



Environmental, Social and Governance Report

2023

2023 HIGHLIGHTS



1,779
employee volunteers



Employees logged
7,246
volunteer hours



Approximately
16,081
students served through
employee volunteerism



35%
of employees participated in
9 Employee Resource Groups



Approximately
45,197
trees saved as a result of our
sustainable paper practices



Welcome

2023 was a year of transformation and growth at HMH as we continued to focus on creating positive learning experiences for the millions of educators and students we serve each day. In this report, you'll learn more about our progress last year, and our unwavering commitment to our Environmental, Social and Governance priorities.

Our Philosophy

Everything we build at HMH is grounded in a philosophy we call “high-tech, high-touch”—a learning experience centered on human connection but supported to a meaningful degree by technology. We want to extend teachers' capabilities to give them time back for what matters—relationships with students and the community-building aspects of learning.

HMH's NWEA® and Classcraft™ acquisitions in 2023 marked exciting milestones on this journey, fusing together assessment and instruction to help teachers create compelling, personalized learning experiences that deepen student engagement while simplifying educator lives.

Our Culture

As always, I believe that our purpose-driven culture is one of our greatest strengths and differentiators. Our employees are deeply committed to seeing all students succeed, and this commitment is evident in our day-to-day work as well as in our community service: 1,779 employees—well over half of our employee community—volunteered in 2023, investing 7,246 volunteer hours into communities around the world.

During a year when our organization grew considerably as we welcomed new teammates, cultivating a culture where all feel engaged and valued was more important than ever.

Our nine Employee Resource Groups provided spaces and opportunities for employees to feel a true sense of belonging while at work. We believe that our employees' success directly impacts the success of our customers, and therefore our company.

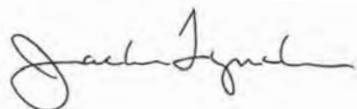
Our DEI Commitment

We also furthered our Diversity, Equity and Inclusion commitments last year, led by our Office of Equity & Inclusion, focusing both on employee engagement and on our programs and services. HMH is dedicated to creating solutions that reflect and honor the diverse communities that we serve. Our Content Equity, Inclusion and Diversity review panel ensures the curriculum we produce serves and represents all students, and in 2023 we launched a cross-functional Accessibility Advisory Board, which focuses on ensuring our content is accessible for all students and teachers.

Our Sustainability Commitment

We remain dedicated to making environmentally responsible choices in our business practices. Last year, we surpassed our target related to responsibly sourcing and using paper in our products, and our sustainable paper practices resulted in saving approximately 45,197 trees. Further information on our sustainability commitments, including our carbon footprint analysis, are detailed in this report.

I am incredibly proud of the contributions HMH employees have made over the past year and look forward to the many ways we will continue to grow in the coming year. We are steadfast in our commitment to solving education's challenges with a human-centered, innovative approach that creates positive experiences for all students and teachers.



Jack Lynch
President and Chief Executive Officer

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Our Purpose

We bring learning to countless students and teachers—transforming lives, supporting communities and making our society more open, just and inclusive for all. That is our purpose, with origins tracing back to our founding in 1832.

As a double bottom line business, HMH measures company success not only in profits, but also in our social impact. Only when we perform well can we improve the lives of teachers and support all learners around the world. With a purpose as imperative as ours, it is our responsibility to succeed.

STUDENT GROWTH IN ACTION

At Wayne-Westland Community Schools in Detroit, MI, just below 37% of students were meeting growth goals in the 2021–2022 school year. This past year the district had a dramatic increase with **50%** of their students meeting their growth goals, a result of bringing HMH intervention solutions into the core classroom.



Wayne-Westland Community School District Tailored Learning and Made Strides in Student Growth by Bringing HMH Intervention to All Students

[Watch video to learn more](#)

“We want to set [our students] up for whatever their next step is in the best possible way... If we can do some intervention, if we can give them a little boost, I think that that's essential for them and their progress in whatever their next step is when they leave here.”

Kim Pawlukiewicz
Director of State and Federal Programs, Wayne-Westland Community School District

WHAT WE VALUE

These values represent the best of who we are, who we've been, and who we strive to be. Our values guide the way we make decisions, collaborate, communicate, prioritize and grow, as individuals and as a company.



TRUST



JUSTICE



LEARNING



INNOVATION



COURAGE



OWNERSHIP

ALIGNMENT WITH UN SUSTAINABLE DEVELOPMENT GOAL 4:

The United Nations 17 Sustainable Development Goals address the biggest and most complex challenges of our time. HMH understands that quality education is a fundamental human right, and our purpose-driven mission is strongly aligned with the UN Sustainable Development Goal 4 to “ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.” We recognize the importance of evaluating and improving how our company, including our products and services, contributes to education access, and improved outcomes for all learners.

AWARDS AND RECOGNITION



GOVERNANCE

BUSINESS ETHICS

ESG Council

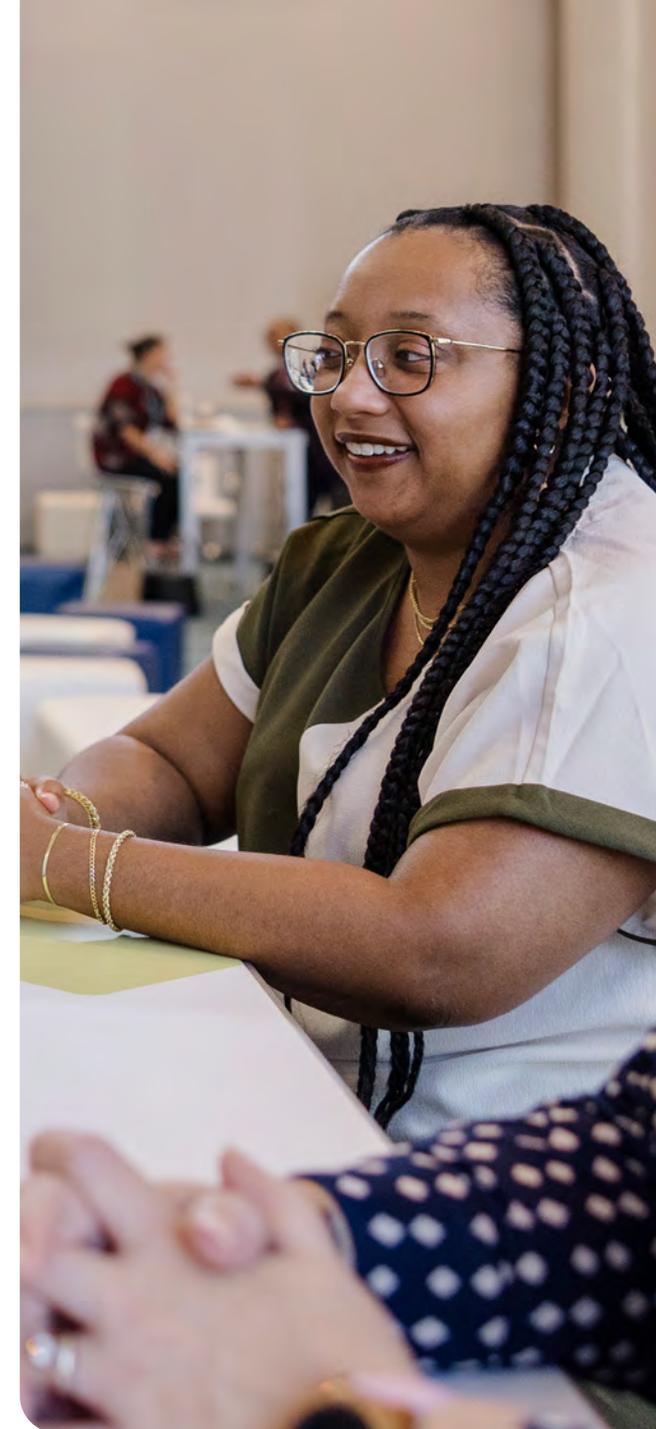
HMH's ESG Council, comprised of Executive Leadership Team members and other leaders from across the business, in collaboration with Veritas Capital, oversees coordination across all HMH Lines of Business to support the ongoing development and implementation of our ESG strategy.

Human Rights

As outlined in our [Human Rights Policy](#), HMH believes that respecting and protecting human rights is fundamental to the dignity of all people without regard to race, color, religion, language, pregnancy, ancestry, age, gender, national origin, sexual orientation, gender identity, gender expression, physical appearance or characteristics, mental or physical ability, genetic information or marital or veteran status. We value a workplace that is free from bullying, harassment, intimidation, violence or threats of violence, discrimination, and other unsafe or disruptive conditions resulting from internal or external threats. Our Human Rights Policy details our alignment with the United Nations Universal Declaration of Human Rights.

Code of Conduct

Our entire company is trained on our [Code of Conduct](#), which serves as the foundation of our ethics and compliance program. This training is standard for employee onboarding, and refresher trainings are offered to all employees annually (over 99% of employees underwent business ethics or compliance training last year). Included within the Code of Conduct is our Finance Department Code of Ethics, as well as policies and procedures on a range of topics including compliance with relevant laws, prevention of harassment and discrimination, fraud and fair dealing, government contracting and workplace safety. In 2023, there were zero substantiated complaints of ethical misconduct or fraud. Our [Supplier Code of Conduct](#) outlines the policies and practices we expect all of our suppliers to adhere to.





DATA PRIVACY AND CYBERSECURITY

HMH is committed to protecting personal data. HMH is a proud signatory of Future of Privacy Forum/Software & Information Industry Association (SIIA) privacy pledge. The HMH Board of Directors provides oversight of cybersecurity risks. [HMH's Privacy Policy](#), [Privacy Policy for Pre-K-12 products](#) and [Privacy Policy \(GDPR\)](#) provide additional information. In 2023, there were zero ransomware attacks and **100%** of employees participated in HMH's annual security awareness training. Additionally, as [announced](#) in October 2023, HMH achieved **ISO 27001** certification for our Information Security Management System. This certification underscores our unwavering commitment to maintaining the highest standards of information security and safeguarding the confidential data of our customers and stakeholders.





Our People

We believe high performance starts with our people. We remain focused on our critical equation for success: **Employee Success + Customer Success = Company Success**, all grounded in our mission and our values. We seek to cultivate a culture where all team members feel included, valued and highly engaged in the work that they do.





A YEAR OF GROWTH

2023 was a year of transformation and growth at HMH, as we gained new team members through the NWEA and Classcraft acquisitions as well as through our newly opened Technology Solutions Group Center of Excellence in Pune, India. This growth allowed us to welcome new top-notch talent, all focused on our mission of helping teachers create compelling learning experiences that deepen student engagement.



Classcraft

nwea

EMPLOYEE ENGAGEMENT

Through our annual engagement survey, we gain direct feedback from our employees that is critical in supporting employee success at HMH. Nearly 90% of employees participated in our 2023 Gallup employee engagement survey, which was taken in September, a few months following the acquisition of NWEA. Results from the survey included an overall Gallup Q12 grand mean of 4.09 (out of 5). The results highlighted critical opportunities and areas for us to focus on moving forward as well as uncovering areas where we are strong, including a 4.43 score on "my manager creates an environment that is trusting and open"; for that area we ranked in the 90th percentile based on Gallup's Q12 database. The learnings from this annual survey are invaluable to fostering a sense of belonging and purpose in our HMH community.



LEARNING AND DEVELOPMENT

LEARNING AT HMH

We value learning and professional development for our employees. Through HMH's online learning management system, Knowledge Network, employees have access to nearly **14,000** on-demand and in-person training courses and programs. In 2023, **3,056** employees completed a total of **23,259** training hours.

LEAD CONNECTED

Our Connected Leadership Engagement and Development Rotation Program (LEAD Connected) is an eighteen-month rotation-based program that strengthens our internal talent pipeline by providing highly competent employees who have diverse backgrounds and experiences with growth and advancement opportunities across HMH. Twenty-five employees have been promoted to director-level positions across the business as a result of completing the program.

HMH MENTORING

Mentoring is an incredibly valuable experience essential for growth and development, and an important element in creating the kind of inclusive culture we want at HMH. HMH Mentoring offers an easy-to-use, online mentor/mentee matching platform, with the option for one-on-one or flash group mentoring. There were over **100** mentoring connections in 2023, and **94%** of program survey respondents shared they "achieved all or some of their goals."

Employees shared what the HMH Mentoring program means to them on National Mentoring Day.

[Watch this video to hear from HMH Mentoring participants](#)



EMPLOYEE SAFETY

We're dedicated to creating workspaces that promote employee wellness and safety. We comply with the Occupational Safety and Health Act (OSHA). Each of our distribution centers has a Safety Committee responsible for implementing safety policies and ensuring we are in compliance with OSHA's requirements. We track the number of worker related injuries, fatalities and days lost to injury annually. In 2023, there were a total of 13 work-related injuries, 15 days lost due to injury and zero work-related fatalities.





Our Commitment to Diversity, Equity and Inclusion

We aim to create and cultivate an employee community, company culture and business strategy that reflects the diverse demographics and perspectives of our customers and employees.

BUILDING A CULTURE OF INCLUSION

EQUITY AND INCLUSION OFFICE

HMH's Equity and Inclusion Office ensures that our curriculum, programs and services foster a holistic understanding of the world and honor the diverse students, educators and communities we serve each day. The office also encourages and supports the important work that our Employee Resource Groups do.

The Equity and Inclusion Office engaged with the community in a multitude of ways in 2023, including sponsoring the inaugural When Women Lead Conference. Hosted by [Voice4Equity](#), the conference aims to empower women in leadership positions in public education across the United States.

HMH also facilitated a session at the inaugural Connecticut Association of Biliteracy and Bicultural Education (CABBE) conference. The session explored how HMH materials celebrate and nurture linguistic diversity and incorporate accessibility features to ensure all students can engage with our content while also providing practical techniques that educators can utilize to embrace students' linguistic and cultural assets.

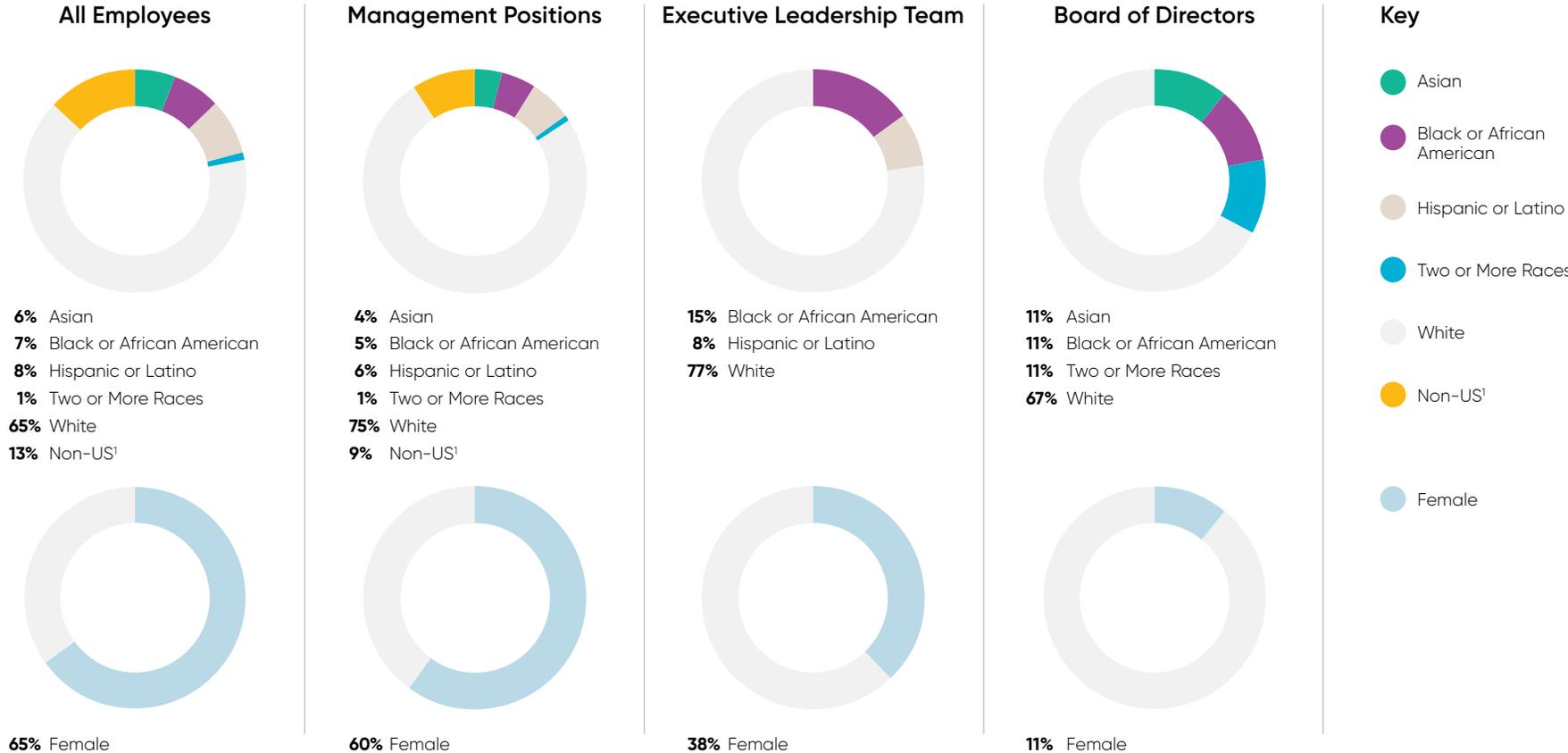
DEI COUNCIL

Made up of a diverse group of employees from across the business, HMH's Diversity, Equity and Inclusion Council champions DEI efforts company-wide. This group meets regularly and is focused on engaging employees from all levels of our business in taking action to help us achieve our DEI goals.



EMPLOYEE DEMOGRAPHICS

We are focused on attracting, developing and retaining employees who are dedicated to building and working in a diverse, equitable and inclusive organization. We aim to increase the diversity of our employee base by growing our diverse talent pipeline through partnerships with external recruitment partners, direct sourcing and leveraging relationships with Historically Black Colleges and Universities (HBCUs).



Additionally, 8% of employees have identified as LGBTQ+, 1.4% have voluntarily identified that they have a disability and .4% of our domestic workforce are in the protected veteran population.

¹ At this time HMH does not collect ethnicity information for non-US employees.



EMPLOYEE RESOURCE GROUPS

HMH's Employee Resource Groups (ERGs) are employee-led groups formed around shared life experiences and backgrounds. In 2023, colleagues worked together to successfully integrate NWEA's Colleague Resource Groups into the HMH ERG community to further amplify our mission. All nine ERGs support personal development, strengthen our culture and create space for employees to bring their whole selves to work. ERGs are also a pivotal part of supporting HMH's strategic equity and inclusion initiatives.



REPRESENTING ALL STUDENTS IN OUR PRODUCTS

CONTENT EQUITY, INCLUSION AND DIVERSITY

In serving millions of students and teachers, we believe it's our responsibility to build content and resources that foster a wider understanding and underscore the diversity of our world. HMH's Content Equity, Inclusion and Diversity (CEID) Review Panel evaluates and makes recommendations for HMH content and curriculum, ensuring HMH's commitment to amplifying the voices and perspectives of the diverse communities and individual students we serve.

ABOUT HMH'S CEID REVIEW PANEL

96% of panel members are also members of at least one ERG

71% increase in the overall diversity of the panel in 2023





ACCESSIBILITY ADVISORY BOARD

HMH's cross-functional Accessibility Advisory Board is composed of accessibility advocates and provides strategic direction, consistency and recommendations to ensure we create equitable, diverse, inclusive, and accessible content for all students and teachers.

MULTILINGUAL COUNCIL

The HMH Multilingual Council formed in 2023 to ensure HMH leverages market research to implement the highest quality, engaging, and efficacious multilingual supports with Universal Design principles to support the learning journey for all students.



WORKING TOWARD A MORE EQUITABLE WORLD

EQUITY ADVISORY COUNCIL FOR LEARNING

The HMH Equity Advisory Council for Learning (EACL) pairs leading education scholars, practitioners, and advocates with HMH employees, forming a community of experts focused on ensuring the development of high-quality instructional materials. Last year, the group welcomed six new advisors with expertise in curriculum development, neurodiversity, professional learning and tribal education capacity-building.

INNOVATION FOR EQUITY



HMH is a founding member and proud sponsor of [Innovation for Equity \(IFE\)](#), a collaboration of EdTech leaders who share a mission to improve life outcomes for Black learners and increase Black leadership in all areas of the teaching profession. In 2023, IFE created the first-ever HBCU EdTech Summit & Career Fair. HMH sponsored and participated in the summit, which brought EdTech leaders together at Howard University to showcase EdTech careers and to gain a better understanding of the current state of teacher education at HBCUs while also learning more about what future Black teachers value.

SUPPLIER DIVERSITY

Through our [Supplier Diversity Program](#), we seek to foster a more inclusive supplier base by creating a culture that embraces small businesses and diverse suppliers, encourages partnerships with historically under-represented ownership groups, addresses barriers to inclusion and reflects our customers and employees around the world. We recognize that supplier diversity is also valued by many of the school districts we serve. We actively work to deepen our partnerships with diverse suppliers not only to reach our program goals, but also to further the goals and commitments that our customers have within their own communities. As part of our commitment to supplier diversity, HMH is a member of the [National Minority Supplier Development Council](#) and the [Women's Business Enterprise National Council](#).

In 2023, HMH's spend with small businesses and diverse suppliers grew by **28%** over the previous year.





Our Community Impact

Our employees are committed to giving back to communities around the world and supporting causes that they are passionate about. HMH's Volunteer Time Off policy, matching gift benefit and strategic nonprofit partnerships enable employees to extend their impact.



PARTNERSHIP SPOTLIGHTS

CITY YEAR



City Year continues to be a key partner for HMH, reflecting our shared mission of building a more equitable future for all students. We proudly sponsor the team of City Year AmeriCorps members who serve at the Young Achievers Science and Mathematics Pilot School in Boston and partner on impactful student-serving volunteer projects year-round across the U.S., including MLK Day opportunities, spring service days and during our annual Volunteer Week.

826 BOSTON



826 Boston works to empower traditionally underserved students to find their voices, tell their stories and gain skills to succeed in school and life. During HMH Volunteer Week, a group of employees visited Margarita Muñiz Academy to work one-on-one with high school students to refine their college essays. In addition to volunteer support, HMH proudly sponsors the 826 Boston Writers' Room at Boston International Newcomers Academy, where students can receive guidance, support and in-school tutoring throughout the year.

HMH'S 12TH ANNUAL VOLUNTEER WEEK!

One of our most valued traditions at HMH is our annual Volunteer Week! During this special week each year employees dedicate time to give back to communities around the world. During our 12th annual Volunteer Week, **1,615** employees participated in a combination of in-person and virtual volunteerism, completing a total of **164** projects across the **United States, Canada, Ireland** and **India**.



50% of employees around the world participated in HMH Volunteer Week last year.

[Watch this Volunteer Week 2023 highlight reel.](#)

VOLUNTEER WEEK IMPACT



1,615
Volunteers



1,360
Student Enrichment
Kits Created



8,250
Mentoring Minutes



4,865
Hours Volunteered



35,400+
Meals Packed



133
Nonprofit Organizations
Supported





CARES COUNCILS

HMH's **10** Cares Councils are employee-led groups that engage colleagues in local community service. Cares Councils align with HMH's major office locations and distribution centers worldwide and also include a Remote Cares Council to engage homebased employees. Cares Council members receive funding, training and support from HMH's Corporate Social Responsibility team and are instrumental in planning volunteer projects and charitable campaigns year-round and especially during HMH Volunteer Week.



COMMUNITY SERVICE SPOTLIGHTS



Portland Cares Council
 Nineteen legacy NWEA and HMH employees came together to form the Portland Cares Council last year. The team led eight engaging volunteer projects in 2023, including trail cleanup at Tyron Creek, school beautification at Kairos PDX, serving meals at Blanchet House and providing program support to Girls on the Run Greater Oregon.



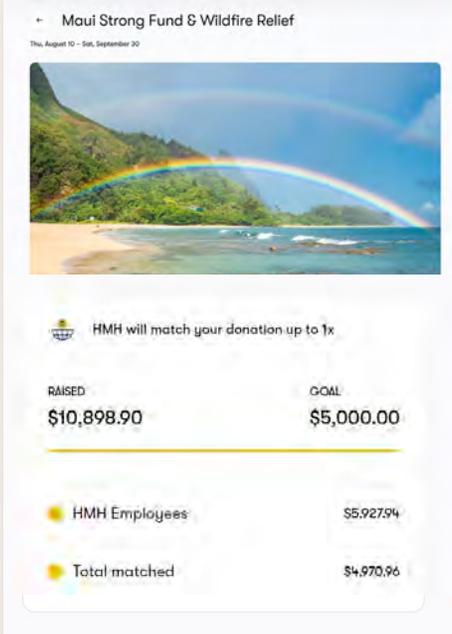
Orlando Employees Partner with NIYC
 HMH's Orlando Cares Council provided year-round support to New Image Youth Center (NIYC), a nonprofit organization that serves as a safe haven for Orlando youth. The Council led a back-to-school drive over the summer, stuffing 250 backpacks full of 1,000+ school supplies, and also led a team of volunteers during Volunteer Week, packing 250 snack bags that were all donated to the youth served by NIYC.



Community Gardening in Ohio
 During HMH Volunteer Week, a group of Ohio-based colleagues tended to the gardens at The Garden for All, a local nonprofit whose produce and flowers go back to the community through donation to local food pantries and community organizations.

GIVING

Employees are encouraged to utilize HMH's matching gift program to double their impact to causes and organizations they're passionate about. They can use HMH's matching gift benefit at any time during the year and are especially encouraged to do so on Giving Tuesday.



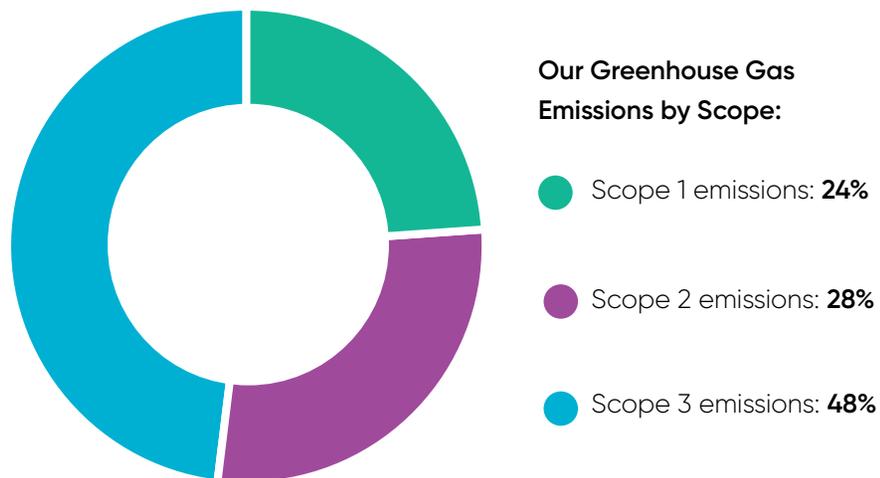
HMH launched a matching gifts campaign following the devastating wildfires that broke out on Maui in August. Ninety-two employees supported the Maui wildfire relief fundraiser, which raised \$10,898.90 total.



Our Sustainable Practices

HMH is committed to making environmentally responsible choices to serve students and educators for years to come. HMH values the use and development of renewable energy, conservation programs and practices that will improve our environmental performance. We also believe access to clean water is a basic human right. We began sharing our greenhouse gas (GHG) emissions data in 2022, and we will continue to expand the scope of our sustainability program to meet the challenges of today's world.

HMH'S CARBON FOOTPRINT



Scope 1	Direct emissions from HMH-owned or controlled sources
Scope 2	Includes our indirect emissions from the generation of purchased electricity
Scope 3	Includes all other indirect emissions that occur in our organization's value chain

² Scope 1 total excludes carbon neutral biogenic emissions.

³ The location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using primarily grid-average emission factor data found in the EPA's 2022 Emissions & Generation Resource Integrated Database eGRID). The location-based method does not factor in instruments or contracts like Renewable Energy Certificates (RECs). It assigns the local grid average emission factor to all offsite usage, regardless of where it comes from.

2023 GHG Emissions by Scope Detail

Emissions Source	Emissions (metric tons CO ₂ e)
Scope 1 Emissions²	2,841
Stationary combustion: onsite equipment and building heat, natural gas and diesel consumption	1,422
Mobile emissions: company-owned fleet vehicles gasoline consumption	1,112
Fugitive emissions: building and company fleet A/C refrigerant leakage	307
Biogenic Scope 1 emissions	3
Biogenic mobile emissions: company-owned Fleet Biodiesel and Ethanol consumption	3
Scope 2 Emissions (Location-based³)	3,373
Purchased electricity	3,373
Total Scope 1 and Location-based Scope 2 Emissions	6,214
Scope 3 Emissions	5,800
Business travel: Air and Vehicles	5,133
Waste Generated in Operations	667
Total Scope 1, 2 and 3 Emissions	12,014



In 2023, HMH's sustainable paper practices resulted in saving:



3,186

U.S. tons of paper, approximately 45,197 trees



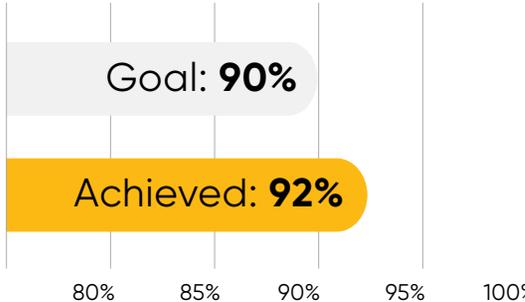
31,590,000

gallons of water, equivalent to the amount of water necessary to operate 21,135 washing machines for one year



38,509,000

pounds of CO₂, equivalent to the CO₂ produced by 3,500 cars in one year⁴



RESPONSIBLE PAPER USAGE

As outlined in our [2023-2024 Paper Sourcing and Usage Policy](#), responsibly sourcing, using and disposing of the paper in our products is key to our sustainability efforts. We track our progress annually, related to our paper procurement target.

2023 Target Surpassed

In 2023, we set and surpassed a target that 90% of HMH purchased paper for education products be manufactured with no less than 10% recycled fiber, achieving a 92% mark.

⁴ Environmental savings statistics provided by New Leaf Paper, HMH's largest paper supply partner



94%

of the waste generated at
HMH distribution centers and
warehouses is recycled.

WASTE MANAGEMENT AND RECYCLING

Whenever possible, we recycle our excess product and waste generated at our distribution centers and warehouses in an effort to avoid sending recyclable products and other waste to landfills.

In our corporate offices, every employee has a recycling and a garbage can. We work to increase employee awareness regarding waste management and recycling with bins and signage.

ENERGY USE

We strive to reduce energy consumption at our distribution centers, warehouses and offices through proven energy efficient practices, including:

- using high-efficiency fluorescent bulbs,
- equipping conference rooms with motion sensor lighting,
- utilizing battery-operated equipment in our warehouses,
- using energy efficient HVAC and heating units and
- installing LED light fixtures in parking lots.

HMH's headquarters in Boston has received the LEED® (Leadership in Energy and Environmental Design) Gold Certification for Existing Buildings™, which is the second highest LEED Certification level attainable. Over 90% of the equipment used in our warehouses and distribution centers is battery-powered, helping to minimize our environmental impact.



TRANSPORTATION

A key aspect of our business is transporting our products to districts and schools, and we aim to do this in an environmentally conscious way. In 2023, HMH saved **3,675,557** pounds of CO₂ (equivalent of the electricity to charge **202,803,181** smart phones⁵) by managing our carbon footprint with intentional transportation methods, including combining partial loads from similar geographic locations into one shipment and shipping directly from vendors to end recipients when possible.

HMH participates in the Environmental Protection Agency's SmartWay program, which helps companies measure and improve freight transportation efficiency. Through this program we are able to reduce our carbon footprint—in 2023, HMH saved **543,374** pounds of CO₂ (the equivalent amount of CO₂ that would be absorbed by **294** acres of forested land in one year) by participating in the SmartWay program.

⁵ Savings equivalencies in this Transportation section are calculated using the Environmental Protection Agency's [Greenhouse Gas Equivalencies calculator](#)



THE FUTURE OF SUSTAINABILITY AT HMM

At HMM, we have embraced a digital first approach to best serve our customers, who have a growing need for dynamic digital products and solutions. While print materials will always be important, this growing demand for digital resources will allow us to use fewer natural resources and reduce our reliance on transportation to deliver print materials, which benefits the environment.

We support the ongoing assessment of risks associated with climate change and are dedicated to managing our activities that impact the environment. HMM is committed to improving and innovating our company-wide sustainability efforts in all areas material to our business, keeping our planet safe while serving students and teachers.



Shape Student Success.
Shape the Future.



Houghton Mifflin Harcourt.

hnhco.com