

Jaguar: adapting to survive, or covering its tracks?

Following an emissions blunder costing millions, and accusations of using illegally deforested leather, the UK's largest car manufacturer is doubling down on its Destination Zero agenda. But as its new CEO gets comfortable, Jaguar Land Rover will have to move beyond greenwashing.

Temps de lecture : minute

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On 15 December, [InMotion Ventures](#) - the venture capital arm of Jaguar Land Rover (JLR) - announced an investment into 'traceability-as-a-service' expert [Circular](#). Circular uses blockchain to increase transparency in supply chains; with a mix of GPS, biometrics and QR codes, it aids firms in tracing raw materials at every stage of the production process. It can reach and verify parts of automotive supply chains that are currently obscured.

Why Circular, and why now? Apparently, this investment will see JLR sourcing its premium materials with greater transparency, and therefore with greater consideration for ethics and the environment - welfare, origin and regulatory compliance - in mind.

Circular is already working with Volvo to make sure the cobalt the Swedish brand uses in its electric vehicle batteries is sustainably sourced. This will be a concern for JLR also, as InMotion MD Sebastian Peck suggests in a recent [Medium post](#), but its first concern will be to deal with the major issue of where the leather used to furnish vehicles comes from.

Paraguayan leather and illegal deforestation

This investment announcement - as well as another pledge to work with Econyl® Nylon 'to develop high-quality interiors [read: floor mats and trims] made from ocean and landfill waste' - comes in the months following a worrying report released by environmental organisation Earthsight. Earthsight raises concerns about JLR's leather, connecting it to illegal deforestation in the Gran Chaco region of Paraguay.

It alleges that both JLR and Germany's BMW are complicit in the illegal clearance of what is a crucial ecosystem - home (ironically) to imperiled jaguars, as well as the uncontacted indigenous Ayoreo Totobiegosode group.

Cattle ranching firms have cleared swathes of land to meet demand for (beef and) leather, much of which was traced by Earthsight to Italian tannery Pasubio. JLR has historically been Pasubio's largest customer. Likewise, Earthsight visited implicated tanneries in Paraguay itself; at one such location, workers boasted of providing raw materials for the Range Rover Evoque. Jaguar did not dispute the claim they sourced materials from this tannery.

FIGURE 7

How ranches involved in illegal deforestation in indigenous lands are connected to major car firms



According to Earthsight,

'[JLR] has no deforestation policy and did not answer questions regarding the level of traceability it has for the leather it uses. It did admit to using some leather from South America but said that in Brazil its supplier has a system for ensuring sub-suppliers don't buy animals from farms involved with deforestation.'

Prior to publication, JLR told Earthsight:

"We take allegations of unlawful or unethical behaviour within our supply chain extremely seriously and have taken immediate action to investigate the points you have raised with the relevant suppliers."

In a statement to *The Independent* on the day of the report's publication, JLR added: "We have not as yet found evidence to verify Earthsight's claim that the individual ranch has been illegally cleared, nor that its hides are in our supply chain."

Since then, not much by way of public comment. Until news of the investment in Circular, coupled with a statement from Sebastian Peck.

"This investment is further evidence of Jaguar Land Rover's commitment to improving the

sustainability of its supply chain around the globe, and will help authentically trace raw materials from origin to supplier, eventually to vehicle. The implementation of blockchain technology provides a great opportunity to make a systemic change in supply chain compliance, not just for the automotive world but for other industries, too.”

The problem of opaque supply chains plagues the entire automotive industry, not just JLR. Earthsight could not find a single major car manufacturer with a policy on leather sourcing impact - and is therefore clear that its findings are just the tip of the iceberg.

And equally, Circular carries a large amount of credibility as an organisation; featured by the likes of *Business Insider*, *Bloomberg* and *Raconteur*, it states it can be used ‘to track the provenance of any material, such as palm oil, cotton, beef and timber, allowing users to demonstrate sustainable sourcing and recycling practices.’ It also published a blog post a couple of weeks ago on ‘Why beef and soya farming must change to tackle Amazon deforestation’. Its partnership with JLR looks set to be fruitful.

Is JLR a green company?

However, Jaguar’s reluctance to acknowledge such an obvious failure - painting partnership with Circular rather as “further evidence” of a commitment to environmental justice - is disappointing. It’s hard to see how leather, which is more an enabler of carbon and methane intensive beef production than a byproduct of it, can be part of a sustainable future - however it is sourced. And JLR’s evasiveness suggests there might just

be some greenwashing going on.



A glance at InMotion's portfolio of 18 suggests Circular is the first sustainability-centric startup it has invested in - beyond a few ride-sharing apps. This, while emissions reduction and electrification emerges as one of the top challenges facing the automotive industry this decade. JLR itself acknowledged 'emissions compliance and regulatory change with increasing environmental activism' as global challenges in a presentation last year.

Overall, the British car manufacturer's green history is a chequered one. Its vision for a future with zero emissions, accidents and congestion - Destination Zero - is admirable. As too is its increasing range of electrified products, including the world's first premium electric SUV in the Jaguar I-PACE. By working with Econyl® Nylon and upcycled aluminium, it's showing signs of engagement with the circular economy. JLR's vehicle

manufacturing process is also carbon neutral, thanks to solar and LED technologies and carbon offsetting projects largely across Africa and Asia.

But a clean manufacturing process doesn't cancel out the impact of the end result, and carbon offsetting shouldn't be used as a get-out-of-jail-free card. It's necessary, but in no way a substitute for decarbonisation; it's a way for those with cash to 'buy time' when really we know buying time is impossible when it comes to the climate crisis.

I took a look at popular job review site Glassdoor to see what employees (both disgruntled and enamoured) were saying about JLR. Though I'm reluctant to refer to any one review as 'proof', the overall mood suggests a "this is how it's always been" approach. Multiple reviews call out JLR's backwards and 'behind on the times' outlook - with some even explicitly referencing a policy of 'greenwashing'.

Time to evolve

Last November, Bloomberg noted that 80% of the vehicles JLR sold in Europe ran on diesel, and that an even higher percentage were SUVs. Diesel has fallen rapidly out of fashion following Volkswagen's diesel dupe in 2015, and the production of new petrol and diesel cars will be banned in the UK from 2030. And as *Bloomberg's* Chris Bryant continues, the SUV boom 'has contributed to a rise in average carbon emissions from carmakers over the past year or two.'

Because Land Rovers and Range Rovers are much heavier than normal cars, they emit more carbon dioxide. While some models have been electrified, rolling out electrification will be difficult because of integral SUV properties.

'We have a growing portfolio of electrified products across our model

range, embracing fully electric, plug-in hybrid and mild-hybrid vehicles, as well as continuing to offer the latest diesel and petrol engines, giving our customers even more choice', says JLR. But consumers don't need 'choice', they need a roster replete with vehicles fit for a net-zero future.

And as 2020 draws to a close, the environmental group Transport & Environment has indicated JLR's CO2 levels are 10% behind where EU rules say they need to be. It's now facing the consequences of being slow to electrify its fleet, with an emissions discrepancy emerging at the midnight hour of this year's Range Rover Evoque and Discovery Sport hybrid roll-out. Volkswagen - for whom this kind of mismatch is not unfamiliar - is in the same boat. It's currently estimated that Jaguar will have to pay £90M of fines for missing these targets.

This is a blow for a financially precarious company - one that lost £422M pre-tax in the year ending March 31 2020 and £3.6B the year before. Now reeling in the aftermath of COVID-19, Jaguar has been granted money for a 'green economic recovery in the automotive sector' by the UK government. We must hope that Thierry Bolloré, who took over as CEO in September, will channel this towards Jaguar's own green economic recovery.

InMotion's investment in Circular is a positive first step - but JLR will struggle to move forward if it won't admit past error. Traceability in supply chains is essential for environmental justice, but so too is genuine will to change based on what transparency allows you to find.

Perhaps the voluntary approach has already failed, in which case, as Earthsight suggests,

"If these industries are to do what is right, governments will need to make them."

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