

## **HOW TO BALANCE RETURNS WITH SUSTAINABLE INVESTING**

Sustainable investing is centred on marrying financial goals with ethical values. It involves balancing traditional investing with environmental, social, and governance-related (ESG) insights to improve long-term outcomes. There is a deeper concentration on how value can be created while considering the ESG factors.

Balancing returns with sustainable investments can be challenging and complex for some investors because of ESG considerations. Here is how you can strike a balance between your financial objectives and ethical considerations while investing:

### **Have financial objectives**

Every investment requires you to set your financial objectives. Financial objectives are what will inform the type of investments you will undertake and determine your risk tolerance. This ensures that you align your investment goals with your values. Always set investment objectives whether long-term, middle-term, or long-term, and make sure that your investments align with them.

### **Understand the ESG factors**

Have knowledge of the ESG factors and look at how they are affected by your investments and also how they affect returns on your investments. It will help you determine whether the companies that own the investment vehicles that you are investing in are making an effort when it comes to sustainability and environmental responsibility. It will also help you to make informed investment decisions that match your personal values and support companies that care about the environment and social and ethical responsibility.

### **Diversify your investment portfolio**

Having sustainable investments does not mean that you have to sacrifice the returns that you make on your investments. It is important to diversify your investments across different asset classes that are cantered towards strong ESG practices. This helps you diversify your exposure to undue risks from unpredictable market changes and create a balance between risks and rewards thus ensuring that you get maximum returns on your investments while also sticking to your ethical values

### **Seek a financial investor**

Sustainable investing can be complex and difficult to navigate. Having a financial advisor who specialises in sustainable investment will help you navigate this space. They can guide you on the

different types of sustainable investments you can undertake with their expertise and knowledge of how the market operates. They are also able to evaluate your risk tolerance and help you make informed investment decisions that will help you have the best possible returns on your investments.

Sustainable investing lets you invest according to your ethics, but it should not limit or stop you from getting maximum benefits from your investments. The tips above should help you harness the power of sustainable investing for a brighter future.