

Finch Paper:

Going “Green”

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WHY LOOK AT FINCH?

“All around the globe, printing paper manufacturers are fighting to survive in an increasingly challenging business landscape. At Finch, we won't settle for survival. We're here to thrive, and our accomplishments to date have pointed us firmly in that direction.”

—Joseph Raccuia, CEO Finch Paper

Historically, the pulp and paper industry has been viewed as damaging to the environment because of their large environmental footprint. This industry has heavy chemical use and high air and water emissions. Today, pulp and paper companies are trying to change the public perception about them. The reality of how harsh the paper making process is arose through decades of clear-cut logging and the lack of strict regulations for emissions of pollutants. In the past, clear cutting logging was used across the globe as the most efficient means of collecting lumber. Along with clear cutting, the pulp and paper industry is very chemical intensive, using around 41 different chemicals in an average facility.¹ With these chemicals come emissions into the air and water, as well as increasing pollution before, during and after the industrial revolution and into today. There is a high cost to produce paper, both from environmental and economic standpoints.

In recent years, paper companies across the nation have begun to rethink their business strategy and make a decision as to where the balance is between creating an economic gain and protecting the environment. Finding a balance is a hard task to fulfill, especially in the Northeastern US region where fifteen years ago in upstate New York there were eight paper mills in operation; now there are just two.² These two remaining mills are Finch Paper and International Paper Ticonderoga. The original fifteen northern domestic paper mills were all build around or before the turn of the century and needed constant upkeep to be up to today's efficiency standards for industrial emission and production levels. With pressures for less expensive land, fewer regulations, cheaper labor and newer facilities in the Southern US, South America, China and Indonesia, businesses fled the Northeast. Since these foreign countries can afford newer facilities and use large clear-cutting operations, they can harvest their trees in 8 to 15 years.³ The trees in the Adirondack Park are slow growth and can take between 50 and 70 years to mature, which economically makes it difficult for Northeastern US paper companies to compete with the foreign market.

As Finch is one of the remaining paper companies in the region, the question looked at in this case study is has Finch's focus been on saving the Adirondack land or to benefit their bottom line as they are still a company? Roger Dziengeleski, the VP of Continuous Improvement and a Senior Forester at Finch, stated that he believes the company truly does care about the environment. Speaking of their forests he said, “We're organic. We work with what nature gives us,” and they have been safely harvesting the Adirondack's most biologically diverse regions for over a hundred years.⁴ But when looking into their continuous improvement initiative—a program that gives top and bottom level employees the power to make small changes to save energy—Mr. Dziengeleski said that Finch wants to save the environment, but when it comes down to it their goal is to save money.

Finch has begun to shift their corporate culture image since their sale to Atlas Holdings LLC and Blue Wolf Capital Management LLC in 2007 and their website is showing this change. With images and text claiming environmental stewardship they are showing their shift away

from the old industrial norms of the paper industry. Is this a true shift to being “green” by Finch or is this another case of green washing by a large industrial company?

HISTORY OF FINCH, PRUYN & CO

“For more than 50 years, I have had the pleasure of coming to work every day to a job I love and to professional challenges that still excite me. After my family, the people of Finch Paper have meant more to me than anything else in my life.”

—Richard J. Carota, Former CEO of Finch, Pruyn

In 1865, Jerimiah and Daniel Finch along with Samuel Pruyn purchased a mill in Glens Falls, NY, to form the Finch, Pruyn Company. In 1880, Finch, Pruyn purchased over 100,000 acres of Adirondack forest land and became one of the largest lumber companies in the Hudson region. The lumber from the company’s tract of land was used in paper production at the Glens Falls mill. Finch, Pruyn used selective harvesting of the working forest while other lumber companies used clear cut harvesting. These practices helped Finch ensure a foothold and expand their paper making capabilities. As the century progressed, technological improvements increased to optimize paper making and eliminate waste effluent.⁵

The Finch, Pruyn working forest comprised of 161,000 acres of land, was sold to The Nature Conservancy (TNC) in 2007 for \$110 million (Exhibit 1& 2).⁶ The deal planned to transfer the most ecologically valuable lands of New York State to public protected areas, and the rest to a private landowner who would continue to harvest lumber with emphasis on conservation easements. Finch also retains logging permits for 15 years on the sold lands. This parcel of land is considered to be the jewel of the Adirondacks. A biological survey conducted in 2001 found 95 significant plant species, 37 of which are rare in New York State and 30 rare or uncommon in the Adirondacks.⁷ New York State committed to preserve 130,000 of the 161,000 acres of land, but this sale did not close until the end of 2010.⁸

Finch’s Mission

Finch Paper, LLC has stayed committed to the mission statement of its forefathers in terms of sustainability and environmental awareness:

We are an integrated paper mill practicing sustainable forestry, generating our own power, and making our own pulp to produce high-quality, affordable uncoated printing papers. Unlike global giants, we can make a personal promise to our customers that our paper was made responsibly—from the forest to the pressroom floor.⁹

Through this mission statement, Finch Paper LLC pledges its services to the environment and customer, exuding corporate social responsibility. Finch has begun to help preserve the wilderness of the Adirondacks. The paper company fulfills its pledge by utilizing renewable energy sources. Since 1938, the company has made hydropower its main energy source and they also convert biomass into steam to generate electricity. These forms of renewable energy help power both paper mills and paper making machines. Finch created its waste water treatment

plant in 1980 to help curb the pollution found in the mills effluent. However the company's emissions are prevalent through the presence of nitrates in effluents, but through continuous improvements, Finch plans to mitigate this issue. Though they have a pledge to sustainable forestry, green energy and reducing their emissions, are these initiatives to benefit the environment or Finch's economic bottom line?

RESEARCH DESIGN & METHODS

In order to find the true value of the researched data, this report followed the guidelines of Robert Yin's case study saying that data must be accumulated from a variety of sources. This tactic was followed in order to triangulate the data and not use only one side of a story. By using interviews, scientific reports, legal documents, direct observation, and research, this case study was able to be written while showing that the "analysis relied on relevant evidence" from multiple sources.¹⁰ This report was conducted between September, 2010 and May 2011. In the research process this case study cites interviews with Roger Dziengeleski, VP of Continuous Improvement at Finch Paper; Henry Tepper, former Director of The Nature Conservancy in New York State; Mike Sundberg, Air Quality Technician for the New York State Department of Environmental Conservation; and Mike Winters, Quad Graphics representative. Others individuals were interviewed at the Finch Paper mill and in phone interviews, but they were not cited in this report. By hearing the varying perspectives from the multiple stakeholders involved with Finch, this report was able to hone in on the accurate data and follow Yin's case study.

Other similar companies, stakeholders, and land transactions were also reviewed such as International Paper, Domtar, John Hancock Timber, Champlain International Paper Company, Staples, Wal-Mart and Quad Graphics. Literature was looked at as well to connect what was said in interviews, other companies, scholarly research and media reports. By following Yin's case study, this report was able to get a perspective on the actions of Finch Paper, and the common pressures on all paper companies in the industry.

CHANGE IN CORPORATE CULTURE

"If critical stakeholders believe the environment matters, then it's the right thing to do for your business."

—Esty and Winston, Green to Gold

Beyond Compliance

As the world's resources diminish, society is realizing the necessity for a fundamental shift in how companies engage in compliance. Firms have found an economic incentive to go "green." With a variety of stakeholders pressuring businesses, corporations are beginning to move beyond industrial regulations because it is a smart decision for the economic bottom line. This shift is pushing firms away from legal requirements and towards the expectations of local communities, and the wider society as a whole.¹¹ The push towards listening to stakeholder pressures is called

social licensing and is defined as “the demands on and expectations for a business enterprise that emerge from neighborhoods, environmental groups, community members, and other elements of the surrounding civil society.”¹² By listening to those who are influenced by business practices, social regulations may in fact be tougher than governmental regulations. Meeting state and federal pollution standards is not as stringent in some cases as civil pressures, and it may be the firms that go beyond compliance and set standards that will receive the largest social and economic reward. Companies, especially in the pulp and paper industry, receive demands from their stakeholders in the communities where they are located. These individuals are the social licensers and have the potential power to influence a company practice if they are not happy with the production process. For example, if a city is upset with the disposal of sludge waste at a mill, then the community has the right to bring the issue up to the company. Talks are occurring in Glens Falls, NY with the community and Finch Paper discussing this exact issue throughout the start of 2011 and Finch is looking to please the city as Finch “lives, works, and plays” in the same community.¹³

Finch Paper is going beyond regulatory compliance in a few other ways that are beginning to set them company apart from other pulp and paper producers. Finch Paper emission levels, as discussed further in this paper, are below regulation standards set by state and national government. The Glens Falls mill operates producing all of their energy on site with two thirds of this energy from renewable sources. The renewable energy is from a biomass boiler and hydropower dam. Their forestry practices are core to the company culture and they recognize that without preserving forests and forest ecosystems, they will in the end be out of material to create their high quality paper. A change in company culture is further streamlining operations through the continuous improvement initiative. The company is not only reducing their environmental footprint, but saving money and enhancing business practices. Finch has made a pledge to the Glens Falls community and the Adirondack Park to become one of the economic cornerstones in the area. Being a landmark in the area requires responsibility, and Finch Paper is changing its ways to live up to a higher standard.

Why Corporations Go “Green?”

Why would a retail company or a paper mill decide to go “green?” Does choosing to care about the environment make a company lose focus on making money? Finch chose to protect the land the harvest because it was an economically viable option for them that lined up with their environmental beliefs. This is a trend that is occurring with global corporations today in day to day operations. Companies such as Wal-Mart, GE, Toyota, Staples and BP are moving in a greener direction because it is a smart business decision. According to Wal-Mart CEO Lee Scott, his definition of “Twenty First Century Leadership” says that environmental performance and awareness can and must go hand in hand with ones business strategy. He stated that the company will invest \$500 million annually in renewable energy programs and is asking suppliers to do the same. He believes that by investing in green initiatives, Wal-Mart can become a more competitive and innovative company. Linking environmental awareness to business practices can “improve revenues, lower operational costs, and even lower lending rates from banks” while also reaping benefits from credibility with consumers, brand trust, and an enhanced intangible value.¹⁴

A study was done by Michael Porter and Mark Kramer of the Harvard Business School stating that business practices and corporate social responsibility for environmental and social practices are “interdependent.”¹⁵ Though this thought process is much different from Milton Freedman’s belief that the only responsibility of a business is to increase its profits, Mr. Porter and Mr. Kramer bring up a debatable issue about why a company would chose to have responsible practices.¹⁶ Some such reasons are laid out in *Green to Gold* by Daniel Esty and Andrew Winston where it is explained that some companies feel it is the right thing to do for the environment. They go on to say that other companies believe it is the right thing to do for their business, and it is an additional benefit that it helps the environment. In the case of Finch, as will be explained later, the success of their company is determined by the success of the natural habitat around them.¹⁷ Thus allowing them to create a companywide mentality that what is best for the environment is best for their business and the pay off can be shown in 2009 energy savings alone.

Esty and Winston also talk about the ethos of companies and what a company is trying to protect by reducing their carbon footprint. They explain that the companies have joined a “green wave” in order to help with global warming, water scarcity, loss of biodiversity, and other issues. Though Freedman is correct in stating that a company’s focus is to make money, Esty and Winston argue that in order to make a profit, business today must join this “green wave” because of consumer pressures. Consumers are dictating the market, and if a company does not answer to those purchasing its products, then it will lose consumers. Wal-Mart CEO Lee Scott realized this trend in the market and pledged cut their energy use by 30% and eventually receive 100% of the company’s energy from renewable sources. Social licensing by consumers and local communities is a main reason that drives companies and industries to move beyond compliance and incorporate environmental practices into everyday business practices. Some companies chose not to adapt to the social pressures of greening their business, but those that do have seen an impact on their bottom line through reduced costs and higher sales.¹⁸

Another leader in a different industry, Staples, has shown that they have the power to influence change the practices of their suppliers in the pulp and paper industry. In 2008, Staples became the first large office store to carry and promote FSC certified paper as their standard offering. With 1,550 print and copy centers in the U.S., Staples has an enormous impact on paper suppliers.¹⁹ As Mark Buckley, the vice president of environmental affairs at Staples stated, “We’ll continue to encourage our suppliers to move towards even more FSC certified fiber as Staples works to advance environmentally responsible attributes of our products across categories.”²⁰ Staples also created a sustainability plan in hopes of becoming 100% FSC certified will all of their paper products.²¹ In 2009, Staples paired with the Rainforest Alliance to analyze the full life cycle analysis in order to reduce their impact even more. As the world’s largest office products company, they have taken charge of their environmental impact and shown paper producers that FSC certification is a must for them and other companies in the industry.²²

Paper Industry Market Trends

Using global paper product industry data, Finch Paper LLC’s future growth and struggles can be predicted. Despite large scale growth, the global paper industry market value has suffered a decrease by 17.1% hitting a value of \$285.7 billion in 2009. Global market value is predicted to

rebound in 2014 to reach a value of \$427.1 billion in 2014, a 49.5% increase from 2009.²³ In the fourth quarter of 2009 alone, there was over a 20% market wide decrease in demand for uncoated-printing paper.²⁴

Even though Finch Paper represents only a small portion of the global market pie, this industrial downward trend can predict the future to come for Finch. Growing market value and volume are leading to high rivalry within the industry, thus forcing the market to be costly to enter on a small scale. As it is largely dominated by leading incumbents who benefit from scale economies, companies can reduce their unit costs as the size of facilities and usage levels of units increase and save money.

With this said, barriers to entry in the paper industry are much higher in the U.S., and only moderate in the global arena. Many paper companies in the United States, such as Finch, are vertically integrated and dominate their market in both production and distribution areas. Vertical integration in paper mill operations is important because they can save money by streamlining life cycle processes. This creates a high barrier of entry such as the high capital outlay and fixed costs involved in setting up and running production plants. It is also not economically feasible to produce paper on small scale because of high energy costs, resource costs, and production costs. The United States pulp and paper market is saturated, especially in the northeast region. In the case of the northeast, where Finch operates, land available for logging is scarce

The global market for the paper industry is highly fragmented. The top three paper companies only hold slightly less than 18% of the global market. Companies see periods of rapid growth and decline. Threats of new entrants are low in the United States and lower in the northeast region. Competition from emerging markets is high. Pulp and Paper mills in emerging markets have a start up competitive advantage, working with a clean slate, by building brand-new, state-of-the-art plants costing anywhere from \$200 million to \$500 million apiece.²⁵

When looking at individual buyer power within the industry, it is considered moderate. Paper has many usages and with a variety of buyers and less suppliers in the industry, buyer power dissipates. Since Finch deals with high quality paper, a paper that is priced and handled like a commodity, buyer power is slightly higher, but still assessed as moderate. Suppliers are energy companies and producers of paper pulp. Paper mills are very demanding in terms of energy. Many firms have to deal with energy companies that have monopolies in the region that mills operate. Wood pulp is also priced and traded as a commodity, which equates to low switching costs lowering supplier power. Some firms, like Finch, have vertically integrated their operations. Fully integrated companies have their own source of lumber, energy, waste elimination, and distribution channels.

LAND MANAGEMENT PRACTICES

“The uniformly high quality of the forest management...remarkable scenic assets...the presence of numerous rare plant species and unusually high diversity of plant communities...exceeds any other Adirondack property, public or private that I have examined.”

—Jerry Jenkins, Biologist for The Nature Conservancy

U.S. Forestry

The forest and lumber industry has been a staple of the United States economy for centuries. In recent years a growing Chinese middle class and increasing European demand has led to a surge in U.S. lumber exports. In 2007, forest product exports reached \$6.3 billion.²⁶ Oversea markets in China have turned toward a growing trend of quality over price. In the United States, there are 736.7 million acres of forested lands. Of these lands, 249.1 million acres (33.8 percent) are owned by the Federal Government. Nonfederal entities, such as state or local governments, private citizens, or companies own the remaining 487.6 million acres (66.2 percent).²⁷

An increase in demand for lumber and forest products has led to a shift towards private ownership of forests. Industrial forest product companies have sold some of their lands to these private investors to avoid taxes, competition, and to capture an increase in developmental value of forest land. Between 2001 and 2007, 11 million hectares of industrial forest lands were sold in the U.S.²⁸ These land parcels have mostly been acquired by TIMOs and Real Estate Investment Trusts (REITs). This new breed of ownership concentrates on the return of investment and bottom line economics opposed to long-term sustainability of the forest.²⁹ Forests and the forest product industry are facing increasing competition domestically from real estate development and subdivisions. Working forests must be managed successfully in order for the U.S. forest industry to continue to survive and develop sustainably.

Working Forests

Conservation strategies today have been pressured by social demands from public agencies and land conservation organizations. People who work and live in and around forests and protected areas have shifted protection efforts towards “working forest” transactions.^{30,31} This movement comes in response to ecological, social and economic strains on the sales of industrial forest lands. Working forests are created in order to protect the lands for uses that include lumbering, recreation, and game management.³² Land ownership issues intensify as the size of the land transaction increases and when non-profit organizations are involved in the purchasing of private lands.

Conservation groups collaborate with private entities to protect land from development while still harvesting the timber. The use of easements is critical in protecting lands from subdivision or development through working forest conservation easements. The New England Forestry Foundation of Maine in 2002 represents one such partnership and easement. This non-profit organization purchased over 300,000 hectares of forested land for approximately \$28 million.³³ The easement allowed for the land to be purchased while restricting development, but a private company, Pingree Associates, still has the rights to harvest the timber.

Large parcels of land are continuing to be bought across the nation and are owned by many different public and private entities. This can be hard to manage if state agencies, non-profit groups, Timber Investment Management Organizations (TIMOs) and other organizations are not all connected with their management goals. These goals could vary slightly, but satisfy the needs of all parties through either ecological restoration, timber returns from harvesting, or public recreation.³⁴ Locally, these partnerships have been made in order to preserve the public lands while continuing sustainable timber management practices. In 1998, The Conservation Fund purchased 121,000 hectares of land in New York, Vermont and New Hampshire for \$76.2 million from the Champlain International Paper Company.³⁵

Working forests are considered a “win-win-win” scenario that provides public, private, and environmental benefits. When a forest is properly managed and harvested, there is an economic return for the landowner, valuable social benefits to the public, and the environment is protected.³⁶ Issues can arise, though, when there is ambiguity in the emphasis on which issues are most important from the various actors involved in the management.³⁷ These parties each benefit in different ways when the management practices are all in unison. There are a few studies that have addressed the environmental performance of working forests, but it must be looked at from an economic and social standpoint as well to find the full value of these forests.^{38,39,40}

FSC and SFI Certifications

Finch paper has tapped into another growing trend in the sustainable forestry industry involving engaging third party certification for land management and forestry practices. Environmental non-governmental organizations (ENGOS) see third party certification as a way to verify a landowner’s commitment to sustainable forestry.⁴¹ The Forest Stewardship Council (FSC) and the Sustainable Forestry Initiative (SFI) are the two most recognized certifications an organization can get in sustainable forestry. These third party ENGOS focus on land management practices as well as accounting for the benefits and impacts on the local parties living with the environment. They incorporate all aspects of the forestry practice so that the entire process is sustainable and all groups involved are benefiting. These certifications are hard to achieve and force a company to make an enormous commitment to the local community and the environment. Customer awareness of FSC and SFI labeled products are growing, making it a smart business decision for Finch to offer FSC and SFI certified products.

FSC at Finch

Finch’s forestry is third party certified by SFI and the Rainforest Alliance’s SmartWood Program for FSC certification. This allows for Finch to control of their sustainable management practices in their forests. The practices that occur by the foresters but fall in line with the practices set forth by these two third party sources. When comparing FSC and SFI, it can be noted that FSC certifications are more stringent and harder to achieve, so Smartwood’s analysis in 2003 for Finch will be examined. Finch, Pruyn first became certified for FSC on May 1, 2003, though Mr. Dziengeleski has stated that the company has always maintained high standards comparable to SmartWood’s requirements.⁴² It is worth noting that according to the 2003 review of Finch, there was notice of significant over cut of annual growth for 10 to 15 years prior to 1992.

SmartWood, however, has determined that Finch then drastically undercut their annual allowable levels since 1992 to 2003 to rejuvenate the forest. A pre and post-harvest report was conducted and all uses of the land were examined. It is worth noting that the majority of the Finch, Pruyn lands are surrounded by public lands and over 80% of was leased for recreational use when this report was filed.⁴³ This is where Finch received a substantial portion of the lands' operating revenues from.

SmartWood determined that Finch shifted its “philosophy to embrace long-term sustainability of forest resources,” and they were viewed as good land managers who care for their lands and abide by all the current rules. They continued on to say that “the company was viewed as doing innumerable good things for the community,” having good relations with local towns, active in community events and “very important to local economies.” The report determined that Finch has met all laws and regulations and is highly responsible in local communities and to their workers.⁴⁴ Finch Paper currently still has both FSC and SFI certifications for their harvested lands and though “it is expensive and lacks the financial return” it is important for the company to show they are committed to a long term sustainable forest.⁴⁵

Forest Management

Finch Paper, according to the company, has been managing their forests in a sustainable manner with these certifications decades before these certifications took place.⁴⁶ This is because of a realization of what must be done in order to be successful. The industry they are in is not able to make instant changes. It is not as though they are a farm that can cut down its corn one year and have it grow back the next with no one making a fuss about it.⁴⁷ Outcries are noticed from the local communities when clear cutting occurs, but in actuality Finch is harvesting their trees with the health of the forest as the most important goal. If the forest does not live, then the company does not live. In fact, Finch did such a good job when they privately managed the forests that when they sold their easements to The Nature Conservancy, now purchased by the state of New York, the agreement was that Finch foresters would continue to manage the land.

Their forest management strategies consist of the following practices. First off, they do not use any chemicals in their forests to keep the land fully organic. This is very important as it reduces their land impact for the plants and animals in the Adirondacks. Their main focus is to allow the forest to naturally regenerate. An individual will never see the full cycle of a working forest, from clear cut to clear cut, as the harvesters remove the poorest quality trees over a 70 to 150 year period. Of all the land in the easements, only 4% is harvested annually.⁴⁸ This was a large cost for them, as 96% of the land they previously owned was being unused but still taxed. But now with their easement in the hands of the state and the land owned by ATP Timberland Invest, they do not have to pay these extra taxes, though it did not change their practices in any way, according to Mr. Dziengeleski.⁴⁹

By allowing the trees to grow naturally, the foresters have and continue to mimic the natural selection process within a forest. There are various methods to selecting the wood they use. It is important to have both softwoods and hardwoods present in the pulp process in order to create high quality paper. The softwood used by Finch is hemlock, spruce fir, and balsam fir. While the hardwoods include red maple, sugar maple, beech, white ash, black cherry, yellow birch, white birch and red birch for a total of 11 species of trees.⁵⁰ There are three processes employed by Finch. There is strip cutting of sections 40 feet wide while leaving a 90 foot stretch

in tact to imitate a large wind storm.⁵¹ They also imply a “swiss cheese” method where quarter acre spots are cut.⁵² The most common practice is thinning of the weaker trees. All three processes are repeated every 10 to 15 years on the same parcel of land. Thinning allows for the larger trees to be kept while the weaker trees are utilized. Finally, there is the clear cut, which is the most vital cut off all because it can best regenerate the forest in a relatively short amount of time. When these practices are done sustainably, there is little waste left on the ground and the prevalence of animals is outstanding. Their working forest in Moreau consisted of animal tracks every twenty feet throughout the forest. This habitat is ideal for many creatures and the forest is regenerating by itself, Finch is only there to take the excess away.

Finch’s forestry is third party certified by SFI and the Rainforest Alliance’s SmartWood Program for FSC certification and Finch is able to know exactly where every tree harvested is coming from because of these certifications. Then the trees are brought to the Glens Falls mill where the entire paper process is completed. By managing the harvested land, Finch has succeeded in vertically integrating their company to have control of the paper making process through every process all the way to delivery. By vertically integrating, Finch has created a situation in which they can efficiently and effectively adapt to changing supply and demand conditions within their market.⁵³

Conservation vs. Development

In the late 1900’s and early 2000’s, a growing trend for large landowners in the US was to sell off their land for second home developments or for a conservation easement. Businesses with large land assets, especially in the northeast, faced pressure pressures in an economically unstable time, and as a business, they needed to make a profit. Selling the land for development is a safer option economically and a smarter business decision. Especially when focusing on the Adirondacks, the sale to private land owners or large development companies would bring in a large revenue at a time when companies needed it the most. As Mr. Dziengeleski stated, “The only time you see a payday in this business is when you sell the asset.” But selling land for development has large environmental repercussions. The development of individual parcels will create forest fragmentation and destroy the natural habitat within the forest. “Forest fragmentation occurs when large, continuous forests are divided into smaller blocks by roads, agriculture, urbanization, or other development.”⁵⁴ Fragmentation is a poor environmental decision but one that brings in more revenue to a company. Paper companies in the Adirondacks had decisions to make for what is best for the company.

Though they were not to receive as much money with conservation easements, the largest land owners paired with The Nature Conservancy in the 2000’s to preserve the Adirondack’s as a pristine habitat. With The Nature Conservancy’s help, in 2003, John Hancock Timber Company at Tug Hill preserved 47,000 acres and in 2005, Domtar Paper sold an easement for 105,000 acres. International Paper also made partnerships for land conservation. In 2000, they sold an easement of 250,000 acres to New York State and a 27,000 acre easement to The Nature Conservancy.⁵⁵ But in 2004, Finch Paper chose the opposite strategy. They sold 4,900 acres to a private land owner from Pennsylvania for development in Newcomb, NY.⁵⁶ At the end of 2006, it came to The Nature Conservancy’s attention that Finch needed to sell all of their lands in order to gain capital. As the lands are in the heart of the Adirondack’s, there was an enormous pressure to sell for development. When product sales are low, taxes are high, and stakeholders

are not getting the returns they want, the sale for second homes is a primary option that creates over twice as much revenue for the land as a conservation easement. But why would a company want to sell off the ownership of their land for conservation when they consider themselves to already be protecting their land to the highest land management standards? Though these paper companies are forgoing a larger paycheck for their land, in the case of Finch, they made off very well.

Land Sale to The Nature Conservancy

In June on 2007, Finch Paper was able to create a win-win land deal with The Nature Conservancy. Finch sold 161,000 acres of land for \$110 million dollars, thus creating a conservation easement, a device that's purpose is to protect lands from certain land use and development, and keeping the habitat as a working forest. The Nature Conservancy was very happy with the deal as they protected an enormous area within the Adirondacks. This transaction between the conservation organization and Finch Paper was not as smooth though, as it may have seemed to the general public.

As Finch was the largest privately held paper company in the Adirondacks at the time, New York State Nature Conservancy executive director Henry Tepper considered this to be an extremely important deal and one you wait your "entire life to have the opportunity to do this deal."⁵⁷ As large multinational timber companies began to sell off their land in the 2000's in the Northern Appalachian Eco-region, also known as the four northern forest states of New York, Vermont, New Hampshire and Maine, The Nature Conservancy previously made deals with International paper, John Hancock Timber Invest, and Domtar Paper. Finch had always separated themselves from The Nature Conservancy, and was described by Mr. Tepper as "not hostile, but not friendly to The Nature Conservancy."⁵⁸

The Finch deal was very complicated and expensive, but it was a deal that The Nature Conservancy knew they had to finalize. There were three large barriers to the success of the sale. The first was raising enough money in only eight weeks to pay Finch the \$110 million dollars they were asking. For this, The Nature Conservancy tapped into their \$300 million Environmental Protection Fund, and also paired with the future owners of Finch, Atlas Holdings LLC and Blue Wolf Capital Management LLC. The transfer of the entire company to Atlas Holdings LLC and Blue Wolf Capital Management LLC solidified a fiber supply agreement with Finch Paper Mill, creating Finch Paper, LLC.⁵⁹ But Finch wanted to keep the sale of the company and their land secretive, without the public or even their employees knowing. They were also in a rush to finalize the deal and fundraising for the project had to be quiet and done over an eight week period.

The second issue was the government situation in New York State. At the start of 2007, when the deal was taking place, Governor Spitzer was just elected and he had not even picked a new head of the Department of Environmental Conservation for New York State. As the new government was not yet fully in place, and the state said they would not help with this project. TNC had never had a land accusation without the states backing, but The Nature Conservancy knew it was a very serious issue and that the land had to be protected. They hoped NYS would come around and support and fund the project at some point, but initially The Nature Conservancy had to start alone.

The third main threat to the success of the deal was the hunt clubs in the over 40 towns in the Adirondack's in which Finch owned land. Much of the land in the Adirondacks has been leased to Rod and Gun Clubs for decades, and this allows for exclusive rights to the land for a long hunting season.⁶⁰ The members of these clubs have political power, as well, creating a political issue to try and allow the sale to occur. On top of that, each individual town had the right to veto the sale of the lands to The Nature Conservancy. This forced The Nature Conservancy to speak to towns on a town by town basis to make everyone happy. Perks were given and recreation was still allowed on most lands, except for ATV usage.⁶¹ The plan was passed in each town and The Nature Conservancy was allowed to purchase the land. They proceeded to sell over 91,000 acres to a financial investor, ATP Timber Invest, for \$32.9 million. The sale transferred the conservation easement, which restricted development and subdivision while enforcing forest management strategies in a working forest under FSC certification.⁶² The Nature Conservancy was able to work through all of the difficulties of this deal and create a monumental easement in only eight weeks.

In the past decade there have been increasing economic pressures on large corporations such as Finch Paper. The pulp and paper industry was in an economic downturn in 2007 and according to Henry Tepper, "Finch did not do The Nature Conservancy any favors. They sold for hard cash, and they were happy they sold to a conservation agency, but they really just needed the money."⁶³ Finch needed money and made a very strategic business decision with the land sale. They received \$110 million, as previously mentioned, the land remains a working forest which means they can still harvest the lumber, and they do not have to pay the approximate \$1 million annual property tax any more.

They were able to reduce their costs, make a profit, and still utilize what they used to own, while making The Nature Conservancy, New York and the local communities happy. This allowed for Finch Paper to continue their operation in upstate New York instead of moving south or importing their lumber in from overseas. The land sale in 2007 was done with a bottom line goal of economic gain. Yes, they do need the Adirondack lands in order to continue to be vertically integrated in the paper industry, and it was in their best interest to secure the environmental protection of this land. But in an economic downturn with ever increasing land taxes, it was an economically strategic sale to reduce their assets while still having full access to the working forest's they once owned.

On December 30, 2010, The Nature Conservancy completed the land transaction started in 2007 with the announcement that New York State had joined in to the deal and officially purchased 89,000 forested acres of the former Finch, Pruyn lands (Exhibit 3).⁶⁴ The conservation easement was transferred to New York State for \$30 million. The easement encompasses 31 towns in 6 counties and will allow public access to lands while continuing a "fiber supply agreement" with land owner ATP Timberland Invest. Bill Ulfelder, the State director of The Nature Conservancy commented on the sale saying; "This is a great day for all New Yorkers – it's about finding a healthy balance between nature and people."⁶⁵ New York State is currently developing an agreement to purchase the easement of an additional 65,000 acres of land from the original 161,000 purchased by The Nature Conservancy (TNC) from Finch, Pruyn in 2007.⁶⁶

ENERGY & EMISSIONS

“Right now over two-thirds of our energy needs are met by renewable resources...This energy is efficient, affordable, and predictable. In addition, we are focusing on energy reductions now and in the future as we become even less dependent on fossil fuel.”

—Go With Finch Guide

Energy

Finch paper demands a large amount of energy to run its mill day-to-day operations. Finch saves time and money using 100% on site energy. The mill’s on site energy is 66% renewable coming from a biomass boiler and hydropower. The biomass boiler uses bark, sawdust, and woodchips that are leftover from manufacturing. This collection of wood waste is burned and converted into steam, which powers the turbines and manufacturing equipment. Finch considers their biomass burner to be “efficient, affordable and, most importantly, [a] renewable source of energy.”⁶⁷ The excess is then recycled back into the beginning of the process to be reheated and reused. The process converts 600 tons of biomass per day into steam. The amount of energy this process generates could power 11,614 households a year. The excess wood that would go to waste from healthy forest harvesting, is now being reused in what research has agreed is a renewable fashion.^{68,69} Biomass use through their cogeneration facility keeps forests healthy and allows Finch to use the entire functional area of a tree and sell the rest as lumber or mulch (Exhibit 4).⁷⁰

Finch uses hydropower from the Hudson River as an energy resource. The hydropower dam has been in operation since 1938. Today the hydro plant delivers the equivalent amount of energy as 3.1 million gallons of oil.⁵³ The rest of Finch Paper’s on site energy comes from oil and natural gas boilers. Finch is lucky to have natural gas available, which is one of the cleanest burning non-renewable resources to use. The mill has made a cognitive effort to reduce their fossil fuel use. The biomass boiler has helped Finch to be less dependent on natural gas and oil. Unfortunately, the biomass boiler burns in a less clean than natural gas, which can pose a threat with future regulations.

Clean Air Act for Boilers in 2014

Currently the air emissions at Finch meet the standards put forth by the EPA, but to be in compliance with the Clean Air Act for boilers in 2014, changes must be made. After speaking with the New York State Department of Environmental Conservation (DEC) air quality controller for the Warren County area, Mike Sundberg, that Finch is meeting all regulations for air emissions from the DEC and EPA. Mr. Sundberg explained in fact Finch has moved ahead of regulations with their natural gas and oil boilers and they “should not have to make improvements to those (five) boilers.” This is the case if all of the boilers only burn natural gas and remove the oil from their process. The boiler that will be affected is the biomass boiler. Though it is strength that only one boiler will not meet the new regulations, it is also a weakness that will cost Finch a large sum of money to fix. According to Mr. Sundberg, Finch is currently barely making the current air emission regulations with this boiler and they must reduce their waste before 2014. In comparison, Mr. Sundberg stated that their closest competitor, International Paper (IP), has to improve all of their boilers, as they are a mix between fuel oil and

excess wood because they have no natural gas deposits.⁷¹ In such an industry that carries such a large footprint, new amendment to the clean air act is set to pose regulatory threats to U.S. pulp and paper companies.

Emissions

Finch has made efforts to go green, but operating in the pulp and paper industry carries an environmental toll. According to the EPA's Toxics Release Inventory, in 2008 and in 2009 Finch became the highest polluter in New York State releasing over 3.7 million pounds of chemicals, mainly nitrates, released into the land, air and water in the latter year (Exhibit 5).⁷² This is an increase of 82.8% from the previous year and they have nearly quadrupled their emissions since they were 1.07 million pounds in 2007.⁷³ According to Mr. Dziengeleski, it is unfortunate that "the TRI numbers are always a year or two behind," because in 2008, a broken part in the water treatment plant was not able to be fixed for nearly a year, thus causing the increase in the release of nitrates in that year and the following year.⁷⁴ Also, in February of 2011, there was a minor leak on the cooler and liquor which leaked into the water treatment facility, which will likely cause a small spike in their emissions. Mr. Dziengeleski stated that a company never wants these mistakes to happen, but when they do it is their responsibility to fix it as efficiently as possible.⁷⁵ The issue gets complicated when specific parts must be custom made and shipped to Finch, the reason behind the 2008 spike. Finch emitted 3.3 million pounds more than its regional competitor International Paper. Although Finch carries such a large footprint, they were still in compliance with EPA regulations.⁷⁶

Curbing Emissions

Even though the latest TRI data states that Finch is the state leader in industrial emissions; according to Mr. Dziengeleski they have reduced their emissions around 13% between 2009 and 2010. He also projected that they would reduce emissions by a higher percentage between the end of 2011 and 2010, though the small spike in February could limit that amount.⁷⁷ Finch has been recognized as industry leaders in improving their emissions by winning the 2009 Pulp & Paper International (PPI) Award for Efficiency Improvements in Munich, Germany. They won the award on the basis of their green house gas reduction of 13%, a total energy consumption reduction of 4% and from saving nearly \$4.2 million in manufacturing related efficiency improvements.⁷⁸ Finch followed up this award with the 2010 American Forest and Paper Association (AF&PA) "Environmental and Energy Achievement Award." Roger Dziengeleski commented on the second award saying, "Continuous improvement is a high priority at Finch, and it is very motivating for our team to enjoy the validation the award brings. We are changing behaviors and mindsets for the benefit of the community, our employees, customers, and the world. It's wonderful."⁷⁹ These nationally and globally recognizable awards show that even though emissions increased over a two year period, they are a global leader in improving their practices to reduce emissions and save money.

Finch has a long history of using abatement technology to reduce emissions. Smoke towers are equipped with scrubbers that help capture carbon dioxide from entering the atmosphere. Today, Finch captures 50 million pounds per year of carbon dioxide. Finch captures carbon dioxide to use as a raw material for precipitated calcium carbonate, an agent that

helps to brighten paper. Sulfur Dioxide is recycled to make cooking liquor, which is used in paper pulp creation.⁵³ In 1996, Finch pledged \$10 million to convert to a chlorine free process. Chlorine has been identified as a harsh chemical that has the possibility to pose an environmental threat. The chlorine free process helps to ensure the health of the Hudson River and Glens Falls community.

Continuous Improvement

“Every morning we review yesterday's results with our paper mill people. Each department talks about how we did against detailed criteria. We care a lot about dirt specs and pitch, for example. We try to bring even the smallest problems to the surface, solve them, and move onto the next ones.”

—Larry Allen, Pulp and Power Manager at Finch Paper

Finch not only uses continuous improvement as a motto, but they instill in every employee the need to reduce their energy consumption and emissions. By continually improving quality and efficiency, Finch is able to make large strides from little projects. “It isn’t about the mega projects that make the difference,” says Roger Dziengeleski. “The small projects such as changing light bulbs, steam traps and putting in the proper insulation are what make a huge difference.”⁸⁰ The company has focused on reducing the amount of unscheduled machine downtime, the time it takes to repair a machine when it is broken, and investing in new technologies to improve production rates and quality. Suppliers have even been helping out with the initiative as Eka Chemicals was able to reduce bleaching costs by over \$200,000 while also reducing the dosage needed when the bleach is added to the pulp.⁸¹

Mr. Dziengeleski credits these improvements to having every employee on the same page and to look at the mill as a large house. The small projects that occur every single day at Finch are no more complex than what an individual does at home, the only difference being the amount of improvements.⁸² He believes that the entire company has rallied behind the program and it is not just a top down initiative, but in reality a bottom up practice. This mentality is backed by Sandra LeBarron, the Director of the Environment, Health & Safety at Finch. When asked about the initiative she stated, “You see small yellow tags all over the place, and quickly they are gone. Why? Because we all know that shutting down tiny leaks saves money, increases efficiency and contributes to a safer work environment.”⁸³

Efficiency improvements in 2009 helped to reduce costs by \$8.4 million annualized in six months. The breakdown of this money is \$2.4 million in energy costs from energy leaks and other inefficiencies, \$4.5 million improved production and manning efficiencies and reduced production losses and \$1.5 million improving maintenance productivity reducing need for outside contracting. Though this project is helping the environment, the goal first and foremost is to save money without affecting the quality of their paper.

FINCH 2007 TO PRESENT

Quarterly Reports

“Any injury is too many. We are building a workplace culture where employees are extremely safety-conscious, where they take accountability for their actions, and where they take immediate action to correct any possible safety hazard. Their efforts are contributing greatly to making Finch Paper the employer of choice in our region.”

—Joseph Raccuia, CEO Finch Paper

Since the CEO change in the first quarter of 2009, Raccuia has been doing his best to turn the company around from its dips in 2008. The paper and pulp industry itself demand had been down by 20%. One of the first moves made by the new leadership was to stream line mill operations by continuing to reduce wood, purchased pulp, fuel, and other material costs to drive out less efficient manufacturing practice. Because of a shortage of high end paper demand, Finch introduced a lower-cost alternative product to keep the mill running at maximum capacity. This low cost manufacturing was done to help rebound from the economic downturn. Increasing marketing and sales efforts was a large initiative introduced by the beginning of Raccuia’s plan. This plan launched a go-to-market strategy and opened new channels and new markets for its products.

Finch has also established the Joint Steering Committee (JSC). The JSC pulls from seven different local union members, six members of the management team, and mill employees. The JSC was created to plan to improve communications mill-wide and initiative encouraging employees to take a more active role in maintaining and improving workplace safety. The JSC insures that all employees have a task for the day and common goals are realized. The forestry area of Finch’s operations was also increased, adding a forestry consulting service brought forth a new line of revenue. The Nature Conservancy became one this area’s newest customers asking Finch to manage the land that they purchased. The Nature Conservancy paid Finch this high professional compliment because of the pristine condition the purchased working forests lands were. Roger A. Dziengeleski, VP of continuous improvement, was chosen as incoming president of the 13,000 members Society of American Foresters (SAF) words larges association of professional foresters.

Raccuia has helped to make Finch Paper a nationally and internationally recognizable company for their environmental practices and energy improvements. In 2009, Finch received a global award for Efficiency Improvements from Pulp & Paper International (PPI). Also, due to the JSC program improving safety, and the “Finch is in the House” promotional campaign, Finch was a finalist in 2010 for two awards from PPI. The JSC program made Finch one of the five finalists for PPI’s Managing Risk and Safety Award as they reduced their Recordable Incident Rate from 3.12 incidents per 200,000 hours worked in 2009 to 1.04 as of October 6, 2010 and their Lost Time Days Away rate to a historic low of .45 from 1.39 in 2009.⁸⁴ Both of these numbers are considered to be world class rates for the pulp and paper industry. Due to the success of the “Finch is in the House” campaign to educate graphic designers on the high quality paper they produce, Finch is one of eight finalists for the PPI’s Promotional Campaign of the Year. Though they did not win either of these awards, it shows that they are in elite company for

their global safety standards, promotional material, and efficiency and a company that the paper industry can strive to look like.

Financially, Raccuia appointed John Kvocka and Mark McCoy as chief financial officer and vice president supply chain management respectively. These two masterminds are continuing to help trim the fat of the Finch operation. Between the two, they have helped to reduce on hand inventory was by 7,500 tons or about \$7 million. Earnings before interest, taxes, depreciation, and amortization were decreased by 20% and \$25 million in debt was paid off. The year end of 2010 brings forth of promise being one of the strongest paper production years in history. Net selling prices were also above average and market share is expected to grow in all focus categories.

Finch's Products

Finch Paper operates in a niche market supplying its customers with high quality specialty paper. The paper company concentrates on elements that serious printers and print buyers want the most. The Finch target market is interested in high quality white and off-white papers that are made responsibly and meet the highest standards of print performance for offset and digital presses. Customers use Finch's paper for catalogs, brochures, University newsletters, graphic design, and other avenues of print art. Finch offers an online blog where they do interviews with customers and artists. These blogs are full of environmentalism and kudos to Finch Papers product performance.

Finch also offers top line customer service separating themselves from larger companies that may be less available, less flexible, and less committed to time sensitive needy customers. Contrary to traditional paper makers, Finch keeps a small backlog utilizing just-in-time manufacturing and delivery. The Glens Falls paper maker keeps its warehouses full and stocked so they can better execute their supply strategy. As far as claims, Finch claims department offers an online guide that depicts what Finch will cover as far as damaged deliveries and other unsatisfactory reports.

The product list for Finch starts with high quality text and cover papers and ranges to everyday office paper. Paper is classed by brightness, print quality, certification, and chemical properties. All of Finch's paper is SFI certified, produced with renewable energy, and is elemental chlorine free (Exhibit 6). Percentage of recycled fibers varies with grade of paper the maximum being 30% and minimum being 10%. FSC certified paper is offered for most high quality papers and available by request. Finch paper has seen much success from selling 3rd party certified. In the high quality niche market they operate in, FSC certification is becoming the norm. Linda Weber, a senior graphic designer at Temple University remarked, "We started requiring certified papers about five years ago."⁸⁵ Finch Consumers require 3rd party certification because they are usually an educated consumer who knows the importance of quality and environmental stewardship.

Vertical Integration at Finch

Through their third party certifications, Finch is able to know where all of their wood comes from and that it is from sustainably managed forests. When the logs come to the mill, tracking codes allow them to tell exactly where each shipment is from and who the loggers are. They have been certified by both FSC and SFI for Chain of Custody with their products. This means that they are third party certified for all of their products from the management of the forest until the final piece of paper is made. Finch has become a model in vertical integration because they have control of every step of their paper making process while making a high quality product. Also, through their production of all of their energy at their facility, with 66% coming from the renewable sources of a hydroelectric dam and a biomass burner, Finch has become self sufficient at their mill. Through vertically integrating, Finch has created a situation in which they can efficiently and effectively adapt to changing supply and demand conditions within their market.⁸⁶ In fact, they can advance past the economics of the general paper market because of their integration.

While paper prices were on the rise for the entire industry in 2010, Finch made a price guarantee in February of 2010 that they would not increase their prices for the rest of the year. One article about this decision wrote, “Finch recently issued a press release pointing out that the rising pulp prices that have caused other papermakers to raise prices have not affected Finch because it is an integrated papermaker and makes its own pulp.”⁸⁷ Mark McCoy, vice president of supply chain management at Finch, states in response to their vertical integration, “Efficiencies they help us achieve, and qualities in the sheet, give our sales people an edge. All progress really starts with the customer. The goal of supply chain is linkages all the way back to the forest. From mechanical suppliers to software to chemistry, our sights are set on exceeding our customers’ expectations.”⁸⁸

Finch in the Community

Finch Paper has been operating in Glens Falls, New York for 146 years. Finch paper employs 800 people and delivers \$40 million in annual wages. It has brought economic prosperity to the city and surrounding areas employing town’s people and creating auxiliary business. The company’s practices have been recognized as sustainable by the community it operates and larger area of effect. The company has had a long track record of looking to the future by doing what is ethical in the now.

Finch Paper LLC provides the highest paying wages in the area to its mill employees. It has been identified to be one of the best companies to work for in Glens Falls with starting wages of \$18. Finch employs a wide arrange of people from high school dropouts to doctorates. Finch also has a long track record of community service urging employees to volunteer in nearby food pantries and other areas of need. Finch also offers yearly contests for customers who submit what they printed on Finch brand paper. The best samples of projects used on Finch win weekend trips to domestic destinations. Finch also offers guided tours of its forest lands to interested parties led by Roger Dziengeleski. These tours offer insight on the importance of forest protection and offer a close look at Finches process and wildlife in the forest lands.

Finch in the Future

Finch's land management motto has stayed similar to a statement by one of the first professional foresters at Finch, Pruyn, Howard Churchill, over 100 years ago saying the goal of Finch is "to cultivate our vast Adirondack lands to satisfy the growing demand for wood, while at the same time conserving the natural resources and the wildlife that make their homes here."⁸⁹ Finch hopes to continue with the goal of mimicking nature in the forests and reducing their impact at their facility. The reduction of nitrates and other chemicals from leaking into the air and water is an area that Finch is looking to improve, in order to reduce the negative public perception that they are an enormous polluter.

But are these changes being made to benefit the environment or to save the company money? When it comes down to it, the bottom line of a company is that they must make money in order to stay alive as a business. Esty and Winston agree with this theory but believe that it goes further stating, "Even those who agree... that the main 'social responsibility of a business is to increase profits' can't ignore the growing ranks who believe that companies have an obligation to do more." Doing more is referring to being socially responsible and listening to a company's stakeholders, because what the stakeholders believe in, is "the right thing to do for your business."⁹⁰ Companies such as Finch are listening more and more to their stakeholders in order to move beyond industrial compliance. Finch has made strategic business decisions that have benefitted the environment greatly. But, as stated before, these decisions are the right thing to do for a business and Finch has been making economical smart choices with the main goal of improving their bottom line.

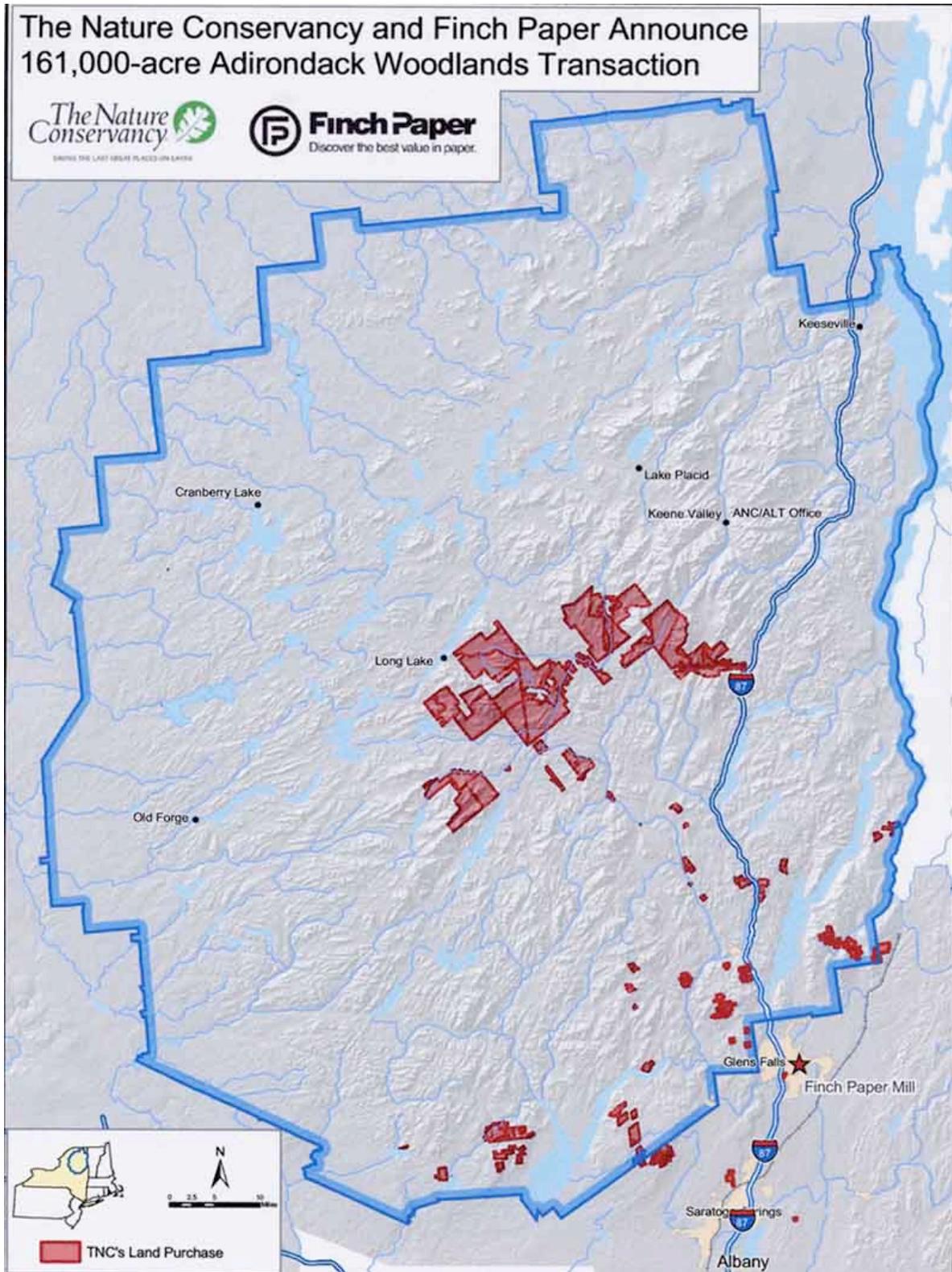


Exhibit 1. The Nature Conservancy's land purchase of the former Finch, Pruyn lands in 2007 (in red).

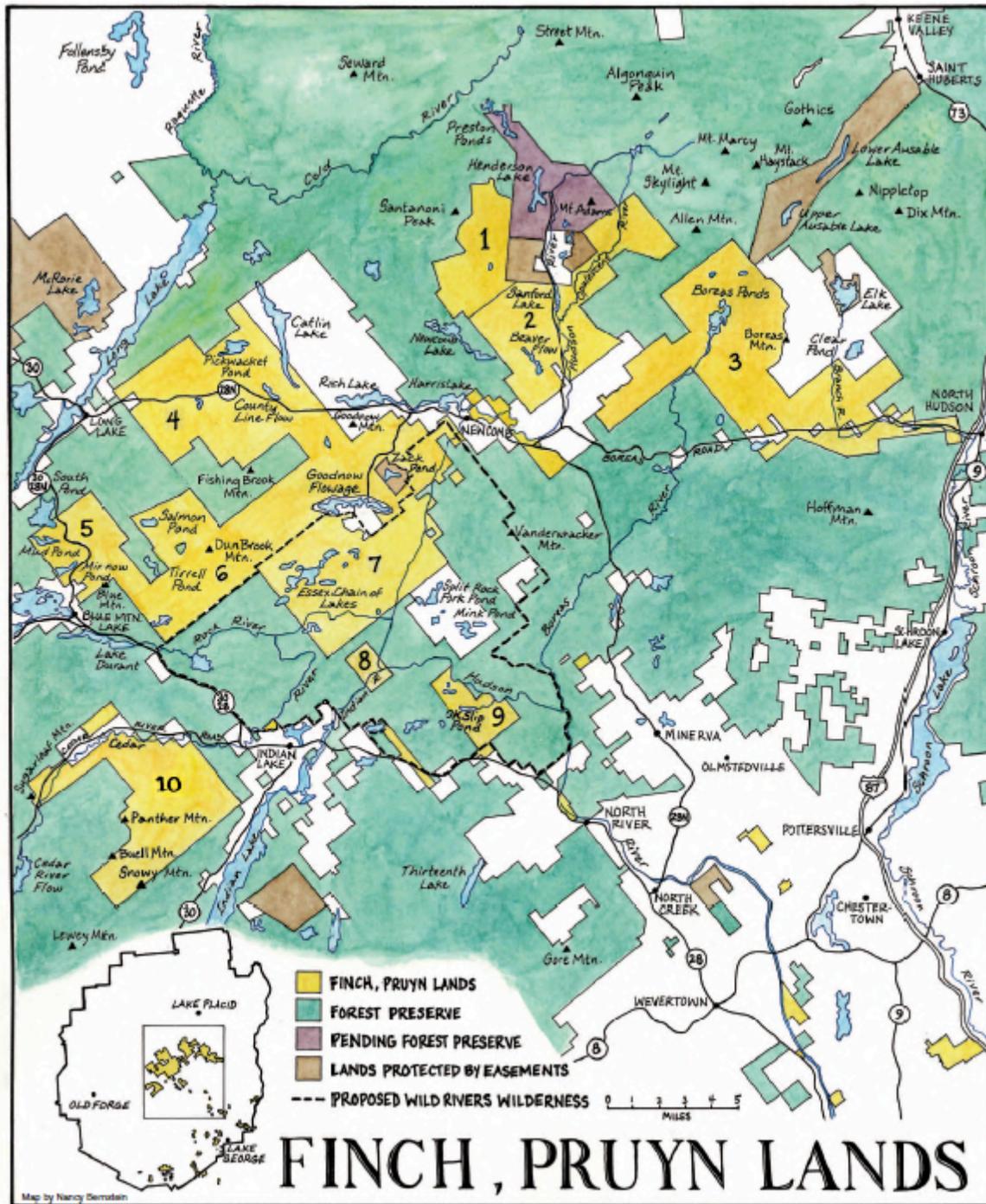


Exhibit 2. The Finch Pruyn Lands in detail. The lands they owned are in yellow with the surrounding forest preserve of the Adirondacks shown as well.

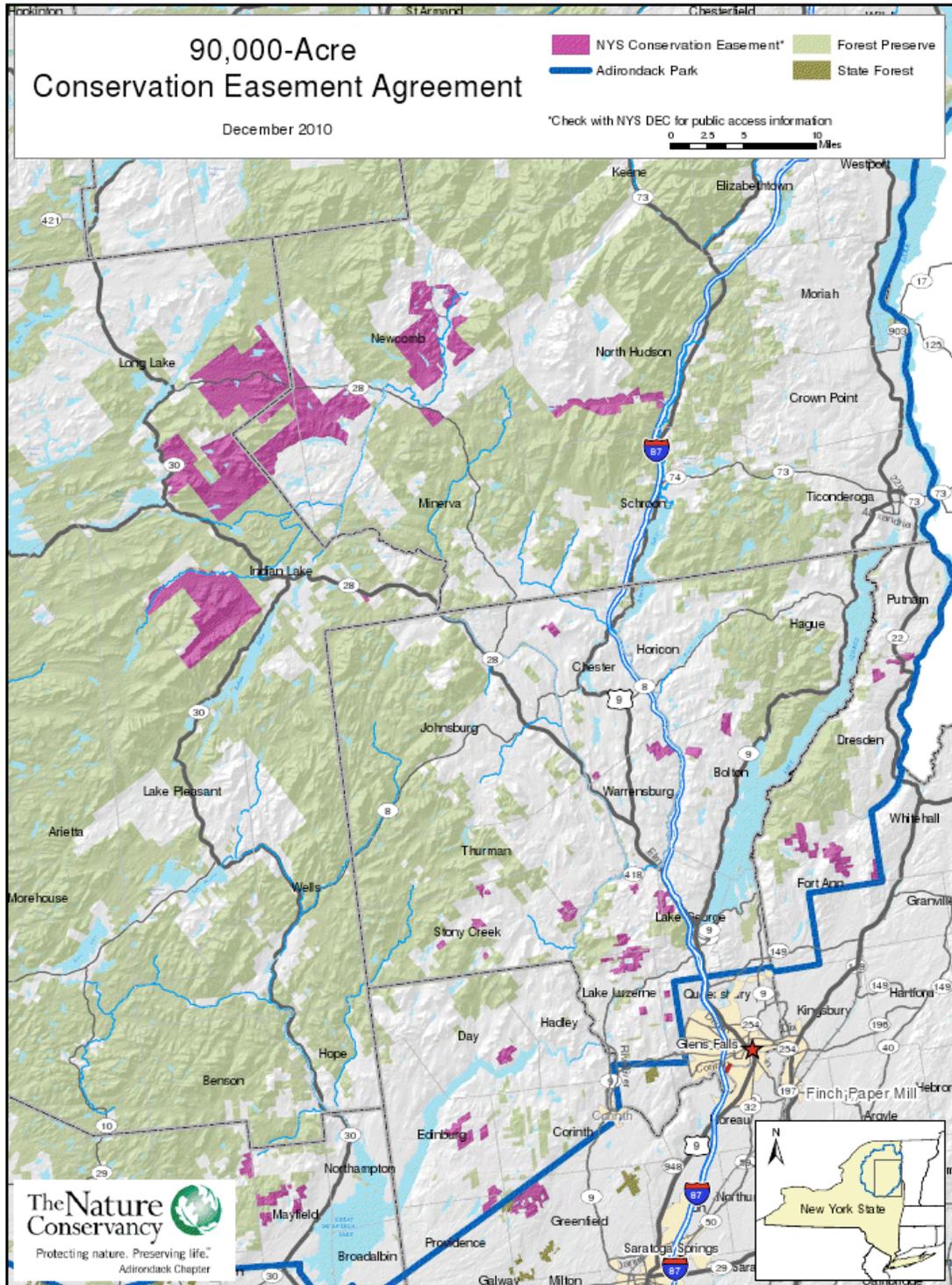


Exhibit 3. The easements for the land sold to New York State in 2010 (in purple).

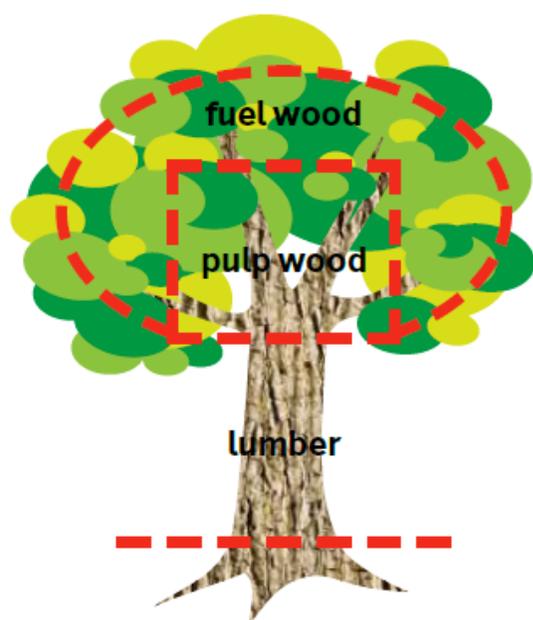


Exhibit 4. Showing what sections of the tree are used for what at Finch Paper.

Name	City	2009 Total On-site Delivers	2008 Total On-site Delivers	2008-2009 Change	2008-2009 % Change
FINCH PAPER LLC	GLENS FALLS	3,797,179	2,076,935	1,720,244	82.83
EASTMAN KODAK Colorado EASTMAN BUSINESS PARK	ROCHESTER	2,835,630	2,487,775	347,855	13.98
DANSKAMMER GENERATING FACILITY	NEWBURGH	1,572,426	1,640,496	-68,071	-4.15
ANHEUSER-BUSCH INC	BALDWINVILLE	1,425,808	1,751,985	-326,177	-18.62
IBM CORP	HOPEWELL JUNCTION	892,978	1,059,431	-166,453	-15.71
CWM CHEMICAL SERVICES LLC	MODEL CITY	756,285	1,280,409	-524,124	-40.93
INTERNATIONAL PAPER	TICONDEROGA	490,656	590,496	-99,840	-16.91
ALCOA INC	MASSENA	455,813	530,589	-74,776	-14.09
LAFARGE BUILDING MATERIALS INC	RAVENA	445,519	264,815	180,704	68.24
3M Colorado - TONAWANDA	TONAWANDA	379,000	346,000	33,000	9.54

Exhibit 5. TRI report for total 2009 on site pollution in New York State (In millions of pounds).

Finch Product Chart

					Renewable Power*	Elemental Chlorine Free†
High-quality Text & Cover Papers Applications: corporate reports, marketing collateral, premium catalogs, college viewbooks, newsletters, note cards, letterhead suites and art books	Finch Premium Blend	●	●	30% pcw	●	●
	Finch Fine	●	●	10% pcw	●	●
High-volume Opaque Papers Applications: financial reports, statements, direct mail, manuals, catalogs, inserts, employee newsletters and book publishing	Finch Casa Opaque	●	●	30% pcw	●	●
	Finch Opaque	by request	●	by request	●	●
High-performance Digital Papers Applications: newsletters, brochures, proposals, custom calendars and photo books, variable data marketing, business cards and letters	Finch Fine iD	●	●	10% pcw	●	●
	Finch Fine Color Copy	●	●	10% pcw	●	●
	Finch Casa Opaque Digital	●	●	30% pcw	●	●
	Finch Opaque Digital	by request	●	by request	●	●
High-value Office Papers Applications: everyday copies, letters, reports and newsletters	Finch Laser	by request	●	by request	●	●
	Finch Xerographic	by request	●	by request	●	●

Exhibit 6 – Finch’s Papers and FSC and SFI certification

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