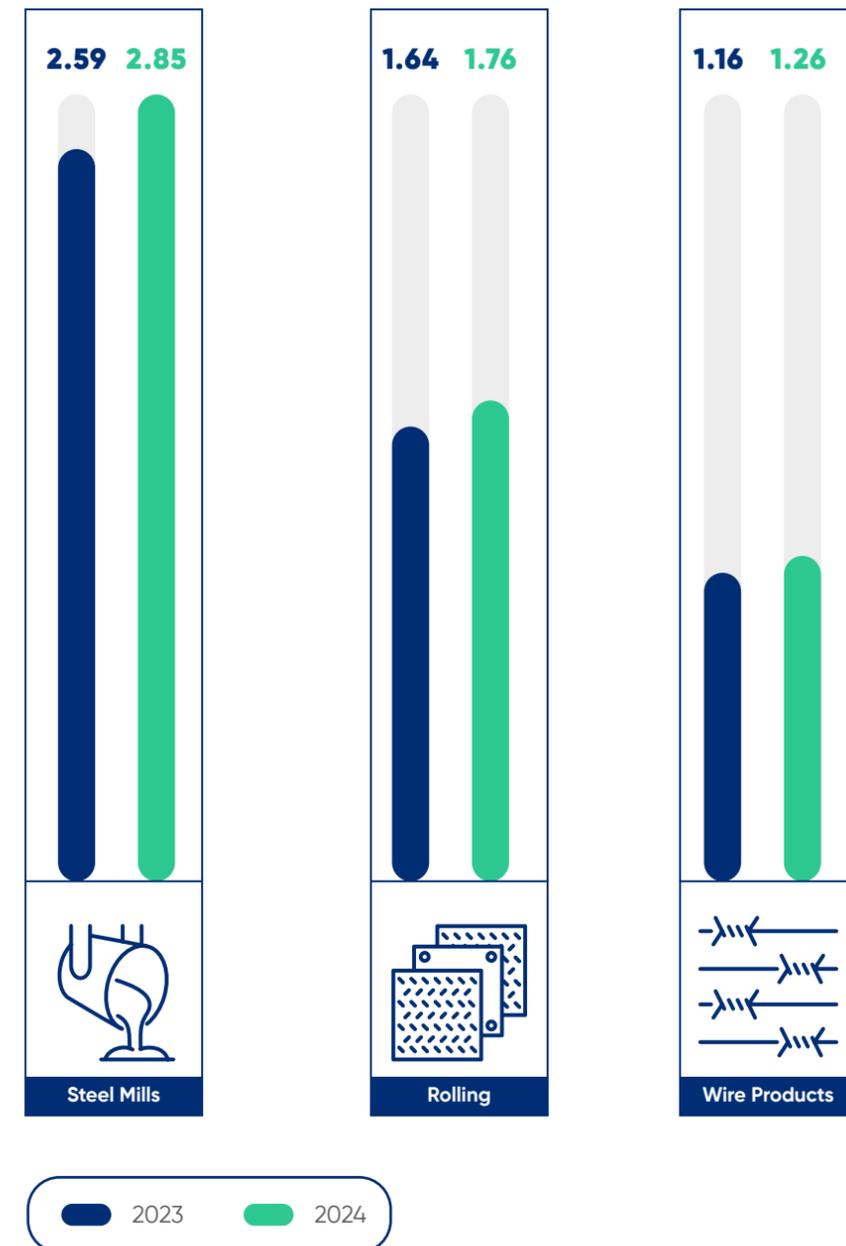
These actions consolidate our leadership in efficiency and strengthen our transition toward more sustainable steel production.

## Energy intensity (GJ/t crude steel)

	2022	2023	2024
DEACERO	6.8	6.98	7.46
WSA (World Steel Association) sector average	21.01	21.27	N/A
Alacero (Latin American Steel Association) sector average	18.71	N/A	N/A

N/A: not available

## Energy intensity by process stage (GJ/t produced)



# CIRCULAR ECONOMY

GRI 3-3, 306-1, 306-2

At DEACERO, the circular economy is a fundamental pillar of our business model. It guides our decision-making, process design, and the responsible use of resources and waste throughout our operations. We are

convinced that producing efficiently and sustainably is possible, and we demonstrate it through concrete actions that close the materials cycle and strengthen our resilience.



## USE OF RECYCLED MATERIAL

Our production model is based on the use of secondary raw materials, mainly end-of-life ferrous material—commonly known as scrap—which represents 97% of the inputs used in the manufacture of steel and wire products.

This practice allows us to significantly reduce virgin resource extraction, lower greenhouse gas (GHG) emissions, and optimize energy consumption in our processes.

**97%** of the ferrous material used in our process is of recycled origin



**99%** of the ferrous waste generated during wire manufacturing is reintegrated into the steel production process



### RECYCLING CENTERS

In 2024, we processed more than 3 million tons of recycled steel annually through a network of over 20 recycling centers across Mexico, and we plan to expand this network to more than 30 centers in 2025. This expansion will strengthen our collection and processing capacity through the integration of new shredders to optimize material processing.



# MATERIALS

GRI 301-1, 301-2

Below is a breakdown of the main materials used in the manufacture of our products:

MATERIAL (T)	2022	2023	2024
<b>Non-renewable materials</b>			
Recyclable ferrous material	3,822,171	3,878,700	3,334,182
Iron ore by-products	125,212	122,450	104,454
Carbon, coke, and graphite-based materials	79,449	81,639	70,564
Ferrous alloys	39,737	37,885	28,309
Dolomitic materials and lime	147,398	168,236	103,628
Other metals and minerals	13,772	16,033	33,166
Industrial gases	192,210	203,276	172,408
Semi-finished steel	1,934,831	1,865,662	1,509,142
Zinc	10,630	11,426	9,054
Sulfuric acid	2,733	2,744	947
Hydrochloric acid	1,895	2,120	1,329
Powdered lubricant	1,736	939	2,582
Plastic packaging	1,284	1,323	460
<b>Total</b>	<b>6,373,059</b>	<b>6,392,431</b>	<b>5,369,225</b>

MATERIAL (t)	2022	2023	2024
<b>Renewable materials</b>			
Wood packaging	13,469	11,406	36,627
Cardboard packaging	4,723	2,146	1,321
<b>Total</b>	<b>18,192</b>	<b>13,552</b>	<b>37,948</b>



# WASTE MANAGEMENT

## BY-PRODUCTS

At our plants, we have successfully reincorporated 99% of production scrap and non-conforming products back into the production cycle as steel scrap, closing a reuse loop that prevents waste generation and maximizes material recovery. We also recover residual zinc from our galvanizing baths, reintegrating it as an input into the same process.

When waste cannot be reused internally, we valorize it as raw material for other industries, avoiding landfill disposal and generating useful by-products for various sectors. Notable examples of this valorization include:



**GRAVACERO®**,  
obtained from furnace slag, used in railway applications, roads, yards, and gardens.



**IRON SCALE**,  
used as an additive in the cement industry.



**ZINC DUST**,  
recycled as raw material in zinc oxide production

These synergies allow us to extend the environmental and economic benefits of our circular economy model beyond our operations, contributing to a more efficient and responsible use of resources.

### BY-PRODUCTS (t)

	2022	2023	2024
 Gravacero	273,250	534,470	446,393
 Iron Scale	64,512	62,805	43,006
 Zinc Dust	-	59,093	67,676

## WASTE

**GRI 306-3, 306-4, 306-5**

In 2024, 81% of the waste generated in our steel mills, wire plants, and recycling centers was recovered through reuse, co-processing, and external recycling processes. This commitment to waste prevention and reduction extends throughout our value chain, where we have implemented improvements such as eliminating unit packaging in supplies and adopting reusable materials, thereby reducing waste generation at the source. ZINC DUST recycled as raw material for zinc oxide production.

of hazardous waste, as well as guidelines for its responsible final disposal.

To strengthen its implementation, we carry out periodic training sessions for all personnel, focused on waste reduction and correct segregation at the point of generation. These actions are complemented by infrastructure improvements for temporary storage, internal segregation stations, and environmental awareness campaigns, which have significantly increased the proportion of segregated and therefore recovered waste.

We have an Integrated Waste Management Procedure aligned with our Environmental Management System, which establishes clear criteria for the segregation, handling, storage, recovery, and proper disposal of waste. This procedure includes specific provisions for the specialized and safe treatment

Through these initiatives, we are moving toward more efficient, safe, and responsible waste management, reaffirming our commitment to the circular economy and environmental protection.

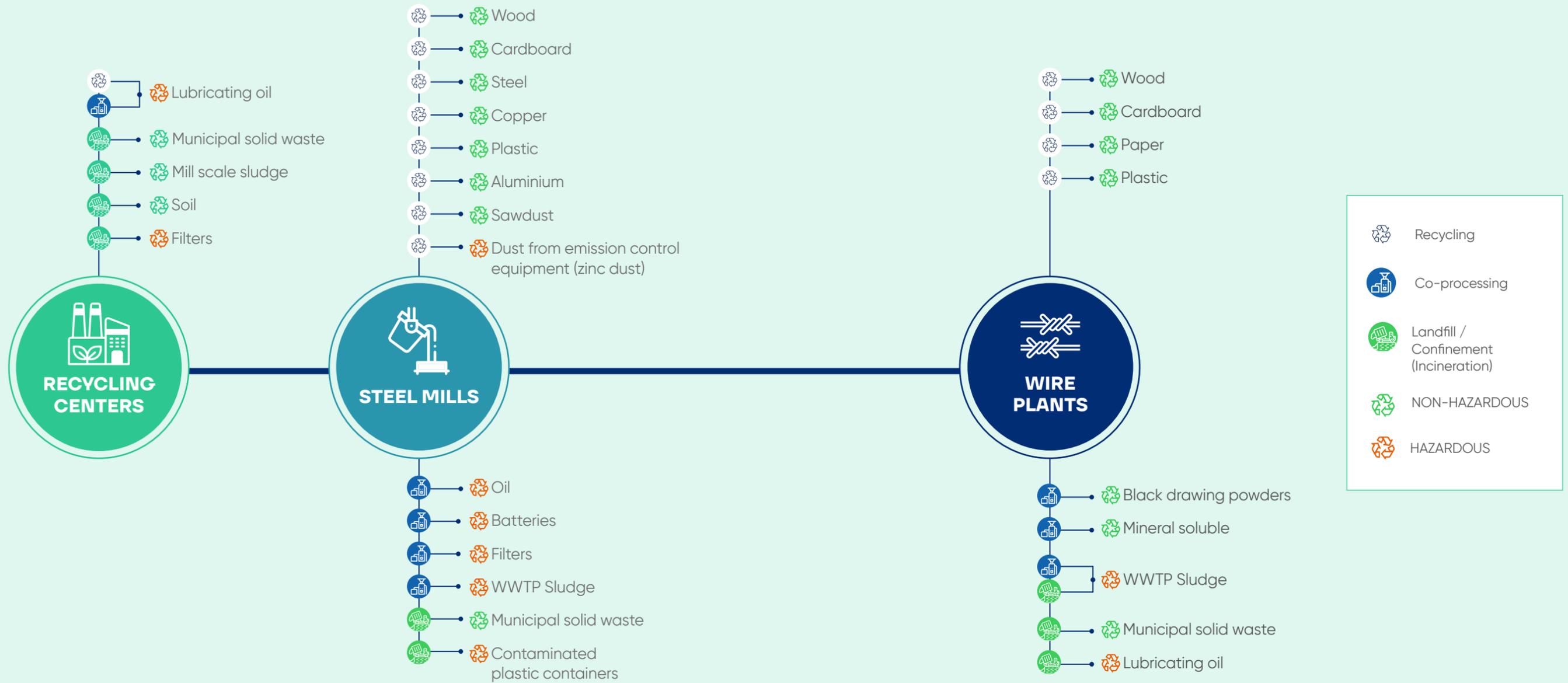
### Waste generation by type (t)

	2022	2023	2024
<b>Non-hazardous</b>	487,005	623,769	577,379
<b>Hazardous</b>	59,701	67,070	70,273
<b>Total</b>	546,706	690,839	647,653

**Our total waste generation decreased by 6.25% compared to 2023.**

**Scope.** The information reported in 2024 excludes the **Recycling Centers** in Matamoros and San Nicolás compared to what was reported in 2023 due to lack of data availability.

Our waste is generated across the entire production operations chain and is managed as follows:



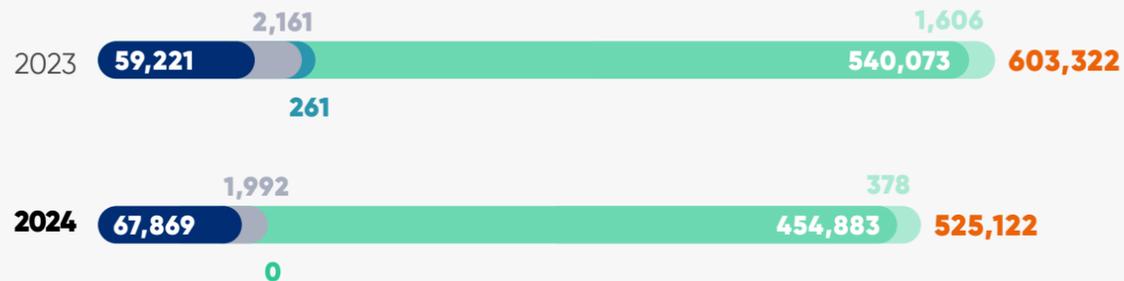
### Waste by destination type

#### Waste sent for disposal (t)

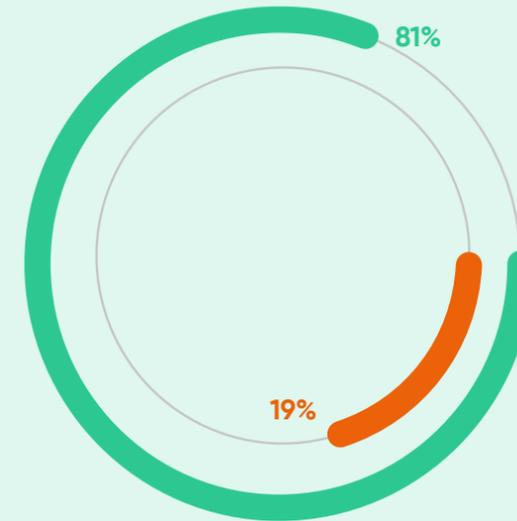


- Hazardous waste / Confinement
- Non-hazardous waste / Landfill
- Total

#### Waste not sent for disposal (t)



- Recycling
- Co-processing
- Total
- Reuse
- Recycling
- Recovery (Co-processing)



**81%** of the waste generated in our steel mills, wire plants, and recycling centers is reused, recycled, recovered, or co-processed, avoiding landfill disposal.

- Waste not sent for disposal
- Waste sent for disposal

In 2024, we achieved a 93% reduction in hazardous waste sent to confinement as a result of our waste reduction initiatives. We also recorded a 6% reduction in the proportion of total waste recovered or not sent for disposal compared to 2023. This was mainly due to a decrease in total waste generation, while maintaining stable municipal solid waste generation. A specific case is mill scale sludge, a waste generated from shredding raw material in our recycling

centers, which currently lacks a recovery pathway and is therefore still sent for final disposal.

We acknowledge this challenge and reaffirm our commitment to continue identifying and promoting innovative solutions that enable us to recover this type of waste. **As part of our circular economy strategy, we have set the goal of completely eliminating the sending of waste to final disposal by 2030.**

# WATER MANAGEMENT

**GRI** 3-3, 303-1 **SASB** EM-IS-140a.1

At DEACERO, water management is a fundamental pillar for our social, economic, and environmental development. For this reason, we are committed to using water efficiently through measurement, treatment, reduction, and reuse of water in our production processes and services

In 2024, 34% of our Work Centers were in areas with medium-high water stress (47% in high stress and 18% in extremely high stress) according to the Aqueduct Water Risk Atlas of the World Resources Institute (WRI). During this period, a significant percentage of our locations were affected by droughts of varying severity levels. Specifically, up to 13% experienced exceptional drought, 21% extreme drought, and 25% severe drought.



This context of drought and water stress represented a considerable challenge that reinforced the implementation of our water strategy. This strategy is based on four fun-

damental pillars: **compliance with current regulations, optimization of water use, active contribution to its preservation, and reduction of our environmental impact.**



1

**OPTIMIZATION OF WATER RESOURCES IN PROCESSES**

In 2024, we made significant progress in strengthening our practices for responsible and efficient use of water. We developed specific projects to improve consumption measurement in production processes and established technological standards in each of them, focused on ensuring responsible use of the resource. In addition, we implemented the digital tool Cority, which allows us to closely monitor water performance at our work centers.

Furthermore, we conducted a benchmark to identify the most relevant indicators and define water reduction and utilization targets for 2025. Finally, we established the scope and goals of the project that will outline a critical path for calculating the water footprint, enabling us to identify areas for improvement and set new reduction objectives for the future.

2

**ALTERNATIVE SUPPLY AND WATER REUSE**

We have physicochemical treatment plants whose main objective is to remove contaminants and restore water quality parameters. This allows water to be integrated into a semi-closed loop, facilitating its reuse in production processes for as many cycles as possible.

of treated water in production processes, scheduled for implementation in 2025. In addition, we achieved 38% of water consumption from treated sources relative to the total used in production, approaching the projected target of 45%. This performance was influenced by national water regulations, which prioritize the use of allocated groundwater volumes before their expiration, in accordance with the deadlines established by current legislation.

This year, we made significant progress in developing technological solutions to optimize the use of this resource. We completed the design of new projects for the reuse

3

### MODERNIZATION AND EXPANSION OF WATER INFRASTRUCTURE

In 2024, we completed the upgrade of sanitary and process water treatment systems at the Wire plant Puebla, Wire plant Saltillo, Wire plant Finos, Wire plant Celaya, and Steel Mill Ramos, thereby strengthening our capacity to reintegrate water into production processes. Additionally, we built four new biological wastewater treatment plants (WWTP) at our Mexicali, Finos, and Saltillo wire facilities, as well as at MacroHub Bajío. This expansion strengthens our capacity for water treatment and reuse, contributing to a more responsible and efficient use of the resource across our operations.

4

### AWARENESS AND REGULATORY COMPLIANCE

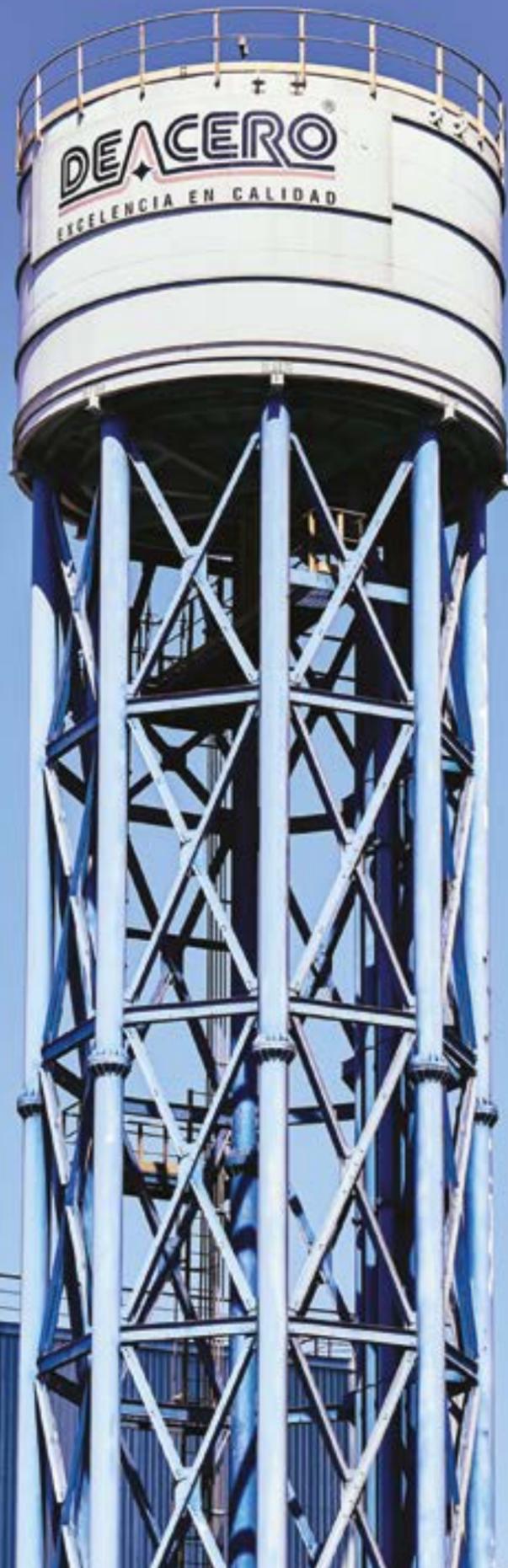
In 2024, we conducted audits to verify compliance with water regulations at the federal, state, and municipal levels, ensuring that all our work centers operate in accordance with current legislation.

Additionally, we made significant progress in promoting efficient water use both inside and outside our work centers. We carried out environmental awareness campaigns, highlighting the keynote conference **"Business Dialogues: Let's Talk About Water,"** held during World Environment Day with the participation of the organization Isla Urbana, which emphasized the importance of responsible water use.

As part of our internal training, we provided courses on best practices in water management to our operational and general services personnel, further strengthening our commitment to sustainability.

## PARTNERSHIPS FOR WATER MANAGEMENT

In 2024, we participated in the **Peer Learning Group for Water Management** of the United Nations Global Compact Mexico, sharing our experience and establishing partnerships to exchange best practices in efficient water use with companies from different industrial sectors.



# WATER CONSUMPTION

GRI 303-5

At DEACERO, when we talk about water, we refer to one of the most indispensable inputs in our production processes, auxiliary services, and in meeting the needs of our personnel. For this reason, the value we assign to it is reflected not only in its efficient use, but also in its importance and preservation. Water is mainly used in:



Direct and indirect cooling during steel production in steel mill and rolling processes.



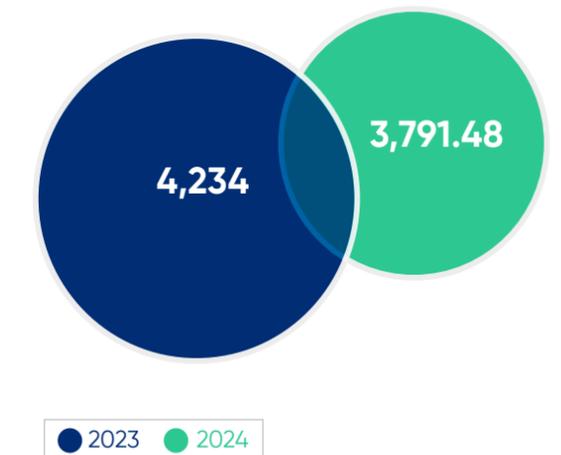
Pickling or galvanizing processes of wire rod in our Wire plants



Direct cooling systems in the crushing of ferrous raw materials.

**-10.46%**  
in water consumption vs. 2023

Water Consumption (Megaliters)

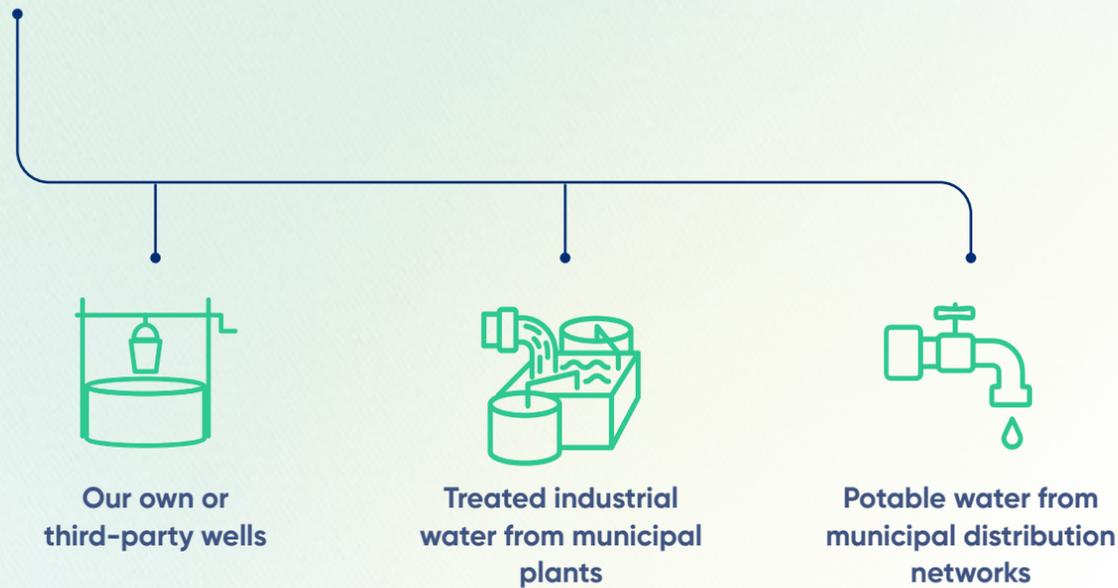


We use **0.58 m<sup>3</sup>** of water per ton of steel

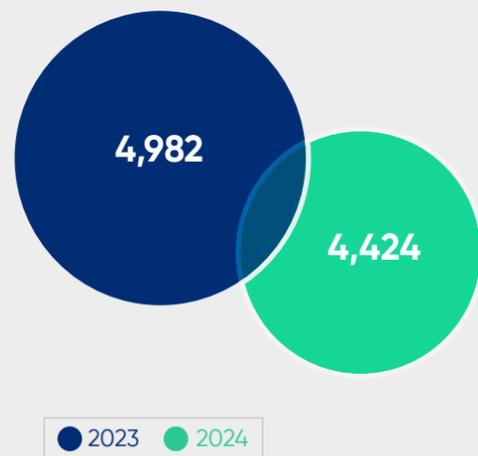
# WATER EXTRACTION

GRI 303-3

The water we use comes from various supply sources:



## Total Water Extraction (Megaliters)



In 2024, **38%** of the water we used in our processes came from municipal treatment plants, reducing first-use water consumption.

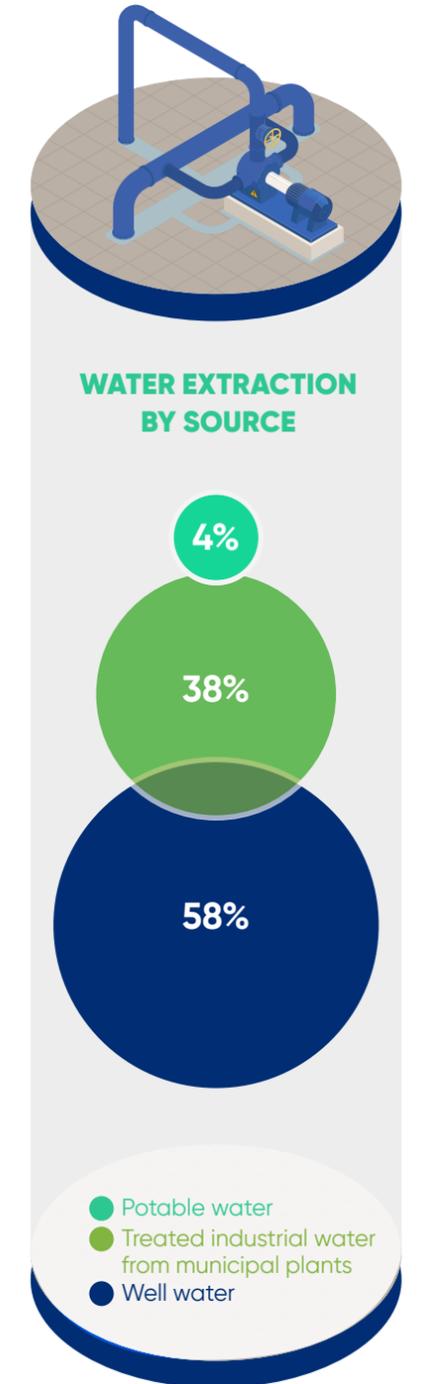
## Extraction by Source Type (Megaliters)

### GROUNDWATER

	2022	2023	2024
Well water	2,728	2,823	2,578
<b>TOTAL</b>	<b>2,853</b>	<b>2,823</b>	<b>2,578</b>

### THIRD-PARTY WATER

	2022	2023	2024
Treated industrial water from municipal plants	1,686	2,129	1,665
Potable water	90	29	180
<b>TOTAL</b>	<b>1,776</b>	<b>2,159</b>	<b>1,845</b>



Our goal is for **45%** of the water used in the production process to come from treated sources by 2026.

# WATER SECURITY IN COMMUNITIES

Through the FUNDACIÓN DEACERO, we implemented a project to guarantee access to potable water in the Santa María community, near our steel plant in Ramos Arizpe, Coahuila. The project included drilling a 150-meter well, installing a 10,000-liter tank, rede-

signing the purification system, and installing a potable water dispensing machine. Additionally, a symbolic fee per water container was agreed upon with the community to cover maintenance and operational costs, ensuring a self-sustaining system.

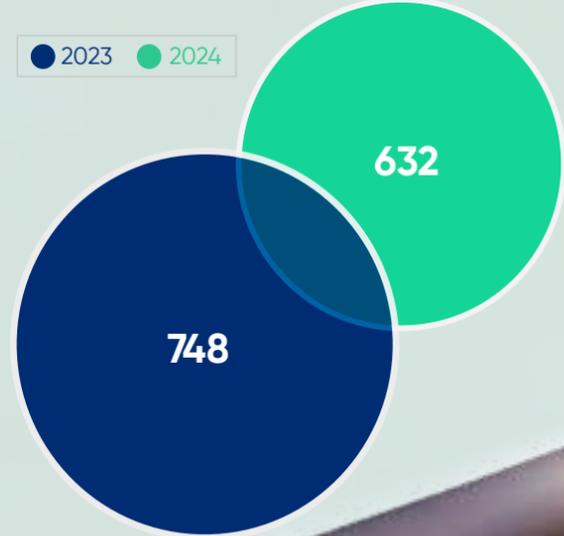
# WATER SPILLAGE

GRI 303-2, 303-4

Regarding spillage, more than 50% of our work centers have their own wastewater treatment systems, categorized as biological and physico-chemical treatment plants. These plants aim to remove contaminants from water, exceeding the standards established by Mexican Official Standards (NOMs).

The criteria used to monitor contaminant parameters are established by the Mexican Official Standards, depending on the destination of the treated water. The standards to comply with are NOM-001-Semarnat-2021 and NOM-002-Semarnat-1996.

## Water Spillage (Megaliters)



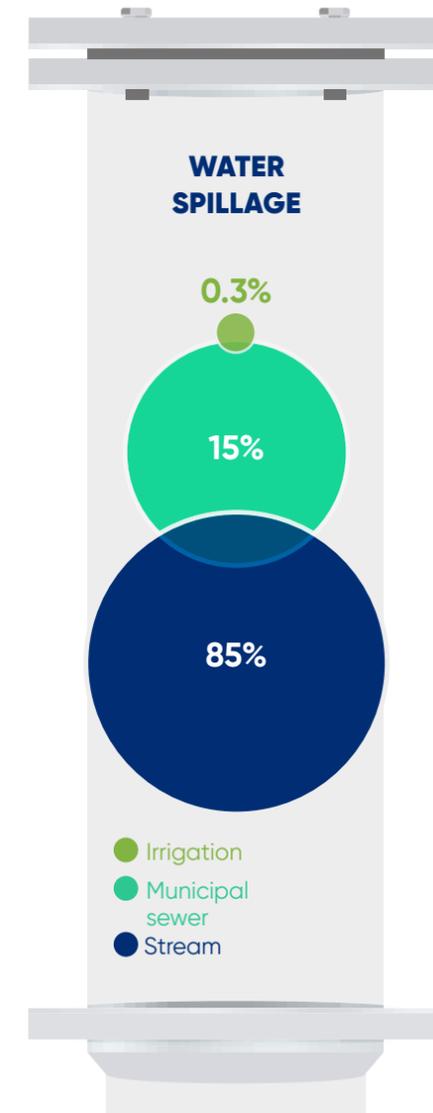
### Spillage by Water Body Type (Megaliters)

#### SURFACE WATER

	2022	2023	2024
 Stream	423	580	536
 Irrigation	49	5	1.88
<b>→ TOTAL</b>	<b>472</b>	<b>585</b>	<b>537.8</b>

#### THIRD-PARTY WATER

	2022	2023	2024
 Municipal sewer	150	163	95
<b>→ TOTAL</b>	<b>150</b>	<b>163</b>	<b>95</b>



**Scope**

The water extraction and spillage data included in this report do not consider some of our work centers due to organizational changes. However, these exclusions do not represent significant variations, as the volumes handled at these locations are low. The excluded Work Centers are:

- Recycling Centers in Mérida, Silao, Aguascalientes, Escobedo, Torreón, Cd. Juárez, Obregón, and Culiacán.
- Distribution Centers in Chihuahua, Culiacán, Mérida, León, and San Luis Potosí.

# OUR TEAM

- 1 DEACERO culture
- 2 Inclusion
- 3 Freedom of association
- 4 Internal talent development
- 5 Comprehensive well-being
- 6 Health and safety



# OUR TEAM

GRI 2-7, 405-1

At DEACERO, human relationships are built on our principles and values, which guide how we act, work, and relate to others. In 2024, we reaffirmed our commitment to agility, innovation, collaboration, specialization, and empowerment, fostering an organizational culture where people are agents of change. Through our institutional values **–responsibility with integrity, leading with humility,**

**and respect for the individual** – we promote an environment of trust, development, and wellbeing. This translates into concrete practices that ensure a safe, inclusive, and growth-oriented work environment, where everyone is valued for their talent, heard with respect, and provided with the tools to reach their full potential.



# DEACERO CULTURE

At DEACERO, we aspire to be a reference point for talent development, creating an environment where every employee feels inspired, recognized, and valued. In 2024, we updated our DEACERO Culture Model, which is aligned to promote excellence in everything we do.



# INCLUSION

## INCLUSION AND POSITIVE WORK ENVIRONMENT POLICY

GRI 3-3, 2-23, 2-24, 405-1

Our Inclusion and Positive Work Environment Policy addresses workplace equality and non-discrimination, ensuring equity in access and professional development. It is guided by principles of non-discrimination, gender perspective, progressiveness, and respect.

This policy is implemented through:



### PREVENTION

Strategies to identify and mitigate discrimination risks.



### TRAINING

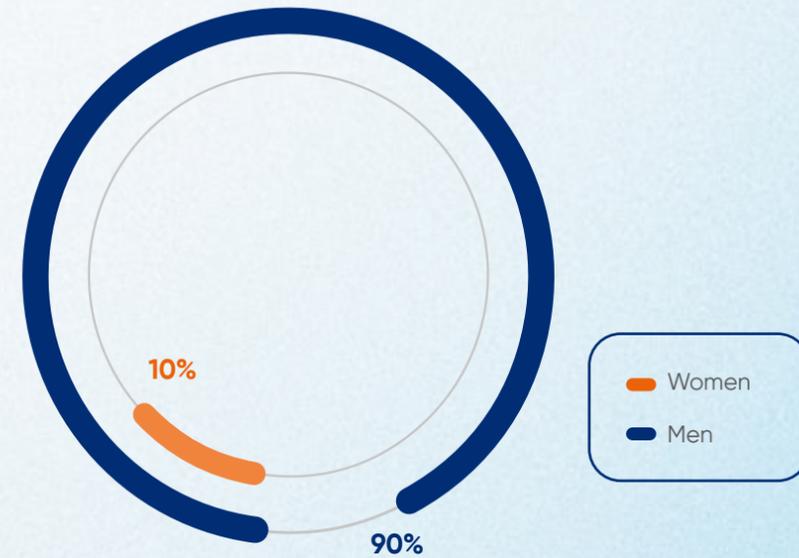
Ongoing education on gender equity, diversity, and inclusion.



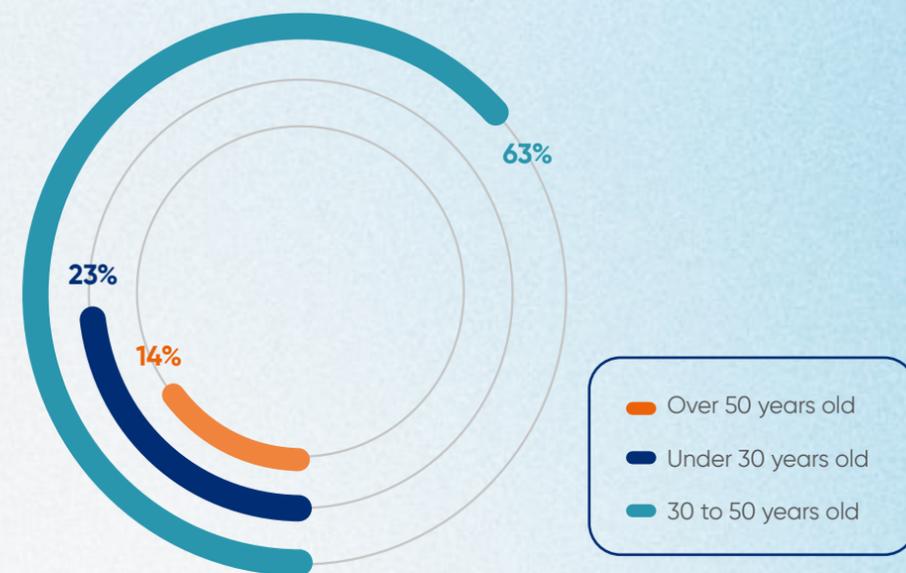
### ATTENTION

Reporting mechanisms and action protocols.

### Employees by gender



### Employees by age range





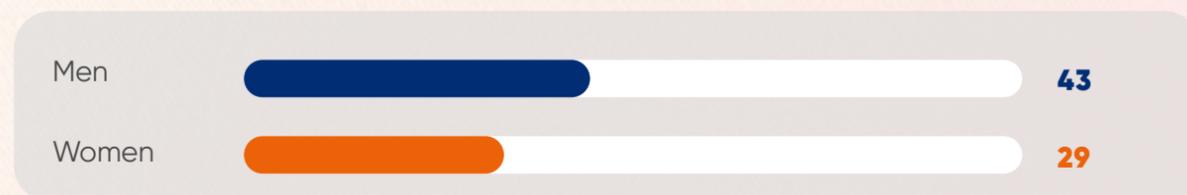
## LIVING INCLUSION

At DEACERO University, we offer the e-learning course Unconscious Bias, designed to help participants recognize everyday situations where unintended biases may arise, promoting a more equitable and aware culture. As part of the “Wellbeing Thursdays” program, our team participated in the session Inclusion of People with Disabilities, led by Ms. Leslie Govea, exploring common

myths and realities experienced by people with disabilities and sharing tools to foster inclusion in various settings. Additionally, Ms. Silvia Corral conducted the session Women Breaking the Glass Ceiling, reflecting on the challenges women face in the workplace and how we can all contribute to breaking down barriers and promoting gender equity.

### Employees who used parental leave in 2024

GRI 401-3



In 2024, we carried out a total of **84 internal promotions, of which 36% were women**

## FLEXIBLE WORK POLICY

Our Flexible Work Policy defines the guidelines to improve management, collaboration, and productivity across roles and responsibilities, aligned with our business culture of empowerment, specialization, and simplification. This policy applies to all non-unionized personnel at DEACERO. Each employee may choose their start time, lunch break, and end time, provided they complete the required working hours. We promote productivity in meetings and offer

additional days off beyond those established by law. As a complement to Mexican legislation, we provide a three-month remote work scheme for mothers once the maternity leave ends. Additionally, we grant fathers five additional days of leave beyond the legal requirement and offer a two-week remote work option. Furthermore, employees may request administrative leave for personal and family matters.

# FREEDOM OF ASSOCIATION

GRI 2-30

At DEACERO, we fully recognize and respect our employees' right to freely associate and participate in social dialogue processes in accordance with Mexican labor legislation and the fundamental principles of the International Labour Organization (ILO). We have recognized unions and company committees representing a significant portion of our workforce in key matters such as collective bargaining, consultation, and other participation mechanisms.

As part of the implementation of Mexico's Labor Reform, we complied with the process to legitimize collective labor agreements, validating 58 contracts with high levels of employee participation and acceptance, in accordance with new legal provisions that strengthen union representation and transparency.

Additionally, we have formal agreements between the company and union representatives or worker committees covering various aspects of the work environment. These include agreements on health and safety to ensure safe and healthy working conditions; agreements on fair labor conditions, including working hours, benefits, and salaries; agreements on professional development, focusing on continuous training and career management; as well as specific commitments to prevent discrimination and harassment at work.

All these agreements are documented with employee representatives and updated periodically to incorporate continuous improvement. In this way, we ensure a fair, safe, inclusive work environment fully aligned with our organizational culture based on respect and collaboration.



# INTERNAL TALENT DEVELOPMENT

GRI 3-3

Our commitment to comprehensive employee development is key to unlocking each employee's potential, generating human, economic, and social value across our ecosystem. Through programs and initiatives addressing both professional and personal areas, we provide tools for managing work and everyday life, promoting the wellbeing of our community.

These actions are implemented internally through areas such as Culture, Development, and Wellbeing, and externally in collaboration with strategic partners and Fundación DEACERO. We have platforms such as DEACERO University and the Comprehensive Wellbeing and Health program. We evaluate the results of these platforms using indicators such as participation, satisfaction, competency development, and organizational climate, always integrating stakeholder perspectives to strengthen our strategy.



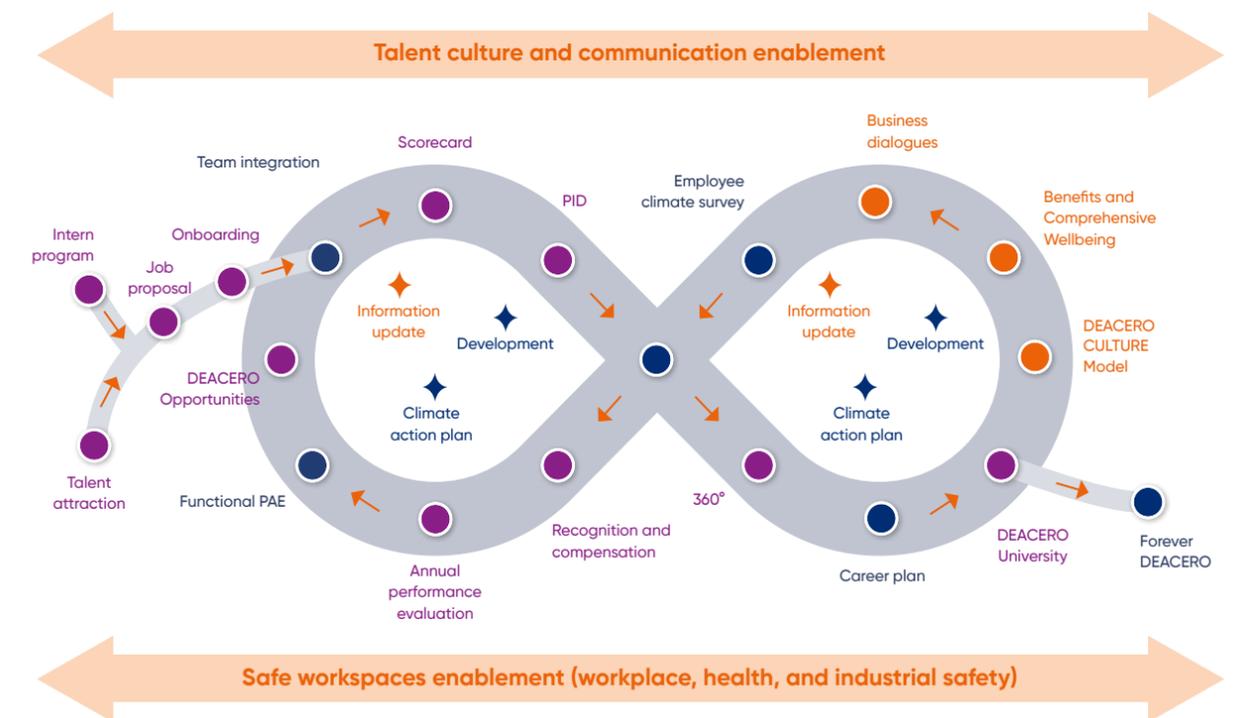
# ADMINISTRATION, PERFORMANCE, AND DEVELOPMENT PROCESS (PADD)

GRI 404-3

At DEACERO, the holistic development of our team is fundamental to driving performance, productivity, and innovation. Through the Management, Performance, and Development Process (PADD), we align individual objectives with our organizational strategy, ensuring each employee's effective contribution.

Additionally, it offers a comprehensive approach that promotes professional and personal growth, strengthening wellbeing, motivation, and a sense of belonging. By investing in talent development, we encourage retention, reduce turnover, and reinforce our market competitiveness.

## EMPLOYEE EXPERIENCE MANAGER-EMPLOYEE RELATIONSHIP



**Talent Development Tools:**

- ◆ Success Factors
- ◆ Performance management system
- ◆ DEACERO University
- ◆ Recognition programs
- ◆ Development centers
- ◆ Operational excellence
- ◆ Mexican dual education model

- Manager-Employee relationship
- Human Resources processes and platforms
- Both

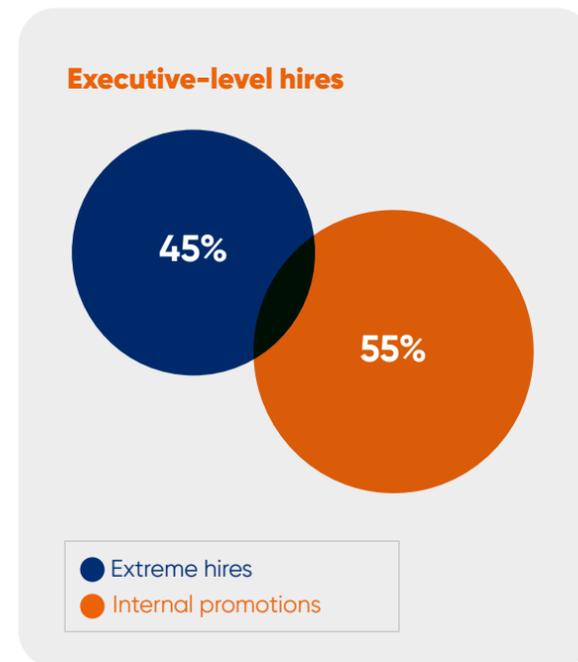
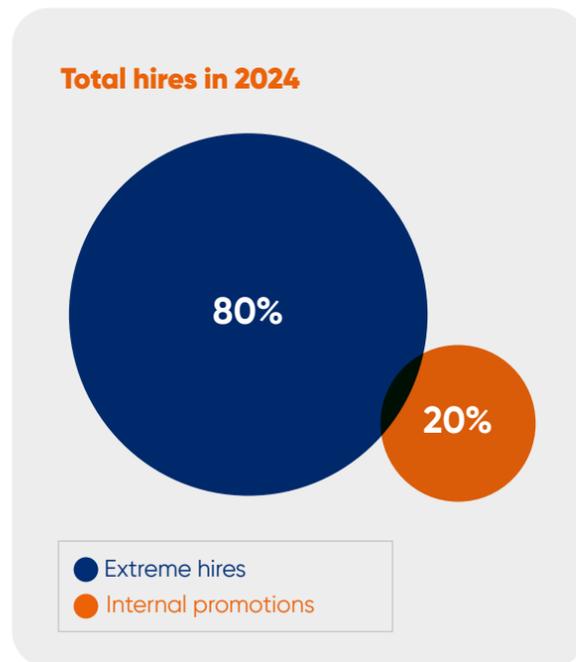


# TALENT ATTRACTION AND RETENTION

GRI 3-3

For DEACERO, talent attraction and retention is a strategic matter, essential to maintaining our competitiveness and innovation capacity in the market. Through DEACERO Opportunities, our internal job board, we offer employees the chance to explore and apply for new challenges within the organization,

facilitating their professional development and growth. We measure the effectiveness of our process through surveys with participants, including candidates, hiring managers, and recruiters. This continuous feedback allows us to improve our processes and ensure we meet the expectations of all involved.



# DEACERO OPPORTUNITIES

Our **DEACERO Opportunities Policy** establishes the guidelines for internal recruitment through the “DEACERO Opportunities” platform, aimed at promoting talent development and retention. This policy applies to all business units of Grupo DEACERO, for both operational and executive personnel. We support employee development through an

institutional process, providing transparency in the posting and application of internal vacancies. Additionally, we ensure the confidentiality of information obtained during the selection process and provide feedback to non-selected candidates to help identify opportunities for improving their professional skills.



We have a **Talent Attraction and Onboarding Policy** that establishes the responsibilities of the different roles involved, with the commitment to ensure an efficient process that provides positive experience for both candidates and hiring managers.

# COMPENSATION

**GRI 2-10, 2-19**

Our **Compensation Management Policy** sets criteria and guidelines to manage non-unionized personnel salaries effectively and transparently, ensuring fairness and competitiveness. The Compensation Committee is the only body authorized to approve changes to compensation packages and annual salary increases. Every January, Human Relations Management, together with the Compensation Committee, issues guidelines for the annual merit-based salary increase process.

We focus on ensuring salary competitiveness based on performance, competencies, leadership, and the potential of our employees. Salary tables are designed to ensure competitiveness against the reference market in total compensation, which includes base salary, guaranteed cash benefits, variable bonuses, and other benefits. Additionally, all salary adjustments must follow a specific authorization workflow and be communicated appropriately, without affecting future compensation decisions.

# SELF-DEVELOPMENT

**GRI 404-1, 404-2**

At DEACERO, we believe that talent development begins internally. Therefore, we foster a self-development culture that recognizes and enhances each employee's active role in their personal and professional growth. Our strategy starts with the **Individual Development Program (PID)**, based on the 70-20-10 methodology: 70% learning through work experiences, 20% through interactions and feedback, and 10% through structured training.

In 2024, we strengthened this vision with comprehensive initiatives ranging from cross-functional programs to technological platforms and specialized schools. We created a robust learning ecosystem with various schools focused on the specific needs of our different business units.

**16 hours**  
average training per employee in 2024



## BUSINESS SCHOOL

Through sessions called Business Vision, different business units and key areas share the most relevant aspects of their operations, processes, and objectives with the rest of the organization. This initiative aims to foster a comprehensive understanding of DEACERO, strengthening alignment and collaboration among teams from a strategic and cross-functional perspective.



## TECHNOLOGICAL SCHOOL

The Technological School promotes technical knowledge through specialized academies. In the Steel business unit, the Maintenance Academy and the Technological Knowledge Management Academy operate; in the Wires, Subsidiaries, and Operational Services unit, programs are developed within the Manufacturing Academy and the Maintenance Academy. This comprehensive structure reaffirms our commitment to advanced manufacturing, technological innovation, and sustained growth of our operational team.

## TECHNICAL SCHOOL

As part of our commitment to technical development and operational excellence, we highlight the Technological Development Centers (CDT) located in Celaya and Ramos, which focus on applying Lean Six Sigma methodology in the Steel area. For AFYSO, we have Specialization Centers in Drawing and Galvanizing, which strengthen key skills in industrial processes. Additionally, we launched the DEACERO Sustainable Academy, a new initiative aimed at providing key knowledge in sustainability and environmental practices to our employees, strengthening an organizational culture aligned with our long-term sustainability vision.

We complement this training with programs for unionized personnel, such as DOJO, our Operational Excellence Program, as well as initiatives focused on Safety and Legal Culture, essential pillars for a safe and responsible work environment.

## MANAGEMENT SCHOOL

### Cross-Functional Offering

We introduced key programs such as DEACERO Leaders, Elevate Your Leadership, and Talent Wednesdays, designed to develop leadership skills, organizational culture, institutional competencies, and strategic talent management processes.

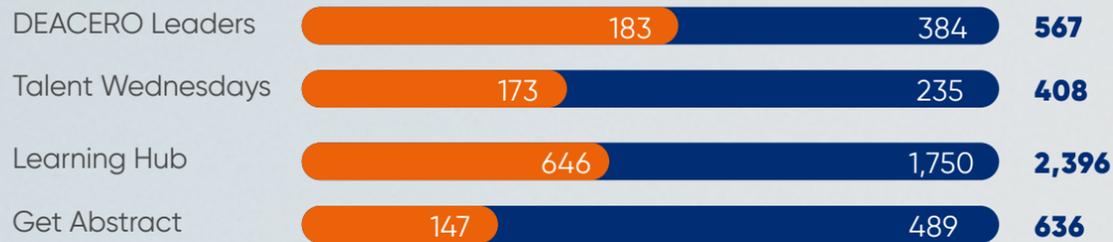
### Differentiated Offering

We implemented DEACERO Coaching and Mentoring programs to promote individual growth, as well as targeted training focused on consolidating effective leadership skills, in collaboration with institutions such as IPADE Business School (Panamerican Institute for Advanced Business Management).

### Development Platforms

We promote continuous learning through tools like Learning Hub, GetAbstract, and WhitePaper, with over 250 learning resources that allow employees to learn at their own pace and according to their interests.

#### PARTICIPATION IN SELF-DEVELOPMENT PROGRAMS IN 2024



Women Men

## Business and Leadership Culture (2025)





## RECOGNITION

At DEACERO, we seek to enrich our team's experience by promoting a culture of meritocracy. In 2024, we recognized our most outstanding employees in categories such as Values, Ethics, Institutional Competencies, Continuous Growth, Support for

FUNDACIÓN DEACERO, Sustainability, and Industrial Intelligence. Additionally, through our Excellence Recognition program, we celebrated the effort and talent of 125 children of employees who excelled in academic, cultural, and sports activities.

### INSTITUTIONAL RECOGNITIONS

Participation in institutional processes that align, support, and strengthen our culture, as well as important employee milestones, is acknowledged.

### RECOGNITIONS BY MANAGEMENT

Productivity, individual results, and contribution to the key indicators of each employee's department are recognized.

### PEER-TO-PEER RECOGNITION

Recognition and gratitude that allow employees to acknowledge their colleagues for daily actions.

# COMPREHENSIVE WELLBEING

GRI 403-3

At DEACERO, we promote the **well-being** of our team and their families through a comprehensive vision that encompasses physical and mental health, as well as personal, family, and professional development. Our goal is to build a culture focused on balance, quality of life, and human growth both inside and outside the workplace.

## PERSONAL BENEFITS

We promote initiatives such as "Wellness Thursdays." In 2024, we conducted 46 sessions focused on physical, mental, and personal health, with 1,284 participants via Zoom and over 6,300 visits on Facebook. Additionally, we provide access to the "Aventones" carpool program, a sustainable mobility strategy that encourages collaboration and community. In 2024, this initiative enabled 89,302 shared trips and avoided the emission of 17,307 kg of CO<sub>2</sub>, reducing our environmental footprint and contributing to better air quality.

## PHYSICAL AND MENTAL HEALTH BENEFITS

We offer a comprehensive package that includes medical and accident insurance, life insurance, access to sports activities, agreements with medical providers, and vaccination campaigns. Additionally, we provide professional psychological support; in 2024, 189 patients received 657 hours of consultation focused on stress management and emotional well-being, thereby strengthening a healthy and balanced work environment.

## PROPERTY BENEFITS

We offer voluntary insurance (auto, home, dental, and funeral), in addition to insurance for official vehicles and travel policies, providing greater peace of mind and support at different stages of life.



## FINANCIAL BENEFITS

We facilitate participation in the Savings Fund, payroll support in cases of marriage or death, and the acquisition of DEACERO products at preferential prices, strengthening our families' finances. The Aventones program, besides its environmental impact, also represents a direct economic benefit by reducing daily transportation costs for participating employees.

## EDUCATIONAL BENEFITS

We promote professional development through scholarships for children of our employees at the executive level. In 2024, we awarded a total of 14 scholarships to young people with outstanding academic performance, reaffirming our commitment to education and the future of our families.

## "FACTOR WELLBEING 2024" CERTIFICATION

As part of our efforts to promote a healthy work environment that fosters personal and professional development, employee satisfaction, and mental health, our Celaya Steel Rolling Plant received the "Factor Wellbeing 2024" certification for the second consecutive year. This recognition was granted by the Institute of Integral Wellbeing Sciences (ICBI) at TECMILENIO University.

# HEALTH AND SAFETY

GRI 3-3

At DEACERO, the health and safety of our people is our top priority in all operations. We promote a culture of proactive prevention and pursue innovation in our practices with the aim of creating reliable and sustainable work environments. This essential commitment fosters personal development, strengthens organizational reputation, builds trust among stakeholders, and directly contributes to productivity, operational continuity, and compliance with applicable regulations.

Our goal is to have **zero accidents.**

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# OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM (SSYS)

GRI 2-7, 2-8, 403-1, 403-2, 403-8

In compliance with current safety and health regulations, we have implemented a Health and Safety Management System (SSYS) aligned with applicable federal, state, and municipal legislation. It establishes Health and Safety expectations across all DEACERO business units to contribute to operational continuity through:



This system applies to all our activities, employees, and workplaces, including:



## SSYS COMPONENTS

### GUIDING PRINCIPLES

- ◆ Senior Management and Executive Commitment
- ◆ Policy
- ◆ Line Management Responsibility

### OPERATIONAL PRINCIPLES

- ◆ Operational Discipline
- ◆ Progressive Human Factor Development
- ◆ Accident Investigation Training
- ◆ Contractor Management
- ◆ Emergency Management and Response

### SUPPORT PRINCIPLES

- ◆ Objectives
- ◆ Safety Management

## PERFORMANCE MONITORING AND CONTINUOUS IMPROVEMENT

We have a digital platform that allows detailed recording of safety events, focusing on analysis and prevention to avoid recurrence. Additionally, we follow up on actions to improve working conditions for all our employees. The platform is enriched with information collected through inspections, routine walkthroughs, and reports of unsafe

acts or conditions. In the event of an incident, reporting within 24 hours is mandatory so that immediate containment measures can be taken while analysis and investigation are conducted. This response is carried out by multidisciplinary teams that generate an action plan to eliminate immediate risks and prevent recurrence.

## INDUSTRIAL SAFETY AND OCCUPATIONAL HEALTH POLICY

GRI 2-23, 2-24

Our DEACERO **Industrial Safety and Health Policy** is based on three key pillars: report, reduce, and eliminate operational risks. This comprehensive approach allows us to identify hazards, implement preventive measures,

and take actions to eliminate risks, thus creating a safe and healthy work environment for everyone interacting in our workplaces: employees, suppliers, and visitors.



## PSYCHOSOCIAL RISK PREVENTION POLICY

GRI 2-23, 2-24

We are committed to **preventing psychosocial risks**, in accordance with NOM-035-STPS-2018. We promote a culture of equity, work-life balance, and respect, where workplace violence, sexual or gender harassment, or any behavior that undermines the work climate is not tolerated. This

policy applies to all people collaborating at DEACERO, including contractors and suppliers, who must be familiar with and disseminate it. Additionally, we promote respect for diversity and reject all forms of discrimination.

# RISK IDENTIFICATION AND MANAGEMENT

GRI 403-2, 403-7

We have a systematic and continuous process for hazard identification, risk assessment, and definition of controls. This process is updated in response to changes in processes, technology, plant design, or after incidents.

## Methods applied:

- ◆ Operational Risk Reduction to identify risks in people, machines, and the environment.
- ◆ Risk Diagnosis (RD) to identify risks in cyclical activities of personnel.
- ◆ Risk Mapping by Zone aligned with the 5S methodology (a recognized Japanese-origin management methodology based on sorting, organizing, cleaning, standardizing, and discipline).
- ◆ Planned Safety Inspection Program.
- ◆ Workplace Safety Analysis for non-routine activities.
- ◆ High-Risk Work Permits (Hazardous Energies, Work at Heights, Cutting and Welding, and Confined Spaces).
- ◆ LOTO Permit (Lock Out-Tag Out) which ensures that no active energy sources are present during maintenance or repair tasks.
- ◆ Accident and occupational illness investigations.
- ◆ Equipment and facility audits.
- ◆ Behavioral observations and interviews.
- ◆ Review of process or material changes.

Risk assessment is conducted using methodologies based on ISO 31000:2018, classifying risks by criticality and defining controls according to the internationally recognized hierarchy:



The data obtained feed the continuous improvement of SSYS through analysis, audits, feedback, and benchmarking against key indicators.

## HAZARD REPORTING AND MANAGEMENT

We have accessible and confidential channels for reporting risks, including:

- ◆ PRYSMEX Digital Platform
- ◆ Physical forms
- ◆ Direct communication with supervisors or committees
- ◆ TIPS Grupo DEACERO
- ◆ Regular safety meetings

All reports are analyzed, documented, and assigned to responsible parties for follow-up, with feedback provided to the employees involved. We ensure protection against retaliation through anonymous and confidential reporting and the TIPS Grupo DEACERO reporting channel protocol, established in our Code of Ethics.



## LEADERSHIP AND PARTICIPATION

### GRI 403-4

We actively promote employee participation through surveys and Health and Safety Committees at each workplace, with the collaboration of safety and health leaders, administrative leaders, employees, and union delegates. Additionally, we have an SSYS Committee (Safety and Health System) that includes employees, managers, and unionized staff from each workplace.

We also have a Safety Committee (COSEG), which includes Operations Directors, Plant Directors, Managers, and Human Resources. This committee monitors indicators, shares lessons learned and develops a continuous improvement plan. Directors and Operational Managers include safety indicators aligned with the Occupational Safety and Health Administration (OSHA) in their monthly performance reports as part of the DEACERO Performance Management System.

## COMPREHENSIVE WELLBEING

### GRI 403-3, 403-5

Our workplaces have Annual Training Plans on Safe Operations. Additionally, new employees receive a safety induction, which is also provided to contractors. We conduct health campaigns throughout the year and training sessions to promote a culture of prevention in our "Wellbeing Thursdays," where health professionals share key information on physical, psychological, and emotional health. Topics in the 2024 training offerings included **nutrition, breast cancer, anxiety, respiratory diseases, diabetes, hyperten-**

**sion, sleep hygiene, self-esteem, mindfulness, and the importance of check-ups,** among others.

We facilitate access to occupational medical services such as Major Medical Expense Insurance and clinical agreements. We also promote health programs such as PrevenIMSS and ELSSA (Safe and Healthy Work Environments) from the Mexican Social Security Institute (IMSS) to address non-occupational risks.

# SAFETY CULTURE

GRI 403-6

At DEACERO, we work to ensure that every person returns home safe and sound. We are all responsible for taking care of our own safety and that of others, as well as for properly using equipment and facilities. We reinforce this culture through initiatives such as:

- 

◆ **SAFETY AND HEALTH WEEK:** This annual event at all workplaces aims to raise awareness, update knowledge, and contribute to continuous improvement to promote a culture of prevention and safety through conferences, workshops, and activities.
- 

◆ **SAFETY AWARDS: SAFETY AWARDS:** We recognize commitment and results in safety and health at our workplaces for achieving one year or more without accidents.
- 

◆ **HANDS OFF MACHINE:** We implemented this project to identify activities where personnel need to use their hands in processes that pose injury risks. Our goal is to provide devices, tools, or accessories that eliminate these risks, which has contributed to reducing the number of accidents.
- 

◆ **LOTO (LOCK OUT-TAG OUT):** This tool allows us to identify the energy used in our operational processes. When performing interventions on machines, we can identify those that pose risks to our personnel. This standard allows us to eliminate or control these risks by blocking any dangerous movement of the machinery.
- 

◆ **SAFETY TEST:** We use a digital platform to assess our employees and identify their behavioral and cognitive profiles in risk situations. This facilitates behavioral change in these circumstances and reviewing team composition based on the individual characteristics of each employee.

- 

◆ **DAILY CONFIRMATION:** We promote a culture of reporting activities in operational areas to identify risks.
- 

◆ **TRAFFIC STANDARD:** We establish controls in areas with motorized equipment and its interaction with other activities.
- 

◆ **MATERIAL HANDLING:** We improve infrastructure for storage, handling, and transportation of finished products.
- 

◆ **MANDATORY SAFETY ACTIONS (ASO):** We learn from accidents to establish replicable procedures, protocols, and processes.
- 

◆ **SAFE PARTNER:** We assign a buddy to accompany new employees, responsible for their development and certification in health and safety.
- 

◆ **SAFETY ROUTINES:** We implement an active listening mechanism between the operational leader and personnel weekly to address questions, suggestions, and improvements, and to share messages and awareness campaigns.
- 

◆ **ORR (OPERATING RISK REDUCTION):** We standardize the risk identification and analysis process to design improvement plans and countermeasures. This allows a team of operational leaders to follow up and conduct cross-audits to verify compliance.
- 

◆ **5S+1:** We implement this methodology to promote discipline and maintain our work areas under high standards of order, cleanliness, and safety. This methodology significantly contributes to improving the operational continuity of our facilities.

## RECOGNITION OF OUR COMMITMENT TO SAFETY AND HEALTH

### TRe 2024 Distinction

We were awarded the “Responsible Work (TRe) Edition 2024” distinction by the Government of Nuevo León, Mexico, in recognition of our responsible and sustainable practices. Additionally, our Monterrey Wire Plant and Guadalupe Wire Plant were recognized for their continuous participation in all three editions of the TRe Distinction (2002, 2003, and 2024). TRe Distinction is a strategy to promote productivity, competitiveness, and sustainability in companies. It includes labor practices derived from national and international legal frameworks.

### Food Company and Healthy Environment Certification

The Puebla Health Secretariat in Mexico granted DEACERO the “**Food Company and Healthy Environment Certification**” for our commitment to team wellbeing. This recognition highlights actions such as educational workshops, healthy lifestyle initiatives, and access to drinking water, among other efforts to improve the workplace environment and prevent illnesses.



## BEST SAFETY AND HEALTH PRACTICES 2024

For the second consecutive year, the Morelia Wire Plant was recognized by the Association of Industrialists of the State of Michoacán (AIEMAC) with the Best Safety and Health Practices 2024 award. This recognition was granted as part of celebrating the workplace achieving two years without disabling accidents.

### VOLUNTARY SAFE AND HEALTHY WORK ENVIRONMENTS PROGRAM (ELSSA)

Our Celaya Steel Plant and Recycling Centers in Mexicali, Tijuana, Hermosillo, Guadalupe, and Guadalajara received the ELSSA Distinction from the Voluntary Safe and Healthy Work Environments Program granted by the Mexican Social Security Institute (IMSS).



# WORK-RELATED INJURIES

**GRI** 403-9, 403-10

Regarding DEACERO employees:

## Total accidents



## Days lost due to accidents



## General illnesses



## Days lost due to general illness



**-40.8%**  
total accidents vs. 2023

From 2023 to 2024, we achieved significant advances in occupational safety, notably a substantial reduction in the number of accidents and days lost due to these accidents, reflecting the commitment and effectiveness of the preventive actions that were implemented. We are also working on consolidating health and safety indicators for DEACERO contractors.



In 2024, our Saltillo Steel Plant, Saltillo Wire Plant, and Recycling Centers in San Luis Potosí, Santa Catarina, Cuernavaca, Matamoros, Puebla, and Tepeyac celebrated three years without accidents.

<p>Number of fatalities resulting from a work-related injury</p> <table border="1"> <tr> <th>2023</th> <th>2024</th> </tr> <tr> <td>1</td> <td>0</td> </tr> </table>	2023	2024	1	0	<p>Fatality rate due to work-related injury</p> <table border="1"> <tr> <th>2023</th> <th>2024</th> </tr> <tr> <td>0.01</td> <td>0</td> </tr> </table>	2023	2024	0.01	0	<p>Number of work-related accidents with major consequences (excluding fatalities)</p> <table border="1"> <tr> <th>2023</th> <th>2024</th> </tr> <tr> <td>10</td> <td>3</td> </tr> </table>	2023	2024	10	3
2023	2024													
1	0													
2023	2024													
0.01	0													
2023	2024													
10	3													
<p>Rate of work-related injuries with major consequences (excluding fatalities)</p> <table border="1"> <tr> <th>2023</th> <th>2024</th> </tr> <tr> <td>0.10</td> <td>0.04</td> </tr> </table>	2023	2024	0.10	0.04	<p>Number of recordable work-related injuries</p> <table border="1"> <tr> <th>2023</th> <th>2024</th> </tr> <tr> <td>71</td> <td>42</td> </tr> </table>	2023	2024	71	42	<p>Rate of recordable work-related injuries</p> <table border="1"> <tr> <th>2023</th> <th>2024</th> </tr> <tr> <td>0.69</td> <td>0.61</td> </tr> </table>	2023	2024	0.69	0.61
2023	2024													
0.10	0.04													
2023	2024													
71	42													
2023	2024													
0.69	0.61													
<p>Number of hours worked</p> <table border="1"> <tr> <th>2023</th> <th>2024</th> </tr> <tr> <td>20,698,488</td> <td>13,796,844</td> </tr> </table>			2023	2024	20,698,488	13,796,844								
2023	2024													
20,698,488	13,796,844													

\*Rates calculated per 200,000 hours

The work-related injury information in this report covers DEACERO operational sites in Mexico, including Steel Mills, Wire Plants, and Recycling Centers.

In 2024, most recordable injuries involved hands.

Unfortunately, a fatal incident occurred in 2024. This was followed by a thorough investigation

to determine its causes and develop an action plan to prevent similar situations in the future. The process included investigating the accident site, developing the event chronology, conducting a root cause analysis, and preparing an action plan with specific activities, assigned responsibilities, and deadlines for implementation.

# FUNDACIÓN DEACERO

(DEACERO FOUNDATION)

- 1 Fundación DEACERO
- 2 Main results
- 3 Intervention model
- 4 Donations to Civil Society Organizations
- 5 DEACERO volunteering
- 6 Communities
- 7 *Madrinas DEACERO*



## FUNDACIÓN DEACERO

FUNDACIÓN DEACERO supports the implementation of projects aimed at promoting the development and wellbeing of the communities where we operate. Our goal is to ensure maximum efficiency in resource use, directing the highest percentage of

each peso invested to the beneficiaries of our initiatives. Therefore, our objective is to add social value to **DEACERO's business strategy** by promoting social development through targeted initiatives.



# MAIN RESULTS

## SOCIAL INVESTMENT

**MXN \$65.7**

million invested in the operation of FUNDACIÓN DEACERO

**MXN \$43.3**

million granted in donations

## BENEFICIARIES

**15,339**

direct beneficiaries through FUNDACIÓN DEACERO

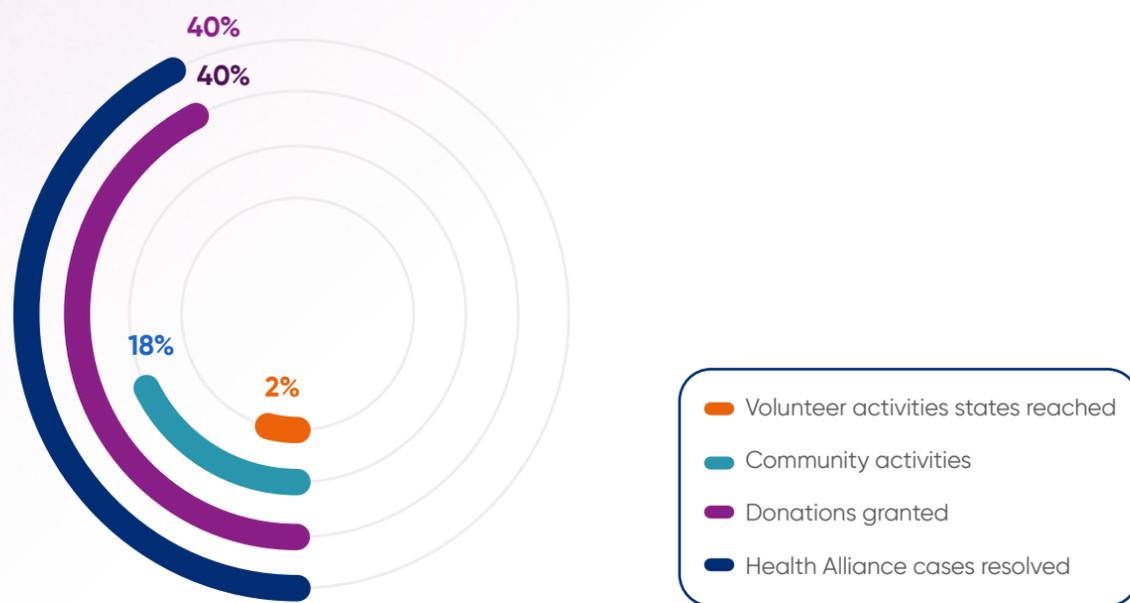
**27,208**

indirect beneficiaries

**1,238,463**

beneficiaries reached through supported CSOs

## SOCIAL ACTIONS



**34%**

of our Work Centers participated in a social action with FUNDACIÓN DEACERO in 2024\*

**306**

social actions carried out

\* FUNDACIÓN DEACERO considers 76 Work Centers, including corporate offices or leased complexes where employees operate.

## VOLUNTEERING



## REACH



**Nuevo León, Guanajuato and Coahuila** are the three states with the highest participation.

## GEOGRAPHIC REACH OF SOCIAL ACTIONS

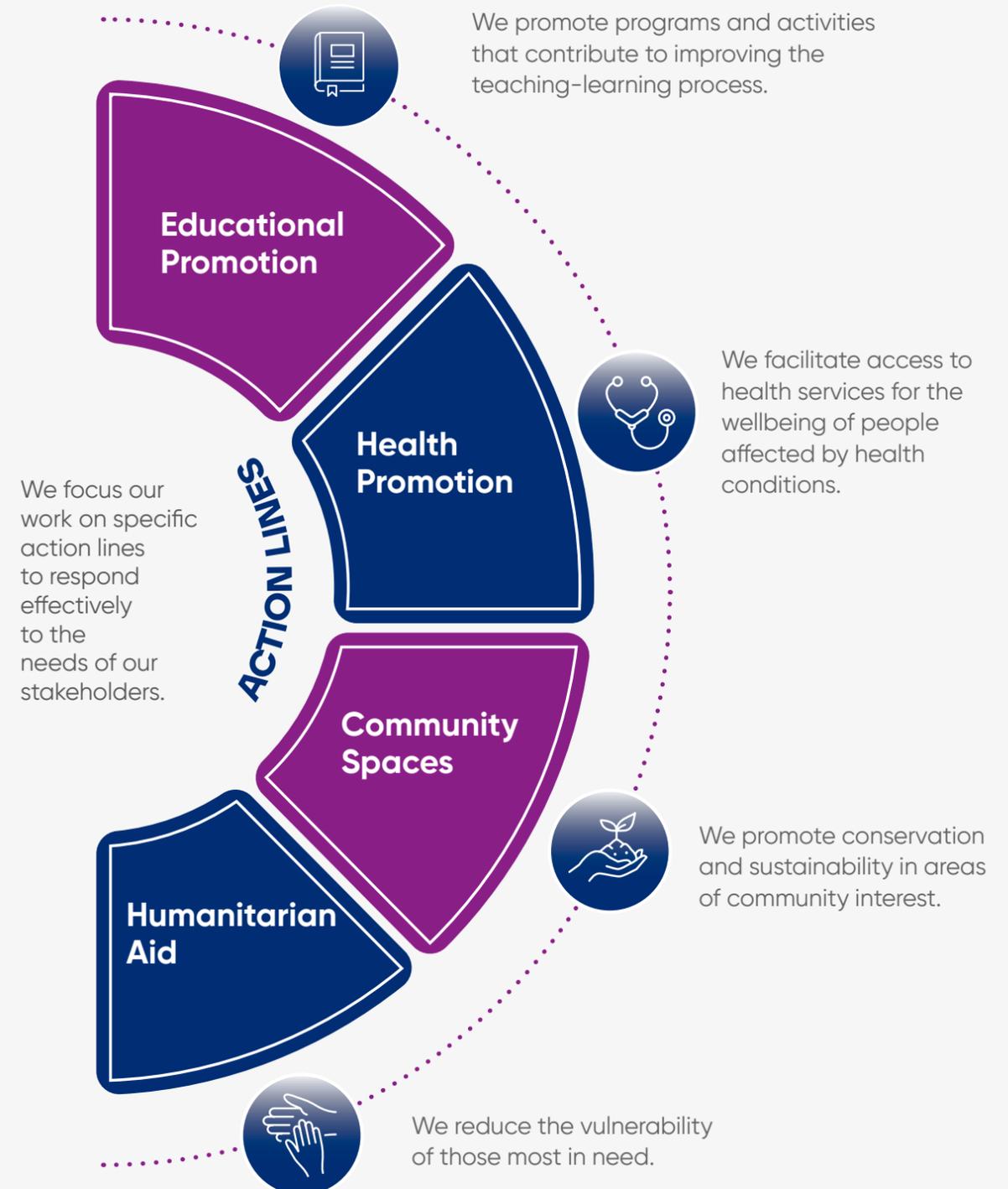
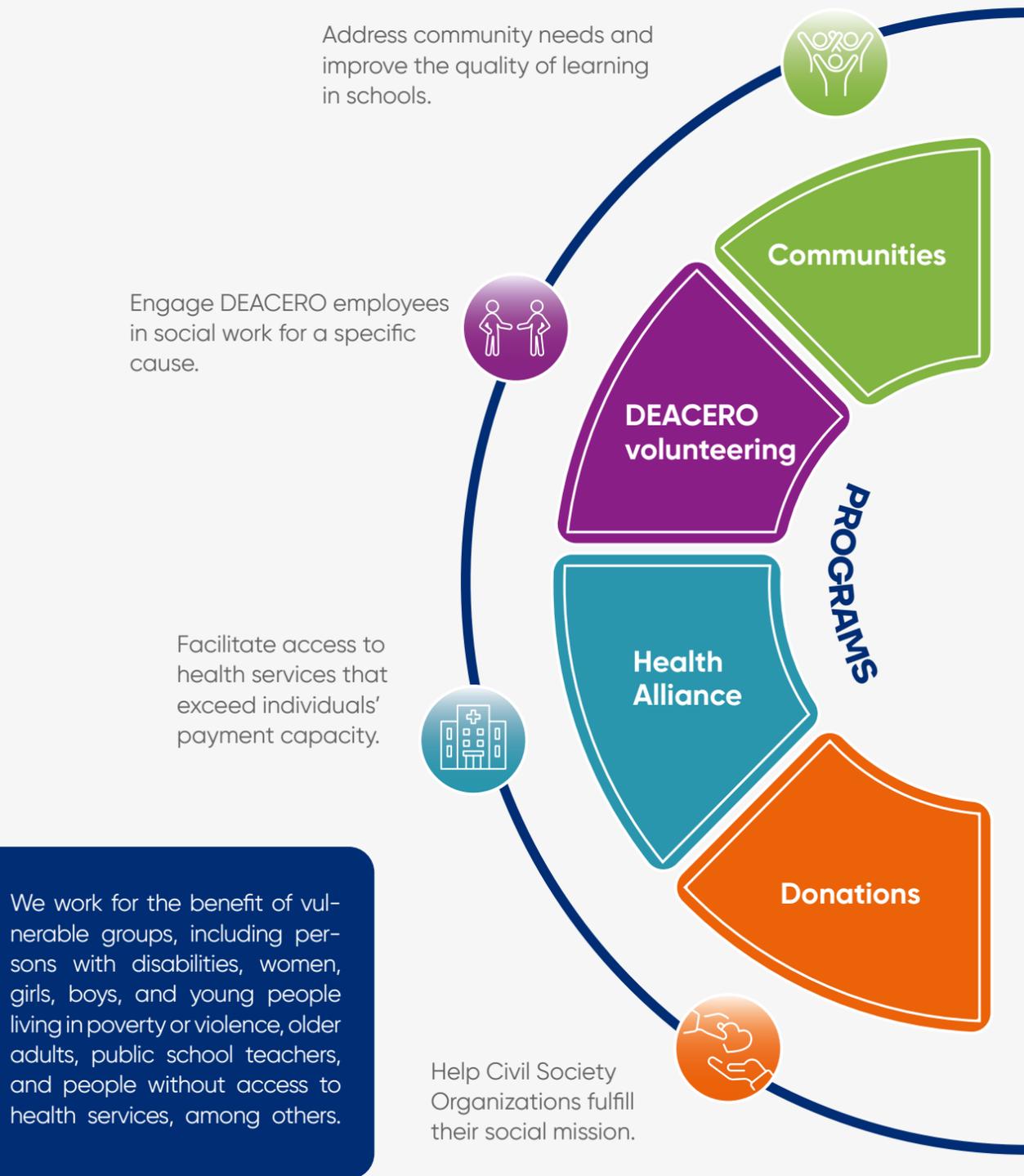


1	Nuevo León	130
2	Guanajuato	70
3	Coahuila	58
	Others	48

**TOTAL 306**

# INTERVENTION MODEL

FUNDACIÓN DEACERO's action lines are implemented through the programs:





# DONATIONS TO CIVIL SOCIETY ORGANIZATIONS

We help Civil Society Organizations fulfill their social mission by maximizing impact across communities in Mexico. In 2024, a strategic adjustment was made to the donation strategy to align with the strategic priorities identified in DEACERO's double materiality analysis, aiming to add social value to the business strategy.

More than **35% of projects were funded compared to 2023** by focusing donations on DEACERO's priority cities.

## RESULTS

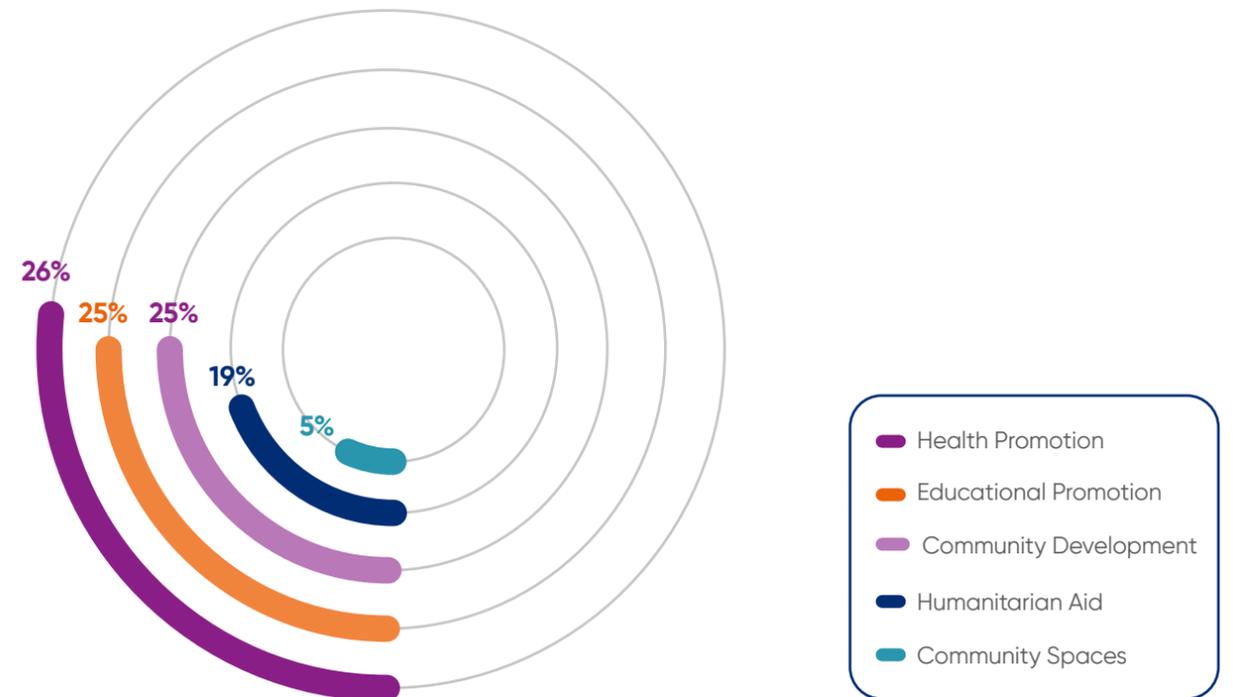
**MXN \$43.3**  
million granted in donations

**1,238,463**  
beneficiaries from CSOs

**122**  
donations granted

**91**  
organizations supported

## CATEGORIZED DONATIONS



## ENABLING ACCESS TO STEAM EDUCATION FOR GIRLS AND BOYS

### Monterrey, Nuevo León

To promote access to STEAM education (Science, Technology, Engineering, Arts, and Mathematics) for girls and boys, we partnered with the Horno 3 Steel Museum and its extracurricular offerings aimed at the public-school community.

In 2024, we trained 25 teachers through a course to adapt their teaching practices in STEAM areas to foster educational innovation in their work. Additionally, 25 girls and boys participated in courses in medicine, mechatronics, and robotics to stimulate their interest in these areas.

While this training increases teachers' capacity to teach using this innovative approach, for most of these students in economically vulnerable conditions, it is an opportunity that could transform their academic and professional outlook in the future.

### NUEVO LEÓN ENVIRONMENTAL FUND

**GRI 203-1**

We donated MXN \$500,000 for the development of a resource management system for the sanitation of water basins in the state of Nuevo León, with an expected reach of **18,000 beneficiaries**.



# HEALTH ALLIANCE

We facilitate access to health services for people facing extraordinary circumstances and lacking the resources to access care.

## RESULTS

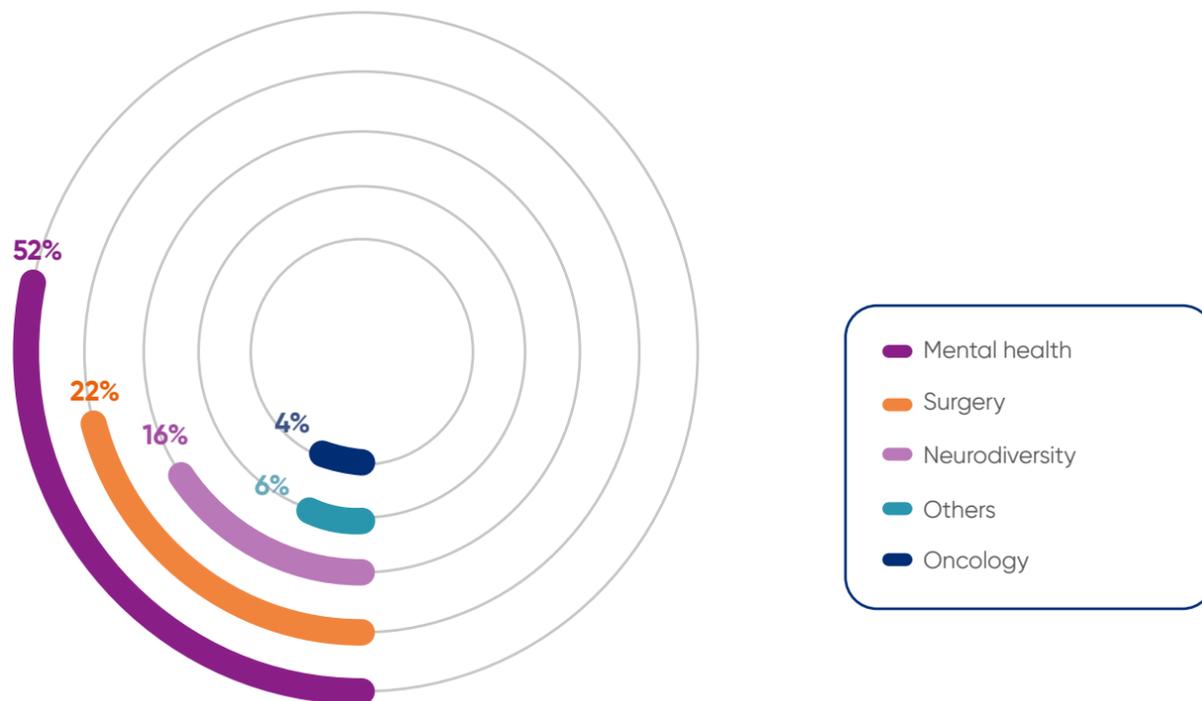
**196**  
requests received

**71**  
requests not eligible

**124**  
cases resolved

**1**  
case in progress

## CATEGORIZED DONATIONS



We **increased** case resolution by more than 44% compared to the previous year.

## A LIFE-CHANGING OPPORTUNITY AND RELIEF FOR FAMILY ECONOMY

### Ramos Arizpe, Coahuila

Mónica is a public healthcare user in Mexico who could not receive care at her local clinic or hospital due to insufficient resources.

Through Health Alliance, Mónica requested support to address her cancer diagnosis, a situation that threatened not only her health but also her family's financial stability.

Thanks to the Health Alliance program, the necessary treatment was provided after verifying that Social Security could not provide timely care. Today, Mónica continues to fight her illness; however, thanks to this support, her family can focus on giving her the care she needs without the burden of unaffordable medical expenses.

*"I received support at a critical moment in my life, giving me hope and peace of mind in times of uncertainty. This has allowed me to move forward in the fight against cancer. **DEACERO truly seeks to improve people's quality of life.**"*

**Mónica Gómez**  
Beneficiary of the program in Coahuila, Mexico



# DEACERO VOLUNTEERING

We combine the enthusiasm and willingness of our employees and friends to drive projects for the common good.

## RESULTS

**4,184**  
beneficiaries

**206**  
corporate  
volunteers

**152**  
community  
volunteers

## HIGHLIGHTED ACTIONS

### REFORESTATION IN DEACERO BUSINESS CENTERS (State of Mexico)

#### Community Spaces

**2,500**  
beneficiaries

**120**  
volunteers

### REFORESTATION OF SIERRA DE ARTEAGA 2024 (Coahuila)

#### Community Spaces

**108**  
beneficiaries

**108**  
volunteers

### TRAINING FOR EMERGENCY VOLUNTEERING (Querétaro)

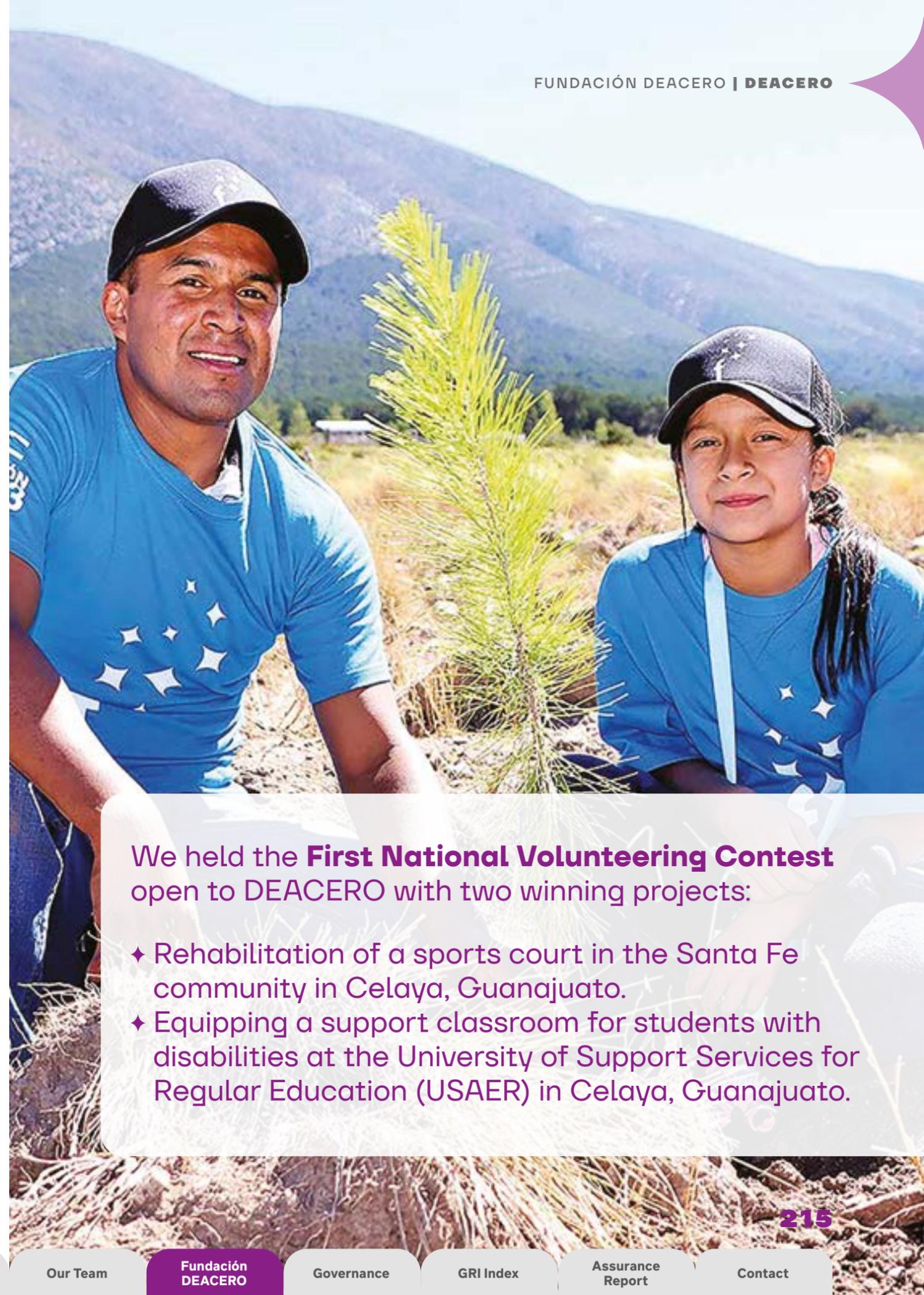
#### Humanitarian Aid

**1,500**  
beneficiaries

**54**  
volunteers

**214**

**215**



We held the **First National Volunteering Contest** open to DEACERO with two winning projects:

- ◆ Rehabilitation of a sports court in the Santa Fe community in Celaya, Guanajuato.
- ◆ Equipping a support classroom for students with disabilities at the University of Support Services for Regular Education (USAER) in Celaya, Guanajuato.



**COMPANY AND QUALITY TIME THAT GIVE HOPE IN ADVERSITY**

Guadalupe, Nuevo León

The Maternal and Child High Specialty Regional Hospital (HRAE) in Guadalupe is one of the most equipped medical centers in Mexico to manage complex conditions in children. Each month, this hospital receives thousands of patients from across the country. Although services are free, many mothers face their situation in isolation and neglect.

During a volunteer activity in December, DEACERO personnel visited the hospital and contributed by creating a mural to brighten the children's environment. Inspired by this experience, a group of 20 employees decided to continue visiting the hospital once a month. Voluntarily, they continue providing companionship to these women who face caring for their children's health under uncertain circumstances.

**RECOGNITION OF DEACERO VOLUNTEERS**  
As part of our DEACERO Gala, we honored the volunteers who contributed to the development of communities near their workplaces. In 2024, Hugo Evaristo, Water Management Associate, was recognized as the DEACERO volunteer with the highest number of participations throughout the year.





# DEACERO COMMUNITIES

GRI 3-3, 203-1, 413-1, 413-2

We contribute to addressing the priority needs of our communities and strengthen learning quality in schools near our plants. In 2024, the community work model was updated, establishing an action radius of 1 one kilometer around each Work Center.

## RESULTS

**299**  
corporate  
volunteers

**503**  
community  
volunteers

**55**  
community  
activities

## HIGHLIGHTED ACTIONS

REHABILITATION OF THE MARÍA ELENA FLORES GAONA SCHOOL (Coahuila)

Community Spaces

**830**  
beneficiaries

IMPROVEMENT OF SPORTS COURT IN SANTA ANITA (Guanajuato)

Community Spaces

**767**  
beneficiaries

WATER PROJECT IN HACIENDA SANTA MARÍA (Ramos Arizpe, Coahuila)

Community Spaces

**78**  
beneficiaries

A water well (150 m deep for water extraction) was rehabilitated, and a water treatment plant was installed for human consumption. This investment was classified as part of the operational budget allocated to Fundación DEACERO's community activities.

In 2024, the design of a local community complaints and claims reception mechanism began and is scheduled for implementation in 2025. Likewise, social risk analyses were conducted at Work Centers scheduled to open in the State of Mexico and Durango, as well as a community perception analysis near our Celaya, Guanajuato Steel Mill.

# MADRINAS DEACERO

A collaboration between communities and Fundación DEACERO. Through this program, pairs of DEACERO employees engage in addressing needs in communities near Work Centers. In 2024, the *Madrinas* DEACERO program was implemented in Coahuila, Nuevo León, and Guanajuato.

## RESULTS

**3,847**  
beneficiaries

**225**  
volunteers

**24**  
activities

## HIGHLIGHTED ACTIVITIES

**MEDICAL CARE BRIGADE FOR CHILDREN IN THE GUAYULERA NEIGHBORHOOD (Coahuila)**

Health Promotion

**500**  
beneficiaries

**DELIVERY OF ORTHOPEDIC ITEMS FOR PEOPLE WITH ECONOMIC VULNERABILITY (Coahuila)**

Health Promotion

**48**  
beneficiaries

**DELIVERY OF SCHOOL SUPPLIES TO CHILDREN IN PUBLIC SCHOOLS (Guanajuato)**

Educational Promotion

**251**  
beneficiaries

**220**

**221**



**CLASSICAL MUSIC AS A KEY TO CHANGE DESTINY**

Villagrán, Guanajuato

Every week, at the Social Impact Center in the "El Rehilete" neighborhood in Villagrán, an enthusiastic group of children and youth gather as part of the Villagrán Community Orchestra. This initiative is led by the Conservatory of Music and Arts of Celaya, which aims not only to promote the personal and social development of its members but also to strengthen social cohesion and community integration.

The orchestra, composed of 39 talented string musicians, represents an innovative and transformative project for all its members. Each rehearsal offers these young people the opportunity to explore and expand their academic and professional horizons, overcoming the limitations and expectations imposed by their surroundings.

**IDENTIFICATION OF NEEDS**

Our community intervention strategy, through the Madrinas DEACERO program, focuses on understanding and addressing local needs comprehensively.

We work closely with communities to implement sustainable solutions and strengthen local capacities. Our goal is to create lasting impact, empowering communities to face challenges and thrive independently in the future.

In 2024, the design of a Community Engagement Policy began to guide DEACERO Work Centers' interactions with local communities.

**DIAGNOSIS**

Stage 1 (6 months)



**ACTIONS AND ACTIVITIES**

Stage 2 (12 months)



**CONSOLIDATION**

Stage 3 (6 months)



BASE DEVELOPMENT, EMPOWERMENT, SOCIAL AND SOLIDARITY ECONOMY  
 SELF-MANAGEMENT (INDIVIDUAL AND COMMUNITY), COOPERATIVE AND RESPONSIBLE PARTICIPATION.

# GOVERNANCE

- 1 Board of Directors
- 2 Ethics and Integrity
- 3 Human Rights
- 4 Cybersecurity
- 5 Risk management



# BOARD OF DIRECTORS

**GRI** 3-3, 2-9, 2-10, 2-12, 2-13, 2-14, 2-19

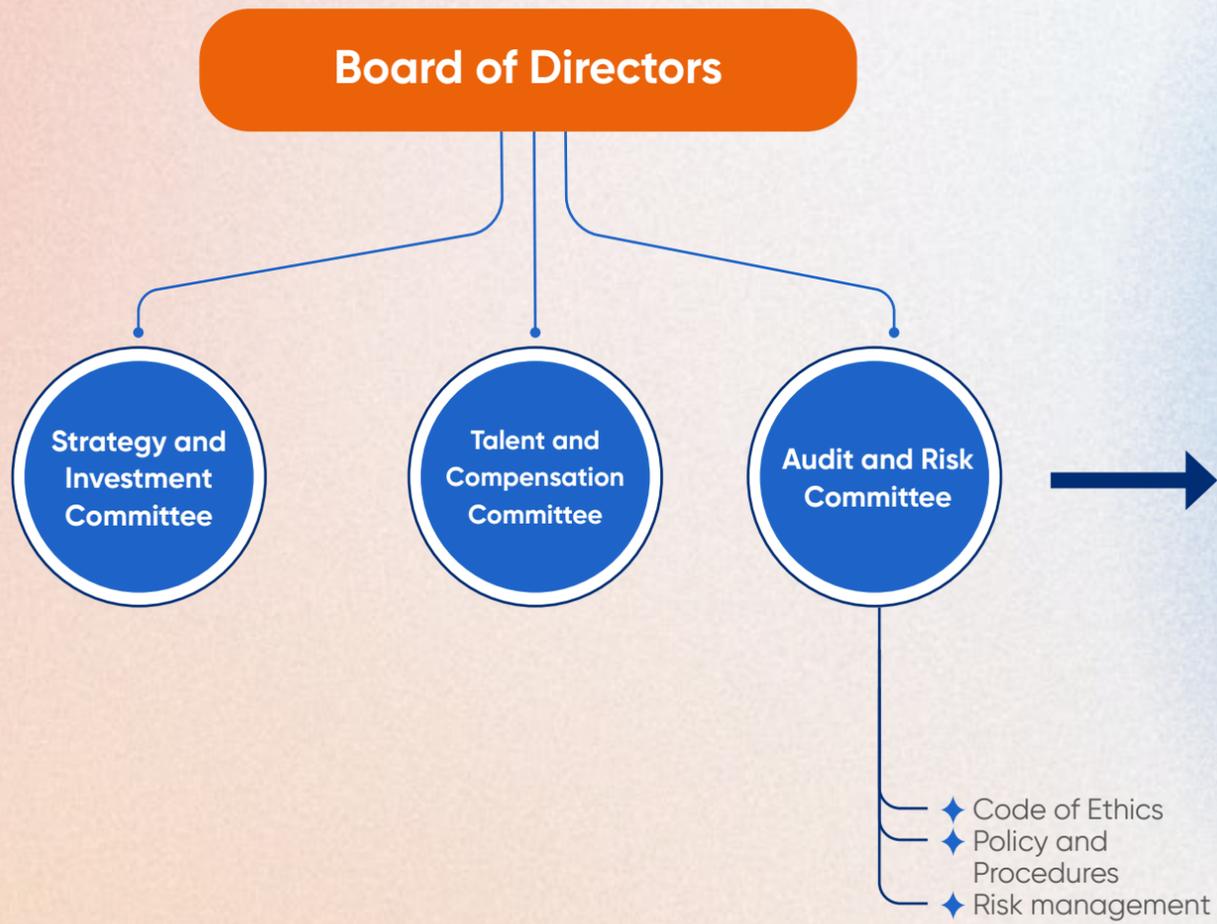
Our organizational structure is designed to streamline decision-making and the creation of policies and management strategies to strengthen compliance, control, and efficiency within the organization.

As part of our institutionalization process, we adopt leading corporate practices and uphold the highest standards of business integrity, with the Board of Directors serving as the primary decision-making body. The Board's key responsibilities include:

- ◆ Approving investment proposals.
- ◆ Supervising organizational talent development, as well as succession plans for key positions.
- ◆ Promoting compliance with applicable laws, regulations, and recognized business practices.
- ◆ Overseeing energy and sustainability strategy, including DEACERO's sustainability reports.
- ◆ Ensuring effective accountability to Shareholders.
- ◆ Challenging long-term strategy and monitoring its execution.
- ◆ Evaluating and identifying strategic and operational risks and opportunities.
- ◆ Approving the annual business plan, budget, and performance objectives.
- ◆ Overseeing the organization's performance and that of the General Management.



# CORPORATE GOVERNANCE MODEL



The Board of Directors carries out its functions with the support of the following committees:

◆ **STRATEGY AND INVESTMENT COMMITTEE**  
 Its objective is to support the Board in preparing, evaluating, reviewing, proposing, and authorizing investment and financing plans or schemes to ensure alignment with strategic objectives, financial viability, and adequate returns. It also monitors the performance of previously approved projects and investments.

◆ **TALENT AND COMPENSATION COMMITTEE**  
 Its purpose is to analyze and provide specialized recommendations to the Board regarding employee and executive compensation, including fixed and variable pay, incentives and benefits, annual adjustments, compensation initiatives, policies, and applicable regulations. Recruitment policies are also subject to review.

◆ **AUDIT AND RISK COMMITTEE**  
 Its purpose is to help ensure that DEACERO's objectives are met by proposing and overseeing the proper functioning of the Internal Control System. It also supervises the accuracy, reliability, and appropriateness of financial reports, procedures, and implemented controls.

# ETHICS AND INTEGRITY

GRI 3-3

Our institutional values strengthen our reputation and ensure trust-based relationships with employees, clients, suppliers, and the community. We promote an **organizational culture based on transparency, fairness, and responsibility.**

## CODE OF ETHICS

GRI 2-23, 2-24

Our Code of Ethics establishes principles and commitments regulating employee conduct and relationships with stakeholders. It is signed upon joining the company and periodically evaluated through audits. It fosters positive impacts such as improved reputation, trust, reduced risks,

better work environment, and strengthened relationships, assessed through indicators and audits. Additionally, these practices extend to clients, suppliers, and communities, promoting transparency and respect for human rights, labor standards, and anti-corruption laws.





## EVALUATION AND CONTINUOUS IMPROVEMENT

**GRI 3-3, 205-1**

To ensure the effectiveness of our policies, we conduct internal and external audits, as well as surveys to assess organizational climate. We also collaborate with business partners to gather insights into their perceptions of ethics and risk, identifying opportunities for improvement.

We have an internal control audit program aligned with the Global Internal Audit Stan-

dards of the Institute of Internal Auditors (IIA). These audits help us evaluate control effectiveness, identify areas for improvement, and propose actions to mitigate risks.

Additionally, we carry out external audits with independent firms, strengthening transparency and trust with our business partners and other stakeholders.

## ANTI-CORRUPTION POLICY

**GRI 2-23, 2-24, 205-2**

Our Anti-Corruption Policy outlines guidelines and responsibilities in accordance with national and international laws, including the Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act. It prohibits acts of bribery, the offering or acceptance of improper gifts, and the abuse of influence. The policy applies to all business units and employees, regulating

interactions with third parties and public officials. It includes anonymous reporting mechanisms, requires documentation of donations and sponsorships, and is reviewed annually to ensure continued effectiveness. Adherence to relevant codes of ethics reinforces our commitment to integrity and transparency.

## CORRUPTION AND BRIBERY RISK MANAGEMENT

**GRI 3-3, 205-1**

At DEACERO, we have specific protocols to prevent the misuse of gifts, hospitality, donations, and other forms of gratuity in our relationships with stakeholders. These guidelines are detailed in our Employee Code of Ethics, Supplier Code of Ethics, and Commercial Code of Ethics, ensuring impartial treatment of suppliers and clients.

In accordance with these standards, DEACERO employees are prohibited from accepting gifts, cash, services, discounts, travel, or any form of entertainment that could compromise their objectivity. Our Procurement Policy reinforces these principles, permitting business meals only when expenses are modest, justified, and aligned with approved budgets.

## CONFLICT OF INTEREST MANAGEMENT PROTOCOLS

**GRI** 2-15

◆ We have **specific protocols for managing conflicts** of interest with internal and external stakeholders.

These guidelines are defined in our codes of ethics and cover situations such as:

- ◆ Business relationships with suppliers or clients where a close personal or family relationship exists.
- ◆ External activities that interfere with organizational responsibilities.
- ◆ Any situation that could compromise the objectivity of the employee's functions.

The Procurement Policy also establishes that DEACERO employees cannot act as suppliers until a minimum of two years after leaving the organization, under pre-defined criteria.

## BUSINESS ETHICS AND ANTI-CORRUPTION TRAINING

**GRI** 205-2

In 2024, 40% of employees completed business ethics e-learning at DEACERO University. Virtual and in-person campaigns were also carried out, achieving 67% of employees reaffirming their alignment with the Code of Ethics.

## TRAINING TO PREVENT CORRUPTION AND BRIBERY

We conduct training and awareness campaigns, highlighting the "Speak Up! - Protect the House" initiative in 2024, which shares real cases of corruption and fraud within the company to reinforce an integrity culture.

Additionally, the Internal Audit department provides training on:

- ◆ **Code of Ethics**  
Standards of conduct and expected behavior
- ◆ **Anonymous TIPS Reporting Line**  
Importance of reporting and confidentiality guarantees

## "PILLARS OF ETHICS"

Starting in 2024, we implemented the "Pillars of Ethics" campaign, in which employees evaluate integrity within the organization by nominating exemplary colleagues. Recognition is awarded at the "DEACERO Gala" after a voting process validated by Internal Audit.

## THIRD-PARTY ANTI-CORRUPTION DUE DILIGENCE PROGRAM

We have implemented the "Know Your Customer" and "Know Your Supplier" programs to mitigate corruption risks. We request our suppliers to sign the Supplier Code of Ethics and carry out periodic audits.

We are in the process of strengthening our verification procedures to ensure our partners operate under principles of ethics and integrity.

# ORGANIZATIONAL INTEGRITY EVALUATION AND REPORTING MECHANISMS

GRI 2-16, 2-26, 205-3

We continuously evaluate organizational integrity to prevent corruption and bribery. We have an Anonymous Reporting Line, which allows receiving, classifying, and following up on reports. Based on these, we design specific action plans to eradicate irregular practices.

a platform managed by Deloitte, allowing employees and third parties to confidentially report concerns through multiple channels. Deloitte filters reports and channels them to Internal Audit, which reports to the Audit and Risk Committee.

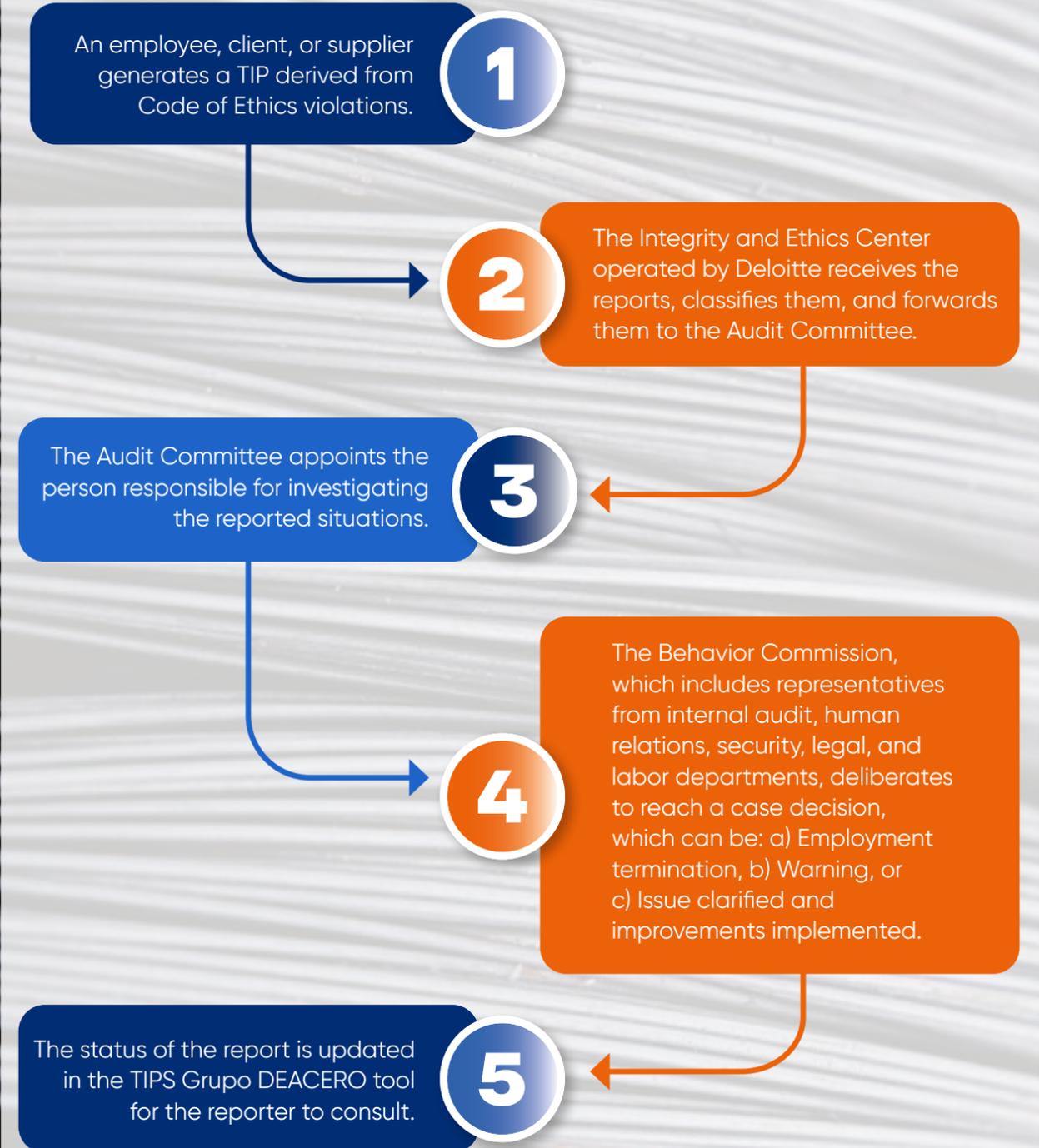
Mechanisms are in place to detect, address, and correct potential violations of our Code of Ethics, both internally and with partners and the community. We use TIPS Grupo DEACERO,

TIPS Grupo DEACERO ensures confidential handling of information, operated by qualified personnel for reporting unethical behaviors and actions.

## TIPS GRUPO DEACERO Contact Methods

 <p>Phone 01800 433 8477 (TIPS)</p>	 <p>Website <a href="http://www.tipsanonimos.com/TipsGrupoDeacero">www.tipsanonimos.com/TipsGrupoDeacero</a></p>	 <p>Email <a href="mailto:TipsGrupoDeacero@tipsanonimos.com">TipsGrupoDeacero@tipsanonimos.com</a></p>
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## TIPS RESOLUTION PROCESS





During 2024, we managed 184 anonymous reports analyzed and investigated with the following results:

**11%** concluded with termination of the implicated employees.

**36%** concluded with a verbal warning or administrative record added to the implicated employees' file.

**51%** concluded with clarification and triggered improvements in operational or administrative processes.

**2%** were under investigation at the time of this report.

**GRI 406-1**

These reports are classified into the following categories:

CATEGORY	%
Harassment of employees / Mobbing	39%
Workplace negligence	9%
Conflict of interest	9%
Discrimination	7%
Workplace violence	6%
Unethical treatment of suppliers	6%
Breach of trust	4%
Theft	3%
Misuse of confidential information	3%
Sexual harassment	3%
Manipulation of institutional records or documents	2%
Bribery	2%
Unsafe security conditions	2%
Fraud	1%
Use of illegal substances	1%
Accounting irregularities	1%
Supplier blocking	1%
Misuse of assets	0.5%
Unfair competition	0.5%
Non-compliance with laws or regulations by authorities	0.5%
	100%

**None of the identified cases resulted in fines or monetary penalties from any authority.**

Cases related to discrimination involved individual interviews with each person to improve communication and internal processes. These matters are reviewed during annual employee evaluations.

# HUMAN RIGHTS

GRI 3-3

We promote respect for human rights by fostering respectful treatment in all of our interactions. **We ensure safe and fair working conditions for all our employees** and promote workplaces free from harassment and violence.



## DEACERO POLICIES

We have a robust regulatory framework composed of various policies and codes of conduct that establish preventive actions and guide the ethical and respectful behavior of our employees.

These instruments ensure respect for human rights across all operations, encompassing fundamental principles such as non-discrimination, diversity, equity and inclusion, and protection of personal data.

Additionally, in 2024, our Policy against Forced and Child Labor came into effect, aiming to eradicate, identify, and prevent any form of forced or child labor within our operations and supply chain.

To ensure compliance with our Code of Ethics, all DEACERO employees must sign this document and adhere to its principles from the moment they join the organization. We also provide e-learning courses through DEACERO University, with 40% of employees participating in 2024.

**We reaffirm our commitment to human rights by requiring suppliers to adhere to the principles established in the Supplier Code of Conduct and Ethics.**

- ◆ Code of Ethics
- ◆ Policy against Forced and Child Labor
- ◆ Health and Safety Policy
- ◆ Inclusion and Positive Work Environment Policy
- ◆ Inclusion and Positive Work Environment Manual
- ◆ Flexible Work Policy
- ◆ Psychosocial Risk Prevention Policy
- ◆ Personal Data Protection Policy



## EVALUATION AND MONITORING

At DEACERO, we have a robust system of internal and external evaluations and audits, through which we periodically review strict compliance with human rights, working conditions, workplace safety, and adherence to applicable laws and regulations.

In 2024, we began planning and developing baseline social studies in communities near our operations in Nuevo León, Coahuila, and Celaya.



## TIPS GRUPO DEACERO

The TIPS Grupo DEACERO system allows our employees and other stakeholders to report misconduct, harassment, and/or human rights violations through various channels, such as phone, website, and email. Reports are managed by Deloitte, a third party responsible for efficiently investigating and resolving complaints.

## UNITED NATIONS GLOBAL COMPACT

In 2022, we joined the United Nations Global Compact, committing to implement responsible business practices aligned with the ten universal principles on human rights, labor standards, environment, and anti-corruption. These principles are based on the Universal Declaration of Human Rights and establish mechanisms to promote compliance and effective implementation.

# CYBERSECURITY

GRI 3-3

At DEACERO, we are transforming how we use technology, promoting a prevention culture and encouraging responsible use of our digital tools and services. In an increasingly digital environment, we commit to protecting both personal and corporate information, minimizing risks and strengthening security.

**Strengthening cybersecurity is one of our strategic priorities.**



## INCIDENT MANAGEMENT AND TIMELY RESPONSE

Our Cybersecurity team classifies, investigates, and responds to incidents, executing action plans and keeping stakeholders informed. When necessary, we coordinate with third parties to ensure comprehensive attention. Additionally, we conduct awareness campaigns to strengthen digital culture within the organization.



## AWARENESS AND PREVENTION

During 2024, we launched the “Think Before You Click” campaign, providing practical recommendations for safe navigation and communication channels to report incidents. We also conduct training to prevent security breaches and raise awareness about responsible information management.

## SECURITY EVALUATIONS AND AUDITS

We conduct audits in our business units to identify and correct vulnerabilities, following up promptly on the recommendations issued.

We also strengthened the use of **confidentiality agreements (NDAs)** with third parties to ensure proper handling of shared information.



## CYBERSECURITY POLICY

**GRI** 2-23, 2-24

We have a **Cybersecurity Policy** establishing zero tolerance for irregularities. It requires cybersecurity team members to sign a commitment to ethical use of their knowledge and to use validated accounts with secure, unique, and updated passwords.

Likewise, in 2024, we updated our **Confidential Information Security Policy**, integrating formal procedures for mitigating and responding to data breaches.

## DATA PROTECTION AND PREVENTIVE TOOLS

We began implementing the **Data Loss Prevention (DLP)** program to protect confidential information of our organization, clients, suppliers, and employees. These tools were installed on computing devices to prevent unauthorized copies, ensuring data integrity and confidentiality.

# RISK MANAGEMENT

GRI 3-3

At DEACERO, we understand that business risk management is essential to our success in the steel sector. Identifying, assessing, and mitigating risks are essential steps to ensure operational continuity and achieve long-term positive results. We are committed to proactively identifying potential risks, such as raw material price volatility, market competition, regulatory challenges, workplace safety, and sustainability.

By understanding and assessing these risks, we can implement appropriate strategies and controls to minimize negative impacts and capitalize on emerging opportunities. This includes adopting policies, segregating duties, defining authorization levels, diversifying suppliers, investing in new technologies, and developing contingency plans. By prioritizing operational risk management, we strengthen resilience to adverse events, protect our reputation, and generate value for our stakeholders.

**We are committed to effective risk management to face challenges and seize opportunities in our sector.**

The Audit and Risk Committee is responsible for ensuring the implementation of effective risk management practices throughout the organization, establishing clear corporate policies, defining roles and responsibilities, and complying with regulatory standards and industry best practices.



## GOVERNANCE FOR RISK MANAGEMENT

The Board of Directors, through the Audit and Risk Committee, plays a crucial role in risk management by providing oversight and strategic guidance. This committee monitors the effectiveness of risk management processes, periodically reviewing the identification, assessment, and mitigation of key hazards. It also participates in reviewing reports related to operational, financial, regulatory, and strategic risks.

The Risk and Internal Control area collaborates in defining, identifying, and assessing risks that may affect policy, procedure, and control development within the organization. It also provides specialized guidance in designing regulations and developing practices to ensure compliance. Additionally, it supports the definition of roles and responsibilities within the organizational structure. Not only is it responsible for managing institutional regulations, but it also shares a standardized methodology for the internal control and risk management system, thus promoting consistency and efficiency throughout the organization, aligned with the company's strategic objectives. It also offers solutions to optimize processes and improve decision-making, ensuring controls provide accurate and relevant data. These measures allow the company to quickly adapt to market or regulatory changes, maintaining competitiveness, high product and service quality standards, ensuring personnel safety with minimal cost, and preserving employee integrity and dignity in every operation.



## CONTINUOUS RISK MANAGEMENT PROCESS

Risk management at DEACERO is a continuous, evolving process. Our approach incorporates elements from COSO (Committee of Sponsoring Organizations of the Treadway Commission) and ISO 31000:2018 Risk Management, frameworks that strengthen our control environment and enterprise risk management, respectively.

We periodically monitor and update our risks to increase operational control discipline. It is important to establish clear rules for critical processes impacting the organization. Subsequently, it is essential to train operational teams on company policies to ensure correct implementation of controls. Continuous monitoring is also required, using risk indicators to identify opportunities and establish action plans to mitigate risks. All of this must be supported by a culture that promotes shared responsibility, where everyone feels part of risk management and solutions.

As part of this culture, we involve the company's entire chain both horizontally and vertically within the organizational structure. First, with process owners identifying risks (bottom-up approach) and then involving leaders to complement controls and priorities (top-down approach).

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## RISK MANAGEMENT CULTURE

To reinforce our culture of responsibility, we conduct various communication campaigns focused on raising awareness about risk management, the culture of control and self-management, the three lines of defense, internal control policies, and taking care of each other as we take care of our families.

Through our ongoing campaign **Cuidemos La CASA** (Control, Self-Management, Supervision, and Environment), all employees commit to caring for the CASA, promoting a sense of belonging and stewardship for our workplace. Together, we support risk awareness strategies, improve controls, report unethical acts, strengthen risk self-management (so everyone is accountable within their sphere of influence), ensure proper supervision, and foster an institutional control environment.

Our goal is to prevent financial losses and guarantee the safety of our personnel while

complying with current regulations (internal and external), as well as to maintain employee dignity in every operation within an ethical and transparent work environment.

To this end, we have over 120 institutional policies that reinforce our operational control standards. Each year, we ensure that necessary policies are created to clarify roles and responsibilities for key processes, as well as rules regarding priority risks to be managed. We also update existing regulations to ensure they remain current and aligned with ongoing operations.

Likewise, we aim to certify employees involved in the regulations through periodic training that reinforces controls and standardizes processes via best practices across business units.

## RISK MONITORING

We have established risk indicators that are continuously monitored, with defined parameters and targets. These include indicators for raw material inventories, finished products, supplies and spare parts, regulatory compliance (internal and external), customer portfolios, investments and fixed assets, suppliers, and payroll, among others. Deviations are periodically reviewed, which may lead

to action plans to strengthen processes and ensure ongoing compliance.

More than 100 areas collaborate in identifying the risks within their processes. All areas document their risk matrices, analyzing impact and probability of occurrence. We prioritize high risks, those with the greatest impact on the organization, to define actionable improvements.

# GRI AND SASB INDEX

GRI STANDARD	CONTENT	SECTION	PAGE NUMBER OR RESPONSE	OMISSION	SASB
<b>UNIVERSAL STANDARDS</b>					
<b>GRI 1: Foundations 2021</b>					
<b>GRI 2: General Disclosures 2021</b>	<b>2-1</b> Organizational details	WHO WE ARE	Page 2 and 14		
	<b>2-2</b> Entities included in the sustainability reporting	ABOUT THIS REPORT	Page 2		
	<b>2-3</b> Reporting period, frequency, and contact	ABOUT THIS REPORT	Page 2 and 307		
	<b>2-4</b> Information updates		Page 121 For the information related to air emissions, we restated the data reported in the previous report. This adjustment was due to changes in the reporting format, which modified the order of the information, but not its content.		
	<b>2-5</b> External verification	ASSURANCE REPORT	Page 2 and 302		
	<b>2-6</b> Activities, value chain and other business relationships	WHO WE ARE	Page 38		
	<b>2-7</b> Employees	OUR TEAM	Page 160		
	<b>2-8</b> Non-employee workers				This indicator is under development
	<b>2-9</b> Governance structure and composition	BOARD OF DIRECTORS	Page 226		
	<b>2-10</b> Nomination and selection of the highest governance body	BOARD OF DIRECTORS	Page 226		
	<b>2-11</b> Chairman of the highest governance body	WHO WE ARE	Page 4		

GRI STANDARD	CONTENT	SECTION	PAGE NUMBER OR RESPONSE	OMISSION	SASB
<b>UNIVERSAL STANDARDS</b>					
<b>GRI 1: Foundations 2021</b>					
<b>GRI 2: General Disclosures 2021</b>	<b>2-12</b> Role of the highest governance body in overseeing impact management	BOARD OF DIRECTORS	Page 226		
	<b>2-13</b> Delegation of responsibility for impact management	BOARD OF DIRECTORS	Page 226		
	<b>2-14</b> Highest governance body's role in sustainability reporting	BOARD OF DIRECTORS	Page 226		
	<b>2-15</b> Conflicts of interest	ETHICS AND INTEGRITY	Page 234		
	<b>2-16</b> Communication of critical concerns	RISK MANAGEMENT	Page 236		
	<b>2-17</b> Collective knowledge of the highest governance body			This indicator is under development	
	<b>2-18</b> Evaluation of the performance of the highest governance body	BOARD OF DIRECTORS	Senior management participates in performance evaluations as part of DEACERO's Performance System.		
	<b>2-19</b> Compensation policies		Page 226		
	<b>2-20</b> Process to determine remuneration	BOARD OF DIRECTORS	Compensation is based on best market practices and on the level of position and responsibility, without any distinction.		
	<b>2-22</b> Sustainable Development Strategy Statement	OUR SUSTAINABILITY	Page 4 and 64		
	<b>2-23</b> Commitments and policies	RESPONSIBLE SOURCING ENVIRONMENTAL MANAGEMENT ETHICS AND INTEGRITY COMMITMENT TO PEOPLE	Page 95 and 164		
	<b>2-24</b> Incorporation of commitments and policies	RESPONSIBLE SOURCING ENVIRONMENTAL MANAGEMENT ETHICS AND INTEGRITY COMMITMENT TO PEOPLE	Page 95 and 164		

GRI STANDARD	CONTENT	SECTION	PAGE NUMBER OR RESPONSE	OMISSION	SASB
<b>UNIVERSAL STANDARDS</b>					
<b>GRI 1: Foundations 2021</b>					
<b>GRI 2: General Disclosures 2021</b>	<b>2-25</b> Processes to remediate negative impacts	ENVIRONMENTAL MANAGEMENT	Page 96		
	<b>2-26</b> Mechanisms for seeking advice and raising concerns	ETHICS AND INTEGRITY	Page 236		
	<b>2-27</b> Compliance with laws and regulations	ENVIRONMENTAL MANAGEMENT	Page 98		
	<b>2-28</b> Membership in associations	PARTICIPATION, ALLIANCES AND RECOGNITIONS	Page 76		
	<b>2-29</b> Approach to stakeholder engagement	OUR SUSTAINABILITY	Page 74		
	<b>2-30</b> Collective bargaining agreements	OUR TEAM	Page 168		

GRI STANDARD	CONTENT	SECTION	PAGE NUMBER OR RESPONSE	OMISSION	SASB
<b>MATERIAL TOPICS</b>					
<b>GRI 3: Material topics 2021</b>	<b>3-1</b> Process to determine material topics	OUR SUSTAINABILITY	Page 70		
	<b>3-2</b> List of material topics	OUR SUSTAINABILITY	Page 72		
	<b>3-3</b> Management of material topics	OUR SUSTAINABILITY	Page 66		
<b>Strategic business vision across time horizons</b>					
<b>GRI 3: Material Topics 2021</b>	<b>3-3</b> Management of material topics	WHO WE ARE	Page 24-27		
<b>GRI 201: Economic Performance 2016</b>	<b>201-1</b> Direct economic value generated and distributed				This indicator is under development
	<b>201-2</b> Financial implications and other risks and opportunities due to climate change				This indicator is under development
	<b>201-3</b> Defined benefit plan obligations and other retirement plans				This indicator is under development
	<b>201-4</b> Financial assistance received from government			In 2024 no financial assistance was received from the government.	
<b>Community engagement</b>					
<b>GRI 3: Material Topics 2021</b>	<b>3-3</b> Management of material topics	FUNDACIÓN DEACERO	Page 218		
<b>GRI 202: Market presence 2016</b>	<b>202-1</b> Ratios between the standard entry level wage by gender and the local minimum wage				This indicator is under development
	<b>202-2</b> Proportion of senior executives hired from the local community				
<b>Community engagement</b>					
<b>GRI 3: Material Topics 2021</b>	<b>3-3</b> Management of material topics	FUNDACIÓN DEACERO	Page 218		
<b>GRI 203: Indirect Economic Impacts 2016</b>	<b>203-1</b> Infrastructure investments and services supported	WHO WE ARE FUNDACIÓN DEACERO	Page 24-27 and 218		
	<b>203-2</b> Significant indirect economic impacts	WHO WE ARE	Page 24-27		

GRI STANDARD	CONTENT	SECTION	PAGE NUMBER OR RESPONSE	OMISSION	SASB
<b>MATERIAL TOPICS</b>					
<b>Comprehensive supply chain management</b>					
<b>GRI 3: Material Topics 2021</b>	<b>3-3</b> Management of material topics	RESPONSIBLE SOURCING	Page 82		
<b>GRI 204: Sourcing Practices 2016</b>	<b>204-1</b> Proportion of spending on local suppliers	RESPONSIBLE SOURCING	Page 82		
<b>Corruption and bribery risk management</b>					
<b>GRI 3: Material Topics 2021</b>	<b>3-3</b> Management of material topics	ANTI-CORRUPTION	Page 233		
<b>GRI 205: Anti-Corruption 2016</b>	<b>205-1</b> Operations assessed for risks related to corruption	ANTI-CORRUPTION	Page 232 and 233		
	<b>205-2</b> Communication and training about anti-corruption policies and procedures	ANTI-CORRUPTION	Page 233 and 234		
	<b>205-3</b> Confirmed incidents of corruption and actions taken	ANTI-CORRUPTION	Page 236		
<b>Ethics and integrity</b>					
<b>GRI 3: Material Topics 2021</b>	<b>3-3</b> Management of material topics	ETHICS AND INTEGRITY	Page 230		
<b>GRI 206: Unfair Competition 2016</b>	<b>206-1</b> Legal actions related to unfair competition and monopolistic practices and against free competition		There are no reports in this regard.		
<b>Materials management and circularity</b>					
<b>GRI 3: Material Topics 2021</b>	<b>3-3</b> Management of material topics	CIRCULAR ECONOMY	Page 132		
<b>GRI 301: Materials 2016</b>	<b>301-1</b> Materials used by weight or volume	CIRCULAR ECONOMY	Page 136		
			301-1 a. Tons of materials used: 6,405,983 Ton 301-1.a.i. Total tons of non-renewable materials used: 6,392,431 Ton 301-1.a.ii. Total tons of renewable materials used: 13,552 Ton		

GRI STANDARD	CONTENT	SECTION	PAGE NUMBER OR RESPONSE	OMISSION	SASB
<b>MATERIAL TOPICS</b>					
<b>Materials management and circularity</b>					
<b>GRI 301: Materials 2016</b>	<b>301-2</b> Recycled inputs used	CIRCULAR ECONOMY	Page 136  301-1 a. Tons of materials used: 6,405,983 Ton 301-1.a.i. Total tons of non-renewable materials used: 6,392,431 Ton 301-1.a.ii. Total tons of renewable materials used: 13,552 Ton		
	<b>301-3</b> Recovered products and packaging materials		DEACERO products do not use packaging.		
<b>Energy efficiency</b>					
<b>GRI 3: Material Topics 2021</b>	<b>3-3</b> Management of material topics	ENERGY	Page 122		

GRI STANDARD	CONTENT	SECTION	PAGE NUMBER OR RESPONSE	OMISSION	SASB
<b>MATERIAL TOPICS</b>					
<b>Energy efficiency</b>					
<b>GRI 302: Energy 2016</b>	<b>302-1</b> Energy consumption within the organization	ENERGY	<p>Page 126</p> <p>302-1 a. Total consumption of fuels from non-renewable sources within the organization: 6,924,010 GJ</p> <p>302-1 b. Total consumption of fuels from renewable sources within the organization: Not applicable. We do not consume biomass or biofuels.</p> <p>302-1 c.i. Total electricity consumption: 8,135,867.68 GJ</p> <p>302-1 c.i.i. Electricity consumption from power energy: 6,801,539.60 GJ</p> <p>302-1 c.i.ii. Electricity consumption from renewable sources: 1,334,328 GJ</p> <p>302-1 c.ii. Total heating consumption: Not applicable. Heating generation is carried out from fossil fuel and electricity consumption. Its consumption is included in general services in the consumption of LP gas and electricity (EE).</p> <p>302-1 c.iii. Total cooling consumption: Not applicable. We do not consume refrigerants, only in auxiliary services and air conditioning (refrigerant gases).</p> <p>302-1 c.iv. Total steam consumption: Not applicable. We do not consume thermal energy.</p> <p>302-1 d.i. Total electricity sold: For confidentiality reasons we do not publicly report this indicator.</p> <p>302-1 d.ii. Total heating sold: Not applicable. We do not sell heating.</p> <p>302-1 d.iii. Total cooling sold: Not applicable. We do not sell cooling.</p> <p>302-1 d.iv. Total steam sold: Not applicable. We do not sell thermal energy.</p> <p>302-1 e. Total energy consumption within the organization: 15,059,878 GJ</p> <p>302-1 f. The standards, methodologies, assumptions, and calculation tools used: Reported in accordance with the GRI standard. The scope of the indicator covers our business units in Mexico; Subsidiaries and Distribution Center Chiapas are excluded. For information regarding energy from other fuels for Steel Mills and Rolling Mills in 2022, we have restated the information. This adjustment was necessary due to changes in our calculation methods and scope of the information considered. The energy from "Other" fuels has been recalculated and presented in this report, replacing "2,328,502 GJ" with "2,254,027 GJ" for Steel Mills and Rolling Mills, having a total consumption of "2,439,901 GJ" of other fuels and "16,425,747 GJ" of total energy consumption in 2022.</p> <p>302-1 g. The source of the conversion factors used: We use the updated CONUEE calorific power factors for conversion to GJ of coal, recarburizer (coke), diesel, gasoline, and LP gas consumption. <a href="https://www.gob.mx/cms/uploads/attachment/file/895624/Lista_de_combustibles_2024.pdf">https://www.gob.mx/cms/uploads/attachment/file/895624/Lista_de_combustibles_2024.pdf</a></p>		EM-IS-130a.1 EM-IS-130a.2

GRI STANDARD	CONTENT	SECTION	PAGE NUMBER OR RESPONSE	OMISSION	SASB
<b>MATERIAL TOPICS</b>					
<b>Energy efficiency</b>					
<b>GRI 302: Energy 2016</b>	<b>302-2</b> Energy consumption outside the organization			This indicator is under development	
	<b>302-3</b> Energy intensity	ENERGY	Page 130		
	<b>302-4</b> Reduction of energy consumption	ENERGY	Page 126 and 130		
	<b>302-5</b> Reduction in energy requirements of products and services		DEACERO products do not consider an energy requirement in their use.		
<b>Water resource management</b>					
<b>GRI 3: Material Topics 2021</b>	<b>3-3</b> Management of material topics	WATER MANAGEMENT	Page 144		
	<b>303-1</b> Interactions with water as a shared resource	WATER MANAGEMENT	Page 144		
<b>GRI 303: Water and Effluents 2018</b>	<b>303-2</b> Management of water spillage-related impacts	WATER MANAGEMENT	Page 154		
	<b>303-3</b> Water withdrawal	WATER MANAGEMENT	Page 152 303-3 a. Megaliters of total water withdrawal: 4,424 ML 303-3 a.ii. Megaliters of groundwater withdrawal: 2,578 ML 303-3 a.v. Megaliters of third-party water withdrawal: 1,845 ML		EM-IS-140a.1

GRI STANDARD	CONTENT	SECTION	PAGE NUMBER OR RESPONSE	OMISSION	SASB
<b>MATERIAL TOPICS</b>					
<b>Water resource management</b>					
<b>GRI 303: Water and Effluents 2018</b>	<b>303-4</b> Water spillage	WATER MANAGEMENT	Page 152 303-4 a. Megaliters of total water spillage: 631 ML 303-4 a.i. Megaliters of surface water spillage: 631 ML 303-4 a.ii. Megaliters of groundwater spillage: Not applicable. DEACERO has no groundwater spillage 303-4 a.iii. Megaliters of marine water spillage: Not applicable. DEACERO has no marine water spillage 303-4 a.iv. Megaliters of third-party water spillage: 95 ML 303-4 b.i. Total freshwater spillage: 632.22 ML 303-4 b.ii. Total spillage in other waters: 0 ML 303-4 c. Total water spillage in all water-stressed areas: 632.33 ML 303-4 c.i. Total freshwater spillage in water-stressed areas: 632.33 ML 303-4 c.ii. Total spillage in other waters in water-stressed areas: 0 ML 303-4 d. The criterion used for monitoring pollutant substance parameters is given by the Mexican Official Standards, which apply according to the destination of the treated water.  The standards to comply with are NOM-001-Semarnat-2021 and NOM-002-Semarnat-1996. During 2024 there were no incidents of non-compliance with the Maximum Permissible Limits.		
	<b>303-5</b> Water consumption	WATER MANAGEMENT	Page 151 303-5 a. Total water consumption from all areas: 3,791.48 ML 303-5 b. Total water consumption from all water-stressed areas: 3,791.48 ML 303-5 c. Change in water storage: Not applicable. Water storage does not generate a significant impact related to water.		

GRI STANDARD	CONTENT	SECTION	PAGE NUMBER OR RESPONSE	OMISSION	SASB
<b>MATERIAL TOPICS</b>					
<b>Environmental management and contingency handling</b>					
<b>GRI 3: Material Topics 2021</b>	<b>3-3</b> Management of material topics	ENVIRONMENTAL MANAGEMENT SYSTEM (EMS)	Page 97		
<b>GRI 304: Biodiversity 2016</b>	<b>304-1</b> Operational sites owned, leased, or managed located in or near protected areas or areas of high biodiversity value outside protected areas		We do not have operational sites with these characteristics.		
	<b>304-2</b> Significant impacts of activities, products, and services on biodiversity		No significant impacts of this type have been identified.		
	<b>304-3</b> Protected or restored natural habitats		We do not have operations in Protected Natural Areas.		
<b>Climate change strategy and emissions</b>					
<b>GRI 3: Material Topics 2021</b>	<b>3-3</b> Management of material topics	OUR ACTIONS AGAINST CLIMATE CHANGE	Page 100		EM-IS-110a.2

GRI STANDARD	CONTENT	SECTION	PAGE NUMBER OR RESPONSE	OMISSION	SASB
<b>MATERIAL TOPICS</b>					
<b>GRI 305: Emissions 2016</b>	<b>305-1</b> Direct GHG emissions (scope 1)	EMISSIONS INVENTORY	<p>Page 110</p> <p>305-1 a. Tons of CO<sub>2</sub> equivalent Scope1: 548,582 tCO<sub>2</sub>e</p> <p>305-1 b. Gases included in the calculation: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFC and HCFC.</p> <p>305-1 c. Biogenic CO<sub>2</sub> emissions in metric tons of CO<sub>2</sub>e: Not applicable. We do not have emissions from biogenic sources.</p> <p>305-1 d. Base year for the calculation: 2022</p> <p>305-1 d. i. Year with the largest information base available (2022)</p> <p>305-1 d. ii. Emissions in the base year: 616,229 tCO<sub>2</sub>e</p> <p>305-1 d. iii. There were no significant changes in the emissions that led to new calculations of the emissions in the base year.</p> <p>305-1 e. The source of the emission factors, the global warming potential (GWP) rates used or a reference to the GWP source: The SEMARNAT Technical Particularities Agreement is used, which also includes the emission factors applied. AGREEMENT establishing the technical particularities and formulas for applying methodologies for calculating greenhouse gas or compound emissions. <a href="https://www.semarnat.gob.mx/sites/default/files/documentos/cicc/acuerdo_que_establece_las_particularidades_tecnicas_y_las_formulas_para_la_aplicacion_de_metodologias.pdf">https://www.semarnat.gob.mx/sites/default/files/documentos/cicc/acuerdo_que_establece_las_particularidades_tecnicas_y_las_formulas_para_la_aplicacion_de_metodologias.pdf</a> For most industrial gases and refrigerants, material balances are carried out in accordance with section II of art. 7 of the RENE Regulation. The Global Warming Potentials use the Agreement that establishes the greenhouse gases or compounds that are grouped for emissions reporting purposes, as well as their warming potentials. <a href="https://www.semarnat.gob.mx/sites/default/files/documentos/dof_acuerdo_de_agrupacion.pdf">https://www.semarnat.gob.mx/sites/default/files/documentos/dof_acuerdo_de_agrupacion.pdf</a></p> <p>305-1 f. Consolidation approach for emissions: Operational control.</p> <p>305-1 g. The Standards, methodologies, assumptions and calculation tools used: The SEMARNAT Technical Particularities Agreement is applied, where the RENE methodology is described. <a href="https://www.semarnat.gob.mx/sites/default/files/documentos/cicc/acuerdo_que_establece_las_particularidades_tecnicas_y_las_formulas_para_la_aplicacion_de_metodologias.pdf">https://www.semarnat.gob.mx/sites/default/files/documentos/cicc/acuerdo_que_establece_las_particularidades_tecnicas_y_las_formulas_para_la_aplicacion_de_metodologias.pdf</a> The following assumptions are considered:</p> <ol style="list-style-type: none"> <li>In the Steel Mill and Rolling, Wire, and Distribution Center business units, LP gas consumption is for forklift use; meanwhile, in Recycling Centers its use is exclusively considered for cutting and welding processes.</li> <li>In all cases the highest possible emission factor is applied for mobile sources using diesel fuel, such as construction machinery.</li> </ol>		EM-IS-110a.1

GRI STANDARD	CONTENT	SECTION	PAGE NUMBER OR RESPONSE	OMISSION	SASB
<b>MATERIAL TOPICS</b>					
<b>Climate change strategy and emissions</b>					
<b>GRI 305: Emissions 2016</b>	<b>305-2</b> Indirect GHG emissions associated with energy (Scope 2)	EMISSIONS INVENTORY	<p>Page 110</p> <p>305-2 a. Indirect GHG emissions associated with energy (Scope 2) based on location in metric tons of CO<sub>2</sub> equivalent: 1,003,424 tCO<sub>2</sub>e</p> <p>305-2 b. Indirect GHG emissions associated with energy (Scope 2) based on the market in metric tons of CO<sub>2</sub> equivalent: 734,166 tCO<sub>2</sub>e</p> <p>305-2 c. If available, the gases included in the calculation: Only CO<sub>2</sub> equivalent is considered. Other gases are not applicable.</p> <p>305-2 d. Base year for the calculation: 2022</p> <p>305-2 d. i. Year with the largest information base available (2022)</p> <p>305-2 d. ii. Emissions in the base year: 759,809 tCO<sub>2</sub>e</p> <p>305-2 d. iii. There were no significant changes in the emissions that led to new calculations of the emissions in the base year.</p> <p>305-2 e. The source of the emission factors and the global warming potential (GWP) rates used or a reference to the GWP source: For basic supply, the 2023 national electricity emission factor from the Energy Regulatory Commission (CRE) was used. <a href="https://www.gob.mx/cms/uploads/attachment/file/896217/aviso_fesen_2023.pdf">https://www.gob.mx/cms/uploads/attachment/file/896217/aviso_fesen_2023.pdf</a> For private electricity supply with an energy contract, the factors provided by the generation plants were used: Tamazunchale Combined Cycle Plant in San Luis Potosí and El Carmen in Nuevo León; PIMA SOLAR and Ventika.</p> <p>305-2 f. Consolidation approach for emissions: Operational control.</p> <p>305-2 g. The Standards, methodologies, assumptions, and calculation tools used: GHG Protocol Corporate Accounting and Reporting Standard.</p>		

GRI STANDARD	CONTENT	SECTION	PAGE NUMBER OR RESPONSE	OMISSION	SASB
<b>MATERIAL TOPICS</b>					
<b>Climate change strategy and emissions</b>					
<b>GRI 305: Emissions 2016</b>	<b>305-4</b> GHG emission intensity	EMISSIONS INVENTORY	Page 112		
	<b>305-5</b> Reduction of GHG emissions	EMISSIONS INVENTORY	Page 110		
	<b>305-6</b> Emissions of ozone-depleting substances (ODS)			This indicator is under development	
	<b>305-7</b> Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions	OTHER ATMOSPHERIC EMISSIONS	Page 116		EM-IS-120a.1
<b>Management of hazardous waste and spills</b>					
<b>GRI 3: Material Topics 2021</b>	<b>3-3</b> Management of material topics	WASTE AND BY-PRODUCT MANAGEMENT	Page 142-147		
<b>GRI 306: Waste 2020</b>	<b>306-1</b> Waste generation and significant waste-related impacts	WASTE AND BY-PRODUCT MANAGEMENT	Page 142 and 143		
	<b>06-2</b> Management of significant impacts related to waste	WASTE AND BY-PRODUCT MANAGEMENT	Page 111 305-2 a. E+H89 305-2 d. iii 305-2 e. The source of the emission factors and the global warming potential (GWP) rates used or a reference to the GWP source: For basic supply, the 2023 national electricity emission factor from the Energy Regulatory Commission (CRE) was used. <a href="https://www.gob.mx/cms/uploads/attachment/file/896217/aviso_fesen_2023.pdf">https://www.gob.mx/cms/uploads/attachment/file/896217/aviso_fesen_2023.pdf</a> For private electricity supply with an energy contract, the factors provided by the generation plants were used: Tamazunchale Combined Cycle Plant in San Luis Potosi and El Carmen in Nuevo León; PIMA SOLAR and Ventika. 305-2 f. Consolidation approach for emissions: Operational control. 305-2 g. The Standards, methodologies, assumptions, and calculation tools used: GHG Protocol Corporate Accounting and Reporting Standard.		

GRI STANDARD	CONTENT	SECTION	PAGE NUMBER OR RESPONSE	OMISSION	SASB
<b>MATERIAL TOPICS</b>					
<b>Management of hazardous waste and spills</b>					
<b>GRI 306: Waste 2020</b>	<b>306-3</b> Waste generated	WASTE AND BY-PRODUCT MANAGEMENT	Page 139		EM-IS-150a.1
	<b>306-4</b> Waste not for disposal	WASTE AND BY-PRODUCT MANAGEMENT	Page 139 306-4 a. Total weight of waste not destined for disposal: 525,122 Tons 306-4 b. Total weight of hazardous waste not destined for disposal: 69,861 Tons 306-4 b i. Preparation for reuse: 0 Tons 306-4 b ii. Recycled: 67,869 Tons 306-4 b ii. Other recovery options: 1,992 Tons 306-4 c Total weight of non-hazardous waste not destined for disposal: 455,261 Tons 306-4 c i. Preparation for reuse: 0 Tons 306-4 b ii. Recycled: 454,833 Tons 306-4 c iii. Other recovery options: 378 Tons 306-4 d i.i Hazardous waste not destined for disposal on-site: 0 Tons 306-4 d i.ii Hazardous waste not destined for disposal off-site: 69,861 Tons 306-4 d ii.i Non-hazardous waste not destined for disposal on-site: 451,663 Tons 306-4 d i.ii Non-hazardous waste not destined for disposal off-site: 455,261 Tons.		EM-IS-150a.1

GRI STANDARD	CONTENT	SECTION	PAGE NUMBER OR RESPONSE	OMISSION	SASB
<b>MATERIAL TOPICS</b>					
<b>Management of hazardous waste and spills</b>					
<b>GRI 306: Waste 2020</b>	<b>306-5</b> Waste for disposal	WASTE AND BY-PRODUCT MANAGEMENT	Page 139 306-5 a. Total weight of waste not destined for disposal: 122,531 Tons 306-5 b. Total weight of hazardous waste destined for disposal: 412 Tons 306-5 b i. Incineration with energy recovery: 0 Tons 306-5 b ii. Incineration without energy recovery: 0 Tons 306-5 b ii. Landfilling: 0 Tons 306-5 b iv. Other recovery options: 0 Tons 306-5 c Total weight of non-hazardous waste destined for disposal: 122,119 Tons 306-5 c i. Incineration with energy recovery: 0 Tons 306-5 b ii. Incineration without energy recovery: 0 Tons 306-5 c iii. Landfilling: 0 Tons 306-5 c iv. Other recovery options: 0 Tons 306-5 d i.i Hazardous waste destined for disposal on-site: 0 Tons 306-5 d ii.i Hazardous waste destined for disposal off-site: 412 Tons 306-5 d ii.i Non-hazardous waste destined for disposal on-site: 451,633 Tons 306-5 d i.ii Non-hazardous waste destined for disposal off-site: 122,119 Tons		
<b>Comprehensive supply chain management</b>					
<b>GRI 3: Material Topics 2021</b>	<b>3-3</b> Management of material topics	RESPONSIBLE SOURCING	Page 82		
<b>GRI 308: Supplier Environmental Assessment 2016</b>	<b>308-1</b> New suppliers that have passed selection filters according to environmental criteria	RESPONSIBLE SOURCING	Page 82		
	<b>308-2</b> Negative environmental impacts in the supply chain and actions taken	RESPONSIBLE SOURCING	Page 82		

GRI STANDARD	CONTENT	SECTION	PAGE NUMBER OR RESPONSE	OMISSION	SASB
<b>MATERIAL TOPICS</b>					
<b>Talent attraction and retention</b>					
<b>GRI 3: Material Topics 2021</b>	<b>3-3</b> Management of material topics	TALENT ATTRACTION AND RETENTION	Page 172		
<b>GRI 401: Employment 2016</b>	<b>401-1</b> New employee hires and employee turnover	TALENT ATTRACTION AND RETENTION		The turnover indicator is under development.	
	<b>401-2</b> Benefits for full-time employees that are not provided to part-time or temporary employees		There are no part-time or temporary employees.		
	<b>401-3</b> Parental leave	DIVERSITY AND INCLUSION	Page 166		
<b>Commitment to the comprehensive development of employees</b>					
<b>GRI 3: Material Topics 2021</b>	<b>3-3</b> Management of material topics	COMMITMENT TO THE COMPREHENSIVE DEVELOPMENT OF OUR TEAM	Page 170		
<b>GRI 402: Labor/Management Relations 2016</b>	<b>402-1</b> Minimum notice periods regarding operational changes			This indicator is under development.	

GRI STANDARD	CONTENT	SECTION	PAGE NUMBER OR RESPONSE	OMISSION	SASB
<b>MATERIAL TOPICS</b>					
<b>Employee Health and Safety</b>					
<b>GRI 3: Material Topics 2021</b>	<b>3-3</b> Management of material topics	HEALTH AND SAFETY	Page 182		
<b>GRI 403: Occupational Health and Safety 2018</b>	<b>403-1</b> Occupational health and safety management system	HEALTH AND SAFETY	Page 184		
	<b>403-2</b> Hazard identification, risk assessment, and incident investigation	HEALTH AND SAFETY	Page 184 and 188		
	<b>403-3</b> Occupational health services	SOCIAL WELL-BEING	Page 191		
	<b>403-4</b> Worker participation, consultation, and communication on occupational health and safety	HEALTH AND SAFETY	Page 191		
	<b>403-5</b> Worker training on occupational health and safety	HEALTH AND SAFETY	Page 191		
	<b>403-6</b> Promotion of worker health	HEALTH AND SAFETY	Page 192		
	<b>403-7</b> Prevention and mitigation of occupational health and safety impacts directly related to business relationships	HEALTH AND SAFETY	Page 188		
	<b>403-8</b> Coverage of the occupational health and safety management system	HEALTH AND SAFETY	Page 184		

GRI STANDARD	CONTENT	SECTION	PAGE NUMBER OR RESPONSE	OMISSION	SASB
<b>MATERIAL TOPICS</b>					
<b>Employee Health and Safety</b>					
<b>GRI 403: Occupational Health and Safety 2018</b>	<b>403-9</b> Work-related injuries	HEALTH AND SAFETY	Page 196 403-9.a.i. Number of fatalities: 0 403-9.a.i.i. Fatality rate: 0 403-9.a.ii. Number of work-related injuries with high consequences: 3 403-9.a.ii.i. Rate of work-related injuries with high consequences: 0.04 403-9.a.iii. Number of recordable work-related injuries: 42 403-9.a.iii.i. Rate of recordable work-related injuries: 0.61 403-9.a.iv. Main types of work-related injuries: Hand and foot injuries 403-9.a.v. Number of hours worked: 13,796,844 hours 403-9.e. The rates have been calculated per 200,000 hours worked. 403-9.g. Work-related injuries with high consequences include cases with Permanent Partial or Total Disabilities and accidents with more than 6 months of incapacity.		EM-IS-320a.1
	<b>403-10</b> Occupational diseases and illnesses	HEALTH AND SAFETY	Page 196 403-9.a.i. Number of fatalities: 0 403-9.a.i.i. Fatality rate: 0 403-9.a.ii. Number of work-related injuries with high consequences: 3 403-9.a.ii.i. Rate of work-related injuries with high consequences:		

GRI STANDARD	CONTENT	SECTION	PAGE NUMBER OR RESPONSE	OMISSION	SASB
<b>MATERIAL TOPICS</b>					
<b>Commitment to the comprehensive development of employees</b>					
<b>GRI 3: Material Topics 2021</b>	<b>3-3</b> Management of material topics	COMMITMENT TO THE COMPREHENSIVE DEVELOPMENT OF OUR TEAM	Page 170		
<b>GRI 404: Training and Education 2016</b>	<b>404-1</b> Average hours of training per year per employee	TRAINING AND DEVELOPMENT	Page 174		
	<b>404-2</b> Programs for upgrading employee skills and transition assistance programs	TRAINING AND DEVELOPMENT	Page 174		
	<b>404-3</b> Percentage of employees receiving regular performance and career development reviews	COMMITMENT TO THE COMPREHENSIVE DEVELOPMENT OF OUR TEAM	Page 171		
<b>Diversity and inclusion</b>					
<b>GRI 3: Material Topics 2021</b>	<b>3-3</b> Management of material topics	DIVERSITY AND INCLUSION	Page 164		
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	<b>405-1</b> Diversity of governance bodies and employees	OUR TEAM	Page 160 and 164		
	<b>405-2</b> Ratio of basic salary and remuneration of women to men		DEACERO seeks to ensure that salaries are competitive and that this identifies the company as an excellent place to work.	The ratio indicator between women vs. men's salaries is under development.	
<b>Diversity and inclusion</b>					
<b>GRI 3: Material Topics 2021</b>	<b>3-3</b> Management of material topics	DIVERSITY AND INCLUSION	Page 164		
<b>GRI 406: Non-discrimination 2016</b>	<b>406-1</b> Cases of discrimination and corrective actions taken	ETHICS AND INTEGRITY	Page 239		

GRI STANDARD	CONTENT	SECTION	PAGE NUMBER OR RESPONSE	OMISSION	SASB
<b>MATERIAL TOPICS</b>					
<b>Human rights in operations and value chain</b>					
<b>GRI 3: Material Topics 2021</b>	<b>3-3</b> Management of material topics	HUMAN RIGHTS	Page 240		
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>	<b>407-1</b> Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		No suppliers and operations are identified in which the right to freedom of association and collective bargaining could be at risk.		
<b>Human rights in operations and value chain</b>					
<b>GRI 3: Material Topics 2021</b>	<b>3-3</b> Management of material topics	HUMAN RIGHTS	Page 240		
<b>GRI 408: Child Labor 2016</b>	<b>408-1</b> Operations and suppliers at significant risk for incidents of child labor		No operations or suppliers at significant risk of child labor have been identified		
<b>Human rights in operations and value chain</b>					
<b>GRI 3: Material Topics 2021</b>	<b>3-3</b> Management of material topics	HUMAN RIGHTS	Page 240		
<b>GRI 409: Forced or Compulsory Labor 2016</b>	<b>409-1</b> Operations and suppliers at significant risk for incidents of forced or compulsory labor		No operations or suppliers at significant risk of forced or compulsory labor have been identified.		
<b>Human rights in operations and value chain</b>					
<b>GRI 3: Material Topics 2021</b>	<b>3-3</b> Management of material topics	HUMAN RIGHTS	Page 240		
<b>GRI 410: Security Practices 2016</b>	<b>410-1</b> Security personnel trained in human rights policies or procedures			This indicator is under development.	

GRI STANDARD	CONTENT	SECTION	PAGE NUMBER OR RESPONSE	OMISSION	SASB
<b>MATERIAL TOPICS</b>					
<b>Human rights in operations and value chain</b>					
<b>GRI 3: Material Topics 2021</b>	<b>3-3</b> Management of material topics	HUMAN RIGHTS	Page 240		
<b>GRI 411: Rights of Indigenous Peoples 2016</b>	<b>411-1</b> Incidents of violations involving rights of indigenous peoples		No reports of cases of violations of the rights of indigenous peoples have been identified.		
<b>Community engagement</b>					
<b>GRI 3: Material Topics 2021</b>	<b>3-3</b> Management of material topics	FUNDACIÓN DEACERO	Page 218		
<b>GRI 413: Local Communities 2016</b>	<b>413-1</b> Operations with local community engagement, impact assessments, and development programs	FUNDACIÓN DEACERO	Page 218		
	<b>413-2</b> Operations with significant actual or potential negative impacts on local communities		No operations with significant actual or potential negative impacts have been identified.		
<b>Comprehensive supply chain management</b>					
<b>GRI 3: Material Topics 2021</b>	<b>3-3</b> Management of material topics	RESPONSIBLE SOURCING	Page 82		
<b>GRI 414: Supplier Social Assessment 2016</b>	<b>414-1</b> New suppliers that were screened using social criteria			This indicator is under development.	
	<b>414-2</b> Negative social impacts in the supply chain and actions taken		No negative social impacts in the supply chain have been identified.		
<b>Ethics and Integrity</b>					
<b>GRI 3: Material Topics 2021</b>	<b>3-3</b> Management of material topics	ETHICS AND INTEGRITY	Page 230		
<b>GRI 415: Public Policy 2016</b>	<b>415-1</b> Political contributions		DEACERO does not make political contributions and respects the right of its employees to a free and secret vote.		

GRI STANDARD	CONTENT	SECTION	PAGE NUMBER OR RESPONSE	OMISSION	SASB
<b>MATERIAL TOPICS</b>					
<b>Customer relations</b>					
<b>GRI 3: Material Topics 2021</b>	<b>3-3</b> Management of material topics	STAKEHOLDER ENGAGEMENT	Page 74		
<b>GRI 416: Customer Health and Safety 2016</b>	<b>416-1</b> Assessment of the health and safety impacts of product and service categories		DEACERO's products comply with the applicable standards in Mexico.		
	<b>416-2</b> Incidents of non-compliance concerning the health and safety impacts of products and services		No incidents of non-compliance concerning the health and safety impacts of products and services have been identified.		
<b>Transparency and accuracy of information</b>					
<b>GRI 3: Material Topics 2021</b>	<b>3-3</b> Management of material topics	ABOUT THIS REPORT	Page 2		
<b>GRI 417: Marketing and Labeling 2016</b>	<b>417-1</b> Requirements for product and service information and labeling		Deacero complies with the legislation and standards applicable to its products.		
	<b>417-2</b> Cases of noncompliance related to product and service information and labeling		No incidents of non-compliance concerning product and service information and labeling have been identified.		
	<b>417-3</b> Incidents of non-compliance concerning marketing communications		No incidents of non-compliance concerning marketing communications have been identified.		
<b>Customer relations</b>					
<b>GRI 3: Material Topics 2021</b>	<b>3-3</b> Management of material topics	STAKEHOLDER ENGAGEMENT	Page 74		
<b>GRI 418: Customer Privacy 2016</b>	<b>418-1</b> Substantiated complaints concerning breaches of customer privacy and losses of customer data		No complaints concerning breaches of customer privacy and losses of customer data have been identified. We comply with the Law on Protection of Personal Data Held by Private Parties.		

GRI STANDARD	CONTENT	SECTION	PAGE NUMBER OR RESPONSE	OMISSION	SASB
<b>MATERIAL TOPICS</b>					
<b>Regulatory compliance in environmental, social, and governance matters</b>					
<b>GRI 3: Material Topics 2021</b>	<b>3-3</b> Management of material topics	ENVIRONMENTAL MANAGEMENT	Page 98		
<b>Sustainability strategy linked to business</b>					
<b>GRI 3: Material Topics 2021</b>	<b>3-3</b> Management of material topics	OUR SUSTAINABILITY MODEL	Pages 64		
<b>Strengthening cybersecurity</b>					
<b>GRI 3: Material Topics 2021</b>	<b>3-3</b> Management of material topics	CYBERSECURITY	Pages 246		
<b>Enterprise risk management</b>					
<b>GRI 3: Material Topics 2021</b>	<b>3-3</b> Management of material topics	RISK MANAGEMENT	Pages 250		
<b>Corporate governance and shareholder relations</b>					
<b>GRI 3: Material Topics 2021</b>	<b>3-3</b> Management of material topics	BOARD OF DIRECTORS	Pages 226		
<b>Certifications and partnerships to drive sustainability</b>					
<b>GRI 3: Material Topics 2021</b>	<b>3-3</b> Management of material topics	PARTICIPATION, ALLIANCES AND RECOGNITIONS	Page 76		
		STRATEGIC PARTNERSHIPS	Page 76		

# ASSURANCE REPORT

GRI 2-5



MADRID - A CORUÑA  
AMSTERDAM - LONDRES - PARIS - ISTANBUL  
CIUDAD DE MÉXICO - CIUDAD DE PANAMÁ - CIUDAD DE GUATEMALA - QUITO

## Informe de Aseguramiento Limitado Independiente para DEACERO

A la Administración de DEACERO, S.A.P.I de C.V., (en adelante "DEACERO"),

### Alcance

Conforme a su solicitud, hemos sido requeridos para proporcionar un nivel de aseguramiento limitado sobre los indicadores de desempeño seleccionados por DEACERO; incluidos en el "Informe de Sustentabilidad 2024" (en adelante el "Informe de Sustentabilidad") y mencionados dentro del "Anexo A" para el ejercicio comprendido del 1° de enero al 31 de diciembre de 2024.

### Responsabilidades de DEACERO

DEACERO ha sido responsable de la preparación, del contenido y presentación del "Informe de Sustentabilidad" incluyendo el cumplimiento con los contenidos propuestos (criterios) en los Estándares de Global Reporting Initiative (GRI).

Esta responsabilidad considera el diseño, la implementación y el mantenimiento del control interno que se considere necesario para permitir que la información contenida en el "Informe de Sustentabilidad" esté libre de incorrección material, debido a fraude o error.

### Responsabilidades de Valora Consultores

Nuestra responsabilidad consistió en expresar una conclusión sobre la presentación de indicadores e información enlistada en el Anexo A, conforme a los Estándares GRI.

### Control e independencia

Con el fin de asegurar que el proceso de revisión independiente cumple con los requerimientos éticos necesarios para asegurar la independencia de nuestro trabajo como auditores de información no financiera, nuestro trabajo se desarrolló de acuerdo con la Norma ISAE3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information, emitida por la International Auditing and Assurance Standard Board (IAASB) de la International Federation of Accountants (IFAC).

### Procedimientos realizados

El alcance de nuestra revisión independiente, así como de los procedimientos de recopilación de evidencias realizados fue de seguridad limitada, el cual es menor al de un trabajo de seguridad razonable y por ello también el nivel de seguridad que se proporciona. El presente Informe de Revisión Independiente en ningún caso debe entenderse como un informe de auditoría.

Los procedimientos que realizamos se describen a continuación:

- Selección de información a verificar con base en la materialidad y conocimiento previo de la compañía.
- Entrevistas con el personal responsable de generar y proporcionar la información contenida en el Informe para conocer los principios, sistemas y enfoques de gestión aplicados.
- Revisión de los procesos de recopilación, control interno y consolidación de los datos.
- Revisión de la cobertura, relevancia e integridad de la información incluida en el Informe en función de las operaciones y los aspectos materiales previamente identificados.
- Revisión de evidencias con base en un muestreo de la información de acuerdo con un análisis de riesgo.
- Revisión de la aplicación de lo requerido de conformidad con los Estándares GRI.

### Conclusión

Basados en nuestra revisión y la evidencia presentada por DEACERO no tuvimos conocimiento de situación alguna que nos haga creer que los indicadores contenidos dentro del "Informe de Sustentabilidad 2024" de DEACERO, no haya sido obtenida de manera fiable, no esté presentada de manera adecuada, tenga desviaciones u omisiones significativas, o que no haya sido preparada de acuerdo con los requerimientos establecidos en los Estándares GRI.



Gerardo Gustavo Torres Fernández  
Director Gobernanza ASG México  
Valora Sostenibilidad e Innovación S.A. de C.V.  
Ciudad de México, a 30 de Julio de 2025



## Anexo A.

### Indicadores de desempeño

GRI	Nombre del contenido o indicador	Cobertura de la información	Alcance del cumplimiento del contenido GRI (Incisos)	Información reportada	Unidad
301-1	Materiales utilizados por peso y volumen	Todas las instalaciones	a	5,369,225	Toneladas de materiales no renovables
				37,948	Toneladas de materiales renovables
302-1	Consumo de energía dentro de la organización	Todas las instalaciones	a, b, c, e, f, g	6,801,540	Energía eléctrica de fuentes térmicas en GJ
				1,334,327	Energía eléctrica limpia en GJ
				4,760,703	Gas natural en GJ
				2,163,307	Otros combustibles en GJ
				15,059,877	Total de energía en GJ
303-4	Vertido de agua	Todas las instalaciones	a, b, c, d, e	632.33	Vertido total de agua en ML
				537.8	Vertido de aguas superficiales en ML
				94.83	Vertido de agua de terceros en ML
303-5	Consumo de agua	Todas las instalaciones	a, c, d	3,791.48	Consumo de agua en ML
305-1	Emisiones directas de GEI (alcance 1)	Todas las instalaciones	a, b, c, d, g	548,581.59	Emisiones brutas de GEI de Alcance 1 en tCO <sub>2</sub>
305-2	Emisiones indirectas de GEI al generar energía (alcance 2)	Todas las instalaciones	a, b, c, d, e, f, g	734,166	Emisiones brutas de GEI de Alcance 2 en tCO <sub>2</sub> basadas en el mercado
				1,002,686	Emisiones brutas de GEI de Alcance 2 en tCO <sub>2</sub> basadas en el mercado
305-4	Intensidad de las emisiones de GEI	Todas las instalaciones	a, b, c, d, e	0.28	Intensidad de emisiones para laminación en tCO <sub>2</sub> e / tonelada producida o embarcada
				0.12	Intensidad de emisiones para laminación en tCO <sub>2</sub> e / tonelada producida o embarcada
				0.09	Intensidad de emisiones para alambres en tCO <sub>2</sub> e / tonelada producida o embarcada
				0.01	Intensidad de emisiones para centro de reciclaje en tCO <sub>2</sub> e / tonelada producida o embarcada
306-4	Residuos no destinados a eliminación	Todas las instalaciones	a, b, c, d, e	525,122	Toneladas de residuos totales no destinados a eliminación
				67,869	Toneladas de residuos peligrosos no destinados a eliminación
				1,992	Toneladas de residuos peligrosos no destinados a eliminación (co-procesamiento)
				454,883	Toneladas de residuos no peligrosos no destinados a eliminación (reciclaje)
				378	Toneladas de residuos no peligrosos no destinados a eliminación (co-procesamiento)
306-5	Residuos destinados a eliminación	Todas las instalaciones	a, b, c, d, e	122,531	Toneladas de residuos totales destinados a eliminación
				412	Toneladas de residuos peligrosos destinados a eliminación
				122,119	Toneladas de residuos no peligrosos destinados a eliminación



GRI	Nombre del contenido o indicador	Cobertura de la información	Alcance del cumplimiento del contenido GRI (Incisos)	Información reportada	Unidad
403-9	Lesiones por accidente laboral	Todas las instalaciones	a, b, c, d, e, f, g	42	Accidentes totales
				2,135	Días perdidos por accidente
				633	Enfermedades generales
				15,508	Días perdidos por enfermedad general
				0	Número de fallecimientos resultantes de una lesión por accidente laboral
				0	Tasa de fallecimientos resultantes de una lesión por accidente laboral
				3	Número de accidentes laborales con grandes consecuencias (sin incluir fallecimientos)
				42	Número de lesiones por accidente laboral registrables
				0.043	Tasa de lesiones por accidente laboral registrables
				13,796,844	Número de horas trabajadas
IP	Donativos Fundación DEACERO			43,395,745.71	Millones de pesos otorgados en donativos



# ACKNOWLEDGMENTS

This Sustainability Report represents far more than a set of data and results: it reflects the commitment, ongoing collaboration, and high level of professionalism of the teams and individuals at Grupo DEACERO.

We wish to express our sincere gratitude to all those who actively participated in preparing this report. Their work in gathering, analyzing, reviewing, and communicating information was essential to ensure the quality, traceability, and accuracy of the presented content.

Thanks to their dedication, we can share with our stakeholders a clear vision of the progress achieved over the past year in environmental, social, and governance matters.

The valuable contribution of those mentioned below has been key in consolidating this effort as a strategic tool that promotes transparency, fosters dialogue, and reaffirms our commitment to a more sustainable future:

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- ◆ Carlos Terrazas
- ◆ Citlally Mendoza
- ◆ Cynthia Medrano
- ◆ Dalia Escalante
- ◆ Daniel Peña
- ◆ Daniela Dávila
- ◆ Daniela Treviño
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- ◆ David Nieto
- ◆ Edgar Flores
- ◆ Fernando Valdez
- ◆ Francisco Rivera
- ◆ Gabriela Grajales
- ◆ Gustavo Meza
- ◆ Hernán Treviño
- ◆ Hiram Canseco
- ◆ Horacio González
- ◆ Hugo Evaristo
- ◆ Idri Granja
- ◆ Ilse Marilú Tapia
- ◆ Iván Martínez
- ◆ Jennifer Dzul
- ◆ Jennifer Montes
- ◆ Jesús Herrera
- ◆ Jesús Villareal
- ◆ Jonathan Coronado
- ◆ Jorge Eugenio Coello
- ◆ Jorge Humberto Cortéz
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- ◆ José De Jesús Alvarado
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- ◆ Juan Pablo Vega
- ◆ Juan Roberto Moreno
- ◆ Karina Tamayo
- ◆ Katia Ayala
- ◆ Kevin Alanis
- ◆ Kevyn Acosta
- ◆ Leslye Alcázar
- ◆ Lucía Dosal
- ◆ Luis Monterrubio
- ◆ Magdalena García
- ◆ Manuel Avalos
- ◆ María Cecilia Macyshyn
- ◆ Mariana Briones
- ◆ Mariana Serna
- ◆ Mariela Teresa Valdés
- ◆ Mauricio Cervantes
- ◆ Mauricio Guerra
- ◆ Miguel Ángel Morales
- ◆ Miguel Cuahonte
- ◆ Misael Del Río
- ◆ Nelly Medrano
- ◆ Oziel Leal
- ◆ Pablo Sillas
- ◆ Paola Salazar
- ◆ Paulina Terrazas
- ◆ Raúl Franco
- ◆ Rocío Jiménez
- ◆ Rocío Ramírez
- ◆ Rogelio Nava
- ◆ Sabik Ortega
- ◆ Sabino Martínez
- ◆ Sergio Ríos
- ◆ Susana Arzola
- ◆ Valeria Jiménez
- ◆ Violeta Lozano

## INFORMATION FOR STAKEHOLDERS

**GRI 2-3**

### Corporate Name

**DEACERO S.A.P.I. de C.V.**



Corporate office

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