



**Vladimir Krupchak:**



*Arkhangelsk Pulp and Paper Mill is a responsible forest user. Careful analysis of forest stocks for logging planning is what ensures our sustainability*

Page 5

**Ivan Sovetnikov:**



*Digital technologies are no longer a necessity, they are an indispensable part of life. And forestry is no exception*

Pages 6-7

## Forestry Sector: Human Resources are Key

**As with any industry, sufficient human resources are prerequisite to the successful progress of the timber businesses. The issues of qualified manpower are still high on their economic and social agendas.**

### There is a question to be answered

The forestry enterprises' staffing needs have been recently discussed by an extraordinary meeting of the Forest Council under the Governor of Arkhangelsk Region, held in the Ustyansky District and contributed by state authorities, parliamentarians, area's leading logging and timber processing companies, training providers, Federal Forestry Union's office for Arkhangelsk, and Arkhangelsk Region Union of Timber Producers.

"Forestry industry is key to the area's economic progress," said Alexander Tsybulsky, Governor of Arkhangelsk Region, in his opening speech. "Our forestry council is designed to bring together the interests of the forestry stakeholders and will be working towards optimal solutions for further the development of timber industry."

Arkhangelsk region's timber sector currently employs 25,000+ people, their average age being 50 years and the trend is towards further ageing.

There are forestry schools in the area, but their graduates seem unwilling to do the jobs

they are trained for. And the reason is not only wages, which are higher than the average wages across the local industries. The fact is, modern youth places high demands on occupational and recreation conditions, career growth, and professional development.

As was noted by Arkhangelsk Governor, the current approach to personnel training should to be changed. The potential shortage of specialists can become a big problem for the timber companies in the future. According to Arkhangelsk Ministry of Natural Resources and Forestry, the understaffing of Arkhangelsk Region's forestry businesses can be as high as 5,000+ in 2028.

### Burning issues

Dmitry Zylev, Director General at Arkhangelsk Pulp and Paper Mill, mentioned in his comment that there are a number of challenges in forest industry whose solution require the support from state authorities. There is increasing competition among employers on the forestry labor market, including among the enterprises of related specializations, and many practice relocation policies, i.e. hiring personnel from other parts of the country.

Especially acute is the shortage of qualified engineering personnel, process engineers, mechanics, programmers, craftsmen, and skilled

**In a few years' time, the understaffing of Arkhangelsk Region's forestry businesses can be as high as 5,000+**

workers – fitters, electricians, machine operators.

Despite their efforts to increase automation and enhance occupational environment, the forestry enterprises can't say they have sufficient influx of younger employees. Modern man seeks comfort, which logging sites can't boast. Located in rural areas, they offer housing, social and information infrastructures that do not live up to younger people's expectations. The situation is further aggravated by the outflow of able-bodied population.

With lacking internship opportunities, modern machinery and equipment, schools are often unable to equip learners with hands-on skills in working specialties; fresh graduates acquire them through learning by doing when they enter the workplace.

### Hand in hand with education

In this context, Arkhangelsk Pulp and Paper Mill (JSC), Sawmill 25 (JSC) and Titan LLC, whose subsidiary businesses share the staff size of about eight thousand, are doing their best to avoid staff shortage.

To provide themselves with ample personnel reserve for vocational professions, they are



APPM daily

# Government Committee on Forestry

The Chairman of the Government of the Russian Federation, Mikhail Mishustin, issued his official instruction to set up the Government Committee on Forestry. Among its members is Dmitry Zylev, AP-PM Director General.

## Familiar names

The newly created committee is headed by Deputy Prime Minister, Victoria Abramchenko, who oversees state policy issues in forestry sector. Assisting her in this post are two deputy chairmen – Alexander Kozlov, Minister of Natural Resources and Environment, and Oleg Bocharov, Deputy Ministry of Industry and Commerce. The duties of executive secretary are entrusted to Deputy Ministry of Natural Resources and Environmentm Sergey Anoprienko.

The committee has more than 40 members, including Alexey Chekunkov, Minister for the Development of the Far East and the Arctic; Anatoly Suprunovskiy, Deputy Minister of Emergency Situations; Deputy Ministers of Economic Development Vladimir Ilyichev and Ilya Torosov; Deputy Finance Minister, Irina Okladnikova; Deputy Minister of Construction, Nikita Stashin; head of Federal Forestry Agency, Ivan Sovetnikov; and officials representing other departments and the Federal Assembly of the Russian Federation.

## Plenty of tasks

The committee is tasked with ensuring the interaction between government



**The RF Government Committee on Forestry has more than 40 members representing state authorities, research and business community**

authorities, research organizations and entrepreneurs engaged in forestry and industry development. Its agenda will be focused on forest protection, fire oversight, illegal logging and timber trafficking, adverse factors prevention, ecological potential restoration, provision of modern forestry machinery, and ways to increase profitability of forest industry.

The committee is going to meet as necessary, but not less than once every quarter. Decisions will be made by a simple majority and open vote.

Proprietary information

## News

### REFORESTATION TECHNOLOGIES

Arkhangelsk Region's Unified Forest Fire Protection and Prevention Center has received its final shipment of forestry equipment and machinery provided as part of the regional project Forest Conservation, a sub-project in the umbrella project Ecology.

Two fully-equipped tracked vehicles Onezhets TDT-55 arrived in the end of summer. They have safely reached their final destinations – Bereznik and Verkhnyaya Toima, where the Unified Forest Fire Protection and Prevention Center has its offices – to be used for forest regeneration purposes.

"This year, the national project Ecology purchased nine forestry tractors and 27 items of special equipment for reforestation purposes in the Pomorland," commented Igor Muraev, Arkhangelsk Minister of Natural Resources and Forestry. "The procurement has been fully implemented. Its expenditures, funded by federal and regional sources, exceeds 32 million rubles."

Materials kindly provided by Arkhangelsk Ministry of Natural Resources and Forestry

## Feature



Alexander TSYBULSKY, Governor of Arkhangelsk Region:

The Forestry Council meeting under Arkhangelsk Governor will have as its main deliverable the forestry training action plan, based on the results of this recent session. This action plan will form part of our baseline personnel strategy. It is only right that we have started discussing the personnel reserve issues and thus gained a wider picture of the state of things and prospects as seen by fundamental education providers and practicing businessmen.



Continued (page 1)

### CARDBOARD SALES ON THE INCREASE

According to the Russian Cardboard Market Analysis Report, there has been a 3.0% increase in carbon sales from 2.33 million tons to 2.40 million over the period from 2016 to 2020.

Before 2019, cardboard sales grew by 0.5%–4.5% per year. In 2018–2020, their increase was caused by the steadily growing demand in packaging cardboard from the manufacturers of corrugated cardboard, corrugated packaging and packaging materials based on other grades of cardboard. At the same time, the sales measured in units of area are growing faster than those in weight terms, since the average weight of 1 m<sup>2</sup> of cardboard-based products tends to reduce.

Cardboard is becoming an increasingly popular material. It is a common packaging material for a variety of products ranging from household chemicals to furniture to cosmetics to food. Manufacturers are using different types of cardboard as transport containers. Lightweight but dense, cardboard is convenient to decorate and, most importantly, it's eco-friendly.

The coronavirus pandemic and the restrictive measures it entailed, have led to a decline in the consuming industries and a reduced demand in cardboard for construction, filtering and other applications.

At the same time, the demand in packaging cardboard was growing (to 2.12 million tons in 2020), caused by the increase in the delivery services during the pandemic. But, with the decline in the demand for other types of cardboard, the total cardboard sales have shown negative dynamics.

In Russia, the internal consumption of cardboard is considerably lower than in the developed countries, so there is a certain potential for market growth. Between 2021 and 2025 cardboard sales are expected to be growing in Russia at a steady pace (0.3% to 0.9% per year) – to 2.47 million tons in 2025.

On the Russian Federation's cardboard products market, Arkhangelsk Pulp and Paper Mill, JSC is the leader. Its daughter Arkhbum, JSC – a member of the vertically integrated Pulp Mill Holding – has an annual output of about one billion square meters of corrugated packaging.

Source: Businessstat

cooperating with Novodvinsk Industrial Vocational School and Novodvinsk Secondary School No. 1 in career guidance and with M.V. Lomonosov Northern (Arctic) Federal University in engineering training. In place is the cooperation agreement between Arkhangelsk Pulp and Paper Mill and NARFU in the field of pulp and paper research and development. One more cooperation agreement is towards enhanced human resources for the Arctic Zone of Russia. These documents provide for proven forms of interaction that involve, among other things, internship opportunities and onsite tours. APPM's industrial premises host NARFU Department of Pulp and Paper Production Technology.

"This industrial base is of great benefit for the research community," said Alexander Guryev, professor at NARFU Higher School of Natural Sciences and Technologies' Department of Pulp and Paper and Wood Chemistry. "It is also a good opportunity for undergraduate and postgraduate students to experience the workplace, see technologies in action and review design and engineering documentation. This cooperation involves also applied research. The APPM-hosted department operates a laboratory that has been productive enough to achieve some good developments that are being implemented by domestic pulp and paper mills.

Arkhangelsk Pulp and Paper Mill operates a lifelong learning system called The Steps – the logically arranged sequence of career guidance activities that unfolds through "preschool – school – university – mill" scheme. In this scheme, APPM acts as a provider of mentors for young learners, advanced training, retraining, and roles in its in-house projects.

At Novodvinsk Secondary School No.1, there is a class with concentration in forestry. Its curriculum has an extended course in pulp and paper production and nature conservation, and is implemented with considerable support from APPM. Time itself calls for authorities, employers and schools to pool together their efforts towards increasing the prestige of timber industry and encouraging young people to pursue careers in forestry. By cooperating with schools, Arkhangelsk Pulp and Paper Mill and Titan Group have set themselves on the right path.

### Betting on young people

There are more tools available to Arkhangelsk Pulp and Paper Mill for re-

taining its younger employees. Six years ago, APPM started a corporate non-profit project called "Housing for Young Professionals". The project is allocating funds in support of the municipal sub-program "Housing for Young Families", which offers families under 35 the preferential right to housing certificates.

Since 2016, "Housing for Young Families" has received from APPM a total of more than RUB 20 million and provided housing to 100+ families with members employed by the area's primary tax-payer.

"We are raising the pay floor for our employee every year," commented Dmitry Zylev. "APPM is doing its best to create career prospects for its younger employees, but we need to be supported by the state. It is evident today that the tasks of retaining people and increasing personnel reserve can be achieved only through collaboration between the state and the business community.

Pavel FASONOV  
Photo by Sergey SYURIN



Time itself calls for authorities, employers and schools to pool together their efforts towards increasing the prestige of timber industry and encouraging young people to pursue careers in forestry.



### PERSPECTIVE FOR STUDENTS

As part of its program titled Perspektiva (Perspective), Arkhangelsk Pulp and Paper Mill awards scholarships to best-performing students of Novodvinsk Industrial Vocational School and M.V. Lomonosov Northern (Arctic) Federal University, majoring in Industrial Heat Power Engineering, Electric Power Engineering, "Production Process Automation, Process Machinery and Equipment, Chemical Technology, Power Supply. The scholarship comes with guaranteed employment by APPM.

## Fact

# For excellence

Last August, Arkhangelsk Pulp and Paper Mill joined the town of Novodvinsk for its birthday celebrations. The paper-making town turned 44 years old.

The festivities hosted the award ceremonies celebrating the success of the best citizens and organizations. The Bumazhnik editorial office was awarded the badge of distinction "For Distinguished Service to Novodvinsk Municipality".

This distinguished service badge recognizes contribution to journalism and publishing, celebrating the many years of fruitful work covering the events and performance of Arkhangelsk Pulp and Paper Mill and Novodvinsk. And more so – the badge has sequential number "two". The first one was awarded to the staff of Arkhangelsk Pulp and Paper Mill JSC in 2020.

"Novodvinsk is still young and beautiful. It is a community of good people," said Sergey Andreev, the head of Novodvinsk urban district. "It maintains a vibrant life style, enjoying a variety of cultural and social events."

As was noted by editor Elena Zakharcheva, in covering the events and performance figures of APPM, Novodvinsk, Pomorland, and the entire timber sector for 85 years now, the Bumazhnik lays special emphasis on people. Objective presentation, true-to-life accounts, and proficiency of authors have always been key to the professional success of this newspaper.

Over the years of its existence, the team of the Bumazhnik came up with a number of notable publishing projects. Their two books – The Birth of a Giant. 1934–1940 and Time of Valor. 1941–1945 have won many prestigious awards, including two "Book of the Year" prizes from Arkhangelsk Region, and the Lomonosov Prize. The Bumazhnik has a supplement, Bumazhnik Business, which has already earned a reputation as a competent timber industry news outlet.

Pavel FASONOV





## Relevant

## Oleg Rusinov, Arkhangelsk Minister of Education: Regional HR strategy

Work is currently in process to elaborate Arkhangelsk Region's personnel strategy, following the instruction from Governor Alexander Tsybulyk. The strategy relies, among other things, on labor market analysis and may lead to changes in the region's order for occupational qualifications and vocational training frameworks.

### Professionals wanted

"It is fundamentally important for the government of the Arkhangelsk Region that vocational education and training sector receives a new impetus," commented Arkhangelsk Minister of Education Oleg Rusinov. "The gap to be filled in the first place is between real economy needs and training programmes."

Employer involvement is key. Employers have an important role in the training process by helping to make programmes more hands-on and practice-oriented, designed to help fresh graduates to adapt faster to their workplace. Our graduates should be equipped with skills that the market looks for in the first place. They should be able to operate modern technologies in timber sector.

In dealing with this large-scale task, Arkhangelsk Region makes use of the resources available to WorldSkills Russia career guidance movement. WorldSkills is designed to popularize working professions among young people by hosting, under the auspices of the national project "Education", dedicated championships.

Participation in such competitions is a good opportunity for the vocational



schools in Arkhangelsk province to modernize their material and technical base. As part of their preparation for participation in the championships, the schools have received several hundred million rubles.

### Mechanisms and practices

The majority of local municipalities have at least one vocational school. The list of the professions that the vocational school students are trained for is quite

long and includes drivers, repairmen, harvester operators, electric and gas welders, turners, millers, among others.

In the present-day world, employers, and especially large ones, should be seen as rightful creators of the educational process. They should be given access to all areas of vocational schools' activity, including the portfolio of majors; material and technical facilities; and elaboration of the training programs. The vocational training system, on its part, should be given access to public-private partner-

## Press dossier

Oleg Vladimirovich Rusinov was born in 1963. After completing his higher education degree, he worked as a teacher of history and social studies at Secondary School No. 1 in One-ga school district. Oleg Rusinov has 23 years of experience as a faculty member at M.V. Lomonosov Pomor State University where he worked his way up to Vice-Rector for academic affairs. Subsequent years saw him in charge of the department for enhancing public governance in the regional administration and, in parallel, deputy head of the regional administration. In January 2021, Oleg Rusinov was appointed Minister of Education of Arkhangelsk Region. Oleg Rusinov holds PhD in History.

ship as a mechanism for compensating the employer's personnel training costs. That said, the area's vocational training system stands prepared to respond quickly to the market needs.

The Novodvinsk Industrial Vocational School boasts one of the best practices of interaction with anchor employers – Arkhangelsk Pulp and Paper Mill, JSC and Titan Group. One project they are running together is called Multiservice Center for Applied Qualifications, designed to train learners for some of the highly sought-after jobs and to provide retraining and advanced training to those who are already hired.

APPM and Titan Group continue to make tangible contributions to Novodvinsk Industrial Vocational School by providing the lacking equipment. For several years in a row, the mill has been providing funding for students' study trips to some of the best equipped pulp and paper mills globally, while the highest-performing students are eligible for the special scholarship established by Arkhangelsk Pulp and Paper Mill.

Proprietary information

## Positioning

## Improvements to forest legislation long pending

Ivan Sovetnikov, head of the Federal Forestry Agency of the Russian Federation, issued an order establishing a working group to ensure the enforcement of the Federal Law "Concerning the Amendments to the Forest Code of the Russian Federation and Articles 14 and 16 of the Federal Law "Concerning the General Principles of Local Self-Government in the Russian Federation".

The members of this working group represent departments of the Federal Forestry Agency, RosLesinforg, dedicated research institutes, and no more than two large timber companies, including Nikolai Krotov, Government Liaison Director at Arkhangelsk Pulp and Paper Mill, JSC.

The newly created FFA-led group is tasked with developing recommendations and proposals for improving the forest legislation. Arkhangelsk Pulp and Paper Mill and Titan Group (APPM's general supplier of raw wood) have developed a roadmap that includes a set of proposals

and amendments to a number of articles of the Forest Code. This roadmap has as its major focus the improved forest management and forest use.

The amendments target, in the first place, Articles 13 and 74. It is proposed to introduce provisions as to public-private partnerships, which are expected to bring

about the improvements in the forestry infrastructure on the forested lands, as well as the leaseholder's right to have the lease agreement extended up to 99 years, provided that priority investment project has been being duly implemented.

Proprietary information



Nikolay Krotov, Government Liaison Director at Arkhangelsk Pulp and Paper Mill, JSC:

There is a number of provisions in the Forest Code that need to be updated in the light of recent instructions from the President of the Russian Federation and the Action Plan towards combating forestry-related crimes and promoting forestry development, approved by Deputy Prime Minister of the Russian Federation, Victoria Abramchenko. Besides, there is one major task ahead that involves elaboration by the RF Government, Ministry of Natural Resources and Federal Forestry Agency of a whole array of regulations and resolutions in response to the newly adopted federal act concerning timber tracking.

It is essential today that the responsible timber companies that do invest in their refurbishment towards environmental sustainability, are granted state support. Arkhangelsk Pulp and Paper Mill does, of course, fit the definition of a responsible investor.

Proprietary information

## In focus

## Vladimir Krupchak: We are responsible forest users

One the largest timber industries, Arkhangelsk Pulp and Paper Mill delivers investment-intensive projects year on year. The availability of forest resources continues to be high on its agenda. We interviewed Vladimir Krupchak, Investment Director at Pulp Mill Holding, member of APPM Boards of Director, to find out how the mill tackles this issue.



## Plenty of tasks

Vladimir Yaroslavovich, tell us about the resource base available to APPM and the mill's sister industries.

Arkhangelsk Pulp and Paper Mill has been cooperating closely with Sawmill 25 (JSC) and Titan Group, its general supplier of raw timber. We are present in five of Arkhangelsk Region's nine municipalities comprising the Arctic Zone.

APPM, Sawmill 25 and Titan currently share the estimated cutting area of 5.5 million cubic meters. It is this volume that can be cut annually without detriment to forests. Our 2019 harvesting volume totaled 4.01 million cubic meters, or 72% of the estimated cutting area, while in 2020 our harvesting operations yielded 100,000 more, amounting to 4,117,000 cubic meters, or 75% of the estimated cutting area.

We are responsible forest users. One key operating principle we apply to all forests in our leasehold is for the areas deforested throughout the year to be reforested. Ensuring timely and quality reforestation on cut-down areas is one of the main environmental objectives of certification under the Forest Stewardship Council® system.

Titan Group LLC – the forest management contractor for our three companies – accounts for 25% of the total reforestation undertaken by the forest users in this area using their own resources. Our reforestation efforts cover more than 18.5 thousand hectares annually. Northern forests regrow naturally, so the main method our reforestation efforts rely on is naturally occurring reforestation. It involves the sets of measures to protect the young growth and withdraw seed blocks from harvesting. On territories where undergrowth and young growth aren't viable, we do artificial reforestation by planting seedlings.

An increase in our estimated cutting area – to 11 million m<sup>3</sup> – is likely to happen after Breakthrough-2027, the project designed to install Arkhangelsk Pulp and Paper Mill with a third cardboard machine. There will be more budget revenues and, consequently, improvement prospects for the region's social and economic development. From this perspective, Breakthrough-2027 represents a large-scale and unique endeavor to benefit not only this region, but also the whole country. And it requires the involvement of our neighbor regions as raw material suppliers.

The project will have a positive effect also on reforestation efforts, since the area to be reforested is expected to increase twofold. But, planting new trees is just part of the effort. The most essential thing is to have forests grow, which requires systematic care.

Is Arkhangelsk Pulp and Paper Mill planning to increase its forest regeneration efforts?

As responsible forest users, we are planning to introduce intensive forest management in all forests in our leasehold. This model has as its key components forest care and reforestation technology that uses container-grown seedlings.

This technology allows for seedlings to be planted within a period of up to 100 days, not only during the short spring season. This is especially relevant in today's conditions, when manual reforestation decreases in response to increased process automation and availability of modern forestry equipment.

At the same time, the introduction of reforestation with container-grown seedlings makes it possible to switch from hiring temporary unskilled labor to permanent skilled workers.

With seedlings grown in greenhouses, the demand in tree seeds for forest regeneration purposes can reduce five-fold. And with one centralized seedling growing facility, it would be possible to obtain planting material with improved hereditary properties.

The facilities for container-grown seedlings are based in the southern part of Arkhangelsk Region (municipalities of Shkursk, Velsk and Oktyabrsky).

The forests leased of Arkhangelsk Pulp and Paper Mill, Titan, and Sawmill 25 are in the north-eastern part of the region. The current forest management road-

map provides for the construction, in Novodvinsk, of a corporate seedling nursery, which is going to be the first to be built in the Arctic Zone. The nursery will have the starting capacity of 3.7 million seedlings and can be increased to 9 million. In terms of transportation of the seedlings to the groups' leasehold, Novodvinsk is the most optimal location.

The seedling nursery will have an area of 10 hectares. Its infrastructure will comprise the greenhouses, nursery sites and refrigerator for storing of planting material. There will be premises for operation by M.V. Lomonosov Northern (Arctic) Federal University – DNA research laboratory, greenhouse for scientific experiments, and student classrooms.

In the future, every seedling grown in this new nursery will have its DNA passport. The DNA laboratory will be tasked with northern forest genetics and selection research to identify the plants with good potential for growth and improved qualities.

The planting material growing technology will be fully automated, allowing for a two- to three-fold reduction in the growing time (from three to four years to a year or two).

### First steps

What steps are being taken to create this technology-intensive nursery?

The first step has already been taken and involves the purchase of the greenhouse facility Vesna in Novodvinsk, which had been declared bankrupt.

Earlier, we have teamed up with Regional Development Agency for the nursery feasibility study, and we have joined NARFU for a comprehensive forest regen-

eration project which is going to be implemented in the framework of the world-class center of excellence "Russian Arctic: New materials, technologies and research methods".

The onsite preparations will start this year and are estimated to cost APPM approximately RUB 20 million. Design documentation development and appraisal will cost us another 10 million.

However, given the total cost of the nursery – more than RUB 430 million – and the payback period of about 12 years, the company does not think it would be possible to construct it without the support from the state. Arkhangelsk Pulp and Paper Mill has come up with the initiative for public-private partnership with 50:50 investments (50 percent payable by federal and regional budgets and 50 by APPM).

You mentioned the upcoming increase in cardboard production, which means that raw material consumption will increase likewise. Are there any other sources for Arkhangelsk Pulp and Paper Mill to draw raw wood from?

The local timber industry traces its history to the Soviet times. All these decades, the forests of Arkhangelsk Region have been logged intensely. Transport-wise, the stocks within accessible reach range are exhausted. The prospects of increasing our commercial output lie in the use of low-grade wood and sawing wastes. They are also linked with breakthrough industrial technologies for making liquid biofuels (biodiesel, bio-oil) and production of new products.

One more line of development towards sustainability in raw materials supply is the switch to intensive forestry model. The forests along large rivers (the North-

ern Dvina, Onega, Vaga, Pinega, etc.) and those adjacent to Arkhangelsk-Moscow railway, which were all cut down basically between the 1950s and the 1980s, represent a biocenosis with very good potential, if managed properly. Provided we cover them with adequate reforestation measures and systematic improvement felling, these forests can be expected to grow fast and become a source of raw materials for APPM and, in the medium term, for our saw mills.

By promoting the principles of sustainable forest management, we seek to preserve our natural capital for many years ahead. Detailed planning and responsible approach to logging, which are based on careful analysis of the forest stocks, are what ensures our sustainable performance today and in the future.

Proprietary information  
Photo courtesy of editorial archive

\* Trademark License Code: FSC-C002853

## For the record

Once completed, Breakthrough-2027 – the investment project to equip Arkhangelsk Pulp and Paper Mill with one more production facility – will be generating the additional RUB 6.5 billion as budget revenues and extra-budgetary funds, thus ensuring the average annual pay for:

12,037 doctors  
15,476 teachers  
18,055 cultural workers



# Ivan Sovetnikov: Russia is moving to more efficient forest management

Forests are Russia's principal natural wealth. It is therefore of critical importance that they are used rationally. Our today's guest is Ivan Sovetnikov, head of Federal Forestry Agency of Russia.



## Meet LesEGAIS

**Ivan Vasilyevich, there has been much talk about timber companies joining the digital timber tracking system. What benefits does LesEGAIS, Unified State Information System for Forestry Accounting and Timber Tracking, offer?**

Digital technologies are no longer a necessity, they are an indispensable part of life and operations in all sectors, and forestry is no exception. The forest sector is switching to new digital technologies, too. It is now a requirement, effective from July 1, that all forestry declarations and accounting be submitted solely in electronic form via public services portal. The process of filling LesEGAIS with data on forestry transactions, warehouses and wood processing facilities is already happening. The availability of these data allows businesses and government agencies to see where wood originates from, combatting illegal logging and promoting more efficient use of forests.

But, we are not satisfied with that alone. Effective January 1, 2022, paper documents accompanying the transportation of wood are to be replaced with their electronic counterparts. Also, work has been started to develop Federal Forestry Information System (FGIS LK) which is going to be the federal-level State Forest Register.

The digitalization of the forest sector is expected to complete before 2023, when FGIS LK is fully up and running. This system will function as a uniform digital space for forestry information, providing the stakeholders with up-to-date, quality data

on forest resources, while also leading to improved forest management efficiency, more budget revenues, and more effective conservation.

**How exactly will the new principles be implemented and how do they fit into the Russian Strategy for the Development of the Timber Sector 2030?**

January 1, 2022 will see Russia officially launch the LesEGAIS-based timber traceability process as a way to ensure full transparency of wood flow. It will now be possible to trace every single tree, starting from the moment it is cut to the moment it is delivered to its final destination – mill or shipping point. Until now, there were weak links in this chain that allowed unconscious harvesters to get away with stealing wood.

Earlier, a forest user could report, say, one thousand cubic meters of harvested wood, and there was no way for us to verify that, meaning that the forest user could have actually harvested more and transported the unaccounted-for wood as "unregistered wood". This will no longer be the case as every truck can now be traced by the electronic system. We will know how much wood ends up sold, how much gets transported from the place of harvesting to the processing point, and how much actually gets processed. The entire forest-wood supply chain will be transparent, eliminating the risk of illegally harvested timber entering the market. All the accompanying documents will be displayed in LesEGAIS system as will truck routes and how much trucks carry be traceable with the help of modern technologies.

The system will be monitoring the volumes at each stage of their transportation. Dubious operations will be reported im-

mediately. The system will be first tested in October: the experiment will involve large and medium-sized forest businesses, regional authorities, customs and tax authorities. We expect all forest users be covered by it before January 2022.

The ultimate goal of this experiment is to reduce the criminal practice of wood harvesting. This goal was set by the President of Russia and is reflected in the Russian Strategy for the Development of the Timber Sector 2030, duly endorsed by the Government of the Russian Federation.

Illegal logging is a broad phenomenon and relates to quite a number of violations of the existing rules and standards. Our forest legislation has been recently updated in many respects designed to automate the monitoring of the harvested wood flows. The prime purpose of FGIS LK system, which is scheduled to become effective on January 1, 2023, is to stop illegal logging and sales. More effort will be channeled by us into remote monitoring of forests. In those area where monitoring is currently underway, there has been a decrease in volumes of illegal harvested wood.

**What effects do you expect LesEGAIS to have on the performance of the forest companies?**

There will certainly be no negative effects. Instead, the new accounting and traceability system will allow forest businesses to automate their reporting processes and filling out of declarations. For conscientious forest users, LesEGAIS, and consequently FGIS LK, will be a helpful tool in their in-house monitoring of their wood flows, the contractors operating on their forest blocks, and the transportation process, keeping them updated on how much wood they have on their storage sites and giving details on the flows on each of them.

**Forest surveying and planning to become the duty of the federal authorities**

**How will the scope of Federal Forestry Agency's responsibilities change after January 1, 2022?**

There have, indeed, been a series of changes in the legislation that have given the Federal Forestry Agency a number of responsibilities. The first to be mentioned is the responsibility for forest surveying and planning, endorsed by Federal Law 304-ФЗ as becoming effective on January 1, 2022. The Federal Forestry Agency will thus be acting as a customer for planning and surveying operations, while the Russian Forest Inventory Agency (RosLesinform) as a contractor.

The 2022 estimated budget for forest surveying and planning is more than RUB 3 billion, which is four times more than earlier. The surveying operations will cover 30 million hectares annually so that in ten years' time we could have the up-to-date data on all the stocks managed according to the intensive forest management model.

One special line of duties entrusted with the Federal Forestry Agency under 3-ФЗ pertains to the surveillance over the turnover of wood and wood-based products. From now onwards, the forestry departments in the federal districts under the jurisdiction of the Federal Forestry Agency will have the inspector duty to verify compliance with the legislation that regulates round timber and all stages associated with its harvesting and receipt for processing or export. Also, a new extended federal supervision is now in place, that covers transportation, storage, wood-based product manufacturing and accounting.

**Can you tell more about how federal surveillance is ensured through the pilot projects that are being deployed in some the Russian regions including Arkhangelsk?**

The pilot project, endorsed by relevant regulation of the Government of the Russian Federation, will run until December 31, 2021 and involves the Federal Forestry Agency as a federal body to exercise surveillance (with exception of patrolling) of the forested lands in the regions of Arkhangelsk and Irkutsk. These regions were selected as pilots by the FFA. The reason why we chose Irkutsk is self-explanatory: Irkutsk is where illegal logging has been the wildest and the longest.

As to Arkhangelsk, we see it as a region with the greatest potential for this kind of experiment. It has a highly diversified timber sector with harvesting companies of all sizes from big to small, and timber is transported here using all

means of transport. Arkhangelsk offers a very convenient testing ground for innovations in the forest legislation. At the same time, if we talk about the course of the experiment, no funding has been allocated to the Federal Forestry Agency for its purposes, nor extra staff. We are coping using our own resources. In these conditions, the main emphasis is placed on remote methods for detecting violations. We are using satellite images made in different periods of time to see where forests have been logged illegally and to identify where in their leasehold companies failed to fulfill their reforestation obligations and fire-fighting arrangements.

It might be too early to sum up our pilot project, but we can clearly see the increase in violations identified and violators being called to responsibility.

## Growth points

**What issues within forest management and planning does the Agency see as urgent?**

As I have mentioned already, forest surveying and planning becomes, beginning on January 1, 2022, the responsibility of the Federal Forestry Agency. This is certainly the right decision made by the law-makers for it allows for targeting of the forest planning resources at the territories that need them most – from the perspective of forest use and planning. Work is in process at the Federal Forestry Agency to design the forest surveying plan for 2022, and our primary focus lies on areas with intensive forest management and areas that have good potential for it.

These are the areas where timber has been a traditional industry – the North-Western part of Russia, Siberia, and Northern Urals. Potentially promising are some of the areas in the Far East and Siberia. In previous years, forest surveying operations ran parallel to introduction, within a number of forested areas, of intensive forest management practices. We expect their parallel implementation to continue in the future. Moreover, it is when these new practices and the forest surveying operations are conducted together that the maximum economic effect can be achieved. On the technology side, we have a vigorous intention to expand our use of remote methods for forest monitoring as allowing for a wider coverage of exten-

sive forest areas and a tangible cost efficiency.

**In 2022 Russia imposes roundwood export ban. What are the implications for economy?**

Beginning on January 1, 2022, Russia will stop its shipments of raw and roughly processed softwood and commercial hardwood species. The ban will affect approximately 4,000 organizations that, according to the records in LesEGAIS system, had timber exports as their business in 2020.

According to the Russian Federal Customs Service, Russia's 2020 exports of unprocessed timber were estimated at 15.5 million m<sup>3</sup>, or 7.2% of the total volume of harvested wood. The list of Russian regions with the largest roundwood export volumes includes Khabarovsk (2.7 million m<sup>3</sup>), Vologda (2.2 million m<sup>3</sup>), Irkutsk (1.9 million m<sup>3</sup>), Primorsky Territory (1.6 million m<sup>3</sup>), Leningrad Region (1.0 million m<sup>3</sup>), Krasnoyarsk (0.8 million m<sup>3</sup>) and Karelia (0.7 million m<sup>3</sup>). These regions account for 70% of the country's total exports of unprocessed timber.

In value terms, the region accounting for the major share in raw wood exports, 42%, is the Far East, all other regions accounting for the average of 12%. Therefore, in order to minimize the risks association with raw roundwood export ban and to increase processing capacity, the support measures should target, in the first place, the Far Eastern Federal District of the Russian Federation.

The Russian Ministry of Economic Development has teamed up with the Ministry of Development of Russian Far East and the Ministry of Industry and Commerce for a package of measures to stimulate advanced processing of wood in the Far East. Let me remind you that the export ban on raw and roughly processed softwood and commercially valuable hardwoods is going to be introduced on January 1, 2022 in accordance with the instruction from the President of the Russian Federation.

**Ivan Vasilyevich, thank you for your exhaustive answers.**

Interviewer: Pavel FASONOV

## Press dossier

**Ivan Vasilyevich Sovetnikov,**  
Councilor of State Civil Service of the Russian Federation, 3rd Class, PhD (Law)

2009–2015: Federal Forestry Agency, head of legal team and Legal Department.

2015–2017: RF Ministry of Natural Resources and Environment, Deputy Director at National Forest Policy and Regulation Department.

2017–2020: Moscow Region Forestry Committee, Chairman.

2020–2021: Federal Forestry Agency, Deputy Director. Ivan Sovetnikov was in charge of digital transformation process within FFA and ensuring operability of the Unified State Information System for Forestry Accounting and Timber Tracking (LesEGAIS), among other duties.

Current post since April 12, 2021: Head of Russian Federal Forestry Agency.

**The Russian Federal Forestry Agency (RosLeskhoz)** is a body responsible for implementation of the national forestry policy, provisions the state services and management of state-owned forestry property

**2023**  
By 2023, the domestic forest sector is expected to be covered by Federal Forestry Information System (FGIS LK)





## Commissioning

The subsidiaries of Arkhangelsk Pulp and Paper Mill, all of which are members of the vertically integrated Pulp Mill Holding, have a fast-paced production schedule to follow. Arkhbum, JSC (corrugated packaging) and Arkhbum Tissue Group, LLC (sanitary tissue products) are working in close tandem with APPM, the latter acting as their semi-finished feedstock supplier.

## Arkhbum launches its facilities in Ulyanovsk

The end of the summer of 2021 was marked by a significant event – the grand opening of the first-phase facilities of Arkhbum's newly constructed plant in Zavolzhsy District of Ulyanovsk. The event was attended by RF Minister of Industry and Commerce, Denis Manturov, and Acting Governor of Ulyanovsk, Alexey Russkikh.

This new corrugated product manufacturing plant cost Arkhbum 4.7 billion rubles to construct, of which 1.7 billion is the cost of the equipment.

Acting Governor of Ulyanovsk, Alexey Russkikh, emphasized in his speech that the plant is expected to generate for Ulyanovsk residents 300 jobs with decent wages.

## For the record

Arkhbum, JSC is a swiftly growing manufacturer of high-quality corrugated packaging and its components for a wide range of food and non-food industries. The company supplies its products to the industries in Central, North-Western, Volga, and Southern Federal Districts of Russia, the Crimea, as well as the Republic of Belarus.

**1** Once the facilities under construction are up and running, Arkhbum's corrugated packaging output will reach 1 billion square meters



Irina Sherstneva, Director General at Arkhbum, JSC, spoke about the company's short-term targets: the plant is expected to reach its full capacity in 2023 and have an annual capacity of 192 million m<sup>2</sup>.

As was noted by Vladimir Krupchak, Investment Director at Pulp Mill Holding GmbH, packaging materials remain key line of products with the group. Obtaining the largest market share in this segment is what Pulp Mill Holding sees as its corporate goal. Once the plant in Ulyanovsk has its second- and third-phase facilities up and running, its total output will reach one billion square meters of corrugated packaging.



Denis MANTUROV, Minister of Industry and Commerce of the Russian Federation:

Arkhbum, JSC has established itself as a major investor with impressive plans to promote packaging production in Russia. We expect its output to reach the monthly level of 5 million square meters of corrugated cardboard this year and 15 million per month before 2025. The new jobs and budget revenues that the plant will be a source of, are its contribution to making residents' life more comfortable.



## Titan Group

In North-Western Russia and Arkhangelsk Province, multi-industry Titan Group stands as one of the largest employers. Its core business spanning forest harvesting, woodwork, procurement, real estate, and hospitality, Titan pays special attention to reforestation and improving the living conditions in the territory of its operations.

## Titan's gift to firefighters

Titan Group has presented Fire Department 44 in Yasny settlement with a modern fire truck based on Ural model. The truck is outfitted with the latest equipment. With increased off-road capacity, crew compartment, three axles, diesel engine, and 40 liter per second pump capacity, it is the best fit for operating in conditions of Pinega Municipality.

"Before this new truck, we operated with one '79 1.6 m<sup>3</sup> truck and one '83 4 m<sup>3</sup> fire truck," said Fire Department 44 captain Sergey Popov. "The new truck has specifications and capacity that make it a good replacement for them both."

The new fire truck is a big event for the entire district. As was noted by Valery Marinin, manager of Titan's stand-alone unit in Ust-Pokshenga, the area of Pinega abounds not only in woods, but also wooden construction, and there are socially significant facilities to be protected. It is therefore very important for this place to have adequate firefighting facilities.

The vehicle documents were handed over to the fire department at the lower log depot of Titan's Ust-Pokshenga unit.

Here, the truck and its systems were put to the test, and the fire department and volunteer fire unit conducted a joint exercise, observed personally by Alexander Uvarov, head of State Agency for Firefighting and Civil Defense office in Arkhangelsk.

"Our cooperation with Titan has been fruitful and long-standing," said Alexander Uvarov. "Today is a good opportunity to demonstrate how joint efforts can lead to positive effects for all. We are grateful to Titan, and this the road test taken by the crews has been a great way to say thank you."



Anastasia LOMAKINA  
Photo courtesy of author

## For active recreation

Titan Group's tourist complex Malye Karely is pleased to announce the opening of its new active recreation area. Guests are welcome to experience the atmosphere of its cafe, while children will surely be glad to try its playground with slides, swings, agility and obstacle course, and Traffic Rules zone. There are also bike paths, cozy benches and a rental center.

"The new cafe and the rental center are what we were waiting to appear most," Natalia Borovikova, Director General at Malye Karely tourist complex said at the opening. "The cafe is a nice complement to our restaurant, offering homemade pies and pastries, aromatic Malye Karely tea, warm hospitality and cozy atmosphere. Guests are also welcome to rent bicycles, scooters, run bikes, roller skates and electric vehicles."



The idea to build the active recreation area was initiated by Vladimir Yaroslavovich Krupchak. He was very attentive to every minor detail of the proposed design solutions. Today, Malye Karely tourist complex is a full-fledged recreation center for a great family pastime.

"There's a roller skating track and tracks for guests to test their cycle and scooter skills," said Irina Frolova, Director General at Titan Development LLC. "We also have a summer tubing facility. One more facility we expect to be installed soon is the skateboard pump track which is going to be of modular, wooden framework-supported design."

The active recreation area takes up more than two thousand square meters and took two years to build. Set amid the beautiful northern scenery, it will definitely find appreciation of the enthusiasts of outdoor activities.

Anastasia LOMAKINA

## Environment

## Integrated environmental permit obtained



Arkhangelsk Pulp and Paper Mill, JSC is Pomorland's first pulp and paper industry to have been issued the Integrated Environmental Permit (IEP). The document prescribes a set of standards to be observed towards a comprehensively reduced environmental impact. It also contains a series of technological standards that Russia is fundamentally new to.

## Binding obligations

A few years ago, the Federal Environmental Protection Act was updated to include the "Integrated Environmental Permit" concept.

The Act defines it as a document issuable by a duly authorized federal executive authority to a legal entity or a sole trader operating a manufacturing or related facility classified as a source of negative environmental impact, and containing a set of environmental protection standards that are binding of its holder.

The list of the facilities classified as negative environmental impact sources and therefore subject to obtaining IEP was endorsed by relevant regulation of the Russian Federation Ministry of Natural Resources in 2018 and includes 300 facilities – the country's largest mills and factories. They are responsible for at least 60% of the country's total volume of harmful emissions.

As we were told by APPM Chief Ecologist, Yevgenia Moskalyuk, APPM was one of the first Russian industries to set about obtaining the integrated environmental permit. Preparations were started in September 2016 during the IEP simulation exercise hosted by APPM.

A working group was set up to prepare the materials and documentation required for obtaining the IEP, supported with relevant action plan and involving a dedicated organization.

"It took us eighteen months to cope with the main bulk of work," said APPM Chief Ecologist. "I would evaluate our performance as efficient, prompt and strategically expedient."

Following the review of APPM Environmental Efficiency Improvement Program (EEIP), the request for IEP was satisfied without any major findings.



Vladimir KRUPCHAK, Investment Director at Pulp Mill Holding Group, member of APPM Board of Directors:

"APPM is a recognized leader in dealing with environmental issues. Our development strategy has as its primary goal improvement of environmental conditions while increasing our output and product quality. Our obtaining of the Integrated Environmental Permit speaks to the fact that we are working towards improved environmental strategies, reduced environmental impact, enhanced energy efficiency, and decreased carbon intensity of our products."

## Epoch-defining trend

Today, the definition of a socially responsible business incorporates investing in eco-technologies. It is a requirement for all promising domestic enterprises to work consistently towards reduced environmental impact and achieving the best international standards of environmental protection. And here, Arkhangelsk Pulp and Paper Mill has made some impressive progress.

As a reminder, in 2021 Arkhangelsk Pulp and Paper Mill, JSC was an announced winner of the Russian competition "Russian Business Leaders: Performance, Responsibility, Sustainability – 2020", organized by the Russian Association of Industrialists and Entrepreneurs, in category "Environmental Responsibility". Winners in this category are expected to score high in 'negative environment impact reduction' based on a number of key indicators (pollutants), calculated as a percentage of the previous period, and have duly certified (registered) systems.

Now that APPM holds its Integrated Environmental Permit, its environmental efforts will only increase. The availability of Environmental Efficiency Improvement Program (EEIP), duly endorsed in February 2021 by the Russian Federation Ministry of Industry and Commerce, was one of the prerequisites for obtaining the permit. EEIP includes more than 20 environmental protection activities and has a budget of RUB 18.2 billion.

Over the past decade, APPM channeled into the best available technologies a total of RUB 15 billion as part of its innovation-driven projects. The technology for pulp production now uses hydrogen peroxide, which has allowed the bleaching process to become completely chlorine-free. Thermal Power Plant 1 has been installed with a multi-fuel boiler that uses biomass as a fuel. The reconstruction of cardboard-making facilities was followed by the launch of the evaporation train. There has been quite a number of projects that helped make APPM a greener industry. All this contributes to APPM's leading position as an environmentally responsible industry.

**20** APPM Environmental Efficiency Improvement Program lists 20+ environmental protection measures

## Environmental transformation

For two years in a row APPM enjoys high carbon discourse rating (CDP). The Barents Euro-Arctic Region has officially assigned APPM the status of a "green spot". And that's not all.

Once implemented, the Environmental Efficiency Improvement Program will transform APPM into an industry with cardinal improved environmental efficiency. It will allow a 45 to 55 percent reduction in pollutants discharge into the Northern Dvina River, measured according to characteristic integral indicators.

It can be said, in fact, that a new ecological ideology is being formed at APPM, that targets, among other things, instilling in the employees environmental mind and behavior across production stages. APPM stays attentive to the proposals to improve the quality of its environmental management, thus promoting the sustainable development efforts for its facilities and subsidiaries.

Proprietary data  
Photo courtesy: editorial archives

**18** The expenditure of APPM Environmental Efficiency Improvement Program is estimated at RUB 18.2 billion



## Social investment

# Responsible Investment Principles

AK&M rating agency has updated its social responsibility rankings of the largest Russian pulp and paper mills and timber industries. Figuring among the Top Three Socially Responsible Companies is Arkhangelsk Pulp and Paper Mill, JSC.



## Peak load

A daughter of AK&M News Agency, AK&M rating agency was founded in 1994. Its rankings it assigns to industries get posted on the leading web portals for business news. Over the years of its existence, AK&M rating agency has assigned 180+ (confirmed) public individual credit ratings to approximately 110 businesses, banks, regions and particular bond loan agreements.

This year, the evaluation procedure has been added with one more criterion – social responsibility. According to AK&M analysts, it is important to identify and support the businesses whose performance generates tax revenues, improves the livelihoods of residents in the area of their presence, and do charitable projects. What counts is how much of their added value these companies give to the societal needs, not their total social responsibility spending. Support should be provided to those of the socially responsible companies that sustain the heaviest social load.



**Dmitry ZYLEV,**  
APPM General Director:

There are top ten targets (infrastructure development; social and cultural sector of Novodvinsk and Primorsky district; civil society organizations and social centers in Novodvinsk and other municipalities in Arkhangelsk Province; sports and physical education; schools; outreach and awareness projects; Russian Orthodox Church) that received charitable assistance from the mill on a yearly basis. APPM is contributing to the social development in the Arctic region in the form of investments aimed to maintain the social infrastructure and facilities in Novodvinsk that are servicing its entire population (sports and recreation complex, health improvement facility "Zhemchuzhina Severa" ("Northern Pearl"), community center, Uyt Hotel).

Therefore, the rating is designed to identify the companies with largest benefit for the society and lowest impact on the environment, which is about finding a balance between environmental load and social benefit. The rating has as its final outcome the list of companies reflecting the efficiency of their social responsibility efforts. It uses two groups of evaluation criteria, one embracing social effects (total budget revenues, charity payments, environmental protection expenditure, payroll and its labor force involvement coefficient) and the other the environmental load (air and water pollution levels, and solid wastes adjusted for toxicity).

To compile its rating, the agency made use of the 2020 data placed by the companies in public domain – annual reports, sustainable development reports, consolidated financial statements, as well as data obtained from the organizations themselves through questionnaires.

## At community's service

The list includes a total of 45 companies with best sustainable development practices as of the end of 2020. As noted by AK&M itself, its rating lists the industries whose performance is in line with principles of the sustainable development and that fully disclose the data on their social and environmental performance.

"APPM is channeling a large portion of its efforts into implementing the UN Principles for Responsible Investment (PRI) within its corporate governance as a way to ensure responsible investment as part Environmental, Social, and Corporate Governance (ESG)," commented Vladimir Krupchak, Investment Director at Pulp Mill Holding Group (APPM's sole shareholder and investor).

As emphasized by Vladimir Krupchak, the mill has gone a long way to make its environmental agenda look the way it is and towards implementing greenhouse emissions reduction tools. APPM began using biomass as a fuel in 1998, first committed to greenhouse emissions reduction in 2003, inventoried its GHG emissions and data reporting in 2013, launched its carbon footprint management in 2016, and was first announced by CDP the national leader of the international climate rating in 2019. In 2020, APPM completed its core project "Reconstruction of Cardboard Production", which led to its better environmental performance in the area of its presence. Alongside this, APPM's climate programme has been ranked by the United Nations among the world's best practices towards Sustainable Development Goals.

## Supporting and protecting

"Promoting social development is one of the global principles of the responsible investment. Therefore, the tasks of promoting favorable socio-economic environment – for both our employees and the population of the territories of our presence – remain high on our agenda," said Vladimir Krupchak. "Our current social spending stands at 350 million rubles, including 100 million as charitable expenditures."

Arkhangelsk Pulp and Paper Mill boasts one the best employees benefit schemes in the timber sector. With 20+ options, this scheme covers rehabilitation and health-improvement, voluntary medical insurance, children's recreation and rehabilitation, New Year gifts, recreational travel for retirees (former employees), memorial services, extended family benefits, new-born child benefit, non-working retiree jubilee benefit, surgeries and medical examinations, new hires relocation costs, etc.

Considerable investments are intended also for personnel training, preventive health care, and occupational risk reduction. The 2020 investment spending on measures to improve workplace environment and labor protection amounted to nearly RUB 140 million.

Since 2016, APPM acts as a co-financier of "Housing for Young Families" program, that has so far provided assistance to 110 families.

One more support program was adopted in March 2020, by Pulp Mill Holding, and targets the medical and social services providers in all the territories of the mill's operations. The support under this program continues to be delivered to date.



**350**  
APPM's social spending stands at RUB 350 million, of which 100 million are charitable expenditures

## For the record

Arkhangelsk Pulp and Paper Mill's impressive social contribution is recognized also at the regional level. The mill holds the regional award "For Promoting Human Capital in Industry" from the "Russian Organization with High Social Efficiency" contest.

The award ceremony took place at the meeting of Arkhangelsk Regional Committee for Social and Labor Relations, led by Deputy Chairman of Arkhangelsk Government, Olesya Starzhinskaya. Receiving the award at the meeting was Elena Belozeroва, Acting Administrative Director at Arkhangelsk Pulp and Paper Mill, JSC.

## Initiative

# Territory of good deeds

4D Public Initiatives Contest – the charity project of the Arkhangelsk Pulp and Paper Mill – celebrated its first anniversary. This year it turned five.

Supported personally by Vladimir Krupchak, Investment Director at Pulp Mill Holding and a member of APPM Board, 4D has implemented more than 280 socially significant ideas.

## A unique program

Over these five years, the public initiatives contest existed under different names and had different nomination categories and formats, but one thing never changed – its purpose. 4D exists to support creators, doers and citizens with active social stance who seek to make their surroundings more vibrant and convenient. It aims to create conditions for the development of civil society institutions and involve more people in the town's life.

Initiated by Arkhangelsk Pulp and Paper Mill, 4D is held annually. It is a four stage contest and involves project idea submission, selection, setting-up and implementation. The key selection criteria include relevance, degree of development, economic efficiency, qualification of performers, and follow-up events upon completion.

Each participating project idea is supposed to have a social effect, while its author or action group is expected to contribute to making their idea a reality by co-financing the project, or providing a platform for its implementation, or acting as its performers.

The amount of grant funding from Arkhangelsk Pulp and Paper Mill varies depending on the category of the idea. Support can also be provided in the form of materials or services.

"A part of our mission consists in working effectively to contribute to the economy of this region and the country. We take a responsible attitude to our employees and society in general," said Dmitry Zylev, APPM Director General. "The first public initiatives contest took place in 2017 and was timed to the 40th anniversary of Novodvinsk. It proved a success. The positive feedback from the community and the synergies we got from its participants had led us to repeat the contest and make it a tradition. The geography of the 4D contest expanded in 2018 to include, additionally to Novodvinsk, the communities on the left bank of the river in Primorsky District, Arkhangelsk Region."

## Promoting the territory of presence

The comfort, well-being and prosperity of a community depend not only on the actions of authorities or state of the economy, but also on the actions of its members. Year on year, APPM's 4D Contest has been a testimony to how many wonderful people there are around us who are prepared to make a difference and turn their home town into a better place.

The past five years have seen the 4D teams implement a large number of educational projects in robotics, fine arts, environmental education, music, etc.

One example is the territory of creativity, set up in Novodvinsk School No.2. Divided into coworking spaces, it offers reader's corner,

**5**  
Arkhangelsk Pulp and Paper Mill has been holding its public initiative contest for 5 years now

**180**  
4D has supported more than 180 projects and their number is growing each year!

**40**  
The 2021 public initiative contest has 40 winning projects



exhibition venue, office space, and, of course, media facilities.

"Without the support from Arkhangelsk Pulp and Paper Mill, we would not have been able to arrange all this. Let me extend our thanks to Dmitry Zylev, APPM Director General, for the cooperation and assistance in implementing our idea," said school principal Tatjana Krivonogova.

4D has as its deliverables new playgrounds, sport facilities, vibrant social events, awareness campaigns, and cardinally transformed infrastructures.

Last academic year, day care center Raduga (Rainbow) was installed with dedicated facilities for preparing the children for physical training standard "fit for labor and defense", followed by the launch, in winter, of the awareness raising project "Novodvinsk: The territory of safety" by the Voluntary Road Patrol Team. The notable deliverables of the summer, that were made possible with the grant funding from the mill, include the children's playground on Solnechnaya Street and dance classes "Dancing Novodvinsk".

And that's not all. The public initiatives being approved by "4D: Darite Drug Drugu Dobro" (4D: Doing Good for Those Around You) for the support unfold also in volunteerism, healthcare, patriotic education, social support for people at risk, etc.

"Thanks to 4D movement, the district hospital in the village of Bolshoe Anisimovo, Zaos-

trovskoye Municipality is receiving noticeable improvements," said Natalia Flegler, hospital administrator. "With the grant money from Arkhangelsk Pulp and Paper Mill, we were able to furnish our appointment desk new signs, repair the central porch, arrange a pram room and install some cozy benches."

## Aspiring the national level

The contestants in APPM's public initiatives competition are welcome to the training sessions on turning ideas into full-fledged projects. Some of the 4D winners took their knowledge further and by won funding from regional and federal grant competitions.

To give one example, one of the 2020 winning projects – Real Men Academy, initiated by Novodvinsk School No.7 – continues in 2021 with the funding it was awarded by the national competition for the presidential grants. Real Men Academy is intended for boys to learn the basics of repairs, plumbing, carpentry and electrical work.

4D has become a springboard also for the equestrian club "Charodey" (Wonderworker). This organization went on to win the governor's grant contest with its "Yunarmia's Horse Mounted Patrol" project and then the national grant competition with its project "Novodvinsk Horse Mounted Patrol."

"Thanks to APPM's 4D Public Initiative Contest, we were able to improve our facilities. We also learned how to write applications for projects aspiring larger funding, and we were able to find partners," said the club representative Vyacheslav Mitichev.

Another high-performing project, that has surpassed all expectations, is folk ornamental knitting studio "Nit' Ariadny" (Ariadne's Thread). At the end of 2020, its team joined Novodvinsk administration for participation in the national competition "Best Municipal Practice". They won a grant of RUB 75 million. But their starting point was APPM's 4D.

"Authors and teams with truly interesting and exciting ideas often don't know where to start," Olga Savvina, Administrative Director at Arkhangelsk Pulp and Paper Mill, JSC. "APPM is willing to support the active and caring citizens in its home town and has therefore started to deliver training in project management. Among the first to be trained were the activists of folk arts studio "Ariadne's Thread". It is, indeed, a great pleasure to see them grow and make further progress." The prize money of RUB 75 million will be used for promoting the brand called "Novodvinsk: The cradle of the Pomor mitten" and the local ethnic tourism. Other related targets include the local public organizations engaged in reviving and promoting the national heritage, as well as the dialogue between the cultures of the many nations living in Russia.

Experts refer to APPM's public initiatives contest as what can bring tangible results and have a positive effect on the efforts to promote community initiatives.



## AN EXEMPLARY CSR INITIATIVE

The experience of Arkhangelsk Pulp and Paper Mill has been recognized as worthy of replicating by the national competition "North-Western Corporate Charity Leaders". It referred to 4D Contest as an example of high-performing and socially responsible business at national level.

APPM's "4D: Darite Drug Drugu Dobro" (4D: Doing Good for Those Around You) received its latest award in 2021, when was chosen winner, by popular vote in FSC Russia's social networks, in the category "Financial and Social Support for Local Communities". The competition was held as part of the Green Project 2021 Award.