



2021

CORPORATE SOCIAL RESPONSIBILITY REPORT



ABOUT HORIZON BANCORP, INC.

Horizon Bancorp, Inc. (NASDAQ GS: HBNC) is the commercial bank holding company for Horizon Bank, which serves customers across diverse and economically attractive Midwestern markets. Customers rely on Horizon's convenient digital and virtual tools for a majority of their transactions with the bank, along with its Indiana and Michigan branches. Horizon's retail offering includes prime residential, indirect auto and other secured consumer lending to in-market customers, as well as a range of personal banking and wealth management solutions. Commercial lending represents over half of total loans outstanding with a primary focus on in-market sponsors, and Horizon also provides a comprehensive array of business banking and treasury management services. More information on Horizon, headquartered in Northwest Indiana's Michigan City, is available at horizonbank.com and investor.horizonbank.com.



Named a Best Bank to Work For
by *American Banker* for 2021



Continuously awarded Bauer
Financial's highest 5 Star rating
for financial soundness

Shareholder Relations
(219) 814-5618

Transfer Agent
Computershare Shareholder Services
P.O. Box 30170, College Station, TX 77842-3170 | (800) 368-5948

Shareholder online inquiries: www.computershare.com/us/investor-inquiries

Join the brightest advisors with a passion for what they do and a desire to succeed
horizonbank.com/about-us/careers/join-our-team



TABLE OF CONTENTS

02 CEO Letter

04 Diversity, Equity & Inclusion

06 Our Community Impact

08 Midwest Financial Partner

10 Experienced Leadership & Sound Governance

12 SASB Summary

OUR GUIDING PRINCIPLES



Building Business Relationships for Life



Sensible Advice



Anticipating Needs



Customer Advocate



Fostering Diversity, Equity & Inclusion



Community Mindedness



DEAR SHAREHOLDERS, ADVISORS AND CLIENTS,

For nearly 150 years, Horizon has exemplified what it means to be a community bank. Quite simply, it means being there for our communities – from the individuals and families we call our neighbors, to the businesses, nonprofits and municipalities that make our communities vibrant.

In 2021, I'm proud to say that Horizon Bank continued to be there for its communities. Through our grants and sponsorships, we provided nearly \$830,000 to more than 375 well-deserving charitable organizations. We also provided more than \$89 million in loans to programs promoting small business and community development throughout our Midwest markets in

addition to the support we provided customers through the final phase of the Paycheck Protection Program (PPP). Caring for our communities means caring for our environment as well. Horizon Bank's renewable energy financing, paper reduction initiatives, energy efficient upgrades and use of technology have helped it to become a more sustainable company.

Our accomplishments reflect, first and foremost, the dedication and incredible work ethic of our Horizon advisors. Despite the challenges we have all faced due to the pandemic, our team has continued to persevere and grow as we work together towards a better future for all.

Our advisors are our most valuable and important asset and we pride ourselves on creating an environment where all feel respected, trusted, valued, and heard. We continuously seek to foster diversity and inclusivity throughout our organization. In 2021, we made important progress on this mission. As you'll read in our second annual Corporate Social Responsibility report, we launched Advisor Resource Groups in 2021 to build and strengthen relationships and understanding among our team. With three groups launched thus far focused on LGBTQ+, Women and Minorities, we are seeing positive reception among our advisors of this new initiative.

We also grew our team in 2021, both organically and through acquisition, allowing us to better serve our customers and communities. In September we expanded our Midwest footprint in 11 Michigan counties through the acquisition of 14 branch locations in Northern Michigan, extending our low-cost deposit franchise and welcoming new advisors and over 50,000 customers to Horizon. We also opened new branches during 2021 to better serve our communities and expand access to financial products and services. These include a new bilingual branch in LaPorte, Indiana, our second location staffed entirely with advisors who can serve customers in both Spanish and English, as well as a new branch in the historically underbanked community of Gary, Indiana. We will continue to evaluate opportunities to expand access to financial services to all in 2022 and beyond.

As we look ahead, our company remains strongly focused on advancing diversity and inclusion within our company, promoting the long-term growth and prosperity of our communities, and becoming more environmentally sustainable. As a leader in corporate responsibility, we recognize the actions we take now will shape the future, not only for our company, but for all the communities we serve.

Sincerely,
Craig M. Dwight
Chairman & Chief Executive Officer



STRENGTHENING OUR PRESENCE AND TEAM IN MICHIGAN

In September 2021 we were thrilled to welcome new advisors and customers to Horizon Bank through our acquisition of multiple branches in 11 Michigan counties. This acquisition added mass and scale to our Michigan market and extended our footprint into attractive markets in the northern and central regions of Michigan's Lower Peninsula. Our expanded team has done a tremendous job, converting more than 50,000 primarily retail and small business customers accounts as part of this transaction and continuing to introduce our community bank to growing numbers of consumers, small businesses, non-profits, and municipalities in the months since we closed.

DIVERSITY, EQUITY & INCLUSION



Women made up 77% of Horizon's workforce of 917 employees at year-end



Underrepresented minorities made up approximately 14% of our team at year-end and accounted for 19% of hires during 2021



Horizon spent approximately \$3 million with women and minority-owned businesses in 2021

Horizon Bank values and celebrates differences of all kinds among our team, customers, communities and business partners and suppliers. We are intentional in how we approach diversity, equity and inclusion and are committed to continued growth and improvement.

DIVERSITY WITHIN OUR WORKFORCE

We are committed to enhancing diversity within our company and continuously seek to recruit, hire and retain diverse talent. At year-end 2021, underrepresented minorities made up 14% of our

workforce, individuals with disabilities made up 9%, and women made up 76%. In addition, new hires self-identifying as underrepresented minorities made up more than 19% of total new hires in 2021, compared to 16% of three years prior.

In addition, our holding company and bank boards of directors have [three] and [four] members, respectively, who self-identify as women or underrepresented minorities. And, [38%] of our senior management team self-identify as women or underrepresented minorities.

In addition to seeking to become a more diverse company, we continuously strive to become a more inclusive one. "Be Horizon Central" is our internal learning catalog of classes that are available to all advisors. Addressing topics like unconscious-bias, generational differences, gender identity and expression, inclusive communication styles, women in leadership and more, we believe education is central to broadening our perspectives and being a best-in-class employer.

BILINGUAL BANKING

Horizon understands that English is not the primary language for all of its customers and has invested in technology and talent to better serve its Spanish speaking customers. In addition to offering live chat, phone, email and video banking services in both English and Spanish, Horizon has opened bilingual branches in communities with large populations of bilingual residents.

In 2021 the Bank opened its second bilingual branch located in LaPorte, Indiana two years after opening its first in Whiting, Indiana. Staffed with Spanish-speaking team members, these branches provide a full range of banking services as well as bilingual financial education and planning assistance for customers.

UNDERSTANDING OUR COMMUNITIES

Our commitment to diversity extends beyond our team and customers. For example, our Diversity Business Council was founded in 2004 and includes not only company executives and Horizon advisors, but also community and non-profit leaders who provide

valuable outside counsel. This group provides oversight and input on Horizon's overall diversity efforts, its policies and practices, and its strategic goals. We also have 13 regional advisory boards that are made up of external community leaders who provide us insight into the needs and opportunities of counties throughout our footprint. Each advisory board strives for diversity and inclusion with a broad array of representatives from across our communities.

ADVISOR RESOURCE GROUPS

Horizon introduced Advisor Resource Groups in 2021 to promote inclusion and diversity throughout the company's workforce. These voluntary groups are open to all of our advisors to help them to strengthen relationships, build understanding, develop skills and share knowledge and experiences with one another. Our first Advisor Resource Group launched in 2021 focused on LGBTQ+ issues and its membership has grown to 5% of all employees. We have since launched two additional groups focused on Women and Minorities that have been well-received by our team of advisors.

**Learn more about our formal diversity and inclusion policies at
horizonbank.com/about-us/community-outreach/diversity-and-inclusion**

OUR COMMUNITY IMPACT



Nearly \$80,000 in sponsorships to about 175 organizations, in addition to the \$750,000 in grants in 2021



Provided \$22.5 million in financing to SOLCAP renewable energy projects in 2021



Received the Pandemic Lending Award in 2021 through Southwest Michigan Regional Chamber and the Cornerstone Alliance

As a leader in corporate citizenship, Horizon Bank is committed to doing our part to help create a better world and life for our customers, employees, communities, and shareholders.

HORIZON CARES

At Horizon, we understand that we are only as strong as the people we serve. Our mission is to make a positive difference in the future of our communities by supporting education, economic development,

arts and community efforts that meet the housing needs of low-to-moderate income families.

At the core, our efforts are focused on making generational and transformative impacts to enhance the quality of life for residents across our Indiana and Michigan communities. Through our Horizon Cares Community Grant Program, we provide grants of \$5,000 or more to nonprofit organizations doing incredible work for our communities.

◀ *We are proud to support nonprofits throughout our communities, including the Salvation Army in our headquarters city of Michigan City, Indiana.*

During 2021 we provided approximately \$750,000 in grants to more than 200 organizations throughout our footprint through Horizon Cares. Just some of the organizations we supported last year include Benton Harbor Habitat for Humanity, Lubeznik Center for the Arts, Michigan City Economic Development Corp., the United Way of LaPorte County's Homelessness Protection Program and the Unity Foundation of LaPorte.

To put it in perspective, Horizon Bank has donated more than \$3 million to nonprofits over the last five years.

FIGHTING FOOD INSECURITY

We seek to support nonprofits that are actively addressing the most pressing challenges our communities face, including food insecurity. In 2021, Horizon Bank donated over \$50,000 to local food pantries, including to three Salvation Armies – The Food Bank of Northwest Indiana, Sacred Heart Food Pantry and The Pax Center in LaPorte County. We are proud to support the great work of the Salvation Army. In addition to our financial contributions, our employees have volunteered their time to these food pantries and our team and customers alike came together in December to help their neighbors in need with a special in-branch Red Kettles drive.

A CULTURE OF VOLUNTEERISM

Horizon Bank makes it a priority to rally together to support our communities facing significant challenges. Our culture of giving back permeates

our entire company and through our formal paid time off policy we encourage our advisors to seek volunteer opportunities in our communities. Horizon provides all advisors with paid time off for volunteering, which gives our team the freedom and flexibility to support organizations and causes that are important to them.



To learn more about the Horizon Cares Charitable Grant Program or to apply, please visit horizonbank.com/about-us/community-outreach/community-grant-program

MIDWEST FINANCIAL PARTNER



\$89.4 million in loans to programs promoting small business and community development



Our advisors participated in more than 650 financial literacy events last year



Received Best of Business Awards by Northwest Indiana Business Quarterly 2017–2021

Horizon's approach to banking has always been about people first – from its founding in 1873 with one location in Michigan City, Indiana to the public company it is today, serving retail and commercial customers through branches across Indiana and Michigan and sophisticated technology.

YOUR COMMUNITY BANK

Even as we've grown to a more than \$7 billion asset company, we have maintained our community focus and grown the right way. Horizon's advisors are

purposely hired from local communities and empowered to act, because we understand the value of local knowledge.

Our in-market lending approach means that our advisors understand the unique needs, strengths and challenges of the communities they serve – and are empowered to act.

FOCUSED ON ECONOMIC INCLUSION

Our commitment to our communities means that we offer programs designed for all. Programs like our

◀ *Horizon's Advisors are purposely hired from local communities and empowered to act, because we know our customers value local knowledge.*

Home Ready Cash Program, Section 8 mortgage financing, Fresh Start Loan Program, and Starter Overdraft Protection are designed to promote economic inclusion and help customers improve their credit and achieve financial security. These programs have contributed to Horizon's consistent "Satisfactory" Community Reinvestment Act rating earned in every one of its CRA evaluations from bank regulators since 1997, including in most recent by the FDIC.

We are also committed to improving access to financial services to minority populations in cities that have historically been underserved. In 2021 we opened a new branch in Gary, Indiana, employing four local residents who have done a tremendous job already serving their neighbors and local businesses. In addition to providing retail and commercial banking services to the Gary community, we were proud to support several nonprofits and initiatives in the region, including Brother's Keeper Homeless Shelter, Gary Literacy Coalition, the Love Your Block neighborhood revitalization program and more.

SUPPORTING SMALL BUSINESS

2021 and 2020 presented incredible challenges for communities in our own backyard and around the world. As we all have continued to operate in a pandemic environment and the associated economic uncertainty, Horizon Bank has sought to be a source of stability to small businesses in our Midwest markets. As a certified Small Business Administration (SBA) provider, we were well-prepared to leverage the CARES Act to support small businesses and their employees. We participated in all phases of the Paycheck Protection Program (PPP), originating a total of nearly \$450 million in PPP loans in 2020 and 2021 for more than 4,000 businesses.



BE MORE THAN A BANKER

We know that our employees are our most valuable asset and we are committed to attracting, retaining, and developing our top talent to fuel the growth of Horizon Bank by providing a work environment that is empowering and fulfilling. We offer competitive pay, 401(k) plan with matching contributions, robust health and wellness insurance plans and incentives, and paid time off for vacations, holidays, sick time and bereavement to all of our advisors.

EXPERIENCED LEADERSHIP & SOUND GOVERNANCE



Nationally recognized by Bank Director Magazine as one of the top performing banks in Bank Director Performance Scorecard 2015–2021



11 of 12 directors are independent



Women and underrepresented minorities comprised [38%, 33% and 27%] of Horizon's senior management team, holding company board and bank board

Horizon Bank's commitment to its team, customers, communities and shareholders starts at the top. Our Executive Leadership team and our Board of Directors have strong local ties and bring diverse backgrounds, experiences, perspectives, and characteristics to our company.

Horizon's Board of Directors held eight meetings during 2021, and each director attended 75% or more of these meetings and those of the committees they served on. In addition, all directors actively

participate in continuing education, with each director completing 100% of their assigned educational programs during 2021.

STRATEGIC PLANNING

We strive to maintain strong governance and risk management practices, as it is the foundation of a sustainable and well-governed company. Our Board's Corporate Governance and Nominating Committee reviews our corporate social responsibility (CSR) strategy and performance,

◀ *We seek to create an environment of continuous improvement and creative thinking, where advisors participate in company-wide trainings to ensure the highest level of service and knowledge for our customers.*

including development and implementation of CSR initiatives, privacy and data security, political contributions and lobbying and manages our board recruitment.

BUSINESS ETHICS

Our formal code of ethics, charters and policies are available in the Corporate Governance section of our Investor Relations website, investor.horizonbank.com/corporate-information/corporate-governance. Our code of conduct outlines our core values and responsibility to operate ethically, responsibly, and sustainably. It serves as our foundation of how we do business and is ingrained in everything we do here at Horizon Bank.

RISK MANAGEMENT

Our approach to risk management has positioned us well to continue growing and creating value for our shareholders. Our risk management policies and procedures continuously evolve and reflect best practices to provide better solutions for our customers and drive strong financial performance.

Data protection and information security are of the utmost priority to us, as we focus on ensuring the highest standards for the safety of our customers. In 2021, more than 99% of our workforce completed formal cybersecurity awareness and regulatory compliance trainings.

VANESSA WILLIAMS JOINS HORIZON BANK'S BOARD OF DIRECTORS



We recently announced the appointment of Vanessa Williams as an independent director on Horizon Bank's Board. Ms. Williams is Senior Vice President and General Counsel of Kelly Services, Inc. (Nasdaq: KELYA, KELYB), a leading global workforce solutions company headquartered in Troy, Michigan. She will serve on the Compensation and Asset Liability and Operation Committees. Her years of experience leading legal affairs, mergers and acquisitions, third-party risk management, data privacy and security will be a tremendous asset to the Board, helping us further execute Horizon's strategy for accelerating growth and shareholder value creation.

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) DISCLOSURES

TOPIC	SASB CODE	ACCOUNTING METRIC	
COMMERCIAL BANK STANDARDS			
Data Security	FN-CB-2301a.2	Description of approach to identifying and addressing data security risks	Horizon Bank takes the security of its customers' personal and financial data and responsibility to prevent fraud very seriously. Laws and regulations, including the Gramm Leach Bliley and Sarbanes-Oxley Acts, guide our policies, procedures, and controls. We follow COBIT 2019 and the NIST Frameworks to help manage cybersecurity risk. For additional details on our data security approach, as well as our formal privacy policy, please visit www.horizonbank.com/Privacy-and-Security .
Financial Inclusion & Capacity Building	FN-CB-240a.1	Number and amount of loans outstanding qualified to programs designed to promote small business and community development	1,432 loans totaling \$89.4 million at 12/31/21, excluding PPP loans
	FN-CB-240a.2	Number and amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development	9 loans totaling \$1.1 million delinquent >30 days and 2 non-accrual loans totaling \$0.2 million at 12/31/21
	FN-CB-240a.3	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	1,307 Fresh Start Checking Accounts at 12/31/21
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	FN-CB-410a.1	Commercial and industrial credit exposure, by industry	Please find details on our diverse commercial lending portfolio in recent investor presentations, available at investor.horizonbank.com
	FN-CB-410a.2	Description of approach to incorporation of environmental, social and governance (ESG) factors in credit analysis	When underwriting commercial credit, Horizon considers many factors that may impact a business and its ability to operate successfully in order to meet payment requirements. We continuously evaluate our underwriting process to ensure we are identifying key risks inherent in a business or industry. As ESG continues to be elevated as a key consideration, we will adapt our underwriting in order to ascertain the risks posed to our borrowers and the bank.
Business Ethics	FN-CB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	No losses of this nature in 2021.
	FN-CB-510a.2	Description of whistleblower policies and procedures	Horizon utilizes EthicsPoint®, a confidential and anonymous web and telephone reporting system that allows shareholders, directors, customers, vendors and employees to report concerns, as well as pose questions and suggestions, confidentially and anonymously. Horizon also has formal non-retribution and open door policies to encourage individuals to report concerns.

TOPIC	SASB CODE	ACCOUNTING METRIC	
Systemic Risk Management	FN-CB-550a.2	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	Every year Horizon completes a strategic plan and results are monitored, tracked and reported to the Board quarterly. Capital planning, capital stress testing and liquidity contingency plan testing is completed annually and reported to the Board. External and internal anomalies can trigger additional stress testing to ensure current status of stress testing and contingency planning is known to management and the Board.
Activity Metric	FN-CB-000.A	Number and value of checking and savings accounts by segment: personal and small business	150,504 personal checking accounts totaling \$2.05 billion and 17,550 business accounts totaling \$1.39 billion at 12/31/21
	FN-CB-000.B	Number and value of loans by segment: personal, small business, and corporate	53,095 personal loans, including consumer and residential mortgage, totaling \$1.33 billion at 12/31/21; 1,542 small business loans totaling \$89.5 million and 9,032 commercial loans, excluding small business, totaling \$2.07 billion at year end
MORTGAGE FINANCE STANDARDS			
Lending Practices	FN-MF-270a.1	Number and value of residential mortgages of the following types: Hybrid or Option Adjustable-rate Mortgages (ARM), prepayment penalty, higher rate, total, by fico scores above or below 660	Hybrid or Option ARMs: 1,797 loans totaling \$309.9 million; Prepayment Penalty: None; Higher Rate (High Cost Loans): None; Fico scores >660: 2,073 loans totaling \$496.8 million; Fico scores below 660: 1,538 loans totaling \$109.1 million
	FN-MF-270a.4	Description of remuneration structure of loan originators	Horizon employs non-commission, salaried lenders dedicated to serving low-to-moderate income and majority-minority communities who are responsible for community development, small business and mortgage lending. These community lenders, along with the bank's CRA officer, report to Horizon's VP of Community Development.
Fair Lending ¹	FN-MF-270b.3	Description of policies and procedures for insuring nondiscriminatory mortgage origination	Horizon is committed to making credit products available to all qualified applicants without discrimination. All home equity and mobile home applications denials are subject to a second review, as is a portion of all mortgages. Internal Audit performs periodic reviews and data analysis to identify possible discriminatory lending patterns and reports any findings promptly to the Board. These and other policies are outlined in Horizon's Fair Lending Policy, available at www.horizonbank.com/about-us/community-outreach/affordableloan-options .
Activity metrics	FN-MF-000.A	Number and value of mortgages originated by category: residential and commercial	2,859 residential mortgage loans originated during 2021 totaling \$623.3 million; 507 commercial mortgage loans originated totaling \$353.1 million as of 12/31/21
	FN-FM-000.B	Number and value of mortgages purchased by category: residential and commercial	None

¹ This topic is referred to as "Discriminatory Lending" by the SASB



Horizon Bancorp, Inc.
515 Franklin Street, Michigan City, IN 46360

HorizonBank.com | (888) 873-2640

A NASDAQ Traded Company – Symbol HBNC



Forward-Looking Statements

This report may contain forward-looking statements regarding Horizon Bancorp, Inc. and its affiliates (collectively, "Horizon"). For these statements, Horizon claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on management's expectations and are subject to a number of risks and uncertainties that could cause actual results to differ materially. These risks and uncertainties are further detailed in Horizon's reports filed with the Securities and Exchange Commission (the "SEC"), including in its Annual Report on Form 10-K for the year ended December 31, 2021 and other subsequent filings with the SEC. Undue reliance should not be placed on the forward-looking statements, which speak only as of the date hereof. Horizon does not undertake, and specifically disclaims any obligation, to publicly release the result of any revisions that may be made to update any forward-looking statement to reflect the events or circumstances after the date on which the forward-looking statement is made, or reflect the occurrence of unanticipated events, except to the extent required by law.