



**HITL**

STRENGTH. INSIGHT. GROWTH.

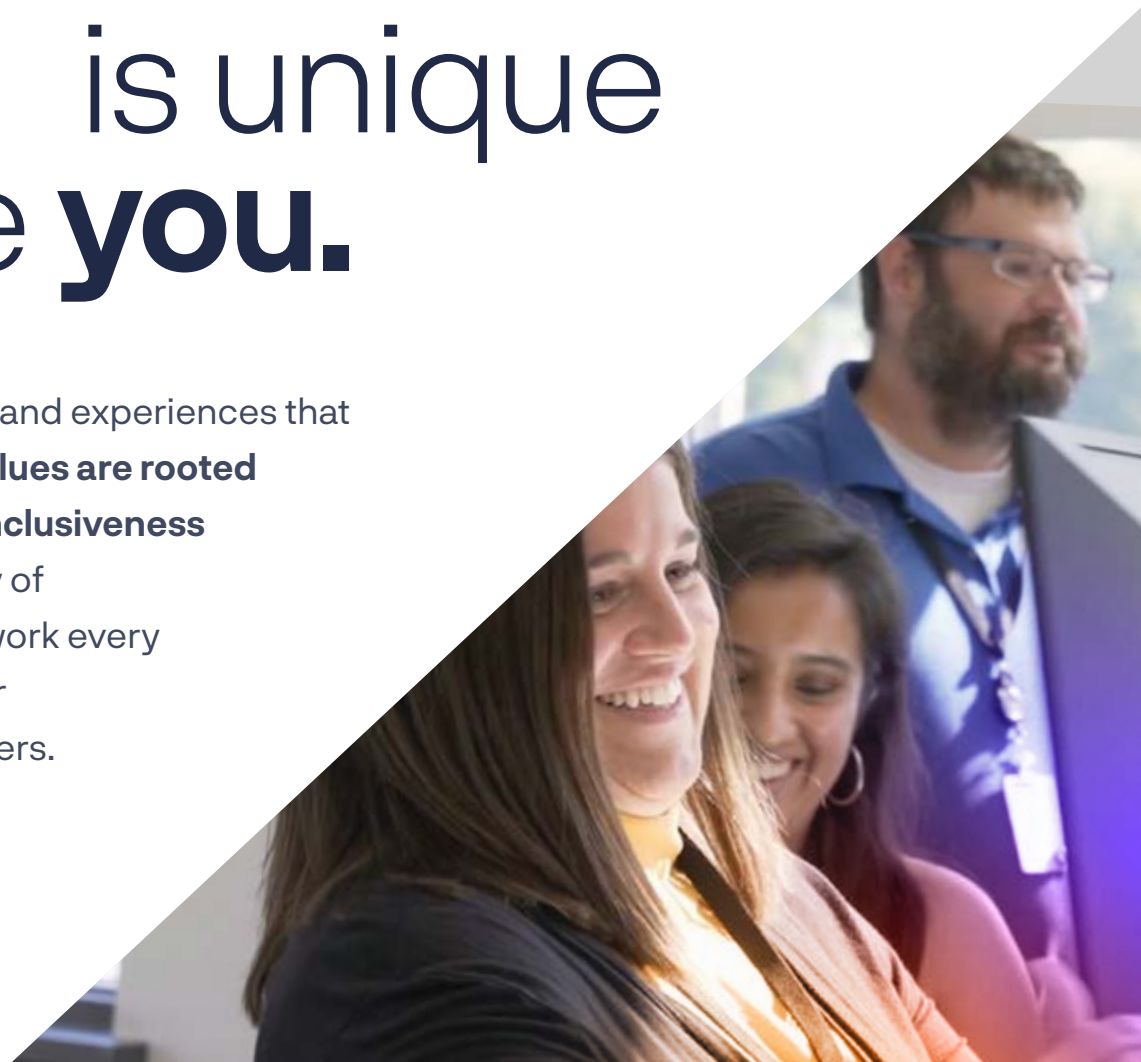
# Diversity, Equity & Inclusion

Annual Report 2021

## MISSION AND VISION

# HTLF is unique and so are **you.**

We all come from diverse backgrounds and experiences that help shape our company values. **Our values are rooted in the belief that respect, equity and inclusiveness make us stronger together.** The variety of experiences and lifestyles we bring to work every day provides insights that help us better understand each other and our customers.





# Banking is a business based on people, trust and relationships.

HTLF takes that a step further, forging a mission towards strengthening our communities and enriching the lives around us.

Embracing and elevating DEI sits squarely at the intersection of HTLF's mission and guiding principles: Accountability, Community, Excellence and Integrity. Acknowledging and celebrating diverse identities is essential to building an inclusive culture where everyone is welcomed and empowered to contribute their best effort and ideas. These tenets of DEI embolden us to be stronger together by supporting one another, being open and honest, and owning the outcomes of our actions. We recognize that fully embedding DEI into the fabric of HTLF is an ongoing journey, but also one well worth the effort and intention, and we are committed to take continued action.

In this, our inaugural Diversity, Equity and Inclusion Report, we share our collective commitment towards efforts to unlock and catalyze the potential of people around us. Our annual reporting on DEI initiatives and outcomes will shine a light on our progress and illuminate areas where we can, and will, continue to improve.

These initiatives engage varied perspectives and voices, creating a collaborative intelligence better able to anticipate and solve the complex challenges of a changing and increasingly diverse world, both now and into the future. Inclusive environments are a force multiplier that bring out the best in each person and allow us to do more together than we ever could alone. We remain steadfast in our commitment to continued learning and improvement in the coming years ahead.

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## ▸ Wendy Reynolds

Chief Diversity, Equity and Inclusion Officer



# In 2021, we advanced several key DEI initiatives via investment in:

- ▶ **Continued to improve diversity and inclusion in all levels of our company**
- ▶ **Created our Chief DEI Officer role**
- ▶ **Hosted Employee Listening Sessions**
- ▶ **Enhanced Unconscious Bias Training for Leadership**
- ▶ **Launched Quarterly DEI Speaker Series**
- ▶ **Introduced Employee Business Resource Groups (EBRGs)**



## CORPORATE COMMITMENT

# HTLF fully embraces **diversity, equity and inclusion** at every level of our organization.

**We believe our DEI commitment needs to start at the top, allowing the benefits to extend to our employees, customers and communities. In our inaugural HTLF Diversity, Equity and Inclusion Annual Report, we outline our advancing DEI efforts and progress on the journey.**

At the highest leadership level at HTLF and throughout our bank network, we continue to evaluate our board diversity. We are actively building and recruiting a diverse, inclusive and equitable board presence. In doing so, board guidance and influence will be generated from broad perspectives. To further our leadership efforts, we are benchmarking diversity metrics so we can take actions to continue shaping an inclusive culture and hold ourselves accountable as we progress.

Organizationally, we formalized our Diversity Equity and Inclusion efforts in the second quarter of 2021. Wendy Reynolds, named as our Chief Diversity, Equity and Inclusion Officer, has fostered an impressive first year, including the formation of our Diversity Advisory Council (DAC). Their ongoing focus is to oversee, advise and connect DEI activities to our broader business-driven, results-oriented strategy, as well as to align with our corporate values

and the future of HTLF. That is no small task. In the course of their first six months, DAC has helped prioritize and implement programs advancing DEI for HTLF, as well as in our communities and business relationships. They created a platform for a diverse HTLF employee voice, and have championed DEI related efforts.

HTLF's strategic pillars are focused on growth. By embracing diversity, equity and inclusion daily, we will drive growth organically not only in profits, but more importantly, in our people. Our initiatives and advancements demonstrate how DEI is being embraced by our employees, our board, our leadership team and our customers. We are proud of the accomplishments outlined in this report. Yet, we recognize we have much to learn, gain and provide by expanding our view of the people and communities we serve. We will continue to seek new opportunities to listen, innovate and collaborate diversely, inclusively and equitably to advance further. Together, our journey continues and illuminates areas where we can, and will, continue to improve.

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▸ **Bruce K. Lee**

HTLF President and CEO

DATA - BENCHMARKS

# Growth

We are proud to present the accomplishments of the **2021 diversity, equity and inclusion** initiatives.

DATA - BENCHMARKS

# Racial / Ethnic Diversity Summary

▼ 2021 - 2022

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- ▶ HTLF Added **131** Employees
- ▶ **53%** of New Additions were Underrepresented Minorities (URM)
- ▶ Overall, **URM Representation Grew** from

**20% to 22%**



## DATA - BENCHMARKS

# Gender Diversity Summary

▼ 2021

**34%**

Male Employees

**66%**

Female Employees

▼ 2022

**36%**

Male Employees

**64%**

Female Employees

- ▶ **Leadership level of SVP or higher:** 2021 and 2022 remained unchanged, both at **24% people who identify as women** and **76% people who identify as men**
- ▶ Female representation on the **HTLF Board of Directors** increased from **16% in 2020 to 25% in 2021**
- ▶ We recognize the tangible benefits a gender diverse workforce provides and the often invisible challenges the “glass ceiling effect” has for employees and organizations alike. We commit to actively identifying and addressing barriers that might preclude women from rising to senior positions, and incorporating insights received from increased outreach and education.





## DATA - BENCHMARKS

# Veteran Diversity Summary

## ▼ 2021 - 2022

- ▶ From 2021 to 2022 the number of employees self-reporting as Veterans remains unchanged, and the **representation of Veterans in the employee population is virtually unchanged moving from 2% in 2021 to 1.89% in 2022.**
- ▶ Efforts will continue to be made to improve the representation of Veterans, including the launch of a Veteran-focused Employee Business Resource Group and workforce development and recruiting partnerships.



## DATA - BENCHMARKS

# People with Disabilities Summary

## ▼ 2021 - 2022

- ▶ Overall, **Disability Representation Grew** from **5.29% to 6.56%**
- ▶ **27%** of New Employees added to HTLF in 2021 identified as having a Disability or Having a History of Disability
- ▶ HTLF continues to assess technology function and best practice implementation to improve instructional design and accessibility for all employees.



EXECUTIVE COMMITTEE

# Insight

**The Diversity Advisory Council (DAC) will bridge the HTLF employee voice, as well as champion DEI related activities with leadership**

Led by an executive committee, the DAC helps prioritize and implement ideas and programs that will advance DEI for HTLF as well as in our communities and business relationships.



# Spotlights

DIVERSITY ADVISORY COUNCIL



## “I believe every person has value and should be treated equally.”

Diversity, equity and inclusion are significant to me because they are interwoven within my African American culture. A journey that includes discrimination, exclusion and a story that carries pain and healing. I believe every person has value and should be treated equally and given the same opportunities based on their ability and hard work rather than their race.

HTLF has provided an environment for diversity and inclusion by modeling behaviors and business practices that demonstrate acceptance and embrace change. HTLF has expanded its hiring practices and supported the Diversity Advisory Council with great leadership in changing our workplace culture.

HTLF is genuinely connecting Strength, Insight and Growth by bringing our employees, customers and communities closer together through our geographic diversity and progress in expanding diversity and inclusiveness.

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### ▸ Brenda Ewing

Executive Assistant, HTLF | Diversity Advisory Council Vice Chair



# Spotlights

DIVERSITY ADVISORY COUNCIL



**“I draw my strength from diversity and inclusion by confidently encouraging others to use their unique skills and passions to support a positive social change.”**

Diversity and inclusion are important to me because the world I want to live in values your skin color, your gender and who you love. I draw my strength from diversity and inclusion by confidently encouraging others to use their unique skills and passions to support a positive social change. I was raised in an environment that was inclusive and used our voices to help bring change within our local communities. I am proud to work for HTLF because they are amplifying voices that are often unheard.

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▸ Chalise J. Jacobs

Talent Development Facilitator, HTLF | Diversity Advisory Secretary



# Spotlights

DIVERSITY ADVISORY COUNCIL



**“I strive to provide a meaningful impact by developing strategies for leadership and establishing metrics to measure our success.”**

Increasing diversity in the financial services industry has been an aspiration for many years. I strive to provide a meaningful impact by developing strategies for leadership and establishing metrics to measure our success. Our leadership team is serious about positioning HTLF for long term success and the Diversity Advisory Council welcomes the ability to assist this process and track progress.

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› Edward Cooper

SVP, Director - Specialized Industries, HTLF | Diversity Advisory Council Member



# Spotlights

DIVERSITY ADVISORY COUNCIL



**“It is so much easier to bring forth ideas and have meaningful conversations when we are open to differences”**

Diversity and inclusion are important to me because it broadens our ability to achieve greater success. Success not only for our business and our customers but personally as well. It is so much easier to bring forth ideas and have meaningful conversations when we are open to differences, ridding ourselves of stereotypes and listening to one another.

My strength comes from the ability to live my true self every day I come to work. As a leader within the organization, I help to influence change by being authentic, helping to educate around biases and checking my own when leading my team. HTLF celebrates diversity outwardly by helping in our local communities and subtly by supporting and promoting all individuals fairly within the organization.

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▸ Randy Martinez

SVP, Operations Director, Private Client Services HTLF | Diversity Advisory Council Treasurer



# Spotlights

DIVERSITY ADVISORY COUNCIL



## “The council is listening to what employees want for DEI and we will be mindful of the trust placed in us as advocates”

I take pride in leading HTLF's first Diversity Advisory Council as Executive Chair. Our Council actively works to unite around the most meaningful ways to make our organization more inclusive and a place where employees can be the best expression of themselves, which allows each of us at HTLF to be better. Everything we do is critical and essential to building a voice that advocates for positive change.

As someone who is gay and Jewish, it has always been important to work for a company that values differences to make a company better. I have worked for organizations where I have felt uncomfortable or had to make difficult choices where work priorities supersede aspects of my home life. By supporting the start of the DAC, HTLF is actively demonstrating we are committed to growth, and that also means inclusion isn't a barrier, yet a new gateway to expansion that is meaningful to both employees and customers.

The Diversity Advisory Council is launching Employee Business Resource groups in 2022. These communities will be a place where employees and allies of traditionally underrepresented groups can gather, share experiences and offer tangible solutions to make a difference for employees and the customer experience at HTLF. These EBR groups will also be resources for our lines of business and member banks to ensure the decisions HTLF makes consider the impact to groups such as women, veterans, LGBTQ+, people with disabilities, underrepresented people and BIPOC. DAC is listening to what employees want for DEI and we will be mindful of the trust placed in us as advocates.

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### ▸ Herb Toplan

Development Manager, HTLF

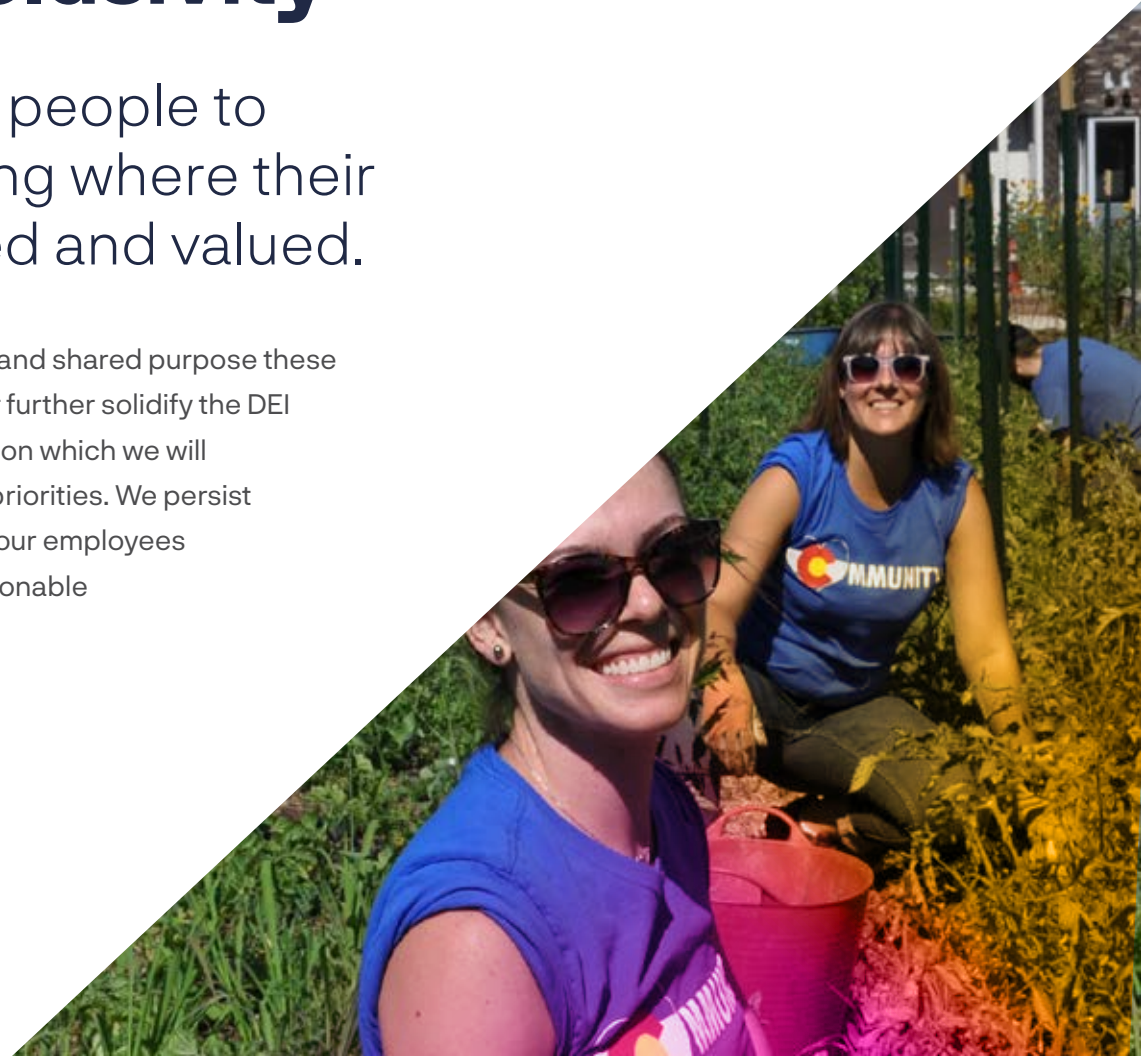
Diversity Advisory Council Executive Chair




# High growth cultures are centered on inclusivity

– providing space for all people to have a sense of belonging where their individuality is recognized and valued.

All stakeholders benefit from the agility, innovation and shared purpose these cultures create. Our investments over the past year further solidify the DEI foundation for HTLF and provide key cornerstones on which we will continue to mobilize and refine our strategies and priorities. We persist in our dedication to provide meaningful impact for our employees and communities through continuous learning, actionable strategies and intentional talent development.





# Looking forward into 2022 to further scale and operationalize these initiatives, we will:

- ▶ **Activate our first-ever Employee Business Resource Groups**
- ▶ **Broaden our multi-modal DEI Training to All Employees**
- ▶ **Expand our Recruitment Focus and Network**
- ▶ **Enhance our Supplier Diversity Strategy**
- ▶ **Conduct an Internal Pay Equity Analysis\***

*\*following the implementation of a new market-based compensation structure*

# We value the unique attributes and experiences of our employees, customers and communities.

By seeking the input of everyone's voice, we are better able to actively contribute to the vitality of the communities where we work and live.

Together we are 