



2016

CORPORATE SOCIAL RESPONSIBILITY

ANNUAL REPORT

HMH Illustrator, Rafael López, illustrator of “Maybe Something Beautiful” guides volunteers in the installation of a community mural at 826 LA’s Echo Park this past summer as part of HMH’s Curious World Tour.



WELCOME

Welcome, and thank you for reading Houghton Mifflin Harcourt®’s 2016 Corporate Social Responsibility Annual Report, providing a glimpse into HMH’s community outreach and impact. HMH® is a socially positive organization with a mission of *changing people’s lives by fostering passionate, curious learners*, and our CSR program mirrors that commitment. The core of our business is dedicated to the creation of best-in-class Pre-K–12 curriculum; we look to amplify that impact through our community engagement strategy, focusing on improving educational outcomes for underserved Pre-K–12 students. Our approach to partnerships is a blend of cash grants, in-kind product, and HMH talent.

In 2016, we created two new national programs showcasing this strategy. *Curious World™ Tour*, in partnership with the Association of Children’s Museums and the Ultimate Block Party, reached 20,000 attendees in nine cities over the summer, reinforcing the importance of home-school connection and playful learning; I’m honored that PR News selected the Tour as a finalist for Best Corporate/Community Partnership for their annual CSR Awards. Also, in partnership with Too Small to Fail, the National Head Start Association, and National Association of Family Childcare Centers, we launched STRIVE for 5, a multimedia, bilingual training program designed for early education specialists in underserved communities. We are incredibly proud of both of these programs and the impact achieved; I encourage you to read more within the pages of this report.

Our partnerships in Boston, our home for over 180 years, continued to grow as we deepened our relationship with Boys & Girls Clubs of Boston (who honored HMH as Corporate Volunteer of the Year), College Bound Dorchester, 826 Boston, and others, and inaugurated a new partner with City Year. Our Volunteerism and Matching Gifts programs also experienced significant growth year-over-year, with a 15% increase in employees participating in our fifth annual Volunteer Week. There’s much more to read inside the report, including a glimpse into our new Boston headquarters, over two years in the making, where the CSR team helped bring our extensive history and brand promise to life for our colleagues and visitors.

Thank you for taking the time to read this report, and, as always, please feel free to reach out to us at hmh.csr@hmhco.com.



Senior Director, Corporate Social Responsibility



Andrew joins 826 LA Executive Director Joel Arquillos and muralist Rafael López for the *Curious World Tour* mural installation at Echo Park, Los Angeles. L to R: Joel, Rafael, Andrew

NATIONAL INITIATIVES

CURIOUS WORLD TOUR

In the summer of 2016, HMH launched the *Curious World Tour* in partnership with the **Association of Children’s Museums** (ACM) and **Ultimate Block Party** (UBP). Featuring *Curious George*® and other iconic HMH characters, the *Curious World Tour* brought playful summer learning to life through an experiential, interactive national tour for kids and their families. The nine-market, coast-to-coast tour made stops in New York City, San Antonio, Austin, Dallas, San Diego, Sacramento, Oakland, San Francisco, and Los Angeles. We leveraged partnerships with ACM and UBP to pool expertise and create a museum-quality experience. All tour activities were crafted to encourage hands-on, playful learning, and every activity was tied to a key learning area, such as language and literacy skills, executive function, and creative expression. To celebrate the 75th anniversary of *Curious George* and the kickoff of the tour, HMH donated 75,000 books to education-focused nonprofit organizations across each of the markets. For a lasting tour leave-behind, HMH enlisted illustrator and muralist Rafael López (*Maybe Something Beautiful*, *Drum Dream Girl*) to install a community mural at 826 LA’s Echo Park for their students to enjoy and draw inspiration from daily. The *Curious World Tour* engaged more than 20,000 children and their families in fun activities designed to spark curiosity and encourage playful learning to continue at home.



CURIOUS WORLD TOUR
 Named a finalist in
 PR News’ 2017
 CSR Awards

TOUR IMPACT:
 BY THE NUMBERS



75,000
 BOOKS DONATED

202
 HOURS OF PLAYFUL
 SUMMER LEARNING



9,250
 MILES TRAVELED

20,525
 ATTENDEES



Congressman Joaquin Castro, joined by his daughter, led a read aloud at our Tour stop in San Antonio, Texas.



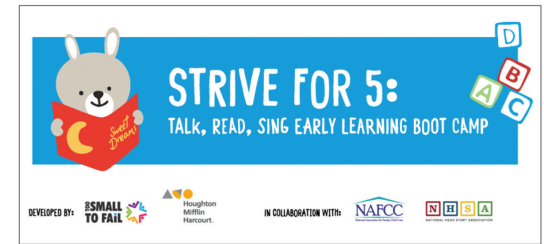
Curious World Tour activities, each tied to a key learning area, encouraged hands-on playful learning for our visitors.



STRIVE FOR 5

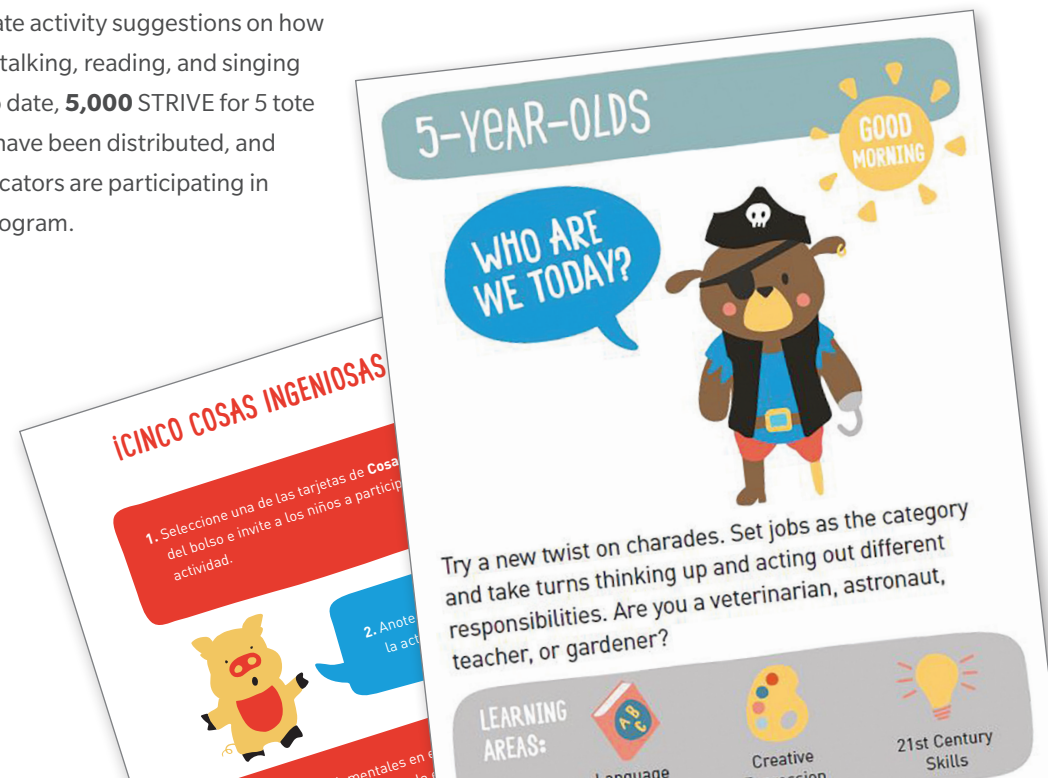
In May, HMH and **Too Small to Fail**, in partnership with the **National Head Start Association (NHSA)** and the **National Association for Family Child Care (NAFCC)**, launched **STRIVE for 5**, a hands-on bilingual program designed to provide early educators with instant tools and ideas to promote children’s language development and improve the quality of early learning environments. The goal of STRIVE for 5 is to equip early educators with concrete resources to support the growth and development of young children from infancy to age five—along with hands-on materials and strategies to engage parents and families.

STRIVE for 5 offers a variety of resources, including an Educator Guide, a series of videos featuring experts in the field of early education, a deck of colorful and engaging “Little Things Cards” with early literacy activities, and mini-wall posters with age-appropriate activity suggestions on how educators can incorporate talking, reading, and singing into everyday moments. To date, **5,000** STRIVE for 5 tote bags containing materials have been distributed, and more than **1,000** early educators are participating in the online portion of the program.



DISTRIBUTED
5,000
STRIVE for 5 tote bags

MORE THAN
1,000
Active STRIVE for 5 participants online



LOCAL PARTNERSHIPS

BOSTON CELTICS



The HMH and Boston Celtics’ partnership focuses on improving learning outcomes for grade school students throughout Greater Boston. As the leading sponsor of the Celtics **Read to Achieve** program, HMH and the Boston Celtics strive to get elementary school students reading on grade level before middle school by motivating and inspiring the students with monthly reading contests, school visits, player appearances, and school library book donations. Featured Read to Achieve events in 2016 included:

- A library rebuild, media room upgrade, and read aloud followed by a carnival at Otis Elementary School in East Boston, MA
- A reading of the HMH title *Big George*, the story of a young George Washington, followed by a tour of the Edward M. Kennedy Institute for the U.S. Senate

HMH and the Boston Celtics also teamed up to launch the second year of **SCORE with Go Math! Academy**[®], an online math resource for New England schools featuring fun basketball-themed video content. The special series of math problems illustrates key math concepts using real-world examples featuring current Celtics team members. By participating in the 2016 challenge, students had the opportunity to solve problems through the platform in order to help their school win an exclusive experience with the Boston Celtics and a book donation from HMH. Lincoln Elementary School in Revere, MA, was the lucky winning school and the recipient of the special visit, featuring Celtics’ center Tyler Zeller!



Celtics players Jae Crowder, Jaylen Brown, and Tyler Zeller engage students at HMH’s Read to Achieve and SCORE with GO Math! Academy events.

PHOTO CREDIT: BRIAN BABINEAU



CITY YEAR



In 2016, HMH began a new partnership with **City Year**, an international education nonprofit with deep roots in the Boston community. HMH supports City Year's Extended Day programming through a blend of cash, in-kind book donations, and other educational products. City Year and HMH's shared commitment to community service has been a key element of the partnership, demonstrated through HMH's participation in the Thanksgiving Service Event, Red Jacket Weekend, and school mural-painting projects at the Lilla G. Frederick Pilot Middle School in Dorchester and the Boston Green Academy in Brighton.





As part of Volunteer Week 2016 HMH volunteers assisted College Bound Dorchester students with PowerPoint® presentations and organized the early education reading rooms.

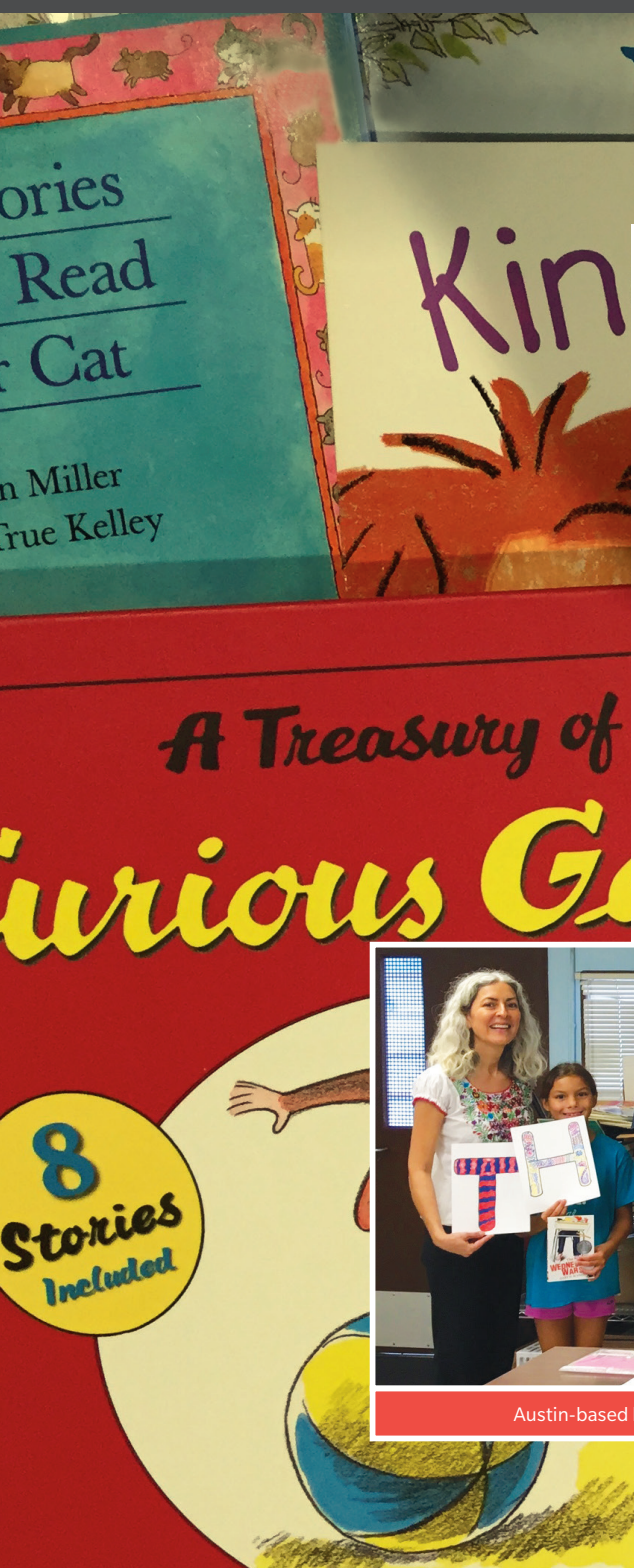
COLLEGE BOUND DORCHESTER



HMH and **College Bound Dorchester** launched a partnership in 2015 to better equip students to overcome the barriers on their path to and through college. Since then, HMH continues to invest in College Bound Dorchester's College Connections, middle school, and preschool programs through a blend of cash, employee time, and in-kind donations of educational materials and books. HMH volunteers and senior leaders have visited College Bound for several service projects, including reading and book distribution events in the preschool classrooms, one-on-one tutoring and presentation help, and cleaning and organizing of storage spaces. HMH Executive Vice President and General Counsel William Bayers also volunteered his time serving on College Bound's 2016 Gala committee and was a featured speaker at the event. HMH and College Bound have worked together closely to determine the curriculum needs across College Bound's programs, resulting in donated licenses of math and English Language Arts programs **GO Math®** and **Collections**, along with HiSET® prep and intervention materials.

OTHER KEY PARTNERS





IN-KIND DONATIONS

Each year, HMH donates millions of copies of its award-winning educational materials and children's and adult titles to community organizations around the world. A sampling of donations in 2016 includes:

- **30,000 children's books** donated to **First Book** to support Louisiana flood relief efforts
- **100,000 copies of English and math educational materials** donated to **World Vision** Ghana to support literacy and numeracy goals in high-poverty communities
- More than **275,000 books** donated to the **Massachusetts Department of Children and Families, Globe Santa**, and the **TODAY® Show Holiday Gift Drive**, among other organizations, to brighten the holidays for families in need



Austin-based literacy nonprofit BookSpring shares a message of thanks after receiving a donation of HMH children's books.

PHOTO CREDIT: BOOKSPRING



ENGAGING OUR COMMUNITIES AND EMPLOYEES

COMMUNITY INVESTMENT COUNCILS

HMH is proud to support Community Investment Councils (CICs) in 12 major offices and distribution centers across the U.S. and Ireland as part of our Corporate Social Responsibility program. CICs are cross-functional employee groups that utilize funding, training, resources, and support from the Corporate Social Responsibility team to help engage colleagues in volunteer opportunities and charitable campaigns to improve communities nearby and around the world. CICs also help execute global employee programs on a local scale, such as HMH Volunteer Week and our company-wide book club, *One Book, One HMH*. CICs not only provide a platform for HMH employees to give back to the communities in which they live and work, but also help strengthen office culture and provide members with professional development opportunities.



CIC SPOTLIGHTS

BOSTON

Two of the largest projects that the Boston CIC participated in were the Massachusetts National Alliance on Mental Illness (NAMI) Walk and their 2nd annual school supply drive for the Boys & Girls Clubs of Boston (BGCB). The Boston CIC engaged 25 HMH volunteers in the 2016 Massachusetts NAMI Walk to raise funds and advance the organization's mission of providing support, education, and advocacy for the millions of Americans affected by mental illness. The 25 walkers raised \$2,000 through their efforts. Similarly, the CIC's school supply drive for BGCB was also a success. The summer-long supply drive encouraged employees to donate pens, pencils, notebooks, and art supplies to help BGCB restock their clubs for the new school year. In total, 18 large boxes of supplies and a \$1,000 donation were delivered by the Boston CIC to the organization to support its education enrichment and afterschool programs.



Boston CIC members deliver boxes of school supplies and a \$1,000 check to Boys & Girls Clubs of Boston staff and CEO Josh Kraft (far left).

CIC 2016

ITASCA

During Volunteer Week 2016, 45 Itasca employees spent an afternoon volunteering at Feed My Starving Children (FMSC) in Schaumburg, Illinois, a nonprofit organization that provides nutritionally complete meals for malnourished children. Over a two-hour period, volunteers from HMH and other local businesses packed 110 boxes of meals, which will feed 65 children for one year. This is the third time the Itasca office has participated in this event, and it is one that volunteers find extremely worthwhile. “Feed My Starving Children is a rewarding experience. You get to work alongside your coworkers to provide thousands of meals to children all over the world,” said Marzee Eckhoff, Librarian, Shared Services. “It’s a win-win!”



45 HMH employees in Itasca helped pack 110 boxes of meals with Feed My Starving Children.

TROY

The Troy CIC coordinated a successful food drive in the winter of 2016, collecting 1,900 canned goods and nonperishables to be donated to the Bread for Life Food Pantry in Troy, Missouri. Troy CIC members decided to hold this donation drive in January and February when donations to the pantry are at their lowest so their efforts could make the greatest impact among local families in need. While running the canned goods drive is an annual event for the Troy warehouse, this was the first year the CIC introduced a friendly competition between departments to see who could gather the most food. The maintenance department was the winning team, and was such a gracious winner it shared their prize—a pizza party—with the whole warehouse to celebrate the overall success of the drive.



HMH’s Troy warehouse hosted its annual drive for the Bread for Life Food Pantry, where it collected 1,900 canned goods.



VOLUNTEER WEEK 2016

Each year HMH dedicates a week to serving the communities where we live and work, encouraging our employees to volunteer with local nonprofits, schools, and community organizations. 2016 marked HMH's largest Volunteer Week to date with more than **1,400** employees from **17** HMH offices participating. Volunteers completed well over **150** projects during that week (October 24–28), investing **6,100** hours of volunteer time in our local communities. HMH employees rolled up their sleeves like never before, with **15% more participants in 2016** than the prior year.



More than 1,400 employees came together to improve local communities during HMH's 5th annual Volunteer Week.

“...I hope people don't take Volunteer Week for granted. It means a lot, not only to us and the people we serve, but it also shows our family and friends **what real corporate citizenship looks like.** Volunteer Week means that we can all do our part where we are and make a real difference.”

— Gavin Pouliot, Senior Design Architect, Boston



6,100+
Hours
Volunteered



14 Offices That
Surpassed the 40%
Participation Goal



87 Nonprofit
Organizations
Benefited



Innumerable
Moments of Pride
and Employee
Camaraderie



68 Students
Tutored in 1:1 Essay
and Presentation
Mentoring

HMH CARES

MATCHING GIFTS & VOLUNTEER SERVICE

HMH works to support employees' passions and facilitate their engagement with the community through our Volunteerism and Matching Gifts programs. HMH Cares is the interactive platform that enables employee involvement in both programs. Through HMH's Matching Gifts program employees can submit requests for matching HMH funds, doubling their impact to the charities they support. HMH's Volunteer Time Off policy grants employees two working days per year to volunteer with charities of their choice. More people than ever took advantage of these philanthropic benefits in 2016; employees logged more than 9,000 hours of volunteer service, an increase of 12%, and there was a 47% increase in the number of employees who participated in the Matching Gifts program versus 2015.

COMPANY-WIDE MATCHING GIFTS CAMPAIGNS

HMH introduced company-wide matching gifts campaigns for the first time in 2016. The first campaign, benefiting **Water for South Sudan**, was introduced in celebration of Linda Sue Park's book *A Long Walk to Water* surpassing the one million copies sold mark. In total we were able to raise \$20,200 as a company, exceeding our goal by 30%! The funds raised, coupled with an initial contribution of \$15,000 made by HMH, allowed Water for South Sudan to drill two new wells, providing clean water and access to education for thousands of South Sudanese.

The second matching gifts campaign was introduced in response to the water crisis in Flint, Michigan. Employee gifts and matching funds were donated to the **Head Start Program in Flint** to help expand efforts to provide children with healthy foods in order to fight lead poisoning. \$10,000 was raised, which enabled Head Start to provide nutritious meals to 150 local Flint children during the summer of 2016.

2016 **ENGAGEMENT IS UP**
FROM 2015



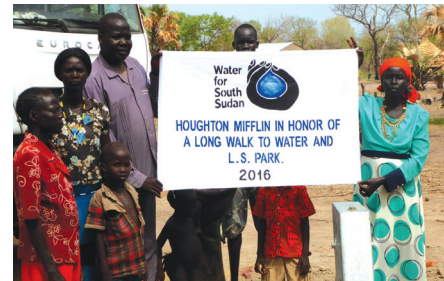
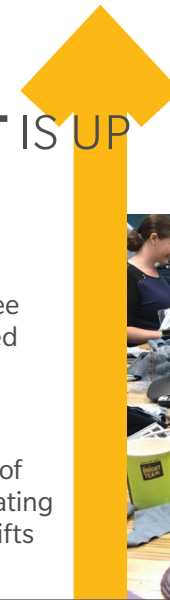
12%

increase in employee service hours logged



47%

increase in number of employees participating in HMH matching gifts program



One of Water for South Sudan's new well sites, made possible by HMH's matching gift campaign.



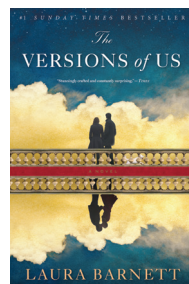
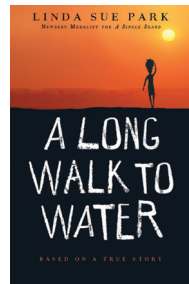
CSR Manager Jackie Bright presents the funds raised by the Flint matching gifts campaign to Head Start leadership.

2016 **IMPACT** STATS

- Matched 1,800 employee gifts
- Supported 701 nonprofits
- 9,084 total volunteer hours
- Two company-wide matching gifts campaigns, raising over \$30,000

ONE BOOK, ONE HMH

One Book, One HMH is a company-wide book club program for all HMH employees, formed with the goal of bringing employees closer together by facilitating a unique, shared reading experience based on HMH’s award-winning content. One Book, One HMH gives employees the opportunity to cast their vote to determine the featured title three times a year, as well as occasionally receive a first look at highly anticipated titles before they’re published. The Community Investment Councils coordinate book discussions and live web chats with HMH authors throughout the year, and employees around the globe are invited to download the eBook version of the featured title and to participate online. In 2016, more than 850 employees engaged in the program by reading featured titles *A Long Walk to Water*, *The Versions of Us*, *The Man in the High Castle*, and *How to Start a Fire* and by participating in the author web chats and group discussions.



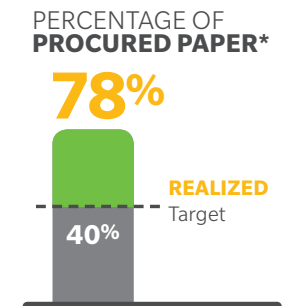
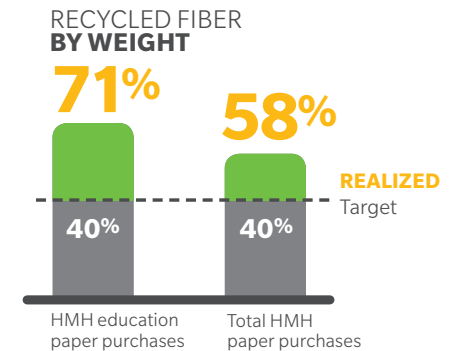
SUSTAINABILITY AT HMH



In 2016, HMH continued to make progress toward the goals and actions outlined in our 2014 Paper Procurement and Usage Policy.

- We achieved 71% recycled fiber by weight across all HMH education paper purchases and 58% recycled fiber by weight across total HMH paper purchases in 2016, beating our targets by 31% and 18% respectively.
- 78% of the paper we procured both domestically and internationally for use in Trade products was FSC certified, beating our target by 38%.
- Pursuant with our goal to eliminate paper from controversial sources from our supply chain, we collected Chain of Custody documents from our vendors. Our goal paper being supplied to HMH is compliant with our goal
- All product testing for trade and educational materials has been compliant. Product testing for trade materials has occurred on a quarterly basis, and testing of educational products conducted annually, with the second round of testing slated for completing in Q2 2017.

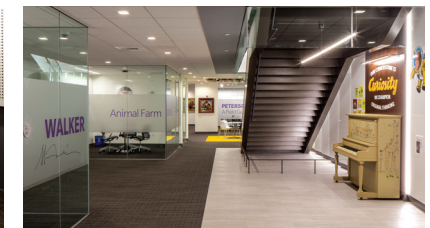
In 2017, HMH will begin work on an updated paper policy and plans to expand company-wide sustainability efforts, building off the progress made from the 2014 Paper Procurement and Usage Policy.



*FSC certified for trade products

HMH HISTORY

2016 saw the completion of a two-year project as HMH left its previous corporate headquarters in Boston's Back Bay for a new home at **125 High Street**. In HMH's rich 184-year history, this new location marks only the third time the Boston headquarters has moved. The new office space has allowed HMH's CSR and Archives team to reimagine how we showcase our history as well as the impact, innovation, and learning that our work enables in classrooms every day.



125 HIGH STREET



CORPORATE SOCIAL RESPONSIBILITY

ANNUAL REPORT

Connect with us:



HiSET is a registered trademark of Educational Testing Service (ETS). This product is not endorsed or approved by ETS. TODAY® is a registered trademark of NBC Universal, Inc. PowerPoint® is a registered trademark of Microsoft Corporation in the United States and/or other countries. CURIOUS GEORGE, created by Margret and H.A. Rey, is copyrighted and trademarked by Houghton Mifflin Harcourt Publishing Company. All rights reserved. Houghton Mifflin Harcourt®, HMH®, Curious World™, GO Math!®, and Go Math! Academy® are trademarks or registered trademarks of Houghton Mifflin Harcourt. © Houghton Mifflin Harcourt. All rights reserved. Printed in the U.S.A. 03/17 MS189048

hmhco.com • 800.225.5425