



Reporting trends analysis

IFRS S1/S2



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In 2023, the IFRS Foundation issued the first global sustainability reporting standards, IFRS S1 and S2, with the aim of establishing a common language for the disclosure of sustainability-related financial information.

These standards mark a turning point in the evolution of corporate sustainability reporting, requiring companies not only to identify ESG risks and opportunities but also to explicitly link them to their financial performance, strategy, and business model.

In Mexico, the incorporation of these standards through the General Provisions Applicable to Securities Issuers and Other Market Participants (CUE), amended by the National Banking and Securities Commission (CNBV), established a formal and binding framework for the disclosure of environmental, social, and governance risks, opportunities, and impacts for issuing companies with securities registered in the National Securities Registry. The 2025 reporting period represents a key moment, as it corresponds to the first cycle in which issuers listed on the BMV and the BIVA must report information under these standards.

This Reporting Trends Analysis: IFRS S1/S2, aims to analyse the main trends, patterns, and gaps in sustainability reporting under the IFRS S1 and S2 standards, considering the key pillars of governance, risk, and opportunity management, strategy, and metrics and targets. It also seeks to identify the reporting approaches companies are adopting, the practices emerging as standards, and the principal areas of opportunity in relation to the standard's requirements.

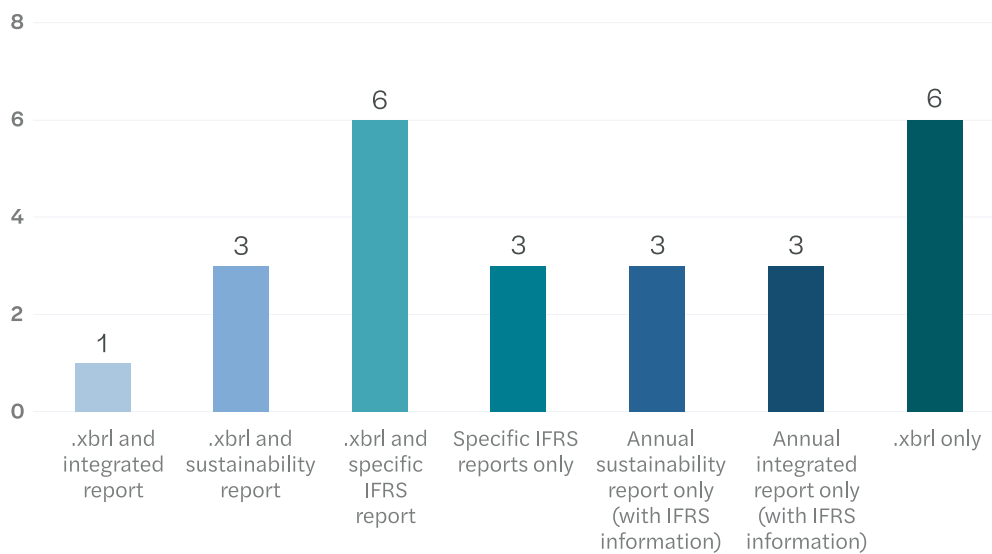
Methodological note

This report is based on a benchmark of 25 companies that have published reports aligned with IFRS S1 and S2 during this first implementation cycle. The sample includes companies from various sectors, such as consumer goods, retail, industry, manufacturing, infrastructure, transportation, and financial services, whose reports were obtained in *.pdf and/or .xbrl* format directly from the BMV and the BIVA, allowing for a comparison of approaches and maturity levels.

Overall, this analysis aims to assess the current level of adoption and anticipate the expected evolution of corporate sustainability reporting in the coming years, in an environment that is rapidly moving towards greater comparability, rigor and financial focus of ESG information.

Disclosure patterns

Based on the analysed sample, different patterns of information disclosure pursuant to IFRS S1 and S2 were identified. Approximately 40% of these companies publish both a structured document in *.xbrl* format (specifically aligned with IFRS S1 and S2) as well as additional report, such as an integrated report or a sustainability report, reflecting a dual strategy that combines technical compliance with narrative communication. On the other hand, 3 companies publish separate sustainability reports aligned with IFRS S1 and S2, and another 6 companies only publish the *.xbrl* format without developing an additional narrative report.



Evaluation criteria

The following table shows the evaluation criteria selected by Forvis Mazars for the benchmark analysis of reports pursuant to IFRS S1 and S2. These criteria were defined based on the four disclosure pillars established by the standard: Governance, Risk Management, Strategy, and Metrics and Targets.

To present the analysis clearly and in a balanced manner, Forvis Mazars has structured this report around strategic starting points that summarize the evolution of each pillar. This approach allows us to delve deeper in a focused way, ensuring the consistency of our analysis in future exercises.

Pillar	Evaluation Criteria
Governance	Monitoring of sustainability risks and opportunities
	Remuneration policies
Risk management	Number of risks and opportunities identified
	Grouping of risks and opportunities
	Topics for risks and opportunities reporting
	Presentation and writing style
Strategy	Time horizon
	Identification of risks and opportunities in the value chain
	Climate scenario analysis
	Impacts on the business model, strategy, and decision-making
	Transition and/or adaptation plans
	Financial impacts: Type of disclosure
	Financial impacts: Connectivity with financial statements
Metrics and targets	Science-based targets
	Characteristics of the GHG Inventory: Methodology
	Characteristics of the GHG Inventory: Scope 3 (transition approach)
	Use of proprietary metrics

Governance

1. Oversight of sustainability risks and opportunities

In particular, IFRS S1 (paragraph 27) aims to ensure the existence of a governing body responsible for monitoring sustainability risks and opportunities. This monitoring involves assigning clearly defined responsibilities and roles, as well as ensuring the availability of appropriate skills and competencies to implement the sustainability strategy, among other aspects.

On this basis, an assessment was conducted to determine whether companies clearly identify the highest-level body responsible for such oversight, and how this function is integrated within the corporate governance structure.

Strengths

The vast majority of companies clearly identify the Board of Directors as the highest body responsible for overseeing sustainability-related risks and opportunities R&Os. This indicates that companies have internalized the practice of “tone from the top,” meaning that senior management leads by example in demonstrating the importance of sustainability. Furthermore, the implementation of two- or three-tier governance models, which typically include:



As a result, most companies achieved the highest possible score on this criterion, reflecting adequate alignment with IFRS S1 and S2 requirements regarding the identification of the top supervisory officer. In some cases, robust structures with specialized committees and periodic reporting schemes were observed, demonstrating progress toward the institutionalization of sustainability within corporate governance.

Areas of improvement

While the responsible body is identified, in many cases the disclosure remains merely declarative, without detailing:

- Escalation mechanisms
- Information flow to the Board
- Frequency of reports on R&Os

There is a limited explanation of how supervision operates in practice, which may hinder the reader's understanding of the effectiveness of the governance model.

Likewise, a critical area for improvement is the asymmetry between risks and opportunities, as oversight focuses primarily on risks, with little evidence of active monitoring of strategic sustainability opportunities.

Conclusions

Reporting level: High

Although most companies now clearly identify the Board of Directors as responsible for overseeing sustainability issues, in many cases, disclosure does not yet delve into how this oversight operates in practice: how frequently the Board is reported on, how information flows to it, or how sustainability issues are escalated. This level of detail is precisely what would allow the reader to assess whether governance translates into concrete actions and not just a formally declared structure.

On the other hand, some companies exhibit sustainability risk and opportunity governance structures that are still in the process of being formalized, although this situation is disclosed transparently. This indicates that sustainability is gaining ground on the corporate agenda, even though its formal integration into governing bodies is in its initial stages.

2. Remuneration policies

IFRS S1 (paragraph 27 (v)) establishes the need to disclose information on how risks and opportunities are incorporated into the definition of targets, as well as how performance metrics are integrated into the remuneration policies of the responsible bodies and individuals.

In this context, an assessment was made of whether companies describe how senior management compensation aligns with sustainability performance, particularly by linking incentives, bonuses, or other variable compensation schemes to ESG metrics, targets, or commitments.

Strengths

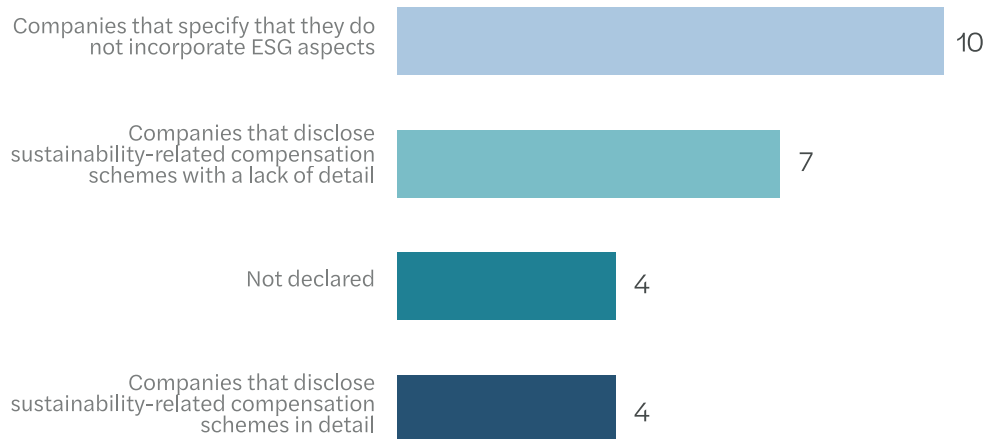
Nearly half of the companies analysed reveal some type of explicit link between variable compensation and sustainability metrics, reflecting considerable progress in aligning incentives with ESG targets. In the strongest cases, disclosure includes:

- Specific percentages of variable compensation linked to sustainability
- Clear description of evaluation criteria (critical success factors, ESG KPIs, climate goals)

Some companies stand out for offering a detailed explanation of the mechanism, which represents a good practice in demonstrating how sustainability directly influences executive compensation. Transparency is also a strength in some cases where there is no link, as 10 of the 14 companies that do not have a sustainability-related compensation scheme explicitly disclose its absence, and one even presents a roadmap for its future adoption, which improves the report's credibility.

Areas of improvement

The majority of companies (14, as shown in the chart) do not have sustainability-related compensation schemes or do not disclose them. Among the companies that do report such a link, a recurring weakness is the lack of detail in the disclosure, for example: general statements about alignment with sustainability, lack of information on weightings, thresholds, or evaluation methodology, and absence of specific metrics. This is considered a gap according to the standard because it requires not only whether ESG criteria are integrated into the assessments, but also how. Furthermore, there are still cases where the topic is not mentioned at all and its absence is not justified, bearing in mind that the basis of IFRS S1 and S2 disclosure is transparency, even in the face of absence.



Conclusions

Reporting level: Medium

The link between compensation and sustainability shows mixed results among the companies analysed. Where it exists, disclosure often fails to detail the mechanism, such as the metrics used, their weightings, or the evaluation criteria. Where it does not exist, some reports acknowledge it transparently, while others simply do not address the issue.

Risk management: Financial materiality analysis

1. Number of risks and opportunities identified

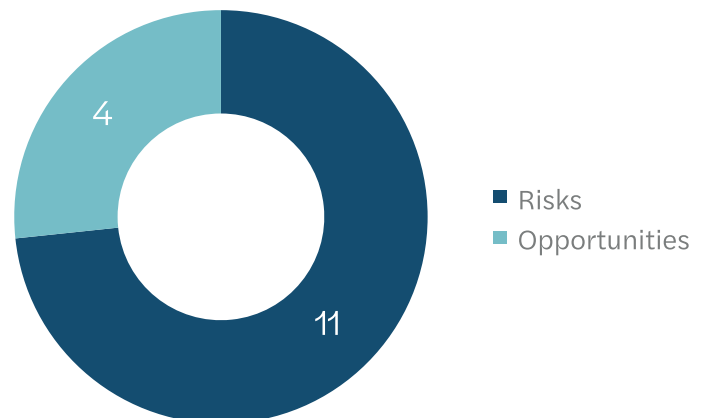
IFRS S1 emphasizes that organizations must consider not only factors that can negatively affect their performance (risks), but also those that can generate value or competitive advantages (opportunities). Paragraphs B1 and B2 state that an entity must disclose information about those sustainability risks and opportunities that are reasonably expected to affect its cash flows. These may arise from the entity's interactions with its stakeholders, as well as with society, the economy, and the environment throughout its value chain.

In line with IFRS S1 and S2 requirements, this subtopic assessed whether companies explicitly identify and disclose both sustainability and climate-related risks and opportunities, as well as the level of detail with which they are presented.

Strengths

All companies disclose risks and, in some cases, opportunities as well. On average, each company identifies around 11 risks and 4 opportunities.

Most companies identify and disclose at least some climate-related risks, opting to use the transition relief provided by IFRS S2 (ISSB, 2023, IFRS S1, paragraph E5). In many cases, the risks are presented in great detail, including description, classification (physical and transition), and impacts. On the other hand, some companies stand out for disclosing opportunities, demonstrating that they are beginning to recognize them as part of their strategic narrative, especially in areas such as energy efficiency, innovation, and the transition to sustainable models.



Areas of improvement

It is observed that a significant subset of companies does not disclose any opportunities. Although it is expected that more risks than opportunities will be reported, since risks are usually more closely linked to historical management and compliance, it is essential to also disclose aspects that can generate value or competitive advantages (opportunities).

Another important gap is a systematic asymmetry between risks and opportunities, since risks are presented in a structured way, while opportunities tend to appear implicitly, narratively, and secondarily, as they are not identified as an independent category but are integrated within mitigation actions and lack specific or comparable analysis.

Conclusions

Reporting level: Medium

The observed pattern reflects that risk disclosure is more established than opportunity disclosure, resulting in a structural asymmetry in the information reported under IFRS S1 and S2. This asymmetry indicates that companies have made progress in incorporating the risk dimension into their reporting frameworks, while the identification of opportunities as a separate category is at a less developed stage. The pattern suggests that sustainability is predominantly conceptualized as a risk to be managed, rather than as a source of value.

2. Aggregation of risks and opportunities

IFRS S1 (paragraph D3) states that the usefulness of sustainability information depends on its comparability, verifiability, timeliness, and understandability, so as to enable users of reports to understand the specific nature of each risk or opportunity and its potential impact on the entity.

Based on the foregoing, an assessment was conducted of how companies organize and present risks and opportunities, considering whether these are structured coherently and systematically, facilitating their understanding and use in investor decision-making.

Strengths

Many companies tend to categorize risks and opportunities by material theme or ESG pillars, which allows for logical organization of information and facilitates report readability.

On the other hand, more mature companies stand out for presenting risks and opportunities individually, using structured fact sheets with attributes such as description, impact on the value chain, time horizon, category, and metrics, maintaining consistency between the materiality analysis and disclosure. This level of description significantly improves the report's usefulness for investors.

Areas of improvement

The main pattern is over-aggregation, where multiple distinct risks are consolidated into a single category. This loss of granularity hinders the understanding of specific drivers of financial impact, as well as on the strategy, and business model. A recurring example is the aggregation of various physical phenomena under a general risk label such as "climate change," which limits the ability to identify the specific climate-related risks that impact the entity.

Similarly, some companies present a simplified risk nomenclature, for example, "Water" without specifying whether they are referring to scarcity, quality, consumption, or other relevant dimensions. This type of aggregation may represent an area of opportunity since different manifestations of the same issue may have significantly different effects. For example, the effects associated with water scarcity will not necessarily be equivalent to those derived from quality or consumption problems.

In this sense, greater precision in the definition of risk would facilitate the identification and quantification of its potential effects, especially the financial effects, which tend to be more complex to estimate.

Conclusions

Reporting level: Medium-Low

The reports analysed show considerable variation in the way risks and opportunities are presented, from detailed structures with specific attributes for each element to broad aggregations that describe the topic in general terms. Each company's position within this range defines how direct the connection is between the identified risks and opportunities and their implications for the business and the value chain.

It was also observed that some of the reports analysed exhibit a lack of internal consistency in risk disclosure. While an initial inventory is presented in introductory sections, additional risks not included in that inventory are incorporated in the development sections, and some of the risks originally mentioned are not further developed.

3. Risk and opportunity reporting topics

IFRS S1 (paragraph 55 (a)) states that, in addition to applying IFRS Sustainability Disclosure Standards, entities should refer to and consider the disclosure topics contained in the SASB standards. If these are not applicable to the entity's specific circumstances, appropriate justification must be provided.

Paragraph 55 (b) also indicates that, in a complementary manner, entities may consider other reference sources, such as the CDSB framework, the most recent pronouncements of other regulatory bodies, and the sustainability risk and opportunity disclosure practices adopted by entities operating in the same industry or geographic region.

The topics under which each company reports its sustainability risks and opportunities were evaluated to identify common patterns by sector and assess thematic coverage. For more information on the sustainability topics, risks, and opportunities covered by the different sectors analysed, please refer to [Annex. Thematic Coverage by Sector](#).

Strengths

There is a clear convergence in the reported topics, with climate change (physical and transition risks), water management, energy, supply chain, and human capital predominating among the analysed entities. This alignment reflects a widespread adoption of common sustainability and risk management agendas, aligned with regulatory and market trends. Furthermore, 18 companies specify that they report sector-related topics in accordance with SASB.

Areas of improvement

While 18 companies reference SASB standards in identifying relevant topics, it is observed that the application of this framework is not always declared in the report. In this regard, there is an opportunity to strengthen disclosure through greater clarity in the inclusion of SASB standards.

Conclusions

Reporting level: NA¹

A considerable number of companies limit their disclosure primarily to climate change, in many cases taking advantage of the IFRS S2 (ISSB, 2023, IFRS S1, paragraph E5) transition relief, while this approach is aligned with what is permitted in the first year of **disclosure**, **broader disclosure** would enhance transparency and provide stakeholders with a clearer understanding of the entity's performance and underlying assumptions. It is also observed that some issues (especially social and governance issues) tend to be less developed and structured compared to environmental issues.

4. Presentation and writing style

IFRS S1 (paragraphs 13 and 15) requires that the disclosure of information on sustainability risks and opportunities be carried out under the principle of faithful representation, which implies that the entity must provide a complete, neutral, and accurate view of these risks and opportunities. Furthermore, the information must be comparable, verifiable, timely, and understandable.

Based on the foregoing, the way in which companies present and write information on their risks and opportunities was evaluated, with the objective of analysing the extent to which its structure facilitates understanding and analysis by users.

In particular, it was reviewed whether the information is communicated through structured formats, such as tables or diagrams, which allow for the clear identification of key elements. In addition, it was assessed whether companies describe in an understandable way the nature of each risk or opportunity, the mechanism through which it could materialize, and its potential effects on the entity.

1. Not Applicable (NA) is assigned because it is not an IFRS requirement, it is only a thematic coverage analysis.

Strengths

The use of tables as the dominant format is one of the main strengths of the reports analysed, as it facilitates information organization, improves comparability, and allows for the orderly structuring of different attributes by risk and opportunity. This type of format contributes to presenting information in a clearer, more standardized, and easier-to-navigate way, especially when reviewing multiple elements systematically. In the most robust cases, the wording includes:

- 1 Description of the materialization mechanism
- 2 Identification of value chain involved parties
- 3 Explanation of possible financial or strategic consequences

Furthermore, in the most successful cases, companies combine these consistent tabular structures with clear and uniform writing, which enhances readability and allows for the rapid identification of the different components of each risk or opportunity within the same visual framework.

Areas of improvement

Considering that the standard requires the disclosure of information that allows users to understand the R&Os related to sustainability, and in particular, to describe the R&Os related to sustainability that could reasonably be expected to affect the entity's prospects, the most frequent weakness is the lack of depth in the explanation that would improve understanding of the R&Os.

The risks are described, but not how they impact the company, nor is the transmission channel to the business detailed. Additionally, there is a clear asymmetry in the writing: risks are usually presented in structured formats, while opportunities appear in a narrative, implicit, or less developed way.

Conclusions

Reporting level: High

Most companies promptly disclose their various risks and opportunities in lists or tables, which facilitates reading of information. However, in many cases, the tables function more as lengthy lists than as structuring tools since they fail to adequately disaggregate the information or follow a consistent logic across records. In these cases, even though the requirements are supplemented throughout the narrative, it becomes difficult to interpret the information to find the answer to the specific requirements of the standard.

In some cases, the wording aggregates multiple risks into a single description, making it difficult to identify their individual impacts. As noted in the Risk and Opportunity Aggregation criterion, an example of this practice is categorizing a risk as "Water" without specifying whether it refers to scarcity, quality, consumption, or other relevant dimensions. This approach reduces the clarity and precision of the analysis, as it aggregates distinct problems with different causes, impacts, and mitigation measures. For example, the risk associated with water scarcity involves completely different strategies than those related to water quality.

1. Time horizon

IFRS S1 (paragraph 30 (b)) requires entities to disclose information that enables users of general-purpose financial reports to understand the sustainability risks and opportunities that are reasonable expected to impact the entity. Specifically, it requires the identification of the time horizon in which the effects of each risk and opportunity are expected to materialize.

Therefore, this study assessed how companies define and analyse the time horizons (short, medium, and long term) in which these risks and opportunities could materialize. This aspect is key for investor analysis, as it allows for linking risks and opportunities to strategic planning, capital allocation, and the resilience of the business model under different timeframes.

Strengths

Nearly half of the companies explicitly define time horizons, generally classified as short-, medium-, and long-term. In the most robust cases, these horizons are established using specific year ranges, typically around 2030 for the short term, 2040 for the medium term, and 2050 for the long term.

Furthermore, they are consistently applied to each individual risk and opportunity, allowing for an understanding of the potential timing of each risk and opportunity's impact, facilitating the strategic prioritization and linking risks to investment and planning decisions. When implemented correctly, time horizons improve reporting clarity, comparability across companies, and usefulness for financial analysis.

Areas of improvement

Companies with lower levels of compliance either do not define time horizons or apply them only partially, for example, just to physical climate risks. Another frequent area of opportunity is the inconsistency between the analysis and the writing. That is, entities may mention in general that different timeframes were considered in the risk and opportunity analysis process, but they do not report the results of this timeframe analysis for each individual risk and opportunity.

On the other hand, in several cases, timeframes are presented in an aggregated manner within the narrative. For example, it is mentioned that the entity is more vulnerable to sustainability risks in the medium term, but this is not detailed for each risk and opportunity. This lack of granularity limits the understanding of the risk profile over time, its integration with climate scenarios, and the analysis of differentiated financial effects. Likewise, opportunities often lack a timeframe allocation or are less developed than risks in this respect.

Conclusions

Reporting level: Low

In general, it is observed that several companies refer to the use of time horizons in their risk and opportunity analyses. However, this does not always translate into an explicit and detailed disclosure of the timeframes in which the effects of each risk or opportunity are expected to materialize.

In other words, although the concept is acknowledged, the information is usually presented in a general way, whereas the standard requires specifying the time horizon associated with each risk and opportunity.

2. Identification of risks and opportunities in the value chain

IFRS S1 (paragraph 32) requires entities to disclose information that enables users of financial reports to understand the current and expected effects of sustainability risks and opportunities on their business model and throughout their value chain. Specifically, it requires describing the location of these risks and opportunities within that chain, including their allocation, for example, by geographic area, facilities, and asset types, where applicable.

Therefore, this study assessed whether companies identify and locate sustainability risks and opportunities along their value chain, distinguishing between stages. This is crucial, as it allows for understanding where the main exposures are concentrated, how their effects materialize, and their relevance to the entity's business model and financial performance.

Strengths

Certain companies explicitly map the location of each risk or opportunity impact along the value chain. In more advanced cases, each risk or opportunity is classified according to its location in the value chain, distinguishing between different specific categories (e.g., infrastructure, own operations, suppliers, etc.). This allows for immediate visualization of where exposure is concentrated, facilitating strategic analysis.

Areas of improvement

Most companies do not explicitly locate risks and opportunities along the stages of the value chain (upstream, midstream, and downstream); and when this identification is made, in some cases it does not encompass all the identified risks and opportunities. In several reports, disclosure is implicit within the narrative, but it is not organized in a structured way or presented with clear categorization. This may difficult the identification of the points where risks and opportunities materialize and limit the analysis of their differentiated effects from a financial or strategic perspective.

Conclusions

Reporting level: Low

The location of risks and opportunities within the value chain, when presented in a structured manner, allows for a direct link between a company's exposure and its business model. In this initial phase, its development is still limited, but it is expected to advance as companies delve deeper into materiality analysis and the identification of differentiated effects at each stage of the value chain.

3. Climate scenario analysis

IFRS S2 (paragraph 22 (b)) requires entities to disclose information that enables users of general-purpose financial reports to understand the resilience of their strategy and business model to climate-related changes and uncertainties, considering the associated risks and opportunities. This requires conducting a climate scenario analysis and disclosing key elements such as the type and source of the scenarios used; whether they consider transition or physical risks; their alignment with current international agreements on climate change; the criteria used to determine their relevance; the time horizons analysed; and the scope of the operations included, among other aspects.

Based on the foregoing, the review of this criterion focused on evaluating whether companies conduct and disclose climate scenario analyses to assess the resilience of their strategies to different climate change paths. Specifically, it considered whether organizations use internationally recognized scenarios (such as those developed by the IPCC, IEA, or NGFS) and whether they explain how these scenarios impact their risks, opportunities, and future performance.

Strengths

Most companies present robust scenario analyses, characterized by the use of multiple climate scenarios, clear definition of time horizons, and the incorporation of these scenarios into the analysis for both physical and transition risks. In this regard, there is widespread adoption of recognized international frameworks, particularly:

For physical risks:

- From IPCC, Representative Concentration Pathways (RCP) scenarios, commonly RCP 2.6, RCP 4.5, and RCP 8.5.
- From IPCC, Shared Socioeconomic Pathways (SSP) scenarios, commonly SSP1-2.6, SSP2-4.5, and SSP5-8.5.

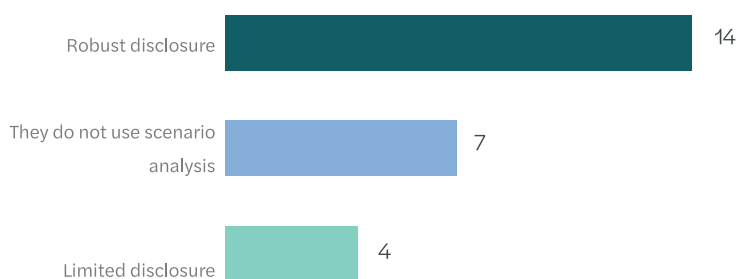
For transition risks:

- International Energy Agency (IEA), such as Business As Usual (BAU) and Announced Pledges Scenario (APS).
- Network for Greening the Financial System (NGFS).

Methodological transparency is a strength of the most advanced companies, as they specify the scenarios used, indicate their sources and describe the key assumptions. These elements allow for the evaluation of the business model's resilience and the understanding of potential risk paths under different climate conditions.

Areas of improvement

There is a group of 11 companies that did not conduct a scenario analysis in this cycle or provided very limited disclosures. Of these, 7 did not incorporate the scenario analysis into their risk and opportunity assessment, while 4 offered limited disclosures, failing to detail the context of the scenarios used, the sources of information employed, and other requirements requested for IFRS S2.



Conclusions

Reporting level: Medium

In the reports analysed, cases are already observed where the scenario analysis is presented with a remarkable level of robustness: use of several internationally acknowledged frameworks, distinction between physical and transition scenarios, and specification of key assumptions. Not all companies that incorporate it reach this level of detail and there is also a group that has not yet conducted this analysis or provides very limited disclosures. Given that this is the first reporting cycle under this standard, it is expected that the integration of the scenario analysis will become more consolidated in subsequent cycles.

4. Effects on the business model, strategy, and decision-making

IFRS S1 (paragraphs 29 (a) and (b)) states that entities must disclose the current and expected effects of sustainability risks and opportunities on their value chain, business model, strategy, and decision-making processes. These effects must be clearly identified and linked to specific risks and opportunities so that investors understand how sustainability influences the organization's value creation.

Based on the foregoing, this criterion assessed whether companies describe how sustainability risks and opportunities impact their business model, strategy, and decision-making processes, both now and in the future, as well as the level of detail and clarity with which this information is presented.

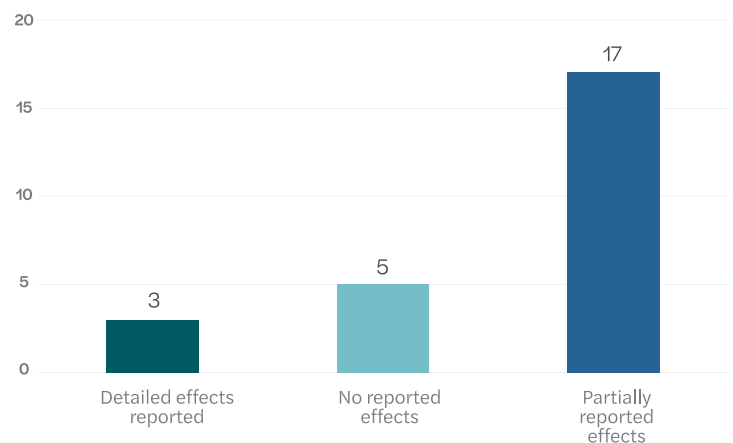
Strengths

Three out of the twenty-five companies analysed comprehensively report the effects of risks and opportunities on their business model, strategy, and decision-making processes, from a current and future perspective. These disclosures are presented primarily with tables that describe each risk and opportunity along with its expected effects, both individually and aggregated by category. They also combine qualitative and quantitative information and incorporate the time horizon in which these effects are anticipated to materialize.

Moreover, 17 companies report at least some effect associated with risks and opportunities in one or more of the three categories evaluated, although predominantly qualitatively and with a limited level of detail.

Areas of improvement

There are 5 companies that do not disclose any effects of their risks and opportunities on their business model, strategy, or decision-making processes. Meanwhile, among the 17 companies with partial disclosures, the effects are typically presented in aggregate form, without detailing their specific impact on the business model, strategy, and/or decision-making processes within the organization. Furthermore, risks and opportunities are not always clearly distinguished, nor are the different dimensions analysed, such as business model, strategy, and decision-making.



Conclusions

Reporting level: Low

While 20 companies report some type of impact on their business model, strategy, or decision-making, only 3 present a more comprehensive disclosure and aligned with the standard, which represents 12% of the total analysed. This result suggests that, although most companies acknowledge the relevance of these effects, there is still room to strengthen their alignment and level of detail, particularly in differentiating between risks and opportunities, across the various dimensions of the business, and in integrating both qualitative and quantitative information.

5. Transition and/or adaptation plans

IFRS S2 (paragraph 14 (a)(iv)) states that entities must disclose information that enables users of general-purpose financial reports to understand the effects of climate-related risks and opportunities on their strategy and decision-making processes. In particular, this disclosure should include the entity's climate transition plan, if there is one, as well as information on the key assumptions used in its development and the main dependencies on which back up the plan.

Based on the foregoing, this criterion assessed the level of progress in the disclosure of companies regarding their transition and adaptation plans to climate change, as well as whether these plans have an adequate degree of formalization or whether the reported information is limited to isolated initiatives.

Strengths

Although only 2 companies have a fully implemented transition plan and another 3 have specific decarbonization plans, a total of 21 out of the 25 companies, with or without a formal plan, report actions related to the transition and/or adaptation to climate change. These actions are mainly focused on reducing GHG emissions and adopting alternative energy sources.

Areas of improvement

Out of the four companies (16%) that do not report plans, actions, or initiatives related to the transition or adaptation to climate change, only 2 explicitly mention the absence of a transition plan; one of them also indicates the intention to develop one in future periods.

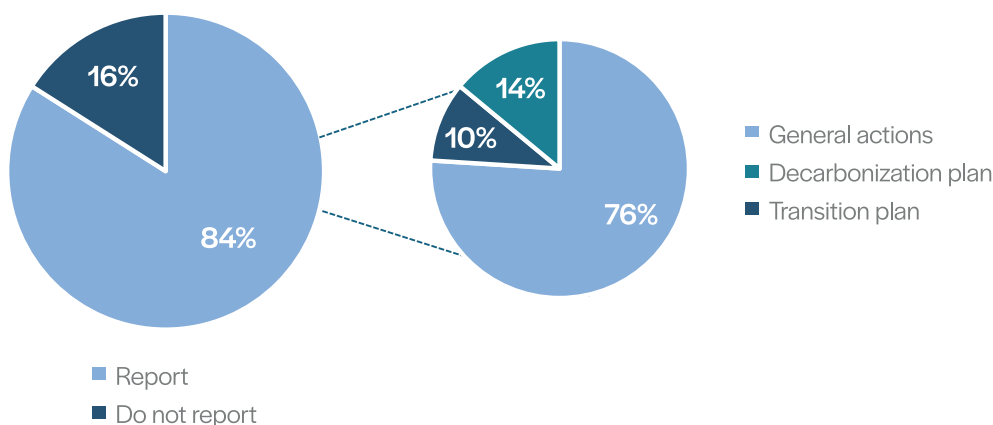
On the other hand, 16 companies (76%) that report actions do so in isolation, without integrating them into a structured approach that includes defined targets, goals, responsible parties, and monitoring milestones. In this group, only one company expressly states that it does not have a transition plan, despite reporting related initiatives.

Conclusions

Reporting level: Medium

The fact that 21 out of 25 companies disclose actions related to climate change transition and adaptation suggests that the issue is already part of the corporate agenda and decision-making processes. However, there are still cases where it is not explicitly stated whether the entities have a transition plan or not, regardless of the implementation of general actions.

The foregoing is relevant, considering that IFRS S1 and S2 standards emphasize the importance of transparency, even in cases where there are no formally established policies or plans.



6. Financial effects: type of disclosure

Specifically, IFRS S1 (paragraph 34) states that entities must disclose the current and expected effects of sustainability risks and opportunities on their financial position, financial performance, and cash flows, considering short-, medium-, and long-term horizons. It also requires explaining how these risks and opportunities are incorporated into the entity's financial planning.

On the other hand, paragraphs 38 to 40 of the same standard indicate that an entity may be exempt from disclosing quantitative financial effects when there is an important level of uncertainty or when these effects cannot be separately identified. In these cases, the entity must explain why it is not presenting quantitative information, and, instead, provide qualitative information about these effects.

Based on the above, this criterion assessed whether companies disclose the financial effects arising from sustainability risks and opportunities, as well as the type of information presented: qualitative, quantitative, or a combination of both.

Strengths

Of the 25 companies, 18 qualitatively disclose their financial effects, representing an initial step towards compliance with IFRS S1 and S2. Meanwhile, 7 companies present both qualitative and quantitative information, integrating narrative descriptions with monetary ranges and differentiating by type of financial effect.

Some companies explicitly incorporate the timing of the effects (current and anticipated) and in certain cases, transparency is observed in declaring the absence of financial effects during the period. Additionally, there is a group that reports isolated quantitative indicators, such as investments in efficiency or mitigation, without directly linking them to the categories of financial effects required by the standard.

Areas of improvement

Disclosure is predominantly qualitative, as financial metrics, monetary estimates, and exposure ranges are not presented in most cases. When quantitative information is included, it does not always clearly distinguish between financial position, performance, and cash flows, nor between current and anticipated effects. Furthermore, in some cases, quantification is limited to certain risks and opportunities, without explaining the criteria used for their selection.

Likewise, the effects are often presented in aggregate for all risks and opportunities, rather than linked individually, which may hinder understanding of their specific impact.

Conclusions

Reporting level: Low

The reports analysed indicate that the disclosure of financial impacts is, in general, at a predominantly qualitative stage. This may be partly due to the complexity of estimating future financial impacts in a context that requires the use of projections and assumptions about factors that were not traditionally part of financial analysis.

In this regard, it will be relevant to observe the evolution in the incorporation of monetary ranges and estimates in the coming years. This progress would not only imply greater technical development in disclosure, but also a more explicit integration of sustainability issues within the financial analysis used by markets for decision-making.

7. Financial effects: connectivity with financial statements

IFRS S1 (paragraph 21) states that entities must disclose information that connects sustainability-related financial information with other general-purpose financial reports published by the entity, such as its financial statements. Paragraphs B39 to B44 delve deeper into the concept of information connectivity, noting that it involves, among other things, providing clear explanations, including cross-references, and using consistent data, assumptions, and units of measurement.

In this sense, connectivity allows, for example, explaining how an entity's sustainability strategy is reflected in its financial statements and financial planning, as well as demonstrating the impact of sustainability risks and opportunities on variables such as revenues, costs, and investments. Hence, the aim is to show the relationship between the entity's strategy and its financial performance.

Based on the foregoing, this criterion assessed the existence of a clear connection between the sustainability report and the financial statements of the companies analysed. It also analysed whether this connection is presented explicitly or implicitly, either through direct references to reading both documents together and through the integration of specific financial figures.

Strengths

12 out of the 25 reports analysed explicitly present the link between sustainability reporting and the financial statements. However, only 2 of these establish this connection through references to notes to the financial statements. In most cases, connectivity is limited to stating that the sustainability report should be read in conjunction with the financial statements.

Areas of improvement

Five reports do not refer to the connection with the financial statements in any way. A further 8 reports demonstrate partial connectivity, where the relationship between the two documents is not explicitly stated, although references are made to figures or information that are integrated within the financial statements.

Conclusions

Reporting level: High

Most of the reports analysed indicate some type of link between sustainability information and financial statements. However, in most cases, this connection is mentioned in general terms, without specifying which particular items or notes reflect the impact of the identified risks and opportunities.

Advancing the maturity of this connectivity will allow investors to directly correlate the effects of the sustainability environment with the company's financial results. This will enable them to evaluate both dimensions from a unique and strategic perspective.

Metrics and targets



1. Science-based targets

IFRS S2 (paragraph 33 (b)) states that entities must disclose the climate targets, both quantitative and qualitative, that they have defined to monitor their progress toward achieving their strategic targets, as well as those established by legal and regulatory requirements. It is also required to specify the purpose of these targets, whether in terms of mitigation, adaptation, or their alignment with science-based initiatives.

For the purposes of this report, the analysis of this criterion focused on identifying how many entities have science-based sustainability targets, particularly those aligned with the Science Based Targets initiative (SBTi). While this type of target is not a mandatory requirement of the standard, its adoption allows for distinguishing those companies that have moved toward more robust approaches in defining climate targets.

Strengths

It was identified that only one of the 25 companies analysed has targets validated by SBTi and 3 companies expressed their commitment to validating their targets with SBTi starting in 2026. Additionally, 4 companies report targets linked to the Paris Agreement and the Sustainable Development Goals (SDGs), reflecting considerable progress in disclosure. On the other hand, 10 companies report targets focused on reducing emissions or improving the efficiency of their processes without being linked to international agreements or having SBTi validation.

Areas of improvement

Out of the twenty-five companies analysed, 24 do not have science-based targets aligned with SBTi, and of these, 7 did not disclose any targets related to sustainability or climate change.

Conclusions

Reporting level: Low

The results of this criterion should be interpreted considering that IFRS S1 and S2 do not require targets to be validated by SBTi, but rather that they be clearly and transparently disclosed, including their purpose, scope, and methodology. In this sense, the lack of targets linked to international frameworks does not constitute non-compliance, provided the company is transparent about it. This analysis also reveals the degree of alignment of these objectives with science-based frameworks, which is a maturity indicator beyond mere regulatory compliance. In this area, progress is still limited: only one company has targets validated by SBTi, although there are signs that this number will grow in the coming cycles, given that several companies have already expressed their intention to validate their targets starting in 2026.

2. Characteristics of the GHG inventory: Methodology

IFRS S2 (paragraph B23) requires entities to disclose their greenhouse gas (GHG) emissions inventory in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004). As part of this requirement, paragraph B26 requests that entities indicate the control approach used to quantify their emissions, as well as the method applied if a different standard is used (for example, when required by a specific jurisdictional authority). Regarding the control approach, paragraph B27 specifies that it may be based on operational control or the equity share criterion.

Based on the foregoing, this criterion was used to identify the methodology employed, the reference standards adopted, and the type of control approach defined by the entities for preparing their GHG emissions inventory.

Strengths

Most of the companies analysed (14 out of 25) explicitly present the type of control used, with operational control being the most common. On the other hand, several reports include an explanation of the organizational scope and the entities included and excluded from the inventory. Furthermore, 20 companies used the Greenhouse Gas Protocol (GHG Protocol) to quantify their emissions, representing 80% of the total.

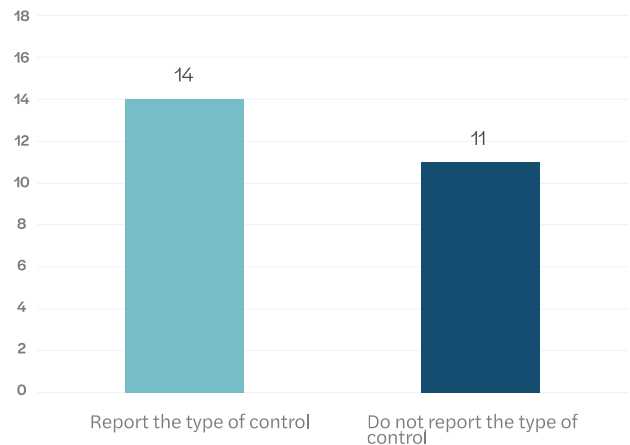
Areas of improvement

Three of the 25 organizations analysed used the transition relief that allows using alternative methodologies to the GHG Protocol during the first year of adoption (ISSB, 2023, IFRS S2, paragraph C4(a)). Furthermore, 11 companies did not specify the control approach used, even though this is mandatory for all entities regardless of the quantification methodology employed.

Conclusions

Reporting level: Medium

The result shows that most companies have already established a methodological framework for preparing their emissions inventory, including their control approach. Likewise, the aspect with the greatest potential for development is the explicit declaration of the control approach used, since without this information, the reader cannot accurately assess the organizational scope of the inventory. Given that this information does not involve a complex estimation exercise but rather a methodological decision that companies already make internally, it is expected that its disclosure will expand in future cycles.



3. Characteristics of the GHG Inventory: Scope 3 (transition approach)

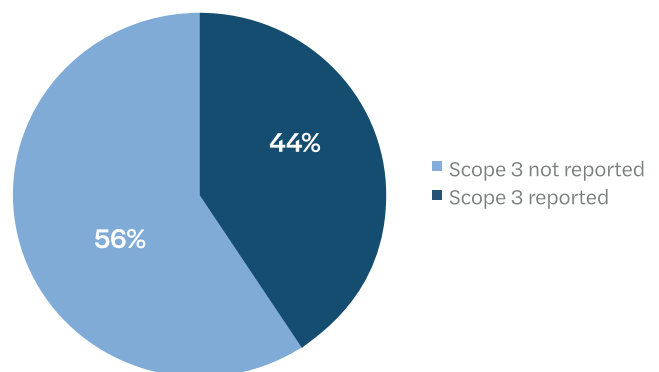
IFRS S2 (paragraph 29) states that entities must disclose gross greenhouse gas (GHG) emissions generated during the reporting period, expressed in tons of carbon dioxide equivalent (CO₂e). These emissions must be presented separately for Scopes 1, 2, and 3, pursuant to the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004).

In the case of Scope 3, it is also required to describe the categories included in the quantification, as well as provide additional information regarding category 15, corresponding to financed emissions. However, paragraph C4 of the same standard establishes that, during the first year of implementation, entities are not required to disclose Scope 3 emissions and, if using the transitional relief, are not required to submit comparative information for this Scope in the following period.

Based on the foregoing, this criterion assessed whether companies disclose their Scope 3 GHG emissions, as well as the level of coverage and detail of the information reported for this Scope.

Strengths

In this first year of reporting, 11 out of the 25 companies analysed (44%) disclosed their Scope 3 emissions. This represents a relatively high proportion, considering the transitional relief available, which allows companies not to report such emissions in the first year (ISSB, 2023, IFRS S2, para. C4(b)). Of these 11 companies, 8 provided a full disclosure, clearly outlining the coverage and the relevant Scope 3 categories in line with their operational context.



Areas of improvement

Among the 14 companies that did not disclose Scope 3 emissions, not all explicitly stated that this omission was due to the use of transitional relief. In addition, one company was identified as not reporting emissions for any scope. Finally, of the 11 companies that did disclose Scope 3 emissions, 3 provided only partial disclosure, reporting selected categories without explaining the exclusion of others.

Conclusions

Reporting level: Medium

Overall, 44% of the organisations analysed have incorporated Scope 3 emissions measurement in a comprehensive manner. Looking ahead, companies that have already started reporting are expected to strengthen the completeness of their disclosures, while others may use these practices as a benchmark to develop their own assessments and progress towards full compliance.

4. Use of proprietary metrics

IFRS S1 (paragraphs 49 and 50) requires that entities indicate when a metric used comes from a source other than IFRS Sustainability Disclosure Standards. In particular, when dealing with entity-specific metrics, sufficient information must be disclosed to allow for their understanding, including how the metric has been defined. This implies explaining, where applicable, whether the metric is derived from or has been adapted from another source and how it has been modified; whether it is an absolute, relative, or qualitative measure; whether it has been validated by a third party; as well as the calculation method used, along with its main assumptions and limitations.

This criterion was not subject to a quantitative evaluation; however, it was used to identify whether companies disclose internally developed metrics, that is, metrics that are not explicitly defined in reference standards such as GRI or SASB, whose use is allowed by the standard when they are relevant to reflect specific circumstances of the entity.

Strengths

Out of the twenty-five sustainability reports analysed, 2 companies incorporated their own metrics, which were used to communicate specific progress that the organizations considered relevant to their investors and other stakeholders.

In the table below, there are two examples of proprietary metrics disclosed by companies in different sectors that published their sustainability reports on the BMV:

Company analysed	Sector	Metrics	Description
Company 1	Manufacturing industry	In-house talent	Total number of people hired annually who are graduates of the university developed by the company.
Company 2	Financial institution	Sustainability score	Key indicators from the entity's three sustainability pillars are integrated to generate a numerical result that guides the identification of the main risks and areas for improvement in ESG matters.

Areas of improvement

In addition to the two companies that reported their own metrics, 7 mentioned incorporating such metrics to evaluate their ESG performance. However, the metrics they referred to actually correspond to acknowledged frameworks or standards (such as SASB and GRI) that were presented as their own metrics, which represents an error in the disclosure of information.

Conclusions

Reporting Level: NA²

It is important to note that the disclosure of the entity-specific metrics is complementary and does not replace or exempt entities from considering the relevance of disclosing the industry-specific metrics required by SASB standards. In this regard, this section was not subject to quantitative evaluation.

However, incorporating internal metrics may be valuable when there are specific aspects of the business model or strategy not covered by standardized metrics, but whose disclosure is relevant to users of financial information. In addition to broadening the reported information, their use may contribute to better alignment with strategic targets, as well as to performance management and the identification of opportunities for improvement.

2. A Not Applicable (NA) designation is assigned, as IFRS standards require disclosure of entity-specific metrics only where such metrics exist, and do not imply either compliance or non-compliance. This section is therefore confined to the assessment of entity-specific metrics applied by the entity.

References

1. International Sustainability Standards Board (ISSB). (2023). *IFRS S2: Climate-related disclosures*. IFRS Foundation.
2. International Sustainability Standards Board (ISSB). (2023). *IFRS S1: General requirements for disclosure of sustainability-related financial information*. IFRS Foundation.

Thematic coverage by sector

An analysis and systematization process was carried out based on the information gathered in the benchmark. In this exercise, the sustainability risks and opportunities reported by the various companies were reviewed, identifying similarities, patterns, and recurring matters. Due to the diversity in how companies refer to these topics, a conceptual standardization was performed, grouping together those that, although they have variations in their names, corresponded to the same problem or approach.

Based on this consolidation, a unified list of relevant topics at the sector level was constructed, thus reflecting the main trends observed in company disclosures.

Sector	Recurring R&O Topics	Recurring R&O Subtopics
Industry / Manufacturing	Climate change	Physical: extreme heat, droughts, floods
		Transition: carbon regulation, energy costs, investor pressure
	Energy	Intensive energy consumption
		Transition to renewable energy
		Energy efficiency in processes
	Water and natural resources	Water stress
		Availability of critical inputs
		Water regulation
	Supply	Disruptions due to climate events
		Availability of raw materials
		Dependence on critical suppliers
	Circular economy and waste	Waste management
Recycling / reuse		
Packaging		
Financial Services	Climate change	Physical: extreme heat, droughts, floods
		Transition: carbon regulation, energy costs, investor pressure
	Regulation and Compliance	ESG requirements
		Climate regulation
		Disclosure
	Access to Capital	Reputational perception associated with ESG criteria
		Access to sustainable funding
		Green / sustainable loans
		ESG bond issuance
New financial products		

Sector	Recurring R&O Topics	Recurring R&O Subtopics
Retail / consumption	Climate change	Physical: extreme heat, droughts, floods
		Transition: carbon regulation, energy costs, investor pressure
	Supply chain	Logistical dependence
		Supplier vulnerability
		Stock availability
	Consumer and market	Preference for sustainable products
		Changes in consumption habits
		Reputational sensitivity
	Energy	Energy in stores
		Refrigeration / lighting
Cost optimization		
Real Estate / construction	Climate change	Physical: extreme heat, droughts, floods
		Transition: carbon regulation, energy costs, investor pressure
	Regulation and Compliance	ESG requirements
		Climate regulation
	Water	Water availability
	Energy	Energy efficiency
	Market	Preference for sustainable buildings
Certifications (LEED, etc.)		
Transportation	Climate change	Physical: extreme heat, droughts, floods
		Transition: carbon regulation, energy costs, investor pressure
	Energy	Fuels
Food and beverage	Climate change	Physical: extreme heat, droughts, floods
		Transition: carbon regulation, energy costs, investor pressure
	Water	Availability
		Intensive use
		Regulation
	Supply	Dependence on agricultural inputs
		Vulnerability of suppliers
	Consumer	Sustainable preferences
		Health and nutrition
	Packaging and waste	Waste
Circular economy		

Sector	Recurring R&O Topics	Recurring R&O Subtopics
Conglomerates / diversified industry	Climate change	Physical: extreme heat, droughts, floods
		Transition: carbon regulation, energy costs, investor pressure
	Regulation and Compliance	ESG requirements
		Climate regulation
	Energy	Industrial consumption
		Decarbonization
	Human Capital	Attraction and retention
Technical capabilities		
Infrastructure / Telecom	Climate change	Physical: extreme heat, droughts, floods
		Transition: carbon regulation, energy costs, investor pressure
	Regulation and Compliance	ESG requirements
		Climate regulation
	Maintenance	Repair costs
		Asset adaptation

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Figures as of September 2025

570+

professionals

23

partners

16%

annual growth

8

offices

* August 2024 to September 2025

Mexico City

Guadalajara

Mexicali

Monterrey

Puebla

Querétaro

San Luis Potosí

Toluca

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