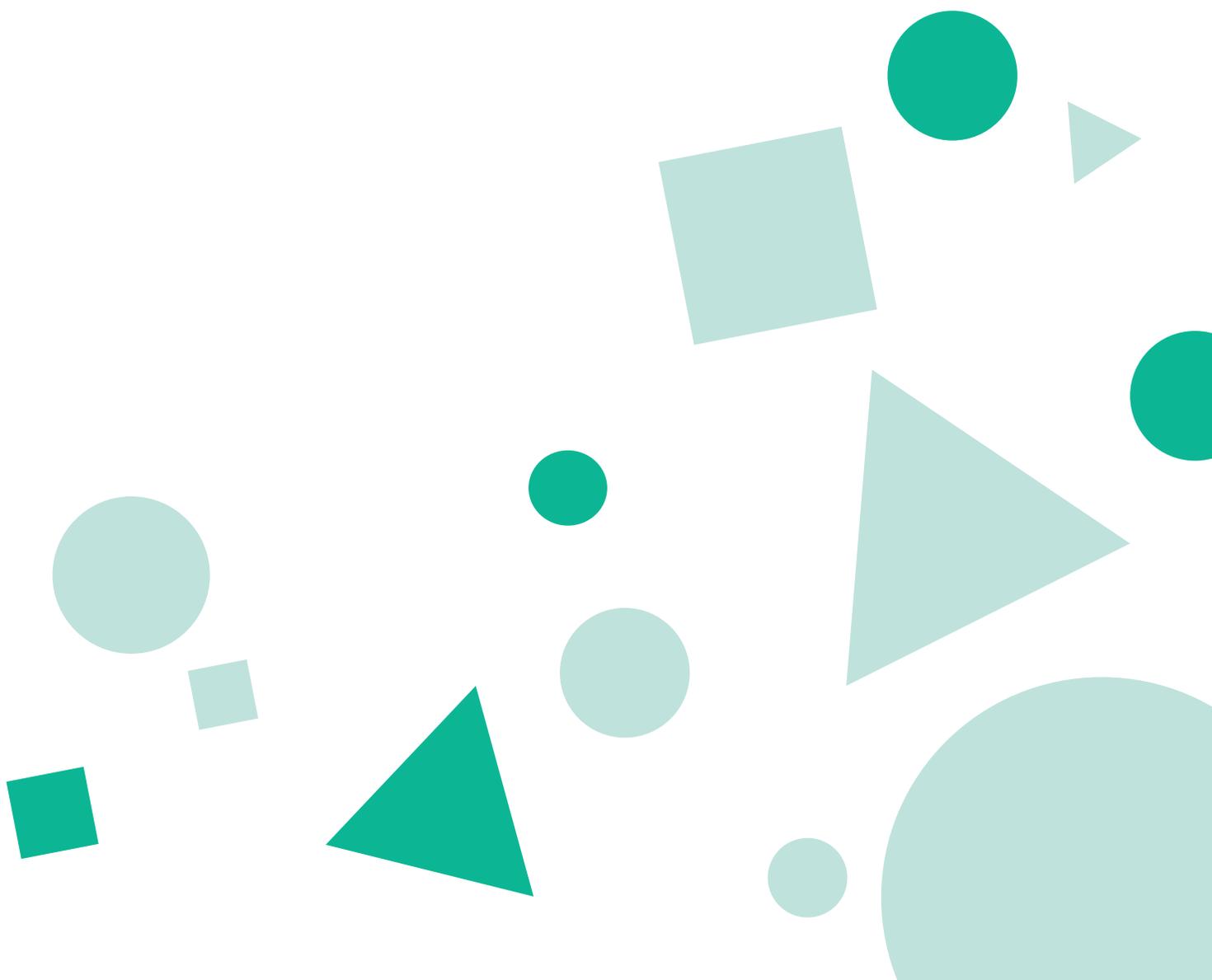




HMH Paper Sourcing & Usage Policy

2019–2022



Introduction and Values Statement

Houghton Mifflin Harcourt® is a learning company committed to delivering connected solutions that engage learners, empower educators and improve student outcomes. We serve more than 50 million students in 150 countries, and our award-winning children's books, novels, non fiction, and reference titles are enjoyed by readers throughout the world. We believe it is our responsibility to prepare each generation of youth to contribute productively to their communities.

One of the major challenges that today's students will face is ensuring the long-term sustainability of their societies. As The Learning Company™, we feel a responsibility to equip our youth with the information and skills they need to address this challenge.

As a company focused on investing in children, we seek to serve as caretakers of the world our students will inherit. We aim to understand how we use resources and our options for employing more responsible practices, and we strive to improve our impact over time. As a corporate citizen, we feel a responsibility to minimize our own impact on the environment to ensure we'll be able to serve teachers, students, and all readers for years to come.

Accomplishments from 2014–2018 Policy

We are proud to have surpassed the goals and actions outlined in our 2014–2018 policy. Here are the metrics we achieved:

- We achieved **62%** recycled fiber by weight across all education paper purchases, surpassing our goal by **12%**, while achieving **54%** recycled fiber by weight across total HMH® paper purchases, surpassing that goal by **4%**.
- **88%** of the total paper we procured both domestically and internationally for use in our trade products was FSC-certified, surpassing our goal by **38%**.
- **85%** of all paper HMH purchased domestically was recycled.

RECYCLED FIBER BY WEIGHT



PERCENTAGE OF PROCURED PAPER*



This Paper Policy reflects our renewed goals and commitments for 2019–2022, building on our progress thus far. We also plan to broaden our company-wide sustainability efforts by setting goals and measuring progress in other areas material to our business.

2019–2022 Targets

As a content provider, we recognize that paper procurement and usage is the most material environmental issue to our business.

As such, HMH seeks to minimize the use of paper and make responsible sourcing and disposal decisions for the paper we do use. While we strive to minimize our paper usage, we still need to utilize paper in many of our products. We are committed to making the most responsible choices possible about the types of paper we procure by following the goals outlined below.

RECYCLED PAPER



of HMH purchased paper volume to be manufactured with no less than 10% recycled fiber

FSC-CERTIFIED PAPER



or more of the paper we procure **domestically** for trade products to be FSC-certified



or more of the paper we use **internationally** in trade products to be FSC-certified

Commitments



SUPPLIER SOURCED PAPER

HMH requires all suppliers to provide documentation of paper sources, including

Chain of Custody Certification. We also seek to increase our use of FSC-certified paper in those products. We require our suppliers to avoid any controversial fiber, such as Acacia or mixed tropical hardwoods that are sourced from high conservation-value forests and protected areas.



DONATION

Our preferred disposal option for excess inventory is donation.



MONITORING, EVALUATING, AND REPORTING

We will report on our paper sourcing and usage progress annually.

Selecting and Influencing Suppliers

HMH recognizes that our supply chain partners are critical to our ability to achieve the goals laid out in this policy. We can only successfully implement this policy if our suppliers offer us the products we seek in sufficient quantities while meeting our requirements for both quality and price. We also rely on our suppliers to provide us with sufficient information to track our progress against our objectives.

To ensure that we are partnering with suppliers who can help us achieve our objectives, HMH will only engage with suppliers who support sound environmental practices and responsible sourcing. This information is confirmed by documentation we have received or is readily available on the vendor websites. We will only procure domestic paper from mills that are FSC or SFI certified and have strict environmental policies. HMH will not work with suppliers who are unwilling to partner with us to achieve the goals laid out in this policy.

We also recognize our role in influencing our suppliers to use paper more responsibly. We communicate our needs to our suppliers by actively sharing this policy on an annual basis and ask that they in turn share with their supply chains. **We also ask our suppliers to provide their own environmental goals and outcomes, including any existing paper policies, to ensure our commitments are aligned.** If they do not have these policies or information otherwise available, we strongly encourage them to develop such documents within an agreed-upon timeframe. If suppliers are unwilling to engage in this process, then we will consider doing business with alternate suppliers.

Disposing of Paper Products

Where we are unable to prevent excess inventory, we seek to dispose of products in a way that maximizes their educational impact and minimizes their environmental impact.

DONATION

Our preferred disposal option for excess inventory is donation. After all sales are complete, we seek to donate products to nonprofit partners and schools around the world through our HMH Books for Equity program.

DESTRUCTION

Books that are not sold or donated are sold to a certified recycler. These companies turn the books into pulp, which is made into recycled paper. HMH makes every effort to minimize books that are incinerated or go into landfills. We are also committed to recycling in our distribution process, recycling all corrugate.

MONITORING, EVALUATING, AND REPORTING

HMH's Green Task Force, composed of employees in Procurement, Production and Corporate Social Responsibility, is tracking progress against our paper-usage goals via a robust process of monitoring and evaluation. We receive annual updates to chain of custody documentation and continue our product-testing processes for compliance on a quarterly basis across all suppliers. This process is also designed to help us learn from our experience and improve the quality of our work over time. We will report on our progress via a publicly available update in our Corporate Social Responsibility Annual Report, which will discuss our progress towards the goals laid out in this document, what we learned in our pursuit of those objectives, and any revisions to this policy based on our learnings.

