



Planting trees near APPM's new evaporator plant

Vladimir Krupchak:



About consolidating APPM's capacity expansion project into the Arctic Zone of Russia
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Vera Khmyrova:



The share of forestry sector in the nation's gross domestic product is expected to increase to 1.5% by 2030
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Environmental Protection Takes Precedence

A business investing in environmental protection technologies is a socially responsible business

With environmental agendas being actively promoted in Russia and globally towards stricter standards for industries' environmental performance, the latter is being increasingly seen as a key performance indicator. Today, the definition of an industry leader, including in pulp and paper sector, indisputably includes sufficient investment in nature-saving technologies.

Responsible business strategy

In today's world, all promising enterprises are posed to the global task of achieving a consistent reduction in their negative environmental impact and increase in the use of the best international standards in the field of ecology.

Last May, Arkhangelsk Pulp and Paper Mill (JSC) was recognized as Best Environmentally Performing Business by the Russian competition "Russian Business Leaders: Trends, responsibility, sustainability – 2020", organized by the Russian Association of Industrialists and Entrepreneurs. The winner in this nomination is expected to have the highest score in categories such as negative environmental impact reduction by key indicators (pollutants) as a percentage of the previous period, availability of certified (registered) environmental management systems, among others.

The competition seeks to promote the sustainable development of companies whose agendas are consistent with the Russian Federation's long-term economic interests, as well as to identify swiftly growing companies based on their yearly economic, social and environmental performance.

APPM maintains high-level environmental consciousness. To its sole shareholder and management, the issues of environmental protection are of utmost importance. Sustainable nature management and minimized environmental trace are what governs operations at all levels of APPM's management structure.

Among Top 18

As noted by APPM Director General, Dmitry Zylev, the mill's 2020 environmental and best available technology expenditure amounted to RUB 1.1 billion. The period between 2011 and 2020 saw APPM investing a total of RUB 15 billion in environmental solutions and introduction of BAT.

Last year, APPM continued its participation in The Carbon Disclosure Project (CDP), an international initiative towards disclosure of greenhouse gas emissions data. According to the results of the 2019 reporting campaign of 2019, APPM enjoys the highest rating 'A' among the Russian companies, ranking also

The past ten years saw APPM invest a total of RUB 15 bln in environmental solutions and best available technologies

among the top 18 world's leading pulp and paper companies with climate rating 'A-'.
16+

In 2020, APPM Report on Greenhouse Gas Emissions for 2019 successfully passed verification according to the International Standard on Assurance Engagement (ISAE 3410).

Among key factors that have enabled Arkhangelsk Pulp and Paper Mill to achieve a tangible decrease in its direct and indirect greenhouse gas emissions in 2019, as compared to the reference year of 1990, is the share of biomass in the fuel mix, which has increased from 28.1% to 43.5%; reduced energy intensity of production (30.5% less heating energy and 15.3% less electricity); and the 86.4% reduction in electricity consumption from third-party sources.

Progress indicators

Arkhangelsk Pulp and Paper Mill JSC has completed its high-priority investment project "Reconstruction of Cardboard Production", which cost it RUB 18.8 billion and involved a series of important environmental achievements.

Reconstructed and installed with turbine-driven blowers, the two cardboard-making

Continued at page 3



Increasing the sustainability of export flows

On June 3, 2021, Arkhangelsk Pulp and Paper Mill, JSC (with Pulp Mill Holding GmbH as sole shareholder and investor) and RosEximBank entered into the agreement on high-tech products export cost financing, secured by Sberbank stand-by letter of credit. This agreement marks an important step in APPM's export strategy

The agreement has a value of RUB 500 million and is a unique pilot transaction. The first of its kind in Russia, it was facilitated by SBER-RosEximbank project to develop exporters financing platform.

Sberbank, a public joint stock company, is Russia's largest financial conglomerate and multinational with offices in Russia, Central and Eastern Europe. As of 2019, Sberbank has 96.2 million active private clients and 2.6 million active corporate clients, accounting for near-

ly a third of assets available to the Russian banking sector. A key lender to the national economy, Sberbank has the largest share in the deposit market.

RosEximBank, JSC (which operates, since 2015, as part of the Russian Export Center) is a state-financed specialized bank established in 1994. Its core activity is to provide financial support and guarantee to Russian exporters to ensure maximum coverage of their need in funding for their export operations.

To banks and credit organizations, Arkhangelsk Pulp and Paper Mill, JSC is a reliable partner. APPM attains its growth not only by increasing its high-quality output capacity, but also by increasing the levels of advanced processing within the members of its group – to produce sanitary tissue products, corrugated packaging and consumer paper containers.

APPM sees its main goals as consistent reduction of its negative environmental impact through the best available technologies, better support for personnel and increasing the geography of presence.

Proprietary information

The recently concluded agreement on high-tech products export cost financing has a value of 500 million rubles

Fact

Wage growth

In their recent meeting, APPM Board of Directors and Pulp Mill Holding Group (APPM's sole shareholder and investor) have resolved to increase the current wages and salaries of shopfloor workers, clerks, engineering and managerial personnel by 10%.

June 2021 was marked by a 10 percent wage increase for the staff of APPM and Titan Group

Wages were last increased for APPM staff on October 1, 2020 – by five percent. Even in these turbulent times, when COVID-19 continues to put constraints on the domestic economy, the mill's shareholder and management continue to increase the income level of their employees, providing them with a wide range of social benefits and guarantees.

"As with any industry, human resources and skilled professionals are a fundamental asset of APPM," says Vladimir Krupchak, Investment Director at Pulp Mill Holding, member of APPM Board of Directors. "It is important to continue to support each and every employee, also by increasing their wages. We appreciate their good performance and responsible attitude!"

Proprietary information

Even in these turbulent times, when COVID-19 continues to put constraints on the domestic economy, the mill's shareholder and management continue to increase the income level of their employees, providing them with a wide range of social benefits and guarantees.

It should be noted that the 10% wage increase decision, taken earlier in summer, has been adopted also the board of directors of Titan Group. Next to receive this increase are the staff of the group's harvesting members, Belomorskaya Splavnaya Kompaniya LLC (White Sea Timber Rafting Company) and Sawmill 25.

News

CONSTRUCTING SEEDLING NURSERIES

Arkhangelsk Ministry of Natural Resources and Timber Industry proposes to include construction of the seedling nurseries into Forest Conservation federal project. The proposal came from Minister Igor Muraev and was announced at the international forum "Ecology" in Moscow.

Igor Muraev was quoted as saying that there are currently 17 seedlings nurseries in Arkhangelsk Region. Last year, they produced 16 million seedlings, of which 8.2 million were ball-rooted seedlings, accounting for 51 percent of the total planting stock.

Once the area has switched to intensive forest management, the demand in high-quality ball-rooted planting stock will increase. There are two ways to meet this increasing demand – either by building new greenhouses at the expense of businesses or upgrading the existing ones with federal and regional funding.

The area already has successful experience in cultivating northern forest. APPM is planning to create near Novodvinsk a forest tree breeding center with a capacity of 3.7 million seedlings per year and subsequent increase to nine million pieces.

Based on the materials of Arkhangelsk Ministry of Natural Resources and Timber Industry

MILESTONE AND SUMMER

This summer witnessed APPM achieve its target digestion milestone of 20.5 million tons for cardboard since the launch of cardboard production in 1968.

According to Tatiana Lipatova, who is in charge of production planning and marketing unit under APPM Director for Economy, this memorable event took place on June 4.

The pulp which is produced by APPM cardboard plant is intended for the production of cardboard products by the dedicated cardboard. Currently the country's leading cardboard manufacturer, APPM has the major bulk of its cardboard converted into corrugated packaging by its subsidiary, Arkhbum (JSC), in Podolsk, Istra-1, Istra-2, Voronezh, and Ulyanovsk.

Arkhbum and Arkhangelsk Pulp and Paper Mill are members of the vertically integrated Pulp Mill Holding. Its long-established manufacturing flows and economic patterns allow for the retention by its members of all the added value being generated by advanced processing of corrugated cardboard products. With annual corrugated packaging output of more than one billion square meters, Pulp Mill Holding retains a leading place on the domestic corrugated packaging market.

The increase in output and product quality has resulted from APPM's in-depth modernization programme, while the upgrade of its process has strengthened the mill's position in the market as one of the leading domestic pulp and paper producer.

Pavel FASONOV



APPM hosting RAO Bumprom visiting meeting

Окончание. Начало на стр. 1

machines are now consuming less water, leading to lower water intake (withdrawal) from the river and lower waste water discharge. Compared to 2019, APPM's total water consumption has decreased by 8% in 2020: there has been a 5.7% reduction in water intake (withdrawal) and a 5.4% reduction in dissipative wastewater discharge.

The installation of a new digesting line for semi-cellulose production, which involved the decommissioning of the old facilities, has made it possible to reduce air emissions and pollutant discharge into treatment facilities and further into the river. Compared to 2019, harmful air emissions have decreased by 7% in 2020.

The new evaporation train, launched in 2020, uses the technology for trapping and neutralizing the sulfur-containing emissions used in cleaning of foul condensates. The evaporation train includes a cooling tower with a pumping station that supplies warm water to producing facilities and chilled water to the evaporation train. Now that the new evaporation train is up and running, APPM's water consumption has reduced significantly, as have the emissions of methylmercaptan and hydrogen sulfide – by 49% and 80%, respectively, compared to 2016.



APPM launched its new evaporator plant in 2020

Good experience as an example to follow

For other industries, APPM's environmental performance is an example to live up to.

"APPM is a convincing example of how managers and environmental engineers at all corporate levels can interact effectively with local environmental organizations and public authorities," says Yuri Lakhnikov, Chairman of the Board of RAO Bumprom. "We would like to see APPM's experience replicated by all the pulp and paper mills in our country."

Past June, Arkhangelsk Pulp and Paper Mill hosted RAO Bumprom's visiting meeting, timed to the World Environment Day. Attended by guests and speakers representing the environmental staff of pulp and paper mills, supervisory authorities, and business community, the meeting has delivered a number of interesting reports, cases and presentations on environmental issues. Notably, the meeting used face-to-face mode (with due observance of anti-coronavirus measures).

As part of the meeting, Arkhangelsk Pulp and Paper Mill (JSC) became the venue for the first ever meeting of Eco-Conference Club, started by the Russian pulp and paper sector as an environmental legislation forum.

As was noted by the meeting, in today's world a business can be defined as successful and environmentally responsible if it is guided by the principles of ESG. Environmental social corporate governance is an approach to investing that targets projects that are in line with the principles of environmental friendliness, social responsibility and work to enhance corporate governance.

More details were provided to the Bumprom meeting by Alexander Dernov, Deputy Chief Process Engineer at APPM. He added that ESG criteria are used by socially responsible investors as yardsticks in verification of the potential projects. In the management practices of Arkhangelsk Pulp and Paper Mill, the introduction of ESG standards occupies a significant place.

Cases, reports, presentations

The first day of the eco-meeting was devoted to the issues of standardization and rate setting in the context of the transition to the best available technologies; professional training in the field of environmental protection; climate policy issues; obtaining comprehensive environmental permits by facilities with negative environmental impact; and extended producer responsibility. Presenting to the meeting were the employees and officials representing Arkhangelsk Pulp and Paper Mill, KAMA Pulp and Paper Mill, the Kondopozha Pulp and Paper Mill, Ilim Group, CarbonLab LLC, Research Institute – Centre for Environmentally Responsible Industrial Policy, Segezha Pulp and Paper Mill, Sukhona Pulp and Paper Mill, RosPrirodNadzor Northern Inter-Regional Office.

The discussion agenda for the second day included new statutory environmental requirements; law enforcement practice; and the procedure for switching to BAT. The keynote speakers – representatives of RosPrirodNadzor Northern Inter-Regional Office and Research Institute – Centre for Environmentally Responsible Industrial Policy – updated the audience on the 2021 procedure for state environmental supervision, amendments to the water protection legislation, common violations of air protection requirements detected during state environmental review, and the pro-

In 2020, Arkhangelsk Pulp and Paper Mill JSC invested 1.1 billion rubles in environmental protection measures based on the principles of the best available technologies

gramme for improving environmental efficiency.

Svetlana Revura, who is in charge of State Environmental Supervision at RosPrirodNadzor Northern Inter-Regional Office for Arkhangelsk Region, stressed that her office is ready to discuss the acute issues that are arising today in anticipation of changes to environmental supervision legislation, due to come into effect on July 1.

The eco-conference had as its final activity a tour around Arkhangelsk Pulp and Paper Mill's BAT-based environmental facilities – Wood Yard 4, semi-cellulose production line, and the newly launched evaporation station.

Pavel FASONOV
Photo by Sergey SYURIN

APPM'S ENVIRONMENTAL DOCTRINE

With proven track record in environmental performance and efficiency, Arkhangelsk Pulp and Paper Mill seeks cardinal improvement of environmental situation while working to increase its product output.

To maintain adherence to its environmental commitment, APPM sees to it that the importance of environmental protection and strict observance of environmental standards and requirements is brought to the attention to every unit and every single employee, ensuring that compliance is achieved at all levels of activity. The mill is currently enhancing its environmental policy with a view to instill ecological consciousness in its staff across the process flow. Work is in process to come up with more proposals to improve the quality of the environmental management, designed to facilitate achieving by Arkhangelsk Pulp and Paper Mill and its subsidiaries of their goals towards sustainable development.

Officially

Alexander Tsybulsky: Sustainable raw material supply is simply crucial

We continue our series of exclusive interviews with the governor of Arkhangelsk Region, Alexander Tsybulsky. This time, we discussed the mechanisms of state support available to timber enterprises for improving the social climate in the territories of their presence – the issues that are crucial to the development of larger companies operating in the forest sector.



About cost subsidizing

Alexander Vitalievich, let me start by asking about the state support available to timber producers. Where do you think companies need to be helped most?

When it comes to state support measures additional to those that have already been adopted and are in effect, I would say – as far as I can judge from my communication with the local forest companies – that they would like the state to help them cover costs such as interseasonal supply of feedstock, materials and fuel, in the first place.

These costs continued to be covered until two years ago. I understand how import-

ant the stability in raw materials is for the forest companies and fully agree with them. It can be very costly for them to maintain interseasonal supply of feedstock, materials and fuels, and there are many factors, including the weather, that can influence their plans and schedules. Consequently, the risks are high and the desire to receive state support is only logical.

My next question follows from the previous one. What areas within environmental protection, use and regeneration of Arkhangelsk's natural resources need to be given more attention?

Sustainable forest regeneration, in the first place. We all understand the social responsibility that we take upon ourselves by developing the industries. Arkhangelsk is one of the nine pilot regions implementing the intensive forest management in Russia. And it should be borne in mind that intensive forest management can only be effective if supported by timely forest surveying and accurate information on the state of forests and their characteristics – a requirement that should be clearly reflected in the updates to the forest legislation.

The switch to intensive forest management will clearly require more and better quality ball-rooted seedlings. There are two ways of sourcing them – by building new greenhouses at the expense of businesses or by upgrading the existing ones using the funding from federal and regional sources. We are ready to support this line of work.

It matters a lot to Pomorland

How would you evaluate the social performance of the larger industries in the

area? These include Arkhangelsk Pulp and Paper Mill and Titan Group.

In this region, larger industries have intense social agendas, offering tangible contribution to the development in many areas of social system. When it comes to the two giants you have mentioned, I have looked at the data on them while preparing for this interview to come across their social expenditure of over RUB 400 million in 2020.

One of the sectors, which I personally pay great attention to and which has received a great portion of social investment from APPM and Titan Group, is health care. Modernization of health care services will remain a major focus in the years to come. APPM and Titan Group are actively involved in the fight against the spread of the coronavirus infection. Last year, they bought medical equipment, components for artificial pulmonary ventilation, personal protective equipment, fuel for ambulances, and outdoor suits for volunteer doctors.

One more important area that continues to be supported by APPM and Titan Group is construction and repair of schools, day care centers, sporting facilities and playgrounds.

These two companies are active contributors to cultural events that take place in their home region. A total of more than 100 social projects were implemented by them in 2020. It matters a lot to Arkhangelsk residents and the region where we live and work to be supported.

We express our gratitude to the press service of the Governor and the Government of Arkhangelsk Region for their assistance in preparing this material

Education

It's all about the people

Manning high-tech industries with highly skilled is a challenging and demanding task. Arkhangelsk Ministry of Natural Resources and the Timber Industry is working on relevant proposals that for provide the forest industry with qualified personnel for the regional manning strategy. The dedicated working group has been set up, led by Minister Igor Muraev.

The urgent need

The process has pooled together the efforts of the ministry, business community, and local educational institutions.

Today, the issues of timber industry staffing and staff training are high on the agendas of the industries and agencies subordinate to the Ministry of Forestry.

According to the timber business, their staffing shortage exceeds 370 people, while the sector's overall staffing need may reach as high as five thousand people over the period from 2021 to 2028. State-funded forestry institutions are lacking 200+ employees.

“Our task is to review the staffing needs of the industry and identify the bottle-

necks in order to arrive at joint proposals for the manning strategy,” said Minister Igor Muraev.

For future employees

The process of creating a skill pool is actively contributed by Arkhangelsk Pulp and Paper Mill. As we were told by APPM Administrative Director, Olga Savvina, the mill is working closely with Novodvinsk Vocational Technical School and M.V. Lomonosov Northern (Arctic) Federal University to enhance career guidance and career services.

In place is APPM-NARFU agreement on cooperation in the field of applied scientific research and academic projects, and the agreement on cooperation towards development of human resources for the industries operating in the Arctic Zone of Russia. These agreements provide for various forms of interaction, including via student practice sessions, career guidance events and tours, and agendas of NARFU Department of Pulp and Paper Technology hosted by the mill.

There are scholarship opportunities for best-performing students majoring in forestry at NARFU and Novodvinsk Vocational Technical School. The majority of them enter the workforce at the mill.

Proprietary information Based on the materials provided by Arkhangelsk Ministry of Natural Resources and Timber Industry



In the spotlight

Let the new plant be!

Each of the divisions within Pulp Mill Holding operates a number of important projects designed to increase productivity, cost-efficiency and high added value output. Among these projects, the most investment-intensive one is APPM's high-capacity industrial complex. In this interview, Vladimir Krupchak, Investment Director at Pulp Mill Holding and member of APPM Board of Directors, shares how this project is going to be consolidated into the Arctic Zone of Russia.

What forms of support can this project receive from the state?

So far, it is vital for us and Titan Group to be allocated extra cutting area, estimated at 6 million cubic meters. Other challenges include shortage of qualified personnel, development of engineering, power, residential, and logistics infrastructure. The area needs better public roads and increased railway capacity. There is a need for bypass road around Novodvinsk and for dredging within APPM berthing line and raft formation sites. Also, the seaport of Arkhangelsk would likely need to increase its icebreaker services to maintain shipping and product transportation. There is a lot of work to be done, especially with regard to infrastructure.

To make all this a reality, we need to be supported by the state. The vehicle for

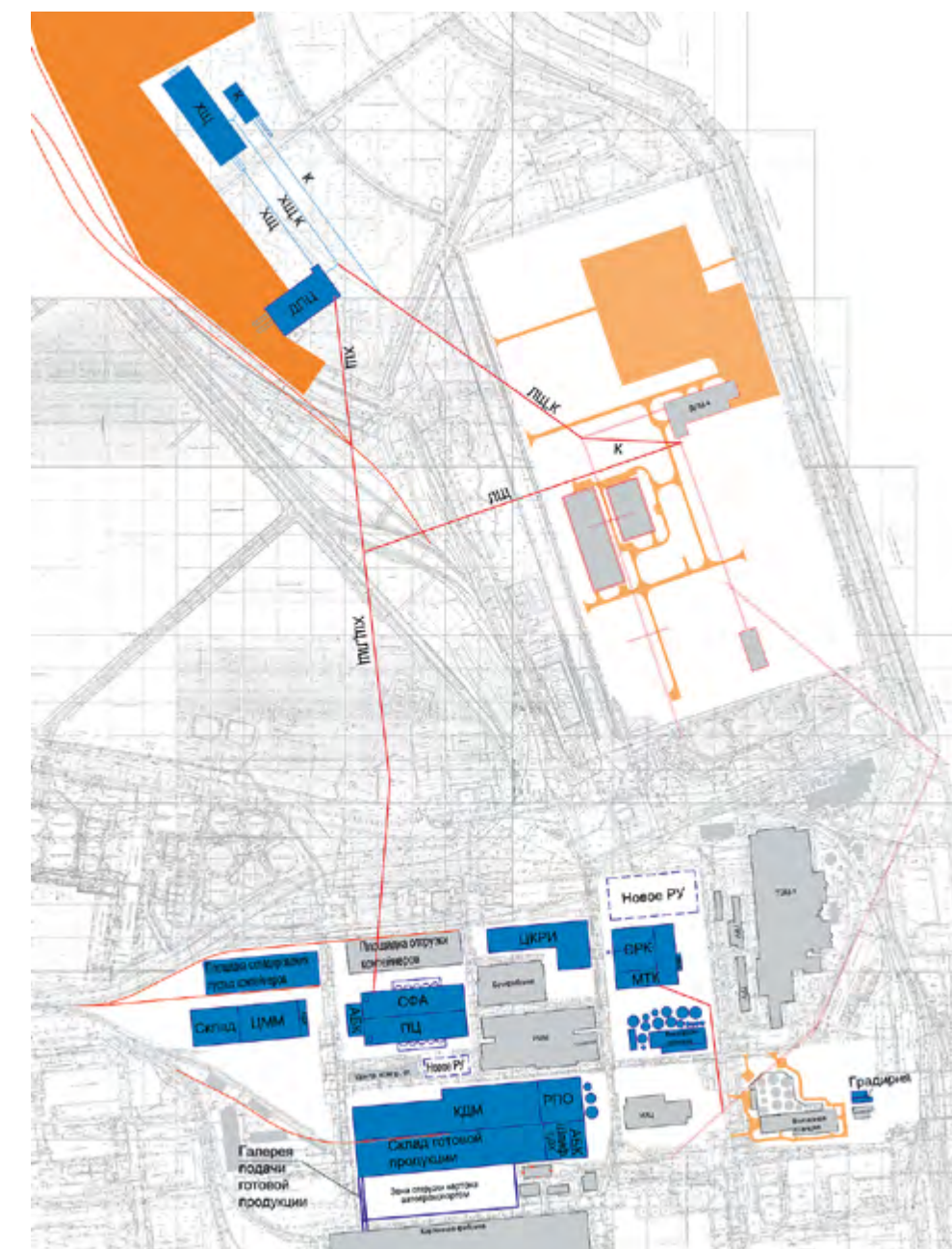
this support lies in detailed explanations and guidance from authorities. After all, projects like ours are what leads to greater economic power and better social climate in the region.

Proprietary information

Photo courtesy of editorial board archives

The investment project designed to enhance APPM's production capacity will generate 4,070 jobs

4,070



APPM layout design (the facilities to be build are indicated in blue)



Arctic vigor

Vladimir Yaroslavovich, what triggered the construction of this new plant?

As stated in the RF Forestry Strategy 2030, the domestic pulp and paper sector is expected to achieve an 8.3 mln ton increase per year in the output of cooked pulp. The sector is expected to generate RUB 25.4 billion as additional tax revenues and to create 27,000 jobs. That said, the development of pulp and paper industry is seen as crucial also in the Strategy for the Development of the Arctic Zone of the Russian Federation 2035. By 2050, the global cardboard demand is expected to increase two-fold.

Currently, Arkhangelsk Pulp and Paper Mill is a leading producer of high-quality container cardboard, and this line of products should continue to be given due attention, especially given that we have the required capacity, loyal clientele and access to broader markets.

What will the future facilities be like?

It will be a new industrial complex with mutually intersecting process flows. Once built, the plant will form an integral part of the existing production facilities.

The project will have a number of newly built premises – a lumber yard, woodworking yard 5 with a capacity of 2.7 million cubic meters per year, and two pulping lines, one for unbleached coniferous pulp with a daily capacity of 2,000 tons and the other for deciduous semi-cellulose with a capacity of 1,2 K tons per day. There will also be a facility for caustization and regeneration of lime; black liquor recovery unit; multi-fuel boiler; and the evaporation train similar to the one that launched in 2020. Plus, there will be a waste paper stock unit with an estimated capacity of 450 tons per day and 85,000 thousand tons per year.

Importantly, the new premises will be eco-safe as the technologies to be installed in them are based on the best available technologies.

Can you tell more about the new cardboard machine?

The new cardboard machine, which will be assigned sequential number '3', will be making wood-free kraftliner (material for flat layers of corrugated cardboard) of the density range between 80 and 200 grams per square meter. The products of the third KDM are mainly focused on foreign markets. Its products will be intended mostly for our overseas markets.

Cardboard Machine 3 will have a reel-up cutting width of 10,500 mm and the average operating speed of 1,300 meters per minute. Its building, which will house the machine itself, the grinding and preparatory installations, the finished product warehouse, and the grinding facility, will

be located parallel to the building of the existing cardboard factory.

Mutual benefit

The task sounds colossal. Can the project be defined as mutually benefitting APPM and the economy of Arkhangelsk Province?

Absolutely. According to our tentative estimates, the construction costs will amount to more than RUB 100 billion, which is more than a billion euros. We expect the project to be co-funded by the state, especially given the current availability of mechanisms for supporting large-scale business projects in the Arctic zone. It is essential that this investment project is assigned the status of a resident of the Arctic zone of the Russian Federation as a guarantee of state support.

Once the project is up and running, Arkhangelsk Pulp and Paper Mill will increase its cardboard output by 700,000 tons. Its total pulping capacity will be 1,700 K tons. The expected sales revenues may reach a level of RUB 35 billion per year, with net profit increasing to RUB 7 billion annually. APPM will thus create 370 new jobs. We expect the project to have the non-discounted payback period of 10 years.

Sharing the benefit will be also Titan Group, APPM's general supplier of raw wood. Its estimated cutting area will increase to 11 million cubic meters and the sawn timber capacity to 1,700 K cubic meters, generating a RUB 23.2 billion increase in sales revenues and a RUB 2.7 billion one in profit. Titan's staff size may increase nearly two-fold to 8,170.

As to Arkhangelsk and the national economy, the list of benefits is even longer. The area will receive 4,070 new jobs. Payments to budgets and extra-budgetary funds will increase by RUB 6.5 billion. APPM and Titan social corporate responsibility agendas will receive approximately RUB 1.1 billion. There will be an increase in household income; the regional budget alone will receive the additional RUB 1.9 billion in tax payments.

One more important detail: the construction process is going to involve thousands of people of contractor organizations. They will come to our town to build new premises and will need to be accommodated somewhere. One option for APPM is to construct quick-to-build, comfortable housing for them – a microdistrict in Novodvinsk. Whether the development will be implemented through public- or municipality-private partnerships is yet to be decided. Subsequently, when the project is completed and the builders leave Novodvinsk, these apartments can be used for resettling the dilapidated housing or as housing for young families – the options are many.

Timely interview

Implementing the timber strategy

The domestic forest industry is looking forward to the delivery of the long overdue improvements, including in the legal field. To find out more, Bumazhnik Business monitor has talked to Vera Khmyrova, Director of Light Industry and Forestry Department, RF Ministry of Industry and Commerce.

Progress and pandemic

Vera Gennadievna, which updates to the Russian Forestry Sector Strategy 2030 seem to be the most important?

The draft version of the Russian Forestry Sector Strategy 2030 has been endorsed by the Government of the Russian Federation in 2021 and encompasses both the operational and commercial sides of the forestry sector. The updates relate mainly to development issues (the competence of the RF Ministry of Natural Resources and the Federal Forestry Agency). As to the operational side, there are several points to be considered.

The first to mention is digitalization of harvesting and timber tracking, and centralization of forest management. Then, elimination of efficiency constraints in forest management. The Strategy envisages a transition to intensive forest management, which implies that the increase in harvesting volume is achieved through selective felling and improvement cutting, not at the expense of newly logged forests. There are a number of pilot regions where the intensive forest management model has been tested over the past three years.

No less important is the work to re-ignite trial forest plots and industrial sites for research purposes.

Designed to boost development, the Strategy spans the core domains of forest sector – its goals and action plans (regulatory, technological, organizational and supervisory), focused, inter alia, on achieving profitability and better funding, and eliminating “gray schemes”. As the Strategy unfolds, the share of the forestry sector in the nation’s gross domestic product is expected to increase to 1.5% by 2030.

How do you think Russia’s timber-related industries have been affected by the coronavirus pandemic?

The pandemic has had a significant impact on the Russian timber sector: the decline has been evident in quite a number of industries, especially furniture making. According to expert estimates, sales decline has been as critical as 70%. But, with the re-opening of stores the figures have picked up again: over the course of one year, the Russian furniture makers manufactured produce worth 340 billion rubles, which is comparable with their 2019 sales performance. At the same time, export figures have shown negative dynamics of 2.4%. The same is

true about sawn timber and wood board manufacturers as their pre-COVID growth is declining again.

But, despite all challenges, there have been noticeable achievements – high output growth rate, increased domestic consumption and export of pulp and paper products. The year 2020 saw an increase in the production of packaging for e-commerce businesses, groceries and healthcare manufacturers. Such packaging is made mainly from wood fiber-based materials. The demand for sanitary and hygienic products and food packaging has soared during the pandemic. The enterprises were wise enough to predict it and have managed to adjust their production capacity. The performance figures for 2020 show that the output of wood pulp has increased by 6.3% to nearly 8.8 million tons, while exports have increased by 7.6%. Paper and cardboard production has seen an increase of 4.2% (to 9.5 million tons) and exports of 13.6%. According to expert estimates, the demand for Russian pulp is likely to increase almost two-fold to 17 million tons per year by 2030.

The Russian Ministry of Industry and Commerce is doing its best to improve sustainability of the pulp and paper sector by offering state support measures. One current major focus is on investment projects. There are currently four pulp and paper investment projects in their final stage of elaboration, that target an output of more than 2.8 million tons of pulp, 1 million tons of paper and cardboard, and an investment of about RUB 380 billion.

One more industry with positive trends is wooden house construction. As announced by the Association of Wooden House Construction, 85% of wooden construction businesses claimed their orders have increased in the end of 2020.

Generally, the performance in the timber sector is picking up to the pre-crisis level. Positive trends have been shown in 2020 by timber export sales (+8.3% in ruble equivalent), with the production level remaining unchanged (-0.2%) and timber industry’s share in the gross domestic product still remaining at the level of 0.75%.

Support is needed

How is the state supporting the timber industry?

The issues of forest infrastructure development fall within the jurisdiction of the RF Ministry of Natural Resources and the Federal Forestry Agency. Given the 2022 ban on round timber export and the focus on advanced processing, the Ministry of Industry and Commerce is developing a number of incentives designed to facilitate modernization and increased capacity. A number of programs have

already been launched in cooperation with the Industrial Development Fund, which offer preferential loans for development, including the development of high-tech products, import substitution, equipment leasing, and digitalization of existing facilities.

One key mechanism of support is called Priority Investment Projects (PIP). Introduced back in 2007, it aims, among other things, at creating forest infrastructure and timber processing lines with a minimum capital investment of RUB 3 billion rubles. To date, about 160 projects have been successfully implemented or are under implementation.

Where an investor has a project seeking to build or refurbish the existing timber processing facilities, an agreement can be signed with the state on promotion and protection of capital investments. Where the project seeks to construct, modernize or overhaul the supporting and/or accompanying infrastructure (transport, energy, utilities, social support or digital systems), the investor can expect to be allocated a subsidy for reimbursement of investment costs and loan interest, as well as coupon income on bond-secured loans attracted for the project purposes. The government currently has several such agreements with timber processing industries.

What decisions concerning the timber industry regulatory framework are particularly relevant today?

In pursuance of the President’s instructions seeking to decrease forestry crime rate and ban export of unprocessed wood, work is in progress to update the regulatory and legal framework – by introducing changes to the Russian Forestry Sector Strategy 2030 and to the Forest Code of the Russian Federation.

On February 4, 2021, Russian President Vladimir Putin signed a law on modernization of the Unified State Automated Information System for tracking and transacting in timber (LesEG AIS). The law establishes a list of details to be provided for storing by the system and the procedure for it. From now on, all contracts for forest logging operations, as well as record of timber volumes and transactions therewith will be concluded and maintained electronically in LesEG AIS system.

The Strategy covers the operational and commercial sides of timber industry and prescribes intensive forest management as a target model. It further provides for the increased use of digital technologies and information systems and sees wood processing industry as a key driver of progress within the entire forestry sector. This means that timber industry is now a major focus. The Strategy has as its ultimate goal the increased efficiency of forestry sector, the higher added value of Russia-manufac-



tured produce, and the two-fold increase in timber sector’s share in the country’s GDP.

Work is in process to elaborate the action plan for the Strategy, which would include financial breakdown, implementation schedules, and regional linking. In parallel, research-based rationales are being prepared for staff size increase by year.

Further, the Ministry of Industry and Commerce is expected to tighten the supervision over the priority investment projects in the field of forestry, including by way of strengthening the investors’ responsibility.

Three-level lending

Can you tell more about lending facilities available to Russian timber businesses from the RF Industrial Development Fund?

To facilitate conversion to advanced processing of wood, the RF Ministry of Industry and Commerce has teamed up with regional authorities, business community and the Industrial Development Fund, to develop a comprehensive support program for wood processing businesses. The programme is three-level:

Level One includes loans for microenterprises – logging companies – that wish to readjust themselves through relatively small projects and can be supported by regional development institutions. In this case, the loan size can be from 1 to 20 million rubles, with the term of up to 36 months and the interest rate of 2%. It is a requirement that the project has minimum budget of RUB 1.2 million and 20 percent own funding.

Level Two is for small and medium enterprises with larger modernization or restructuring projects. It uses as its vehicle the newly launched (December 29, 2020) federal-regional programme “Forest Industry Projects”.

This programme offers timber processing enterprises preferential loans from 20 to 100 million rubles. The loans are provided by federal and regional offices of the Industrial Development Fund (70% covered by federal funds and 30% by regional funds). Under the terms of this new programme, the loan term is up to 36 months and the interest rate is only 1% per annum (provided that at least 50% of the loan amount is spent on domestic equipment or that the project owner has bank guarantee or loan security from SME Corporation) or 3% per annum in all other cases. Own funding in the project budget must be minimum 20% and the total project budget should be minimum RUB 25 million. If all requirements are observed, the applicant will be exempt from paying the principal debt for up to one year. In place is also the List of Process Equipment to be complied with in order to obtain funding under the new programme.

Level Three involves large projects. These come from giant wood processing enterprises and are supported through Development Projects programme. The



loan size is from 50 to 500 million rubles and the loan term is up to 60 months, with the interest rate of 1% to 3% per annum, minimum 50% co-financing (investors, banks), and total project budget starting at RUB 100 million.

The Fund’s Supervisory Board has expanded the list of equipment for one more useful programme – Leasing Projects. Now, the loans for leasing harvesters and forwarders can be provided by the Fund to the wood-working businesses at 1% per annum. Other equipment that

can be leased on preferential terms includes sorting, sawing, drying, comminuting, and pressing facilities, machine tools, etc.

The Industrial Development Fund operates a total of 11 preferential loan programmes to support the timber sector. By February 2021, the Fund has allocated RUB 13 billion to more than 60 projects involving construction or refurbishment of the woodworking facilities.

Proprietary information

For the record

The Ministry of Natural Resources and Environment of the Russian Federation has published the 2020 report on the implementation of the Fundamentals of State Policy for the Use, Protection and Regeneration of Forests in the Russian Federation for the period until 2030. The document evaluates the effectiveness of the regulatory measures existing for the forest industry. Thus, the year 2020 saw the enactment of 41 statutory documents.

In particular, the Russian Government adopted 10 resolutions and 31 edicts, of which 29 relate to the procedure for transfer of forest lands to other categories. Changes have been made to distribution of subventions among regions, taking into account, among other things, the fulfillment by the regions of the target figures, as defined by federal project “Forest Conservation”, and their contribution to the national project “Ecology”.

In October 2020, the Government endorsed the forest fire safety requirements. The relevant resolution specifies a set of fire safety standards to be observed in forests depending on their intended purpose while conducting forestry operations and arranging for forest protection, regeneration and other activities, including recreational use of forests.

In place are also the mandatory sanitary safety rules, represented by a set of measures to be observed in forests during forest management, protection, regeneration and other activities, including recreational use of forests.

Other recently endorsed documents include the form of the accompanying document for the transport of timber, as well as filling-in instructions. Upon the initiative of the Ministry, a number of changes have been made to methods for calculating cost of damage caused to forests and their natural sites as a result of violation of the forest legislation.

Information provided by the press service of the RF Ministry of Natural Resources

On February 4, 2021, Russian President Vladimir Putin signed a law on modernization of the Unified State Automated Information System for tracking and transacting in timber



Situation

The burden of coronavirus

As elsewhere in the world, over the past eighteen months Russia has been struggling with an unprecedented challenge – the coronavirus pandemic. The resultant socio-economic crisis has led to a drop in GDP, reduced household income, escalating unemployment, and low investment rate in real economy.

Against this backdrop, the timber industry is forced to reduce its output globally. Some enterprises are faced with a shortage of raw materials and operating assets. The closure of borders has caused many businesses to suffer financial losses, threatening their long-established logistics chains.

One of the vital sectors of the national economy, the timber industry is the sixth biggest exporting industry according to the Russian Statistics Agency. Exposed to the pandemic-induced constraints, it suffered a tangible loss. As the disease was spreading rapidly around the globe, it brought uncertainty to plans and prospects.

In this context, to the foreground comes agile strategic planning and the ability to quickly adapt to and navigate in the new rules of the game. Along with e-commerce, the coronavirus pandemic has spurred the demand in sanitary products. This, in turn, has triggered growth in the production of tissue products and packaging materials – the two core product lines that use as feedstock the materials produced by Arkhangelsk Pulp and Paper Mill and that are favored by its sole shareholder, Pulp Mill Holding.

Pavel FASONOV



Social responsibility

COVID-19: Meeting the challenge

Arkhangelsk Pulp and Paper Mill has been involved in the fight against COVID-19 from the very beginning of the pandemic, supporting the healthcare institutions in its home region. Here is how APPM was coping with this new challenge.

Helping health care services

The mill provided Arkhangelsk Regional Hospital with funds for the purchase of medical equipment and preventives, while Novodvinsk City Hospital received from it bactericidal air recirculators, indoor disinfectants, bedding, breathing apparatuses, non-contact thermometers, and protective masks for adults and children.

Upon the initiative of Vladimir Krupchak, member of APPM Board of Directors, member of Titan Board of Directors, and Investment Director at Pulp Mill Holding, an action plan was elaborated to provide assistance to regional health care services and families in difficult life situation. Covered with this action plan are all areas of Pulp Mill Holding's presence.

Thanks to fast response from the local office of United Russia party and the mill, Novodvinsk Child Health Center has received two Xerox multifunction printers. Funds were allocated for the purchase of oxygen concentrators and pulse oximeters Topmed FP 30 – the devices highly needed in the treatment of coronavirus.

With the support from the mill, the X-ray waiting room has been installed with a partition system with door to separate respiratory patients from healthy patients undergoing medical examinations.

Assistance has been provided to the paramaking town's doctors also in the form of transport. The vehicles with APPM logo could be seen in many parts of town carrying the teams to patients with coronavirus.

Arkhangelsk Pulp and Paper Mill's expenditure on coronavirus prophylaxis totaled more than RUB 20 million

20

Fighting against the pandemic

Precautionary measures have been strictly observed at Arkhangelsk Pulp and Paper Mill from the early days of the coronavirus pandemic – face masks, regular cleaning of indoor premises, surface treatment with disinfectants. Employees with signs of cold were forbidden to be at work, while the team of APPM Fire and Gas Rescue Service were involved in decontaminating buildings and facilities in Novodvinsk.

Face-to-face meetings and activities had to be suspended. Some of the staff entered flexible arrangement by working from home. Disinfection agents for surface treatment, hand sanitizers, medical gloves and masks, thermometers and thermal imagers were purchased in large volumes, followed by installation in the production premises of 120 bactericidal air recirculators.

Contractors from other regions of the Russian Federation were allowed into the premises upon presentation of negative test result for COVID-19. The employees who were in immediate contact with coronavirus patients were being tested at the mill's expense.

"We have set up a response center to monitor the situation and provide fast response. Our staff are being constantly reminded about prevention, symptoms and do's and don'ts for preventing coronavirus. We operate a hotline, among other measures," said Dmitry Zylev, APPM Director General "Also, there is whole range of organizational and administrative measures. Our preventive care expenditure amounted to more than 20 million rubles."

These measures have made it possible to prevent the disease from spreading. At Arkhangelsk Pulp and Paper Mill, the incidence rate is the lowest among the larger industries of Arkhangelsk Region and the Russian Federation: the employees diagnosed with corona-

virus accounted for about 5% of the mill's total staff during the pandemic. Preventing care is still being maintained, allowing to resist the spread of the disease.

The vaccine to end the pandemic

For the economic situation to get back on track and the domestic industries, including Arkhangelsk Pulp and Paper Mill, to be able to operate at full capacity, it is necessary to stop the pandemic. As the expected third wave of COVID-19 began to spread in the early summer, the number of coronavirus patients began to increase again.

The sharp deterioration of the epidemiological situation is associated with the emergence of aggressive and faster spreading strains,



Konstantin GRIGOROV, Chief Doctor at Novodvinsk Central Hospital:

We are very grateful to APPM directors and shareholder, and personally to Vladimir Krupchak for the assistance they provided to us for combating coronavirus!



fueled by the weakening of anti-COVID restrictions.

This alarming situation has caused many domestic enterprises, and among them APPM, to increase their monitoring efforts in 2021 to ensure that preventive measures are observed. It is essential to prevent morbidity increase and to raise vaccination rates.

Vaccination is the only effective way to stop the disease. Only by getting vaccinated can we receive quality protection. There is a full-time vaccination station on the premises of the mill. Any employee with no medical contraindications can get vaccinated with GamCovidVak (also known as Sputnik V) without waiting.

As of the early July 2021, APPM has approximately 600 fully vaccinated employees. People can get vaccinated during working hours with full pay. Those of APPM



In 2020, APPM provided the local health care services with more RUB 11 million

staff who would like to get an antibody test can do so at Novodvinsk Health Center at a reduced rate. The employees who have had coronavirus – a total 220 people – are free to take a course of rehabilitation treatment at health recreation facility Zhemchuzhina Severa (Northern Pearl), operated by BYT (JSC), on a gratis basis.

Last June, APPM hosted a meeting with Elena Kazakevich, director at Semashko Health Care Center, who provided a detailed account of the nature and safety of the vaccine.

As was noted by Arkhangelsk's Acting Minister of Health, Alexander Gershtansky, in a governor briefing session, the corporate vaccination programme is being joined by more and more industries including Arkhangelsk Pulp and Paper Mill.

Pavel FASONOV



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

In the recent history of mankind, the coronavirus pandemic is one of the gravest threats. A lot was being done to stop it, and any aid mattered. As high-performing companies, Arkhangelsk Pulp and Paper Mill and Pulp Mill Holding continued to work efficiently even in conditions of a massive economic decline, staying true to their social commitments. Our special responsibility before the country and the people of this region means we should be able to provide assistance – the assistance to health care services in the time of the pandemic. This is what good corporate citizenship is about.

Helping together

Whenever our country was going through turbulent times, Arkhangelsk Pulp and Paper Mill, its subsidiaries and partners did their best to offer assistance. The time of the pandemic is no exception: APPM, Arkhbum Tissue Group LLC, Titan Group, and Sawmill 25 have repeatedly provided their support to health care centers.

Support in difficult times

Any contribution to helping medical teams mattered – medical supplies, money, even sanitary and hygienic products. As coronavirus was picking up in the early April of 2020 and hospitals began to fill up with patients, Arkhangelsk Pulp and Paper Mill and Titan Group announced their decision to allocate RUB 20 million to the local health facilities. This money was spent on medical equipment and COVID-19 prophylaxis.

"It is our responsible decision," commented Vladimir Krupchak, member of APPM Board of Directors and Titan Group Board of Directors. "All our companies continue to operate all right, thank goodness, maintaining their target levels of performance, paying taxes, shipping products, paying wages and coping with production plans. Hopefully, the coronavirus crisis will pass and things will get back on track. We deem it very important to be helping doctors in difficult times."

In the meantime, Novodvinsk Central Hospital and Primorsky District Central Hospital were about to receive another portion of aid – two shipments of Soffione sanitary tissue products, or 83,000 rolls. Soffione is known throughout the country as a brand for paper towels and toilet paper by Arkhbum Tissue Group LLC. These shipments were delivered to Arkhangelsk region using APPM's vehicles.

Faith in goodness

Based in Vorsino Industrial Park (Kaluga Region), Arkhbum Tissue Group LLC is a newly built subsidiary of Arkhangelsk Pulp and Paper Mill and a member of the vertically integrated Pulp Mill Holding. Arkhbum Tissue Group has its own brand, Soffione, selling its sanitary tissue products across Russia. Its first-phase facilities currently have the capacity of 70,000

tons of sanitary tissue products per year, which is expected to be increased to 210,000.

A young but swiftly growing company, Arkhbum Tissue Group LLC has already gained its ground on domestic and international markets. Its good reputation is earned not only by high product quality but also by doing good deeds. Toilet paper and paper towels have been given to Clinical Hospital for Child Infectious Diseases 6 (2B, 3rd Likhachevsky Lane, Moscow) and advanced equipped department for COVID-19 patients in Moscow.

After completing all formalities, a portion of the sanitary tissue products went to Kommunarka Hospital 40 – the country's biggest COVID-19 intensive care unit. Transportation was kindly provided by Arkhbum Tissue Group's key partner, Klin Master LLC.

Arkhbum Tissue Group referred to that act as a manifestation of its corporate citizenship and understanding by its staff of the urgency in donating sanitary tissue products.

"We called that campaign Restoring Faith in Goodness. Our products are commercial and intended for marketing, in the first place, but we are thinking also about those who are going through difficult times," said Alexander Tufanov, Director General at Arkhbum Tissue Group LLC.

Pavel FASONOV



Arkhangelsk Pulp and Paper Mill and its subsidiaries stay true to their social commitments. Along with profit making, they seek to make life in their home region better and safer

Titan Group

Towards new standards

With the support from Titan Group, Arkhangelsk has recently hosted FSC Russia* workshop on the Russian national standard. The event was attended by certification bodies from all over the country.

As noted by FSC Russia Director, Nikolay Shmatkov, the implementation of the revised standard can be as challenging for certification bodies as it is for timber companies themselves. Its 2020 version contains quite a number of changes pertaining to, among others, sustainability and social concerns.



Nikolay Shmatkov

“FSC Office in Russia sees its role as making the transition to more responsible forest management as clear, transparent and least stressful for companies as possible,” said Nikolai Shmatkov. “To facilitate the process, we have developed a supportive resource with ample topical information. We regularly deliver on-line workshops, and this time we are doing one face-to-face.”

The revised FSC forest management standard entered into force on March 22, 2021. Certificate holders have one year to switch to it. Work is in process at Titan Group to prepare for the upcoming forest management audits using the updated standard. Its two divisions have already passed the FSC-STD-RUS-02-2020 audits.

“The Standard is difficult to interpret and implement, but it provides this fragile balance of interests with environmental organizations, which is the only reason why it is taken seriously by retail chains and large consumers in Russia and abroad,” commented Alexey Kudryavtsev, General Director at Titan LLC. “Responsible forest management and supply of FSC-certified raw materials have a firm place on Titan Group’s strategy. We have been operating according to FSC standards for fifteen years now and are recognized as leaders in the voluntary certification process in Russia, with 85% of our leased forest blocks being FSC-certified.”

Titan Group of Companies has been operating according to FSC standards for



Alexey Kudryavtsev

longer than fifteen years, having received its first certificate (Forest Management) in 2005 and successfully passed repeated certifications.

With ten forest management certificates, Titan uses internationally-recognized principles of responsible forest management as the basis for its operations.

As of the early 2021, Titan’s FSC-certified forests occupy 4.7 million hectares. Every year, there is growth in Titan’s forest area certified to FSC principles and criteria: in 2020 alone, the increase amounted to 22%.

Proprietary information

*FSC license code: FSC-Coo2853

Titan LLC’s FSC-certified forests occupy 4.7 million hectares

Forest under special protection

As many as three designs of protected natural areas are going under a comprehensive survey by the World Wildlife Fund. This summer will keep the WWF team busy surveying the north-eastern sector of Sursky forest range.

The surveys will cover an extensive cluster of pristine forests along the border with Komi Republic and is designed to identify habitats of red-book fauna and flora species, rare ecosystems and landscapes. The resultant information will form part of the comprehensive environmental rationale for expanding the boundaries of Puchkomsky Reserve.

“Puchkomsky Landscape Reserve, located in Arkhangelsk Region, is a 12,000

ha protected natural area,” commented Nikolay Larionov, head of WWF Russia Office in Arkhangelsk. “Our goal is to seriously expand it. Together with the already existing Yezhugsky Reserve and the would-be Karpogorsky Reserves in Komi Republic, the expanded Puchkomsky Reserve will form the core of Karpogory intact forest and as such will make it possible to preserve this forested area the region’s ecological balance.”

“As part of our agreement with WWF Russia on preservation of high conservation value forests, we have withdrawn from our cutting area as many as 7,000 hectares of forested land for strict protection. Given the logging moratorium set for Sursky forest range, the size of Puchkomsky Reserve will increase almost two-

fold,” said Alexey Kudryavtsev, Titan Director General.

It should be noted that in 2019 Titan Group has voluntarily withdrawn from its operation 1,834 hectares of high conservation value forests. Placed under the group’s protection is a section of the pristine taiga adjacent to Dvina-Pinega Nature Reserve.

With participation of FSC Russia, Titan and WWF Russia signed the Roadmap for High Conservation Value Forests 2028 – a document providing for the action plan for preserving biological and landscape diversity, expanding the existing and creating new protected natural areas on a total of 24 forest blocks in Arkhangelsk Region, which are leased to Titan Group, Sawmill 25 (JSC) and Arkhangelsk Pulp and Paper Mill (JSC).

The area of Puchkomsky Reserve will increase by nearly 2 times thanks to Titan



For the record

Titan Group acts as APPM’s general supplier of raw wood. APPM and Titan are working towards enhanced levels of wood processing, import substitution, and multifaceted use of wood and wood-based products. Titan’s estimated cutting area is 5.7 million m³.

As a vertically integrated structure, Titan operates an almost zero-waste production system, supplying its sawn timber to Sawmill 25 (JSC) and paperwood and chippings to Arkhangelsk Pulp and Paper Mill. Feedstocks such as bark, splint and non-standard chips go to Sawmill 25 for generation of energy, while sawdust is used as a component of pellets.

With high-quality cellulose for the production of cardboard packaging and products up the chain – corrugated cardboard and sanitary tissue products – APPM stands as a major contributor to exports with high added value and, consequently, to timber sector’s share in the GDP.



Initiative

Paying tribute to every war hero

The companies of Pulp Mill Holding joined international action Garden of Memory 2021.

Millions of trees

For Pulp Mill Holding’s northern members – Titan Group and Arkhangelsk Pulp and Paper Mill (JSC) – this year has been the second time they contributed to Garden of Memory international action.

In 2020, APPM planted fifty bushes of variegated-leaved cornel in the public garden along Sovetov Street in Novodvinsk. In 2021, the commemorative event was held on the territory of the mill: the site in front of the new evaporation station has been planted with fifty diabol ninebarks in memory of the war heroes and as commitment to green policy.

Notably, the event became the finishing chord to the Russian environmental conference, which was organized by Arkhangelsk Pulp and Paper Mill in cooperation with Bumprom Association.

Last year, Titan Group gave life to 28 thousand seedlings of coniferous trees in four districts of the Pomorland – Ustyansky, Nyan-domsky, Pinezhsky, and Velsky. In 2021, its holding company has set itself a goal of 13 thousand seedlings and fulfilled it!

The planting campaign began in May. Titan’s branch office in Shalakusha teamed with volunteer team Lyubo-Zeleno to create one more memorial garden in the district forestry.

The employees of Titan’s office in Velsk have planted cedars and blue firs in residents’ favorite recreational areas, while the office in Lukovetsky have planted pine and larch in their home village.

One more memorial garden, of cedars and apple trees, has appeared on the territory of Malye Karely tourist site. Other locations that have joined Titan’s planting campaign in Arkhangelsk Province include Konosha and Verkhnaya Toima.

It should be noted that Titan’s afforestation plan involves planting millions of young trees every year in the territories of the group’s presence. A total of 18.5 hectares of land are going to be planted with trees this year, the afforestation costs amounting to RUB 100 million.

“Our goal is not just to re-plant, but to grow new forests,” said Alexey Kudryavtsev, Director General at Titan Group. “The holding is using the most advanced technologies to maintain its production processes and afforestation is not an exception. It is a fundamental element of our forestry operations. We are honored to support the Garden of Memory and we are attracting school students and young people to it. For them, it is an opportunity to learn more about the history of their country and their own family!”

Anna DOVYDENKO

Photo courtesy of Pulp Mill Holding

Even though the Garden of Memory 2021 has been officially closed, some of its actions continue in a number of regions from Murmansk to Kamchatka, including Arkhangelsk. Every planted tree is of great importance, symbolizing life, freedom and continuity of generations.



The large-scale campaign Garden of Memory was participated by 50 countries



Date

The Bumazhnik turned 85!

The Bumazhnik (Papermaker), which celebrated its 85th anniversary in June 2021, has been decorated with Service to Novodvinsk Municipality badge.

The Bumazhnik team received this honorary badge from the hands of Sergey Andreev, head of Novodvinsk Municipality, in an official ceremony dedicated to the newspaper's anniversary. The Bumazhnik is the second recipient of this honorary badge after Arkhangelsk Pulp and Paper Mill.

Newspaper with long history

The festivity in honor of the 85th anniversary of the Bumazhnik was held on June 11 in the hospitable walls of N.A. Dobrolyubov Arkhangelsk Regional Scientific Library. One of Russia's oldest media outlets, the Bumazhnik offers its readers news, stories and analytical reports covering the events and personalities of Arkhangelsk Pulp and Paper Mill, town of Novodvinsk, land of Pomors, and the forest industry.

The event was opened by Dmitry Zylev, Director General at Arkhangelsk Pulp and Paper Mill (JSC), who noted that APPM is planning big, intending to strengthen its position as the nation's leading pulp and paper enterprise. Growing together with APPM is the Bumazhnik.

Dmitry Zylev read out the welcome address to the newspaper staff from Vladimir Krupchak, Investment Director for Pulp Mill Holding and member of APPM Board

of Directors. The address ended with the following words: "It is essential that the newspaper recounts in its skillfully written stories of the men of labor – true achievers of industrial glory and creators of the economic well-being of the area and entire Russia."

Forest industry in focus

The Bumazhnik has its focus also on APPM's business partners, public authorities and local self-government bodies, public associations, and timber industry expert community, among other stakeholders. Today, the newspaper publishes a supplement, Bumazhnik Business, an industry monitor that has already taken its rightful place among forestry-specific analytical reviews.

In their congratulatory speeches, Yuri Trubin, Chairman of Public Council under the Arkhangelsk Ministry of Natural Resources and Forestry Complex; Niko-

lay Krotov, APPM Director for Liaison with State Authorities; Alexander Dyatlov, Chairman of the Committee on Forestry, Nature Management and Environment, Arkhangelsk Regional Assembly of Deputies; Nadezhda Vinogradova, Deputy Chairman of Arkhangelsk Regional Assembly of Deputies; professor Natalia Pinyagina, Bauman Moscow State Technical University Department of Economics and Management, stressed the importance of the Bumazhnik as a source of public awareness of the state of things in forest industry.

As was noted by Tatiana Semindey, assistant to the head of Arkhangelsk, Dmitry Morev, the Bumazhnik instills an understanding that we are successfully tackling the economic challenges and that work continues to create a better future for Russia.

Elena ZAKHAROVA

Photo by Anna FEDORENKO



APPM to Pomor universities

The official celebration of the 85th anniversary of the Bumazhnik witnessed Arkhangelsk Pulp and Paper Mill giving book gifts to M.V. Lomonosov Northern (Arctic) Federal University and Northern State Medical University. The libraries of these two universities, the lead ones in the area, will receive more than a dozen copies of the two-volume The Birth of a Giant. 1934-1940 and Time of Valor. 1941-1945 (written by Pavel Fasonov and Elena Zakharova of the Bumazhnik team). A historical narrative, this dilogy was prepared upon the initiative from Pulp Mill Holding Investment Director.

Both the books have been repeatedly awarded with prestigious prizes, having earned Arkhangelsk Pulp and Paper Mill the Lomonosov Award. Time of Valor. 1941-1945

received the grand prix from the Grand National Corporate Media Competition SILVER THREADS as the 2020 best corporate book of the Russian Federation.

For two years in a row, and for the first time in Pomorland, the authors of this dilogy won local literary contest Book of the Year, organized by Dobrolyubov Library and the regional government.

The Birth of a Giant. 1934-1940 and Time of Valor. 1941-1945 have been recognized by the Association of the Russian Book Publishers, which operates with the support from the Federal Agency for Press and Mass Communications of the Russian Federation, as one of the best domestic book projects of 2020 in the category "The Best Book About Russia."

HISTORY BETWEEN THE LINES

The newspaper was first published on June 1, 1936 under the name Za Stakhanovskuyu Stroiku! (Towards Stakhanovite Shock-Work Construction). It happened four years before the launch of Arkhangelsk Pulp and Paper Mill and one year before Arkhangelsk Province officially appeared on the map of the USSR.

It was later renamed Voroshilovets and existed under this name until October 1941 to be reduced to a news sheet during the Great Patriotic War, informing its readers – mill workers and residents of the adjacent village – about the front-line battles.

The post-war period marked a new stage in the life of the newspaper. The increasing population of the papermakers' village needed a full-fledged news outlet. The Voroshilovets was restarted on April 7, 1946 under the name Bumazhnik, which is its current name. Appointed to the post of its editor was Fedor Korzhavin, an honored front-line soldier and Arkhbum's only Hero of the Soviet Union who earned this title for the selfless courage he displayed during the offensive on the River Vistula in 1944.

In the Soviet years, The Bumazhnik was a mouthpiece for two party committees, one hosted by Arkhangelsk Pulp and Paper Mill and the other by Construction and Installation Trust No. 4.

While chronicling the history of the mill, the papermaking town, and Arkhangelsk Province, that newsroom had been an excellent school of literary skill for generations of journalists and freelance writers.

CURIOUS FACTS

One of the mysteries of The Bumazhnik is its filing of 1946-1947. It's missing. For some unknown reason, the 1946-1947 issues disappeared and can be found neither in the editorial office archives, nor in the regional newspaper repositories.

In its early years, the newspaper was not allowed to publish their own photos. Press cliches would be sent to its editorial office by the central publishing houses, featuring the Soviet leaders or panoramas of great construction sites, or caricature images of the enemies of the socialist system.

In the Soviet time, it was prohibited to carry parts of monumental words such as "communism" and "Lenin" to the next line. Access to the printing house would be strictly monitored for fear of outsiders using the printing equipment to spread anti-Soviet sentiment.

The early issues of the newspaper would be typed manually by rearranging letters in the mirror image mode. In 1974, when the printing house received offset printing plates, the quality of printing and the photographs had improved cardinally.

In 1979, a photocomposing machine was installed in APPM paper shop, which was one of the first in Arkhangelsk region. That machine typed texts automatically and used perforated tape to transfer them to photographic film.