

Collaborate to Innovate

An Interview with Jay Mukhey, Global Director of ESG, Purpose & Impact, Finastra

EDITORS' NOTE Jay Mukhey is the Senior Director of Environmental, Social & Governance (ESG) at Finastra, a leading FinTech with more than 8,600 customers globally. His appointment to lead the global ESG, Purpose & Impact program followed his co-founding role in creating the Corporate Social Responsibility (CSR) proposal and strategy prior to the inception of Finastra in 2017. Before these roles, he managed marketing globally for Finastra Services after leading product marketing for the investment management business of Misys. Mukhey has worked for several other FinTech firms in customer-centric positions and at the European Commission in Brussels, where his professional environmental and social responsibility journey began. Earlier in his career, he carried out a number of roles in investment banking with Citigroup, Deutsche Bank and JPMorgan Chase. Mukhey has a passion for sustainable value creation and is an avid traveler. He holds a degree in Business Economics with Spanish from the Cardiff Business School at the University of Wales.



Jay Mukhey

COMPANY BRIEF Finastra (finastra.com) is building an open platform that accelerates collaboration and innovation in financial services, creating better experiences for people, businesses and communities. Supported by the broadest and deepest portfolio of financial services software, Finastra delivers this vitally important technology to financial institutions of all sizes across the globe, including 90 of the world's top 100 banks. Its open architecture approach brings together a number of partners and innovators. With a global footprint, Finastra has \$1.9 billion in revenues and 9,000+ employees.

How do you define Finastra's mission and values?

Finastra believes that the future of finance is open. As a leading FinTech company, our mission is to unlock the potential of people, businesses and communities. We aim to achieve this through the provision of accessible and affordable financial services and solutions via our customers, partners and broader ecosystem to help people everywhere to achieve their ambitions. The values we embody center

around what we call “collaborate to innovate” and a desire to orchestrate ecosystems which drive positive change. Essentially, this means we want to create new paths to economic growth, prosperity and opportunity that currently do not exist, and walk those paths together with all of our stakeholders.

How is being purpose-driven a part of Finastra's culture?

Purpose has always been part of our culture at Finastra. We operate with a mantra of “doing well by doing good,” something championed by our CEO, and we made significant investments into what was originally our corporate social responsibility (CSR) agenda and what we now call ESG, Purpose & Impact.

However, a purpose-driven culture is much more than having a strong vision and making a financial investment. It is about taking the time to explain the environmental and social value that the assigned business task, strategy or partnership will enable to all of your stakeholders. This ensures that the person or team responsible for these business requirements is motivated by more than just the financial reward of completing the task, executing the strategy or enabling the partnership; it becomes about the value they are creating in the world as a result of working with Finastra. This could extend to a software engineer writing code that will enable

women in Bangladesh to open their first bank account, as we have done with IFIC Bank, or a marketing manager creating a campaign to help banks boost financial inclusion through our technology.

Will you provide an overview of your role and areas of focus?

I have several focus areas and responsibilities under my team's remit. The first is to ensure Finastra is an environmentally and socially responsible business and that we adhere to our principles of governance to remain a leader in value creation within the financial services sector. The second is to help create a purpose-led culture where our stakeholders, and particularly our employees, understand the value they create in the world through their work. Lastly, that we allocate our resources such as staff time and expertise, business revenues and our platform and technology as efficiently as possible across our ecosystem to create impact in the world and, more specifically, progress measured against the UN Sustainable Development Goals (SDGs).

What are the main focus areas for Finastra's ESG work?

Under the ‘E’ of ESG (environment), we look at three focus areas:

- To be a carbon neutral business by 2030, by reducing and offsetting our emissions.
- To introduce sustainable business practices that create value and require fewer resources to run.

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- To help reduce the carbon footprint of the financial services sector through the allocation of green finance via our customers, the digitalization of financial services via our software and the move to more carbon-efficient technology platforms, such as FusionFabric.cloud (Finastra's open platform) or third-party cloud platforms to host our software.

On the 'S' (social) side, we look at it through both the lens of prosperity and people:

- Prosperity: Our financial inclusion agenda aims to deliver financial literacy, financial services for the unbanked and underbanked and affordable lending for micro-, small- and medium-sized enterprises (MSMEs) as we know that these businesses enable the most job creation and therefore are our fastest route out of poverty in the developing world.

- People: We work towards outcomes that enable a fairer and more just society as it pertains to financial services with a particular focus on diversity, equity and inclusion. We invest in various social mobility youth programs in collaboration with global charities and we also think about how FinTech innovation can help communities to become more successful, resilient and adaptable to change.

On the 'G' (governance) side, we define our principles of governance and our overall ESG performance:

- Principles of governance: The ESG team partners with our Chief Risk Officer's organization to define our ESG charter, policies and risk factors. Together we oversee our ESG Executive Committee, which is co-chaired by our CEO and Chief People & Places Officer, and ensures that our leadership team are directly involved in defining and achieving our ESG vision and objectives.

- ESG performance: Finastra has defined a number of ESG key performance indicators (KPIs) that our risk team helps us to track. We have established baseline data, a target year to achieve our ESG goals (such as our carbon neutral and gender parity goals by 2030) and defined both the strategy and interim milestones to track the progress against and ultimately achieve our ESG objectives.

Will you highlight Finastra's ESG initiatives and the impact of these efforts?

Since the start of our investment in our CSR/ESG strategy in 2017 at the inception of Finastra (when Misys and D+H combined), our employees have raised over \$800,000 for charities they support globally, which Finastra has added to via our corporate matching program. In addition, we have allocated over \$5.26 million in philanthropic grants to charities whose missions align to our ESG objectives. That said, what we are most proud of is the work our teams have done in their communities.

We have provided more than 35,000 volunteer hours to support our ESG programs such as the Hour of Code, where Finastra employees teach schoolchildren the basics of coding. Over 18,000 children have visited our offices to receive this education. We also provide coaching, mentoring and internships to young people represented by social mobility charities.

Some of our proudest ESG work comes when we leverage our experience and expertise to solve issues that affect millions of people. By way of example, we developed free Paycheck Protection Program (PPP) software that enabled CDFIs and MDIs to receive government funding for COVID-19 through the CARES Act, helping millions of the most vulnerable Americans to receive income support and provide for their families through the pandemic. We also donated the \$2.2 million we generated in loan fees from the PPP software to food banks in these underserved communities through Feeding America.

How critical are metrics to measure the impact of Finastra's ESG programs?

They are vital. From an ethical point of view, every company has a responsibility to measure the impact they are making through performance metrics under their ESG program for a variety of reasons:

- Firstly, to ensure an accurate measure of impact to avoid "greenwashing" or "social washing" when reporting ESG performance.

- Secondly, to understand the value they are creating in order to verify whether the strategy they employed enabled them to achieve their impact goal.

- Lastly, you can only quantify the positive or negative impact of refinements to a sustainability strategy and demonstrate verified progress if you are measuring it against the baseline impact.

Ethics aside, it is good business practice to measure the impact and consequences of most business activities. At Finastra, our leadership team has instilled an approach around "if you don't measure it, you can't improve it" so when we launched our ESG strategy, measuring the impact was a non-negotiable for my team in order to prove value to the business and ensure further investment into the strategy.

How do you engage Finastra's workforce in its ESG efforts?

Every Finastra employee has three days available to them where they can volunteer for causes they are passionate about in support of our ESG program. This could include volunteering to teach a coding class in our offices, planting trees with colleagues, or coaching an entrepreneur as they start a new business – just a few examples.

Colleagues also have the opportunity to apply to become an ESG Site Leader or Champion at any of our office locations. These employees are ambassadors for Finastra ESG, manage local nonprofit partnerships, recruit volunteers and execute our ESG programs in their regions.

Finally, our Collaborative ESG program helps our customer-facing employees to work with customers and partners that share our mantra of doing well by doing good. We have a number of examples where we have worked together towards achieving our respective ESG objectives in line with SDG 17 (partnership for the goals).

What are your priorities for Finastra's ESG work as you look to the future?

The priority has to be the planet and helping the transition to a net-zero global economy by 2050, as we recently heard at COP26. While we are very aware of the impact we can make in the prosperity and people pillars of our ESG strategy, particularly through our financial inclusion initiatives, it will be futile to achieve these goals for social equity if the planet is uninhabitable by humans due to the rising climate.

We see green and sustainable finance as huge opportunities for Finastra and our customers to create environmental impact and value at scale. We are currently working on solutions to enable banks to efficiently allocate green finance to both sustainable businesses directly and corporates investing in more sustainable supply chains, as well as individuals who are making greener choices. Money, and the allocation of it, will have a huge role to play in our ability to move towards a net-zero future and the financial services industry will need to be supported with the right technology to ensure this is done ethically, responsibly and diligently. I was delighted to see that the theme for this year's Earth Day is "Invest In Our Planet" and I hope that we all find a way to participate, particularly the financial services industry. ●

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