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Overcoming biopharma's trust deficit

While many people rely on the medicines they consume, surveys in different countries show how little trust exists in biopharmaceutical companies.

C OVID-19 vaccine hesitancy has put a spotlight on an issue well known to biopharmaceutical manufacturers—trust. While many people do trust the drugs they take, numerous consumer polls have shown that the biopharma industry ranks as one of the least trusted—although that has been improving during the pandemic.

Trust matters for companies—from influencing their chances of gaining and maintaining customers to their ability to recruit talent that is attracted to a shared goal of improving health care outcomes. Consumer trust also gives biopharma the incentive to innovate and provides support for the industry's contributions and mission to provide valuable, life-saving therapies. Trust is critical: companies should make deliberate strategic choices to build trust and to enable quick responses when challenges arise.

In January 2021, Deloitte's US and UK Centers for Health Solutions conducted

consumer research in four countries—the United States, United Kingdom, India, and South Africa. Some of the key questions we sought to answer were:

- What does "trust" mean to consumers and why is it important?
- What are the reasons for distrust?
- How much do consumers in the United States, United Kingdom, India, and South Africa trust biopharma companies, and what issues does biopharma face in each country when it comes to trust?
- How can companies build trust among consumers?

Across all four countries, focus group participants were generally in agreement on most questions, although we highlight some where there were large differences.

In discussions with biopharma public relations professionals, we heard strong



support for companies investing in opportunities to build trust with patients and the public using a variety of approaches that are consistent, responsive, and build upon each other. These include:

- Elevating—and humanizing—leaders in the industry, especially CEOs, but also chief scientific officers and other scientists who work for the companies and have a strong sense of purpose
- Developing partnerships with patient groups, doctors, nurses and pharmacists, and other organizations that can help provide useful information about products, as well as to share what companies are doing to make drugs accessible.
- Designing experiences that proactively communicate and quickly respond to consumer complaints—in a timely fashion and through appropriate channels—in ways that comply with regulations

• Devoting more effort to support communications that explain complex science to the public

• Calling out "bad actors" collectively in a timely manner to demonstrate accountability for behaviors or practices that are not representative of how the rest of the industry wants to operate

Methodology

In late January 2021, Deloitte's US and UK Centers for Health Solutions conducted four separate, anonymous, digital focus group discussions using a convenience sample of 60 consumers in each of the following countries: the United States, United Kingdom, India, and South Africa (total N=240). Each session was an hour long and was conducted in English.

Participants were recruited through an established vendor using vetted panels.

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Livestock of the XXI century in Latin America

Deloitte's report, *Developing a Sustainable Agriculture Sector in Latin America*, addresses the livestock sector's great responsibility for climate change and explains how adequate management can play a key role in reducing carbon dioxide emissions.

Livestock farming is essential for most countries in Latin America, as it is one of the main export sectors and represents the basis for the food security of the population. However, currently, the sector is responsible for 20% of greenhouse gas (GHG) emissions, one of the main causes of global warming. Innovative methodologies are therefore required to successfully balance the complex link between climate change, food security and the sustainability of field work.

Climate-smart agriculture, or as it is known in English, climate-smart agriculture, is a new approach to the sector that contributes to solving the current problems of the agricultural sector, as it allows to identify and propose strategies that are in line with local, national and international needs, while taking into account

opportunities to positively impact climate change.

Moreover, in the face of the COVID-19 pandemic, which has highlighted the concern for food security and the fragility of economic systems in Latin America, it is essential to focus efforts toward sustainable agricultural production models.

Every year livestock has a greater impact on the environment

The Food and Agriculture Organization of the United Nations, states that the main biological problems caused by livestock farming are linked to land degradation by overgrazing, deforestation as a result of land expansion for cultivation and rangelands, GHG emissions (mainly carbon dioxide and methane), as well as pollution



associated with the regression of mixed agricultural systems and the increase in intensive livestock systems.

For its part, the study Feeding the world sustainability notes that more than one fifth of the world's GHG emissions come from the agricultural sector, mainly from livestock farming; and it estimates that, if significant actions are not taken, emissions could increase by 15 to 20% by 2050.

How can livestock reduce its environmental impact?

According to Deloitte's report, the approach to climate-smart agriculture is based on efficient and productive agricultural techniques to reduce the sector's

environmental impact, substantially reduce carbon dioxide emissions and produce healthier foods. The main actors in the agro-industrial sector at the global level have reached a consensus on the most impact measures to minimize GHG emissions from the livestock supply chain.

In this sense, grazing lands are critical, as grasslands and foliage contribute to mitigating global climate change by using plant photosynthesis to store CO2. This creates a virtuous circle of regeneration, productivity and profitability in livestock farming.

Another mechanism that significantly increases carbon capture in soil is livestock management through short-lived,

high-density grazing. The process consists of replacing long periods of continuous grazing with intensive grazing programs, over a short period and with high animal density.

In order to achieve successful execution, it is important to identify the optimum number of potreros based on the livestock load, regardless of the size of the holding. As a result, the productivity and sustainability of grasslands and livestock are improved, while the capture of carbon dioxide per area increases from 30 to 50 percent.

Additionally, most methane emissions from manure come from large-scale livestock production pens. To respond to this situation, GHG mitigation options exist through methane capture with the use of biogas collectors to cover manure storage facilities. This brings as a benefit that captured methane can be burned or used as a source of energy.

Dairy farms currently use a large amount of fossil fuel. This energy is used at different stages, especially in milking, cooling and milk storage, as well as in water heating, lighting and ventilation. Therefore, these places have great potential to increase their energy efficiency through climate-smart agriculture. ●

Stop eating meat?

Deloitte's study concludes that, as the agricultural industry is an important source of GHG emissions, it is common to find a lot of information or messages that discourage the production and consumption of meat and dairy products, key products in Latin American economies and food. However, all of the above-mentioned measures constitute a new and favorable ecosystem for the sector, since, while seeking to meet the world's food needs, they promote efficient reduction, even more than in other industries.

At the end of the day, for the citizen who really wants to have a significant impact on the environment, stopping eating animal products is not an impressive measure.

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It is important to identify the optimal number of paddocks based on the livestock load, regardless of the size of the holding.

Development of a Sustainable Agricultural Sector in Latin America

Today, six years after the adoption of Agenda 2030 and the Sustainable Development Goals (SDGs) that make up it, there are still many challenges to be overcome, globally. The food system, as it currently operates, does not fulfill its main purpose, because production and consumption are not sustainable.



Sustainable trends in agribusiness in Latin America production and consumption are not sustainable.

Much has been written about how to replace or reduce livestock production, which, in Latin American economies, is one of the pillars of the export and domestic consumption segments. Much less research has been done on how livestock farming can be carried out in a sustainable manner compatible with the reduction of greenhouse gas (GHG) emissions. With this document we seek to bring more information about this latter approach.

Today, six years after the adoption of Agenda 2030 and its Sustainable Development Goals (SDGs), there are still many challenges to be overcome globally. The food system, as it currently operates, does not fulfill its main purpose, because production and consumption are not sustainable.

The vast majority of efforts to reduce hunger and malnutrition have been made at the expense of human health and the well-being of the planet. Current figures show that 2.1 billion people are obese or overweight, while 820 million suffer from hunger or malnutrition. On the other hand, according to a recent study by the University of Oxford, more than one fifth of the world's GHG emissions come from agriculture and about 20% of the global carbon footprint comes from food production of this type. Thus, being this industry the second most polluting in the amount of emissions, it is common to find information or messages that discourage the production and consumption of meat and dairy products, key products in Latin American economies and food.

As the population continues to increase and the need for food continues to grow, emissions are estimated to increase from 15% to 20% by 2050, unless their origin is actively addressed. To mitigate the effects of climate change, limit its impact on regional economies and ensure greater food security and nutrition, improving and introducing new sustainable practices within the sector becomes a key factor. In addition, in the face of the COVID-19 pandemic, which has highlighted the concern for food security and the fragility of the agricultural sector systems and economies in Latin America, it is essential



to focus efforts toward sustainable agricultural production models. to create a significant impact on the environment, the economy and society.

In this regard, production systems in the agribusiness industry have to face, simultaneously, three interrelated challenges: 1) Increase productivity to meet the food demand of the population and ensure food security while increasing their incomes in a sustainable manner; 2) strengthen resilience to the effects of climate change; and 3) contribute to alleviating the 1.5°C increase in the global average temperature, in accordance with the objectives of the Paris Agreement.

In order to achieve compliance with the latter, as well as with Agenda 2030, and to promote changes in the current food system that will enable us to meet the above challenges, innovation will be essential, from an operational point of view, as well as the search for financing through sustainable instruments or "impact investments".

Conclusions

At Deloitte, we believe that it is necessary to begin to form a new ecosystem for the agricultural sector, in order to mitigate the increase in GHG emissions in the sector and, at the same time, to meet the world's food needs.

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