

IiAS Sustain Launches Green Star Fund Rankings: A New Benchmark for ESG Performance in Indian Mutual Funds

Mumbai 28 May 2026: IiAS Sustainability Solutions Private Limited (IiAS Sustain), a SEBI-registered Category II ESG Ratings Provider, today announced the launch of its **Green Star Fund Rankings (GSR)**. This proprietary framework provides the Indian market's first **peer-relative ESG assessment of mutual funds**, evaluated through the lens of their underlying portfolio holdings across SEBI-defined categories.

The rankings assign mutual funds between one and five Green Stars, with a 5-Star Green Fund representing the highest relative rank and a 1-Star Green Fund the lowest, based on the weighted average ESG scores of their underlying holdings. The assessment draws on IiAS Sustain's ratings of 500 companies, evaluated across three critical pillars:

- **Environmental:** Focusing on carbon footprint, resource management, and sustainable sourcing;
- **Social:** Evaluating workforce wellbeing, diversity, and stakeholder responsibility;
- **Governance:** Examining board composition, transparency, and management accountability.

A fund's Green Star ranking reflects its percentile rank within its SEBI category: 5 stars (top 10%), 4 stars (top 30%), 3 stars (top 50%), 2 stars (top 70%), and 1 star (below the top 70%). Not all funds and categories are ranked. To ensure that the data is meaningful, IiAS Sustain has considered funds with a vintage of more than 3-years, an AUM of more than Rs 500 mn. (Rs 50 crores) and that IiAS Sustain should rate at least 80% of the funds' AUM.

The GSR offers investors and asset managers an objective methodology to evaluate how mutual fund portfolios align with Environmental, Social, and Governance (ESG) standards. By aggregating and rolling up company-level data into a fund-level score, the rankings provide clarity on the ESG profile of existing holdings and potential investments.

Note that the GSR is a backward-looking assessment of portfolio composition and should not be construed as an investment recommendation or an evaluation of current or future financial returns.

Benchmarking Excellence: Green Star Fund Rankings

Under the GSR framework, funds are benchmarked against their direct peers within the same SEBI category.

IiAS Sustain began by analysing data across ~ 1800 funds. After consolidating plan level data (growth, IDCW, direct, regular plans etc.) and applying the filters discussed later in this report, IiAS Sustain has initially assigned rankings to 197 funds across 6-categories. A note on fund categories is provided in Annex 1.

The list of funds in the two highest ranking categories is shown below.

SEBI Category	Fund	GSR
Category :: Funds Ranked	Large Cap :: 28	
Equity: Large Cap	Aditya Birla Sun Life Large Cap Fund - Regular Plan	5
Equity: Large Cap	Franklin India Large Cap Fund - Regular Plan	5
Equity: Large Cap	Mahindra Manulife Large Cap Fund - Regular Plan	5
Equity: Large Cap	HSBC Large Cap Fund	4
Equity: Large Cap	JM Large Cap Fund	4
Equity: Large Cap	Mirae Asset Large Cap Fund - Regular Plan	4
Equity: Large Cap	SBI Large Cap Fund	4
Equity: Large Cap	Sundaram Large Cap Fund - Regular Plan	4
Category :: Funds Ranked	Large and Mid Cap :: 26	
Equity: Large & Mid Cap	Canara Robeco Large and Mid Cap Fund - Regular Plan	5
Equity: Large & Mid Cap	HDFC Large and Mid Cap Fund - Regular Plan	5
Equity: Large & Mid Cap	Sundaram Large and Mid Cap Fund	5
Equity: Large & Mid Cap	DSP Large & Mid Cap Fund - Regular Plan	4
Equity: Large & Mid Cap	Mirae Asset Large & Midcap Fund - Regular Plan	4
Equity: Large & Mid Cap	Nippon India Vision Large & Mid Cap Fund	4
Equity: Large & Mid Cap	Tata Large & Mid Cap Fund - Regular Plan	4
Equity: Large & Mid Cap	Union Large & Midcap Fund - Regular Plan	4
Category :: Funds Ranked	Mid Cap :: 27	
Equity: Mid Cap	DSP Midcap Fund - Regular Plan	5
Equity: Mid Cap	ICICI Prudential Midcap Fund	5
Equity: Mid Cap	Nippon India Growth Mid Cap Fund	5
Equity: Mid Cap	ITI Mid Cap Fund - Regular Plan	4
Equity: Mid Cap	Mirae Asset Midcap Fund - Regular Plan	4
Equity: Mid Cap	Sundaram Mid Cap Fund - Regular Plan	4
Equity: Mid Cap	Union Midcap Fund - Regular Plan	4
Equity: Mid Cap	UTI Mid Cap Fund - Regular Plan	4
Category :: Funds Ranked	Flexi Cap and Multi Cap :: 46	
Equity: Flexi Cap	Bandhan Flexi Cap Fund - Regular Plan	5
Equity: Flexi Cap	Canara Robeco Flexi Cap Fund - Regular Plan	5
Equity: Flexi Cap	Mahindra Manulife Flexi Cap Fund - Regular Plan	5
Equity: Flexi Cap	Sundaram Flexi Cap Fund - Regular Plan	5
Equity: Flexi Cap	UTI Flexi Cap Fund - Regular Plan	5

Equity: Flexi Cap	Aditya Birla Sun Life Flexi Cap Fund - Regular Plan	4
Equity: Flexi Cap	DSP Flexi Cap Fund - Regular Plan	4
Equity: Flexi Cap	Edelweiss Flexi Cap Fund - Regular Plan	4
Equity: Flexi Cap	Franklin India Flexi Cap Fund - Regular Plan	4
Equity: Flexi Cap	HDFC Flexi Cap Fund - Regular Plan	4
Equity: Flexi Cap	HDFC Multi Cap Fund - Regular Plan	4
Equity: Flexi Cap	Kotak Flexi Cap Fund - Regular Plan	4
Equity: Flexi Cap	Nippon India Flexi Cap Fund - Regular Plan	4
Equity: Multi Cap	Samco Flexi Cap Fund - Regular Plan	4
Equity: Flexi Cap	Tata Flexi Cap Fund - Regular Plan	4
Category :: Funds Ranked	ESG and Focussed Funds Select :: 36	
Equity: Focused	Baroda BNP Paribas Focused Fund - Regular Plan	5
Other: Index Funds / ETFs	Mirae Asset Nifty 100 ESG Sector Leaders ETF	5
Equity: Sectoral / Thematic	SBI ESG Exclusionary Strategy Fund	5
Equity: Focused	UTI Focused Fund - Regular Plan	5
Equity: Focused	Aditya Birla Sun Life ESG Integration Strategy Fund - Regular Plan	4
Equity: Sectoral / Thematic	Aditya Birla Sun Life Focused Fund - Regular Plan	4
Equity: Focused	Canara Robeco Focused Fund - Regular Plan	4
Equity: Sectoral / Thematic	ICICI Prudential Focused Equity Fund	4
Equity: Sectoral / Thematic	Invesco India ESG Integration Strategy Fund - Regular Plan	4
Equity: Sectoral / Thematic	Kotak ESG Exclusionary Strategy Fund - Regular Plan	4
Equity: Focused	Tata Ethical Fund - Regular Plan	4
Category :: Funds Ranked	ELSS :: 35	
Equity: ELSS	Axis ELSS Tax Saver Fund	5
Equity: ELSS	Mahindra Manulife ELSS Tax Saver Fund - Regular Plan	5
Equity: ELSS	Sundaram ELSS Tax Saver Fund	5
Equity: ELSS	UTI ELSS Tax Saver Fund	5
Equity: ELSS	Aditya Birla Sun Life ELSS Tax Saver - Regular Plan	4
Equity: ELSS	Canara Robeco ELSS Tax Saver Fund - Regular Plan	4
Equity: ELSS	DSP ELSS Tax Saver Fund - Regular Plan	4
Equity: ELSS	Franklin India ELSS Tax Saver Fund - Regular Plan	4
Equity: ELSS	HDFC ELSS Tax Saver Fund - Regular Plan	4
Equity: ELSS	NJ ELSS Tax Saver Scheme - Regular Plan	4
Equity: ELSS	Quantum ELSS Tax Saver Fund - Direct Plan	4
Equity: ELSS	Samco ELSS Tax Saver Fund - Regular Plan	4
Equity: ELSS	UTI Master Equity Plan Unit Scheme	4

Source: IiAS Sustain

A brief about the Green Star Fund Ranking, a peer-relative fund assessment, the Corporate ESG ratings methodology and ESG Fund Rankings are given in the annexures.

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Annexures:

1: Green Star Fund Ranking: Peer-Relative Fund Assessment
Methodology and approach

2: ESG Fund Ranking scale

About IiAS Sustainability Solutions Private Limited

IiAS Sustain, a subsidiary of Institutional Investor Advisory Services India Limited (IiAS), provides independent ESG data and advisory services. It supports responsible investment decision-making for asset managers, hedge funds, and private equity firms.

About IiAS

IiAS is a leading advisory firm providing independent opinions and analysis on corporate governance and ESG in India. A signatory to the UN PRI, IiAS covers approximately 1,300 listed companies, representing over 96% of India's market capitalisation.

Annex 1

Green Star Fund Ranking (GSR): Peer relative fund assessment Framework and Methodology

IiAS Sustain's Green Star Fund Rankings (GSR) provide a portfolio-based, comparative assessment of the ESG profile of mutual fund portfolios. The rankings evaluate the ESG characteristics of a fund's underlying holdings and its overall ESG alignment, enabling peer-relative benchmarking within each SEBI mutual fund category. Funds are assigned between one (lowest) and five (highest) Green Stars.



Company-Level ESG Ratings

The GSR is built on company-level ESG ratings assigned by IiAS Sustain using a proprietary, indicator-driven framework across three core pillars:

- **Environmental (E):** Emissions and carbon footprint, energy efficiency and mix, water and waste management, circularity practices, sustainable sourcing, climate risk preparedness, and use of sustainability-linked technologies
- **Social (S):** Workforce health, safety and wellbeing, diversity and inclusion, human capital development, and responsibility towards customers and broader stakeholders
- **Governance (G):** Board composition and diversity, independence and oversight, governance policies, transparency and disclosures, shareholder rights, and stakeholder engagement

The assessment universe comprises the top 500 listed companies by market capitalisation as of 28 March 2025. Data is sourced from publicly available disclosures - including Business Responsibility and Sustainability Reports (BRSR), annual reports, integrated and sustainability reports, and company websites - and is standardised and normalised to enable comparability across sectors and issuers.

Indicators are evaluated using a combination of quantitative metrics and qualitative analysis, with sector-specific weightings applied to reflect differences in ESG risk exposure. Indicator-level scores are aggregated into pillar scores (E, S, G) and combined into an overall ESG score.

The base score is further refined through positive and negative screening factors, and a controversy overlay that accounts for ESG-related incidents, classified as none, moderate, serious, or severe. The final ESG Composite Score is mapped to a scale ranging from A+ (highest) to D (lowest). Detailed methodology is available at iiasustain.com.

From Company Ratings to Fund Ranking

Fund-level ESG scores are derived by aggregating and rolling up company-level ratings using a holdings-based approach. Each portfolio constituent's ESG rating is weighted by its proportional allocation within the fund, producing a portfolio-level score that reflects both stock selection and portfolio construction. To ensure analytical robustness, IiAS Sustain has a tight eligibility criterion, as detailed below.

Eligibility Criteria

To be ranked, funds must meet the following criteria:

- At least 80% of AUM covered by IiAS ESG ratings
- Minimum track record of three years
- AUM greater than ₹500 million (₹50 crore)
- A minimum of 20 funds in the SEBI fund category

Peer-Relative Ranking

Funds are ranked on a relative basis within their respective SEBI mutual fund categories, ensuring comparability among funds with similar investment mandates and risk-return profiles. Based on their relative positioning, funds are assigned Green Star ratings from one to five stars.

All plans of a scheme (growth, IDCW, direct, regular, etc.) are consolidated prior to assessment. Category inclusion is subject to a minimum threshold of 20 eligible funds to preserve statistical integrity. Categories falling below this threshold, including small-cap, contra, and dividend yield, are excluded, as are index funds (owing to low portfolio variation) and sectoral/thematic funds (infrastructure, pharma, etc.), where ESG scores are primarily a function of sector allocation.

Categories with overlapping investment universes are combined for assessment purposes. Flexi-cap and multi-cap funds form one combined peer group, while concentrated and ESG-focused strategies are assessed together under a single Focused Funds category. Across these groupings, the framework covers six categories in total: Large Cap, Large & Mid-Cap, Mid-Cap, ELSS, Flexi-cap & Multi-cap, and Focused Funds (including ESG).

Data Source

Mutual fund holdings and classification data are sourced from Value Research and remain their sole and exclusive property.

Important Notes and Limitations

The GSR is a backward-looking measure based on historical portfolio disclosures. It reflects a weighted average of the ESG ratings of underlying holdings and does not constitute an assessment of financial performance or returns. It is intended as a preliminary analytical tool for ESG comparison and should not be construed as investment advice or a recommendation to invest in or divest from any fund or underlying company.

IiAS Sustain reserves the right to modify its methodology from time to time.

Annex 2

Scale and definition

IiAS SUSTAIN GREEN STAR FUND RANKING: Peer Relative Fund Assessment

The Green Star scale reflects the relative ESG strength of a funds underlying portfolio compared with peers within the same SEBI category.



★★★★★ Leader

The underlying portfolio demonstrates superior alignment with ESG parameters. Based on its portfolio profile, a 5-Green Star fund ranks in the top 10% of its SEBI fund category.



★★★★☆ Strong

The underlying portfolio reflects strong ESG metrics across key parameters. Based on its portfolio profile, a 4-Green Star fund ranks in the **top 30%** of its SEBI fund category.



★★★☆☆ Good

The underlying portfolio exhibits sound and dependable ESG metrics. Based on its portfolio profile, a 3-Green Star fund ranks in the **top 50%** of its SEBI fund category.



★★☆☆☆ Fair

The underlying portfolio meets baseline ESG expectations. Based on its portfolio profile, a 2-Green Star fund ranks in the **top 70%** of its SEBI fund category.



★☆☆☆☆ Basic

The underlying portfolio shows limited ESG strength and may require improvement across key parameters. Based on its portfolio profile, a 1-Green Star fund ranks below **70%** of its SEBI fund category.

Not Ranked

IiAS will not assign a ranking to a fund if:

- less than 80% of the funds AUM is rated by IiAS Sustain;
- the fund has been in existence for less than three-years;
- the fund does not have an AUM of more than Rs 500 mn (Rs 50 crore); or
- The relevant SEBI fund category comprises fewer than 20 funds.

Note: In certain circumstances, IiAS Sustain may reclassify a fund into a different category or consolidate multiple categories into a single category for ranking purposes.