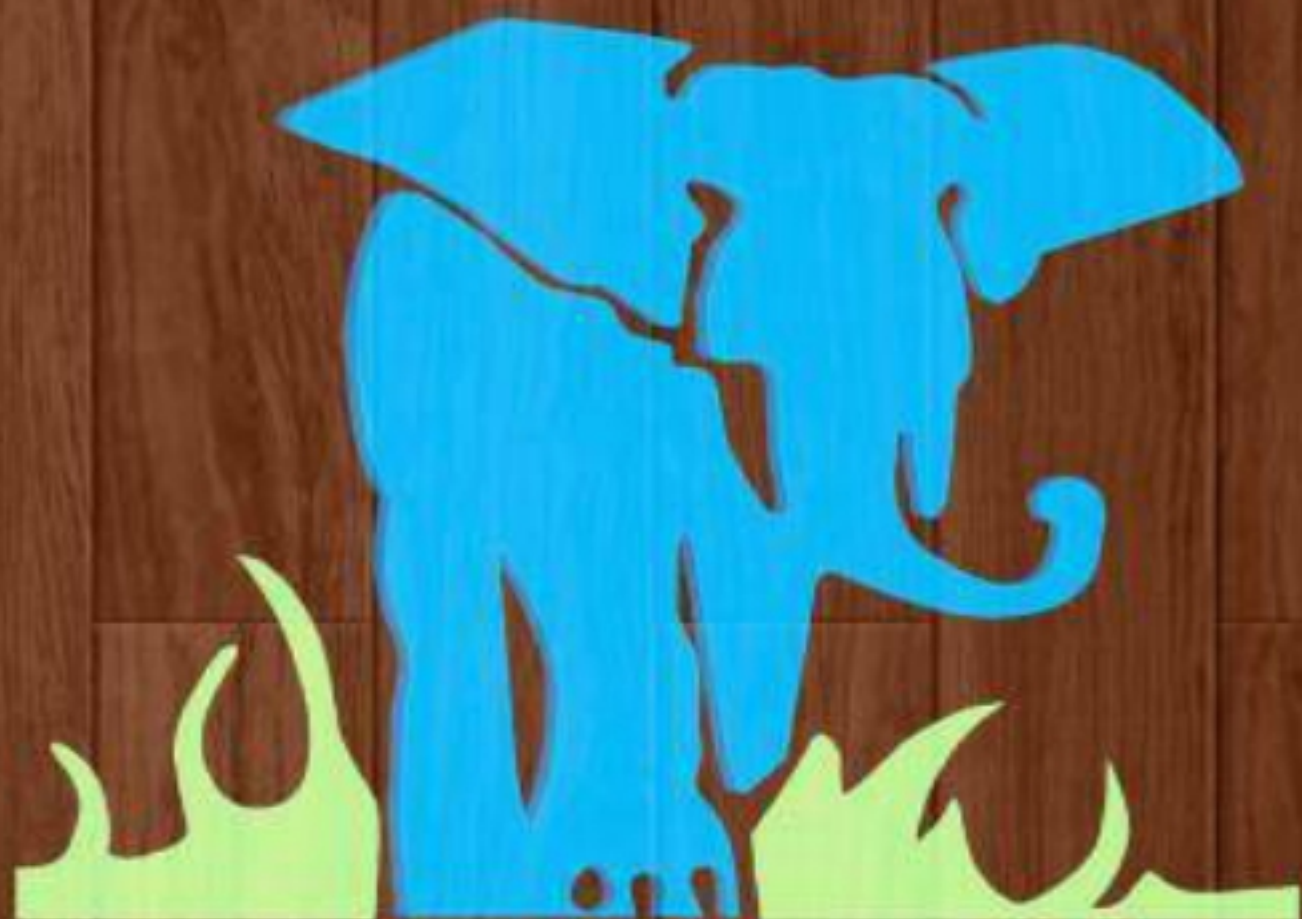


Pollution Investigation into #1 Home Goods Brand

# Power Dekor : A "Green Supply Chain", True or False?



PECC

IPE

April 2018

# **Does Power Dekor Really Have a ‘Green Production Chain’?**

## **Pollution Investigation into #1 Home Goods Brand**

**Institute of Public & Environmental Affairs**

**April 2018**

In 2017, Lvse Jiangnan received complaints from a number of residents in Danyang, Jiangsu Province. The residents complained that enterprises in Daya Wood Industrial Park in Danyang Economic Development Zone (hereinafter referred to as “Daya Wood Industrial Park”) discharged pollution during the production of Power Dekor floorboards, affecting the livelihoods of the neighbouring residents.

Lvse Jiangnan and IPE have subsequently conducted an investigation into the environmental pollution issues there.

- **Daya Wood Industrial Park in Danyang Economic Development Zone hosts multiple Power Dekor enterprises**

Power Dekor, the centre of the public complaints, happened to be the core products of Dare Power Dekor Home (hereinafter referred to as “Dare Power Dekor”). Dare Power Dekor belongs to Dare Science & Technology Group (hereinafter referred to as “Dare Global”, listed company in the Shenzhen Stock Exchange), its main business comprising the production and sale of artificial and wooden floorboards.

Dare Global’s website states that the group has constructed eight internationally renowned artificial floorboard production lines and processing production lines for strengthening floorboards, real wood floorboards, standard wooden doors, wardrobes, and kitchen cupboards. These constitute a complete value chain for the products, from the forest base through to the production and sale of the final product.

Comparing the list of its subsidiaries published in the 2017 Dare Global annual report against the National Enterprise Credit Information Publicity System, the environmental groups identified a number who resided in the Daya Wood Industrial Park. Among them, Dare Power Dekor’s subsidiary companies primarily engage in the production of artificial boards, floorboards and furniture. These employ the processes of timber steaming, stove drying, crushing etc., as well as the usage of glue.

- **Dare Global environmental violations and public complaints**

In March 2018, Lvse Jiangnan conducted several on-site investigations into Daya Wood Industrial Park, and interviewed residents in Dawuxiang village, Southeast Xincheng community and Luxiang village, to understand the pollution conditions and the impact on their lives.

A search in the Blue Map Database ([www.ipe.org.cn](http://www.ipe.org.cn)) indicates that many of the subsidiaries published in the 2017 Dare Global annual report had environmental violations.

Enterprise	Environmental violations
Dare Artificial Panel	2016: public complaints regarding exhaust discharge 2016: the upgrading project for producing floor boards did not carry out the “three synchronizations” requirement for EIAs (the facilities for construction project pollution prevention were not designed, built, and put into operation at the same time as the main project processes) 2015: exhaust discharge resulted in pollution
Dare Jiangsu	2016: the upgrading project for producing floor boards did not carry out the “three synchronizations” requirement for EIAs (the facilities for construction project pollution prevention were not designed, built, and put into operation at the same time as the main project processes)
Dare Science and Technology	2016: the upgrading project for producing floor boards did not carry out the “three synchronizations” requirement for EIAs (the facilities for construction project pollution prevention were not designed, built, and put into operation at the same time as the main project processes)
Dare Zhaoqing	2016: the project for producing fibre boards did not carry out the “three synchronizations” requirement for EIAs (the facilities for construction project pollution prevention were not designed, built, and put into operation at the same time as the main project processes)
Dare Jiangxi	2015: Illegal discharge of wastewater in order to evade supervision

Among these, the violation record of Dare Artificial Panel originates from the “Follow-ups on the environmental inspection” issued by Zhenjiang Environmental Protection Bureau on July 26<sup>th</sup> 2016. The document indicates that the testing between June 5<sup>th</sup> and 7<sup>th</sup> show no signs of over discharge and that the newly constructed exhaust air treatment facilities are in full operation. In spite of this, the document also notes that the scents from the wood can turn into odours after the steaming and boiling processes esp. in rainy or low-pressure days.

Public complaints towards the Dare Artificial Panel continues all the way to 2017. On September 4<sup>th</sup> 2017, a netizen posted on a forum that “whenever Dare discharges exhaust, the whole development zone and city center falls within the harmful zone, so much so that smelling the foul stench makes people want to vomit”. Danyang Environmental Protection Bureau confirmed the complaints on the forum within the same day.

- **Power Dekor: does it really live up to a green production chain?**

Dare Global owns “Power Dekor” floorboards and “Dare” artificial boards. According to Dare Global’s 2017 annual report, the “Power Dekor” brand has become the core and the most valuable invisible assets, selling a total of over 600 million square meters and used by more than 15 million households. It was also listed as the top furniture brand in “China’s 500 Most Valuable Brands” assessed by World Brand Lab in 2017. (“Dare” artificial boards was similarly rated as the top artificial floorboard producer of 2017).

In its marketing promotions, Power Dekor has consistently placed emphasis on “green production chain”. Its website includes a “green production chain” module, and asserts that Power Dekor “uses green production chain tactics to make green products, guide green consumption, create green life practices, and lead the industry towards healthy development”. In its 2017 annual report, Dare Global also declares that “all of the Dare Global products are in accordance with green environmental standards, and you can sense the ‘healthy, green, and sustainable’ ideal in every detail. We are also constructing a green production chain, in which raw material processing, manufacturing, research and development, design, marketing and service all take into account the concept of environmental protection”.

This however, poses a stark contrast to what we have seen and heard during the on-site investigation, as well as the environmental violations and the public complaints listed above.

On April 8th 2018, we sent a letter to “Dare Science & Technology Group”, with the hope that it could verify and respond to the problems raised by the environmental organisation, and reduce the negative impacts the emissions discharge generated on the local residents. As of 17th April, no response was received.

On April 9th, Power Dekor staff made the initial contact with us following the request from its brand customer but did not follow up with any concrete actions.

We call for consumers and real estate developers who consume Power Dekor products to pay attention to the negative impacts the discharge of exhaust air generated on surrounding communities. We trust that only those brands who conduct green production can provide consumers with floorboard products that genuinely adhere to the ideals of being healthy and green.

*Note: To read the full report, please refer to the [Chinese version](#) on the IPE website.*

*English Translation Accuracy Disclaimer: This summary has been translated by IPE for the purposes of reference only. If any questions arise related to the accuracy of the information contained in this translation, please refer to the Chinese version of the report, which is the official version of the document. Any discrepancies or differences created in the translation are not binding and have no legal effect for compliance or enforcement purposes.*