

# Fund Alignment with the U.N.'s Sustainable Development Goals

## A Case Study

Provided by TVM Capital Healthcare Partners in Association with the EMPEA ESG Community

### TVM Healthcare MENA I



## The Fund's Story

TVM Capital Healthcare's first private equity fund, TVM Healthcare MENA I, focused on meeting a growing need for specialized health care across the Middle East, North Africa and India. By investing in companies that provided assisted reproductive medicine solutions, ventilated care, long-term rehabilitation, home care and medical devices, the fund helped to bring new specialisms and international best practices to underserved communities, giving patients local access to high-quality services.

Since 2010, TVM Capital Healthcare has focused on elaborating its annual environmental and social performance report for MENA I through alignment with environmental, social and governance (ESG) benchmarks run by International Finance Corporation (IFC), the Global Impact Investing Network (GIIN), U.N. Principles for Responsible Investment (PRI) and the Impact Reporting and Investment Standards (IRIS). During this process, it became very clear that including the U.N. Sustainable Development Goals (SDGs) would add perspective to reporting and require minimum effort, given multiple measurement frameworks were already in place.

## The Role Played by Private Capital

Due to the sector focus of the fund, much of TVM Capital Healthcare MENA I's investments contribute to Goal 3 (Good Health and Well-being). Aging populations, urbanization and new technology and networks are all transforming how people live and care for each other. In response to these trends, the fund has invested in businesses that are changing how health care is delivered, such as U.A.E.-based Manzil Healthcare Services (Manzil) and Cambridge Medical and Rehabilitation Center (CMRC). Manzil provides post-acute

home care across the U.A.E., Qatar and Egypt, while CMRC is a post-acute care and rehabilitation center. Previously, post-acute home care and extensive rehabilitation services were either in an early stage of development or only accessible via these markets' acute care systems. Patients were kept in acute care hospitals due to lack of qualified outpatient care services or accessible and qualified home disease management. These two companies prevent patients from having to travel abroad to get post-acute care services or rehabilitation treatment, and thus help the healing process and lower costs.

Apart from the contributions resulting from the direct services portfolio companies provide to consumers, the fund has contributed to additional SDGs through the implementation of a range of environmental, social and governance (ESG) measures across its portfolio, ensuring that each company plays a responsible role in the communities near its operations. Two dedicated compliance officers at TVM Capital Healthcare are responsible for initiating the necessary monitoring and reporting processes across the fund. Each portfolio company assigns someone within the company to act as the environmental and social (E&S) liaison. This person is responsible for monitoring E&S performance and identifying potential environmental and social risks. He or she is responsible for working with the compliance officers on responsible investment activities and the implementation of the E&S action plan.

As a result of these ESG measures, the fund has contributed to SDG 8 (Decent Work and Economic Growth) and SDG 5 (Gender Equality). All companies are equal opportunity employers; 75% of companies have female representation on their board, and women account for a substantial part of management positions in each portfolio company. Additionally, ESG measures have included community initiatives focused on reduced waste and pru-

### TVM HEALTHCARE MENA I

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HEALTHCARE

#### Essentials

**Vintage Year:** 2010

**Status as of 2018:** Fully invested

**Geographic Focus:** MENA and India

**Fund Type:** Growth equity

**Sector Focus:** Health care

**Size:** US\$50 million

**GP:** TVM Capital Healthcare Partners, a private equity fund manager focused on the Middle East, North Africa, India, Turkey and Southeast Asia ([www.tvm-capitalhealthcare.com](http://www.tvm-capitalhealthcare.com))

**Number of Investments:** 5

**Range of Investment Size:** US\$6 million to US\$14 million

#### Highlights

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dent natural resource management, as well as sustainable health and safety programs for employees. For instance, Egypt-based catheter manufacturer Ameco Medical Industries achieved an overall 9% decrease in plastic waste produced in 2017 by implementing a 'reduce, reuse, recycle' program—thus contributing to SDG 12 (Responsible Consumption and Production). In 2017, Ameco also established a three-year agreement with a small Egyptian village to implement small-scale social projects. Initiatives included cost-free health screening, access to clean water and establishment of a library—contributing to SDG 3 and SDG 9 (Industry, Innovation and Infrastructure).

## Measuring Impact

TVM Capital Healthcare seeks to create significant impact in emerging societies through its membership in the GIIN and PRI and the firm's alignment with global ESG accreditations, including the Social & Environmental Management Systems (SEMS) and the Impact Reporting and Investment Standards (IRIS). TVM Capital Healthcare regularly monitors the social and environmental performance of each portfolio company in accordance with the IFC-compliant Environmental and Social Management System framework. The firm receives quarterly performance reports covering its responsible investment activities and the E&S responsibility of each of its investments. While the firm has mapped its general contribution to the SDGs, it is currently revisiting the fund's monitoring methods and will seek to tie the existing measures and benchmarks to the relevant SDGs.

Membership in the EMPEA ESG Community is open to all individuals at EMPEA member firms who have an active interest in ESG in the emerging markets space. This Community provides a platform to share resources and advice for EMPEA members considering how to build and/or expand their ESG management strategy, as well as offers practitioners and experts a forum to advance the development of ESG best practices through information exchange, research and the aggregation and development of innovative resources.

Find out more and get involved at [EMPEA.org](http://EMPEA.org)

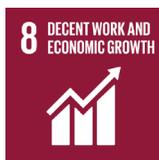
## SDG Contribution(s) to the SDGs



- Good health and well-being is promoted by bringing premium health care provisions to areas where these were not previously available, such as long-term care in the U.A.E. outside of acute-care facilities and home health care in the U.A.E., Qatar and Egypt.



- Gender equality is promoted throughout the fund and all portfolio companies by the respective labor and human resource policies stemming from the fund's ESG guidelines.
- Three out of four of the portfolio companies' boards have female representation.
- Women hold 30% to 50% of the management positions in all of the fund's U.A.E.-based companies.
- The founding partner of TVM Capital Healthcare is a founding member of the Gulf Cooperation Council chapter of the 30% Club, a campaign launched in the U.K. with the goal of achieving a minimum of 30% of women on FTSE-100 boards.



- Cambridge Medical and Rehabilitation Services is now employing more than 400 people—starting from zero.
- Manzil, which started with a team of 25, is employing more than 400 people in several countries.
- All companies are led according to strict corporate governance rules and guidelines. Every company is accredited by either The Joint Commission, CARF International or International Organization for Standardization (ISO). These accreditations require regular audits on health, safety, security and quality of products.

Note: All figures as of December 2017.

