

ANNUAL REPORT 2023

Adding wills and multiplying efforts

SOMOSCOMUNIDAD

SOMOS DEACERO





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Letter from the CFO



2023 was a year of determination, focus and resilience to work for the development of the localities where we operate.

Since its creation, Grupo DEACERO has contributed to improving the quality of life of millions of Mexicans, and the creation of Fundación DEACERO in 2005 materialized the interest of its founders in promoting the social development of the Mexican communities that need it most.

2023 was a year of determination, focus and resilience to continue working with organizations, community leaders and volunteers for the sustainable development of the locations where we operate. It is undeniable that during the process we faced tough challenges and like metal we were subjected to the crucible to be molded and strengthened. Each obstacle represented an opportunity to grow and learn more, finding innovative solutions in line with the values we promote.

This report summarizes the results of 359 social actions carried out. We also celebrate the participation of partner corporate foundations, DEACERO Godmothers, volunteers, DEACERO's areas, the foundation's own team and our Board of Directors. In 2024, let's continue adding wills, from the role we each have in this country, to multiply efforts of generosity and humanity.

Alicia Núñez Carreón

CFO of Fundación DEACERO



Fundacion DEACERO's Team





Adán Montes Community Projects

Celina Torres Administration and Finance



Fernanda Gonzalez Community Projects



Miriam Elias Community Projects



Misael del Río Communications

We are committed to offering collaborative experiences that prove why DEACERO is committed to social development.





The Social Arm of Grupo DEACERO

We are a corporate foundation that funds projects to improve the living conditions of the inhabitants of the communities around DEACERO.

Mission

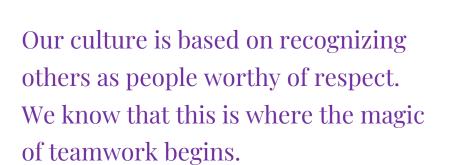
Promote the social development of Mexican families in the communities surrounding Grupo DEACERO's factories.

Goal

Ensure greater efficiency in the use of resources, allocating the highest percentage of each peso invested to the beneficiaries.

We improve the living conditions of the people and communities we support.







Values

We are committed to helping those who need it most, which is why all our actions are guided by these three principles:



Empathy



Dignity



Professionalism

Fundacion DEACERO Annual Report 2023



We restructured our intervention strategy to better respond to the needs of our stakeholders.

Lines of action



Educational promotion

Scholarships for students to expand their life opportunities through access to high school and higher education.



Health promotion

Access to health services for the wellbeing of people affected by any health condition.



Community spaces

Conservation and sustainability in areas of community interest.



Humanitarian aid

Vulnerability reduction of those most in need.

Stakeholders





Communities

We solve priority needs of the communities around DEACERO and improve the quality of learning in their schools.



Corporate volunteering

We mobilize DEACERO personnel to participate in activities ranging from a financial donation to donating their time to an organization.



DEACERO employees

We extend the scope of our strategies to DEACERO employees who match the profile of the beneficiaries we serve.

In addition to the lines of action, we reorganized our stakeholders to better communicate the scope and priorities of the foundation.

2023 Institutional Achievements

1. New strategy that adds social value to DEACERO

We update our intervention model to ensure that our work adds social value to DEACERO's business model.

2. DEACERO Godmothers started in Coahuila and Nuevo Leon.

In addition to Guanajuato, Madrinas DEACERO started the Coahuila and Nuevo Leon chapters, extending the benefit of the program to a greater number of people.

3. More companies chose Fundación DEACERO to invest in

For the first time in its history, the foundation received donations from companies outside Grupo DEACERO for a common project: the repaying of an industrial corridor.

4. New systems for monitoring the foundation's work

We improved our data collection and monitoring mechanisms to propose better strategies to help us achieve our mission.

5. Best practices in early childhood were recognized

The Business Coordinating Council (CCE, in Spanish) recognized DEACERO, through its foundation, for its culture that promotes healthy early childhood and co-responsible parenting.



2023 Key Results



Social investment

\$ 66.3

Million pesos invested in the work of Fundación DEACERO

People benefited

33,395

Direct beneficiaries by the foundation

27,208 Indirect beneficiaries

76,751 Direct beneficiaries reached by the supported organizations

Social actions

359

Social actions carried out by the foundation in 2023

64% of the social investment in the foundation benefited the communities surrounding DEACERO.



2023 key results



Volunteering

1,201 Total volunteers mobilized

578 (48%)



Corporate volunteers

Community volunteers

34

Communities

We mobilized more than twice as many of volunteers than in 2022.

Scope

18

States reached

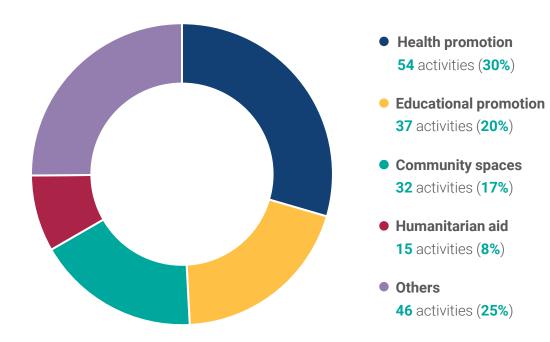
36 Participating **Business Centers**

Schools

24

Activities segmented by line of action

The 184 activities in communities, Business Centers and corporate and corporate volunteering are divided into:.



Geographic scope detail

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	State	Shares	
1	Nuevo León	118	33%
2	Guanajuato	110	31%
3	Coahuila	62	17%
4	Mexico City	15	4%
5	State of Mexico	8	2%
6	Michoacán	6	2%
7	Missouri (USA)	6	2%
8	Puebla	6	2%
9	Querétaro	6	2%
10	Jalisco	5	1%
11	Baja California	4	1%
12	Guerrero	4	1%
13	Yucatan	3	1%
14	Chihuahua	2	1%
15	Baja California Sur	1	.25%
16	San Luis Potosi	1	.25%
17	Sinaloa	1	.25%
18	Veracruz	1	.25%
	Total	359	100%



The three states with the highest participation are Nuevo Leon, Guanajuato and Coahuila.

Donations to Civil Society Organizations (CSO)





Description

Donations help organizations fulfill their social mission by helping as many people as possible in Mexico.

Results

76,751

Beneficiaries

Donations granted

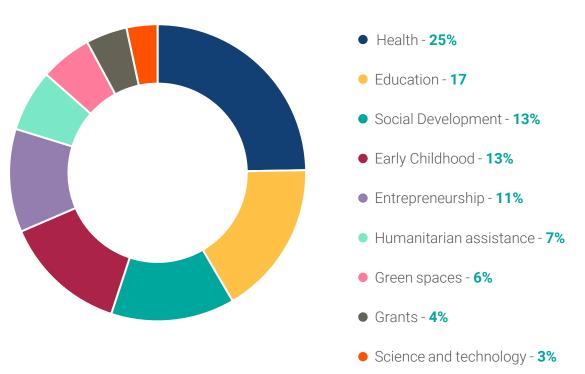
89

82

Organizations supported

Donations segmented by category

The 89 grants awarded are divided into:



Health and education were the priority issues.

Donations to CSOs



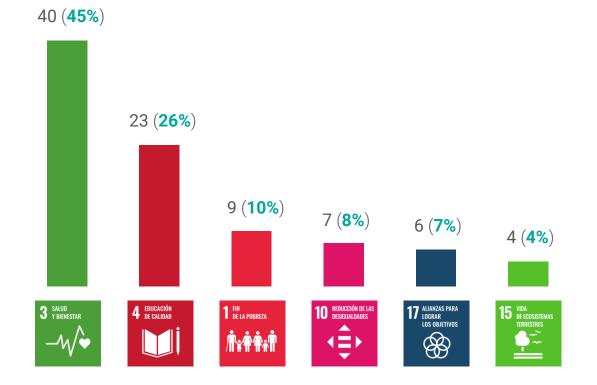
SUSTAINABLE G ALS

Distribution of donations by Sustainable Development Goal (SDG)

In 2015, world leaders from the United Nations adopted a series of goals to eradicate poverty, protect the planet and ensure prosperity from a sustainable development perspective.

Beginning in 2023, priority will be given to projects that match with the foundation's strategic vision.

The 89 projects that Fundacion DEACERO funded in 2023 address the following objectives:



Donations to CSOs

States with most projects supported

Distribution of the 89 grants awarded by state:

	Total	89	100%
	Others	38	28 %
3.	Mexico City ———	11	12%
2.	Coahuila	13	15%
1.	Nuevo Leon	40	45 %

66

We are proud to team up with Fundacion DEACERO. Thanks to their support, we are moving forward with our mission to protect and defend the lives of women, sons and daughters who are victims of extreme mistreatment and of scarce resources.



Mercedes Arteaga García President and Director Instituto de la Mujer Restaurada Nuevo León



99



Briefings to strengthen CSOs

Detail of attendees and sessions



45 (11%)

411

Attendees at

the briefings

49 (12%)

Session 1 – Tax affairs

Transparency Report

Session 6 - Tax affairs Identification of the controlling beneficiary

20 (5%)

47 (11%)

Session 2 - Tax affairs

Presentation of the Money

Laundering Prevention Report

Session 7 - Technology The ABC of digital security 33 (8%)

42 (10%)

Allies

Session 8 - Tax affairs The challenge of expense verification

your authorized purpose

35 (9%)

CSO's projects

Session 9 - Operation Digital marketing for fundraising

focused approach in your

41 (10%)

do I start?

Session 10 - Technology Chat GPT to facilitate your organization's work

Donations to CSOs: a case in point

A scholarship changed Allison's life when all seemed lost. Santa Catarina, Nuevo Leon

66

(The scholarship) gave me a radical change, because they helped me at a time when I didn't think I would continue studying.- Allison Banda. High school graduate

In the 2022 - 2023 school year, 8% of high school students droped out¹ and so was Allison Banda, as her family was facing economic problems that prevented her from studying. But at the last minute she received great news.

The principal of the Santa Catarina Polytechnic High School (PPSC, in Spanish), where Alison was studying, called her and informed her that she was eligible for a scholarship and would no longer have to suspend her studies due to lack of resources.

99

Alison finished high school and now that her situation has improved, she is attending the university. Like her, 63 other young people with financial difficulties have finished high school thanks to scholarships funded by Fundacion DEACERO at the PPSC.



1. School dropout rate by state. INEGI.

Click on the QR or scan it to watch the video



Health Alliance





Description

The program facilitates access to health services for people in extraordinary situations beyond their ability to pay.

Results

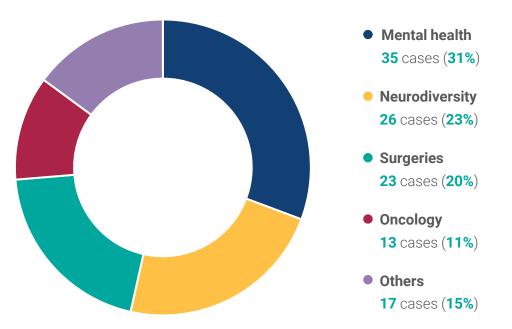
18975Applications
receivedApplications
are not elegible

86 ns Cases gible resolved 28

Cases in attention

Cases segmented by category

The 114 cases received and which are elegible are divided into:



72% of applicants requested support for their family members.

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Alliance Health

f⁺

Business Centers that referred the most collaborators

Ranking of the centers regarding the 114 cases that are elegible:

1.	General Offices	26	23%
2.	Celaya Steel Mill	15	13%
3.	Saltillo Steel Mill	12	11%
	Others	61	54%
	Total	114	100%

66

What you gave us was an opportunity to be able to enjoy our mother and that has no quantification. Thank you very much, Fundacion DEACERO, for giving us this great support. We were nervous about what we would do, but thanks to you she's here with us. We can enjoy her and continue to take care of her. She has been able to get out of this situation that no one expected.



Uriel Hirám Pulido Virgen

Labeler in Lamination Quality Ramos Arizpe Steel Mill - Coahuila (Oncology support case for collaborator's family member) **99**

Alianza Salud: a case in point

A kidney transplant for Hugo's daughter Celaya, Guanajuato

66

Thanks to this great support, we were given a new chance on life. My grandchildren are very happy to see their mother in better health. We are closer than ever.

- Hugo Sanchez. Celaya Steel Mill.

Hugo Sánchez is an employee of Celaya Steel Mill. In 2023, he and his family faced a life or death situation: his daughter Laura required a kidney transplant due to renal failure.

His HR referred him to Health Alliance and the arrangements to pay for the transplant expenses began, since they exceeded their financial capabilities. Hugo was also the organ donor.

99

In collaboration with Celaya Steel Mill, which helped to expedite the necessary steps, Laura's kidney transplant surgery was successfully performed.

Today, Hugo and his family celebrate that Laura is getting better every day. For them, this is a new opportunity in life that has brought them closer than ever before.



Corporate Volunteering



Description

Volunteering involves DEACERO employees, their families and friends in social activities for a particular cause.

volunteers

Results

2,927 Beneficiaries

of the activities

312 Corporate

112 Community

volunteers



Activities performed

Main activities

Most representative activities during the year:

1. Reforestation of the Sierra de Arteaga

Coahuila - Community spaces **149** corporate volunteers - **2,190** beneficiaries

Volunteering in environmental emergencies

Querétaro - Humanitarian aid 42 corporate volunteers

3. Playfulness for children who have experienced violence Nuevo León - Humanitarian aid

39 corporate volunteers - 64 beneficiaries

77% of the activities carried out were for health promotion.

Corporate volunteering

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Business Centers that participated the most

Ranking of the centers regarding the 22 volunteer activities during the year:

1.	General Offices	5	23%
2.	Deacero Summit	2	9 %
2.	Tepeyac Courtyard	2	9 %
2.	Wiremax - Querétaro Wire Plant	2	9 %
	Others	11	50%
	Total	22	100%

66

My experience participating was extremely pleasant, mainly for having turned the activity (reforestation) into a family experience, involving us to be aware and take action for nature. It is a satisfaction to be part of a company committed to society.



Brenda Yamileth Medina Mendoza DEACERO - General Offices Nuevo León **99**

Corporate volunteering: a case in point

Protecting an area of the Sierra de Arteaga to make it green Ramos Arizpe, Coahuila

66

I had always wanted to participate in a reforestation volunteer, and thanks to DEACERO that I got the opportunity, I came to do my bit.

- Dariana Saldivar. General Offices.

In September we carried out a reforestation in the Sierra de Arteaga, Coahuila, where 149 DEACERO volunteers participated, including employees and their families, located there and also in Nuevo León.

On that Saturday, September 9, 2023, 540 trees were planted to contribute to the reforestation of the sierra, with the hope that, in the future, the trees themselves will stabilize the ecosystem with their ability to attract to attract rainfall.

This will not be the only visit. In the following years, more waves of corporate volunteers are expected to visit the site to continue planting and maintain the trees already planted.



Click on the QR or scan it to watch the video



Communities





Description

We solve priority needs in communities and improve the quality of learning in schools near DEACERO.

volunteers

Results

18,089 266

Beneficiaries of the activities

266 511 Corporate Community

1 1

volunteers

115 Activities

Activities performed

Main activities

Most representative activities during the year:

1. Health brigade at Highschool No. 3

Coahuila - Health promotion **1,530** beneficiaries

2. Donation of cleaning supplies to schools

Nuevo León - Educational promotion **1,279** beneficiaries

3. Painting for "Benito Juárez" Elementary SchoolNuevo León - Educational promotion **211** beneficiaries

Educational development was the main focus of community activities in 2023, accounting for 28%.

Communities - DEACERO Godmothers





Description

In this volunteer program, wives of the company's employees meet needs in communities around the plants.

Results (nested in Communities)

29

Activities

performed

1,955

Beneficiaries of the activities

1

Mobilized

volunteers

Godmothers active

45

Main activities

Most representative activities during the year:

1. Delivery of school supplies kits

Coahuila - Educational development **300** beneficiaries

2. December holiday party for the benefit of children

Nuevo León - Humanitarian aid **250** beneficiaries

3. Campaign against dehydration

Coahuila- Health promotion **200** beneficiaries

In 2023, Madrinas DEACERO started in Coahuila and Nuevo León, in addition to Guanajuato.

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Communities

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Business Centers that participated the most

Ranking of the centers regarding the 84 community activities with their direct influence or participation:

	Total	84	100%
	Others	30	36 %
З.	Saltillo Steel Mill	12	14%
2.	Deacero Summit	13	15%
1.	Celaya Steel Mill	29	35%

66

For me it means a lot to be part of this project (Madrinas DEACERO) because we are in solidarity with people, empathetic and I like to work as a team. I feel committed to make this grow for the common good by joining forces with Fundacion DEACERO to build a better future for everyone.



Claudia Ivette Enriquez Espinoza President of DEACERO Godmothers - Ramos Arizpe Coahuila (Wife of employee of Saltillo Still Mill) **,**

Communities: a case in point

A new meaning of being a community through art Villagran, Guanajuato

66

In each of the workshops we had as a benefit to the community that we trust each other more to work on any project we want to do.

- Imelda Olvera. DEACERO Godmothers - Villagrán

In collaboration with Colectivo Tomate, Comex and DEACERO Godmothers, we implemented the project "Consonante" in the communities of El Chinaco and El Rehilete, neighbors of the DEACERO Business Center cluster in Villagrán, Guanajuato.

Through recreational and cultural activities, the participation of 137 neighbors was activated to recover public spaces, although more changes

would be triggered within the people afterwards.

99

In addition to improving communication skills and trusting relationships between adults to solve problems together, some children transformed their life expectations through their contact with art, even considering new possibilities for their lives of exercising pro-social professions when they become adults.





Click on the QR or scan it to watch the video



Centers with Social Impact





Description

This initiative converts the ideas of DEACERO's Business Centers into actions for the benefit of the communities.

Results

12,293 47

Beneficiaries of the activities

17

Participating Business Centers

Main activities

Most representative activities during the year:

1. Together for Guerrero. Hurricane Otis relief supplies. Various Business Centers - Humanitarian Aid

1,521 beneficiaries

2. Restoration of an industrial corridor in Morelia

Planta Alambres Morelia - Community Spaces 251 beneficiaries

3. Campaign for the donation of water tanksGeneral Offices - Health Promotion **128** beneficiaries

The Business Centers were involved in 66% of the foundation's actions.

Activities

performed

Centers with Social Impact

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Business Centers with more participations

Ranking of the centers regarding the 47 activities carried out:

1.	Celaya Steel Mill	11	23%
2.	General Offices	6	13%
3.	Puebla Wires	4	9%
3.	Deacero Summit	4	9 %
	Others	22	47%
	Total	47	100%

66

My experience with Fundacion DEACERO has been, over the years, very rewarding. We have been involved in teaching classes, helping children in the schools and we have gone to paint schools. I have seen a great involvement of the foundation in how to help the communities near our company to generate greater integration, and add value to DEACERO.



Osvaldo Cruz

Deputy Director of Industrial Plants Testimony from DEACERO Alambres Morelia 99

Centers with Social Impact: a case in point

For a Guerrero as strong as steel Acapulco and surrounding municipalities, Guerrero

66

The hurricane affected entire families in Guerrero. Without the support of Fundacion DEACERO we would not have been able to assist thousands of people through a helping hand. - Dr. Giorgio Franyuti. Medical Impact.

In response to the humanitarian crisis in Guerrero caused by Hurricane Otis in 2023, we organized the "Together for Guerrero!" campaign. We called upon all employees to join efforts to send supplies and economic resources to the state.

Thanks to the efforts of the volunteers who made donations, 1,521 food drops, 900 brooms and 750 liters of drinking water were sent to Guerrero. In addition, more than one million pesos have been donated to civil organizations that continue to help the victims.

DEACERO will continue to participate in humanitarian actions in the area, through non-profit organizations and other committees until a Guerrero as strong as steel is recovered.



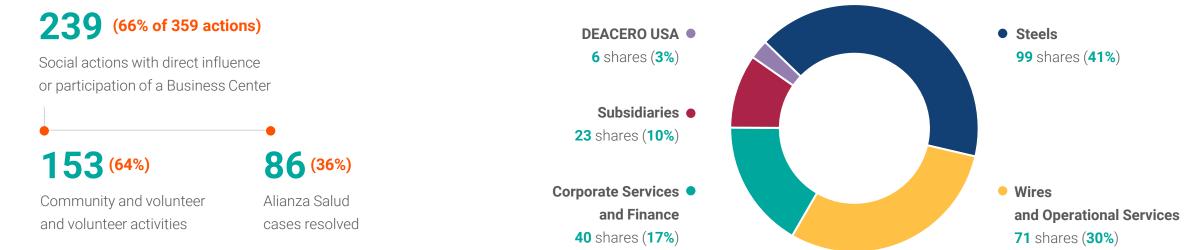


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Participation of DEACERO's Business Units





Steels was the foundation's main partner in 2023.

More activities

community and volunteer work carried out

1.	Celaya Steel Mill	40
2.	Deacero Summit	19
3.	Saltillo Steel Mill	15

More corporate volunteers

participants in the activities

1

I. Saltillo Stee	el Mill	190
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- 2. Offices CDMX **72**
- 3. Ramos Arizpe Steel Mill **56**

More employees supported

with their health problems

1.	General Offices	- 20
2.	Saltillo Wires	- 11
3.	Celaya Steel Mill	- 10

Communication

Followers of Fundacion DEACERO

7,788 Total number of followers of DEACERO Foundation

5,672 (73%) people in Social Networks

1,382 (18%) non-profit organizations

in the mailing list

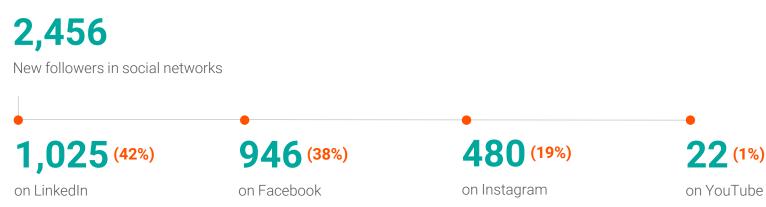
734 (9%)

DEACERO collaborators in the mailing list

• • • • • • • •

Social media followers grew by 81% year-to-date. LinkedIn stands out with a 163% growth (629 followers in 2022).

Growth of social networks



Acknowledgment



DEACERO is one of the most important companies in the production, commercialization and distribution of wire and long steel in Mexico and the world.

DEACERO's efficiency in the use of energy and natural resources is above the international standards. More than 95% of the steel produced is recycled and the company invests in state-of-the-art technology to build, protect, and contribute to the sustainable development of the present and future.

In addition, they are donors of Fundación DEACERO, and we thank all the collaborators who in 2023 were part of our history. It is thanks to their efforts, along with those of all the people who work here, that the foundation continues to exist and is able to help those who need it most. Fundacion DEACERO has 19 years of experience. It is the legacy of more than 70 years of humanitarian aid started by the founders of DEACERO: Mr. Cesar Gutierrez Lozano and Mss. Virginia Muguerza de Gutierrez.

We thank our Board for their generosity, support and guidance in helping the Fundacion DEACERO become the organization it is destined to be: a key ally that enables the progress and development of people, their homes and their communities.

Learn more about DEACERO at: **www.deacero.com**.



Grupo DEACERO's Companies





Expert in the qualification of reinforcing steels and profiles through technified engineering.



Company providing integral logistic services.



Provides the automotive industry with high quality carbon Steel wire for the production of auto parts.



Technology for fast and efficient construction and repair of concrete slabs and pavements with steel reinforcement.



Supplier of a broad portfolio of products and distributor of DEACERO products in the United States and Canada.



Adding wills and multiplying efforts + 38

Resource Use in 2023

\$ 73.4 Million pesos authorized for implementation in 2023

\$ 66.3 Million pesos invested in all of the foundation's actions

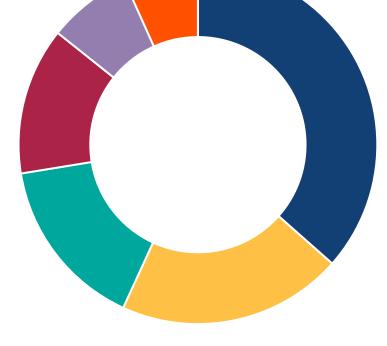
\$ 7.1 Million pesos remaining Health Alliance - 7%

Centers with Social Impact - 8%

Volunteering • and Communities - 13%

Projects through • partnerships - 16%

Operation - 19%





• Donations - 37%

Organizations supported

- Alma Migrante AC
- Amigos de la Sierra AC
- Asesoría para el Manejo Adecuado de la Discapacidad
- Asociación de Psicooncología Monterrey Apom AC
- Asociación Mexicana de Ayuda a Niños con Cáncer en Guanajuato
- Asociación Regiomontana de Niños Autistas
- Autismo ABP
- Ayuda y Solidaridad con las Niñas de la Calle IAP
- Banco de Tapitas AC
- Becas, Recursos y Apoyos
- Bomberos de Nuevo León ABP
- Casa Gaviota un Vuelo sin Violencia AC
- Casa San José ABP
- Centro de Estudios Biblioteca y Museo Vicente Fox Quesada AC
- Centro de Estudios Eugenio Garza Sada
- Centro de Neurorehabilitación Betesda AC
- Centro de Rehabilitación e Inclusión Infantil TELETON
- Centro Nacional de Apoyo para Contingencias Epidemiológicas y Desastres AC
- Cero Pobreza Extrema en México AC

- Christel House
- Colectivo y Jub Tomate AC
- Consejo Cívico de Instituciones de Nuevo León
- Construyendo una Sociedad Sostenible AC
- Cruz Roja
- Cruz Roja Celaya
- Cruz Roja Morelia
- Cruz Roja Nuevo León
- Cruz Roja Querétaro
- Cruz Rosa ABP
- Desarrollo Educacional ABP
- Destellos de Luz ABP
- Ecopil
- Ednica IAP
- Effeta ABP
- Ellas en Movimiento AC
- Enseña por México IAP
- Entorno que Dignifica AC
- Escuela Bernardo A. Grousset AC
- Fomentos de Oportunidades Educativas AC
- Fondo Unido IAP
- Formación Educativa y Musical



Organizations supported

*+ *** *

- Fundación Gist
- Fundación Hogares IAP
- Fundación Merced AC
- Fundación Merced Coahuila AC
- Fundación para el Progreso Sostenible Totonacapan AC
- Fundación Pro Empleo Productivo AC
- Fundación Promover AC
- Hogar de la Misericordia ABP
- Impact Outreach AC
- Ingenium ABP
- Institución de Beneficencia Privada Escuela Hogar Nuestros Pequeños Hermanos
- Instituto de la Mujer Restaurada AC
- Instituto Guadalupe de Linares ABP
- Instituto Mexicano de Oftalmología AC
- Instituto Nuevo Amanecer ABP
- Instituto Tecnológico y de Estudios Superiores
 de Monterrey
- Juntos por los Demás AC
- La Cima IAP
- Laboratorio de Imaginación y Acción Social AC

- Luchando por Ángeles Pequeños AC
- MAC Fundación Médica Avanzada AC
- Mariana Sala
- Misión del Nayar
- Movimiento Congruencia
- Nefrovida
- Parques Alegres IAP
- Patronato de Asistencia Social y Cultural ABP
- Protección de la Fauna Mexicana AC
- Raíz de Fondo Jardines y Educación AC
- Red para la protección de los Derechos Humanos en la Niñez y Juventud AC
- Reinserta un Mexicano AC
- Salud Mental para Indigentes AC
- Sana en Casa ABP
- Taller de Expresión y Desarrollo Integral AC
- Tecnología Sin Fines de Lucro
- Tierra en el Alma AC
- Unidas Contigo AC
- Universidad Autónoma de Coahuila
- Vida y Familia de Michoacán AC
- Visión Mundial de México AC



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Fundacion DEACERO, A.C.

Ave. Lazaro Cardenas 2333, Col. Zona Loma Larga Oriente 66266, San Pedro Garza Garcia, Nuevo Leon, Mexico.

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