

Harrah's Philadelphia Casino and Racetrack



Annual Diversity Plan
2014

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HARRAH'S DIVERSITY AND INCLUSION VISION

Harrah's Philadelphia Casino and Racetrack ("Harrah's Philadelphia") shares a vision with our sister casinos toward understanding, valuing, and embracing diversity. This vision is best expressed through Caesars Entertainment's Code of Commitment. The Code along with our diversity and inclusion vision helps ensure that Harrah's Philadelphia along with our sister properties create an environment that respects, understands, embraces, and recognizes the diverse components of our workforce, workplace, and marketplace. Since going full throttle with our initiatives in 2006, we pledged to uphold very high standards in our relationships with our communities, our guests and our employees. While Harrah's Philadelphia is proud of what we have accomplished for these key stakeholders, we continue to seek improvement and adjust to significantly change the national, regional, state and local economic stresses.

HARRAH'S PHILADELPHIA CASINO & RACETRACK

Harrah's Philadelphia is a state-of-the-art facility located at 777 Harrah's Boulevard, Chester, Pennsylvania. The racetrack, which opened for business in 2006, is an exciting and fun-filled addition to the Harrah's family and features a 13-race paddock, ultra-modern 1,500 seat grandstand looking down on a 5/8 mile track with a dramatic backdrop of the Delaware River which provides one of the best views in racing. Our 700,000 square foot facility includes close to 100,000 square feet of gaming space and houses some of the latest slot machines, Table Games and other first-class amenities. Recently upgraded, the gaming floor features 2,800 games including slot, video poker and electronic blackjack machines. Harrah's Philadelphia offers an array of restaurants, bars, and entertainment venues including our newly remodeled fine dining experience The Cove Steakhouse and Raw Bar, Philly Tap and Tavern, Café Napoli, Mien Noodle Bar, and Tony Luke's. The casino level also includes a casino bar in the center of the gaming floor and the newly created Block

Live Entertainment venue with 1,000 person capacity. Our facility offers 14,000 square feet of convention and meeting space capable of handling everything from a super-chic event to the most modest affair in Delaware County.

Harrah's has made a commitment to focus on diversity and inclusion in the areas of Human Resources, suppliers of goods and services, construction contracting, community reinvestment and market-branding. The following is an overview of Harrah's Philadelphia's efforts at driving diversity and inclusion.

HARRAH'S PHILADELPHIA DIVERSITY ORGANIZATIONAL STRUCTURE

To execute our Diversity and Inclusion Plan, Harrah's Philadelphia will rely on our senior management team as well as key corporate-wide personnel who play important roles in maintaining, creating, and executing a comprehensive diversity strategy. The ultimate responsibility for our Diversity and Inclusion Plan rests with the Senior Vice President and General Manager, who, in conjunction with the property's leadership team will oversee the execution of operations policies and procedures for further effectiveness and tailoring of the corporate Diversity and Inclusion Plan. The Director of Human Resources & Community Relations will serve as the Equal Opportunity Officer for Harrah's Philadelphia and has the full support of the Senior Vice President and General Manager as well as the other senior management team members for comprehensive execution of this plan. Harrah's Philadelphia management shall have the authority to call upon Caesars Entertainment's corporate offices for additional insight and resources necessary to make the Diversity Plan maximally effective.

Harrah's Philadelphia has formed an Inclusion Performance Team which is co-chaired by SVP, GM and the Director of Human Resources & Community Relations which is comprised by various members of the senior leadership team and sets the Diversity and Inclusion goals for the property. The Committee is planning activities and events for the property with the goal of celebrating diversity and inclusion. The Vice President of External Affairs and Chief Diversity Officer for Caesars Entertainment Corporation will work closely with Harrah's Philadelphia management in achieving property specific diversity goals and initiatives which closely relates to all the items outlined in this Diversity Plan.

The key stakeholders in diversity and inclusion (HR, Purchasing and Marketing) will have monthly meetings to discuss progress towards our goals and make adjustments where we are having difficulty gaining traction. It is important that

these key participants are on the same page and moving in a unified and common direction. In addition, quarterly, all senior management team members will meet to understand the current status, take part in going-forward initiatives, and create buy in across the enterprise.

HUMAN RESOURCES

The following sets forth methods that Harrah's Philadelphia has and continues to utilize to actively attract and maintain a diverse pool of candidates. These diverse candidates provide to Harrah's Philadelphia the depth of talent, skills and potential to insure a diverse operating environment. We are confident that through utilization of the outreach efforts described below, Harrah's Philadelphia has and will continue to achieve a diverse workforce.

Recruitment and Employment

Harrah's Philadelphia has developed a diversity and inclusion recruiting strategy that includes a focus in the following areas: community stewardship, academic partnerships, employment branding and advertising, vendor relationships, sponsorships, and early identification plan. In each of these areas, we have developed action steps for driving diversity and inclusion for the company.

- **Community Stewardship:** Harrah's Philadelphia is committed to working with local community outreach programs to coordinate branding efforts to diverse groups of the population. This will include gender, ethnic backgrounds, ages, national origins, veterans and sexual orientation. We target job fairs that will allow us to access a strategically diverse population. We also have a very aggressive Employee Recruitment Community Outreach Program. Harrah's Philadelphia's employment team has liaised with different community action partners to develop a program whereby these partners are regularly notified when any positions become available. In addition we provide interview training, resume writing and other recruiting training to our partners and their target candidates. We also host job fairs targeted towards our partners and have invited targeted partners on-site to preview our process as well as discuss initiatives to select and retain top talent. Some partners include:
 - South Philadelphia Job Corp

- Urban League of Philadelphia
 - Welcoming Center for New Pennsylvanians
 - Chester Workforce Development Center
 - Al Dia Job Fair
- **Academic Partnerships:** Harrah's Philadelphia has partnered with area schools with specialized hospitality and business programs to encourage internships and real-work opportunities for students. In 2013, we will develop an internship program for college students with the aim of not only hiring students here at Harrah's Philadelphia, but also at our properties in Atlantic City. We will also make available to current employees enrolled in one of these programs opportunities to complete internships in other areas of study where available. Current Partnerships include: Widener University, Drexel University, Temple University, University of Delaware and Villanova.
 - **Employment Branding and Advertising:** Harrah's Philadelphia has and will continue to incorporate EEO and Diversity statements and initiatives into all of its HR campaigns. We host and attend a variety of diversity job fairs. We include diverse imagery in our ads, collateral, and overall brand messaging. Candidates who visit our website for employment opportunities will find a section outlining our commitment to diversity and inclusion. Ongoing employee communications also include diverse messaging and provide literature in other languages, where appropriate.
 - **Sponsorships:** Harrah's Philadelphia has sponsored events and activities in the community that allow us to have access to diverse populations. For example, in 2014, we sponsored the Wounded Warriors Project, We Serve Too, MSDC and Dragon Boat Festival.
 - **Hiring Process:** Our goal is to ensure diversity and inclusion in our hiring decisions. We have and will continue to engage a diverse group of skilled interviewers to help us in our candidate selections. Our executive team is extremely involved in our

process as a screen for diverse talent as well as diverse candidates. Our human resources talent acquisition team is diverse and reflects the community in which Harrah's Philadelphia resides.

Employee Relations

- **Policies:** Harrah's Philadelphia is proud of our existing policies that support a strong work/life balance for all employees. We have developed and enforced policies that are EEO complaint and uniformly applied and administered. All policies and procedures are written to be fair and consistent. These include a no-fault attendance policy and a strong anti-harassment policy.
- **Dispute Resolution:** Harrah's Philadelphia has developed many processes to ensure fair and consistent dispute resolution. Employee relations professionals will conduct thorough investigations into each situation presented as well as allow parties to request a review of disciplinary or termination proceedings by a group of their peers. (Board of Review) Employees covered under a Collective Bargaining Agreement have the option of grieving decisions as outlined in their respective contracts.

Training

The following programs exemplify the training and education available to effectively assist employees at all levels to grow their careers, improve their skills and explore expanded opportunities with the organization. Diversity and inclusion principles are integrated into each of these training modules. Each of these programs is administered by the Human Resources Department and each employee will be required in Harrah's Philadelphia, as appropriate, to participate in the applicable program:

- **Future Leaders** - Future Leaders is a program used to provide hourly employees with a realistic preview of what it means to be a supervisor. The program uses in class training, take home materials, resume writing, job shadowing and interview preparation in order to provide exposure to supervisor roles and preparation to take on those roles.

- **New Hire Orientation (Welcome to the Empire)** - Welcome to the Empire fosters the engagement of our new hires with innovative yet simple content and strong links to organizational strategies and programs. Newly hired employees will begin work knowledgeable and excited about working for Caesars Entertainment. Upon completion of NHO new hires will be equipped to describe and discuss Caesars Entertainment organizational culture and standards, describe the basics of the total rewards loyalty program, and have knowledge, an understanding, and an ability to demonstrate top box spotlight on service behaviors.

- **Educational Opportunities** - Harrah's makes available to all of its employees basic online and classroom training tools and initiatives that are geared to assist employees develop basic skills. These trainings include technical training for on the job performance as well as personal training such as:
 - Cross Departmental Training
 - Microsoft Office Training
 - Stress Management
 - Tuition Reimbursement Program – Harrah's offers tuition reimbursement opportunity for all employees that want to advance their formal education

- **Legendary Leadership Essentials**- Legendary Leadership Essentials provides current leaders within the organization the tools and techniques to

foster employee engagement and drive performance (as measured by EOS/SFS, turnover, and customer service metrics). Upon completion on LLE leaders will be equipped to build meaning, authentic relationships with their employees, analyze employees strengths in order to leverage and fuel performance, and deliver effective (just-in time) feedback and coaching.

- **Leadership Development Series** - Quarterly workshops that are facilitated by various leaders on property and external thought leaders. This series is intended to provide our key leadership with the tools to create a highly engaged workforce, advance their personal career, and improve customer interaction. In some session, participants read a business book prior to the workshop and then attend the workshop to engage in discussion around the key principles presented in the book. In other instances, the training all happens in the training center and will include role plays and group discussions

ADVERTISING

Harrah's Philadelphia continues to find efficient resources to reach out to the Chester/Delaware County and the Delaware Valley area communities when seeking applicants. We have grown our outreach to local job boards, community organizations, and educational partnerships. Additionally, the internet web site Harrahs.com will be utilized as a source of recruitment for opportunities in operational areas.

MARKETING/BRANDING HARRAH'S PHILADELPHIA

Harrah's Philadelphia will focus on marketing and branding the property as one sensitive to the issues of diversity and inclusion. The purpose of this focus is to create an environment in which patrons, suppliers and local community of diverse origins feel welcomed and comfortable. This will be effectuated through Harrah's Philadelphia's internal signage and communications as well as our external communications and community

outreach. We are also providing Responsible Gaming literature in various languages, so that all of our customers have access to Responsible Gaming Materials.

Marketing strategy is now directed by our Marketing Shared Service organization so we at Harrah's Philadelphia will work with them to ensure that our diversity goals locally are communicated to our shared service colleagues.

Supplier Diversity Plan for Harrah's Philadelphia

The following is a detailed overview of Supplier Diversity for Caesars Entertainment as well as a brief review of 2013 Sourcing Plan.

Strategic Supplier Diversity Plan for 2013

Our fundamental objective for Supplier Diversity on a corporate level for 2013 is around increased reporting and training. While our overall trends in diverse spend are tracked across all properties, Caesars plans to increase reporting to each of the category leadership and regional leadership to continue to spur further competition and excellence in economic inclusion. Those exceptional individuals who have accomplished great feats in furthering the goals of supplier diversity, either through increased number of diverse contracts, internal influence, outreach and/or other means will be recognized by our leadership team.

On a national level some of the areas that we are focused on to increase diverse spend include professional services, specifically staffing and legal opportunities. We are also planning to look at contracted services such as plumbing and electrical and some distribution, specifically in the IT/Marketing arena.

On a regional level some of the areas that we will be focused on to increase our diverse spend are primarily within the food and beverage, facilities, and guest transportation service areas. We will continue to work with the local supply base and provide a liaison to the Corporate Strategic Sourcing department to ensure their inclusion in upcoming national, regional and local events for the Harrah's Philadelphia property. As mentioned before, our local team members plan to attend multiple regional events to increase our familiarity with the potential diverse suppliers

within the area while working with our corporate team to use tools to seek out certified diverse suppliers in the regional market representative of the local community.

Strategic Sourcing Team Overview

Caesars Entertainment enjoys an in house, system driven sourcing team that follows the basic principles of category management, 6 step sourcing process and a completely integrated supplier diversity program. The team focus is quad-focused. Sourcing has annual savings targets; internal satisfaction & risk compliance objectives as well as diverse business spend goals at both a national and regional level.

Structure

Our National Sourcing Department is made up of Category Portfolio Vice Presidents and their teams composed following functional areas: Directs, Indirects, Marketing and Facilities. The category management teams work in conjunction with the regional purchasing team and communicate multiple times a day. The regional purchasing teams are responsible for the day to day purchases as well as for executing national contracts at a local level. This department utilizes Ariba management software.

The Director of Supplier Diversity, Manager of Supplier Diversity and the Director of Purchasing all report up to the Chief Procurement Officer. This arrangement ensures that both the urgent needs of purchasing team as well as the importance of the supplier diversity goals and targets make their way into the overall team decisions. In addition to having dedicated resources to supplier diversity, Caesars has a 20 member Supplier Diversity Executive Advocate Committee made of 7 -8 members of the SVP leadership team as well as a sourcing Supplier Diversity Committee that holds bi-annual meetings to discuss the challenges around supplier diversity.

Vendor View of Sourcing Process

The Process from an External View follows a very simple framework.

- Identify Casino Need
- Conduct an RFP (Request for Proposal)

- Evaluate the submitted Proposals
- Contract for good service (typically for 2-3 years)

Our vendors will have to meet multiple requirements within each of the Sourcing steps including but not limited securing licenses with the regulatory authority in which they will be conducting business, obtaining sufficient certificates of insurance, passing the Business Information Forms required internally for vendors with over \$750k in annual spend, submitting their minority business certificate and securing adequate financing . Note: Most of our larger contracts have payment terms of 45 days.

The entire sourcing process from “Need Identification” to “Award of Contract” could take at least 90 days to complete. Our supplier diversity team will work with those community partners that have offered services to connect potential vendors in need additional counseling on financing, marketing, and the law. While Caesars does not internally take on the role of mentoring every business, our connections developed during the alignment phase helps us guide potential vendors along a more profitable path.

Caesars can point to multiple individual success stories from other markets. We have a growing list of mentees, small minority business that attribute much of their growth to the direction given by Caesars Sourcing professionals.

Internal Process

The national sourcing process from the procurement standpoint follows a 6 step sourcing process:

- Category Spend Analysis
- Requirements Definition
- Supply Market Research
- Sourcing Strategy Development
- Execute Sourcing Strategy
- Contraction and Implementation

Our category managers use these steps to ensure optimal value along the process.

Supplier Diversity Definitions and Overview

Supplier Diversity is part of our procurement process and completely integrated into our Sourcing Team.

A “diverse supplier” to Caesars Entertainment is a supplier that holds one or more of the certifications listed below. Caesars utilizes a third party service to verify certification status with a multitude of national, state, and local agencies. We encourage all diverse suppliers to maintain their status and meet periodic recertification requirements that may exist. As a rule, Caesars looks to find diverse suppliers that are based near a property and tries to identify suppliers whose ethnicity represents the population surrounding the casino property. Typically a diverse supplier is one in which the business is more than 51% owned or managed by an individual or individuals who would fall into the following certified categories or in some cases in based on the zone in which the business is located.

- Disabled Business Enterprise (DIS)
- Disabled Veteran Business Enterprise (DVET)
- Disadvantaged Business Enterprise (DBE)
- Minority-Owned Business Enterprise (MBE)
- Small Business Administration 8(a) Program (SBA 8(a))
- Small Business Enterprise (SBE)
- Small Disadvantaged Business (SDB)
- Veteran-Owned Business Enterprise (VET)
- Women-Owned Business Enterprise (WBE)
- Historically Underutilized Business Zone (HUBZone)

Caesars recognizes a number of certifying agencies, including, but not limited to:

- The National Minority Supplier Development Council (NMSDC) and its Regional affiliate councils.
- The Small Business Administration (SBA) – 8 (a) program, HUBZone program, Small Business Enterprise (SBE), Small Disadvantaged Business (SDB).
- Federal Government Agencies (ex. National Department of Transportation, Department of Veterans Affairs)
- State Government Agencies (ex. Dept. of Transportation)
- Local (county, city) Government Agencies
- Women Business Owners Corporation (WBOC)
- Women and Minority Business Enterprise Clearinghouse (WMBE)
- Women Business Enterprise National Council (WBENC)

The Process of Supplier Diversity

The Supplier Diversity program at Caesars is managed around 5 key categories:

- Executive Leadership & Organizational Commitment/Support
- Clear Policies, Established Roles & Responsibilities
- Tools & Resources
- Measuring Success
- External Engagement

Our supplier diversity team and committees continually improve our process in each of the five categories. Supply Diversity is an integral part of the process and is actually built into many of the tools used in the Sourcing process such as the cloud based system Ariba & our in-house sourcing templates. Additionally, Sourcing has a written policy manual for internal use outlining our policies on Supplier Diversity and Sustainability.

What is unique about our supplier diversity process is its integration into the daily sourcing process. During the Category Spend Analysis phase, Category Managers are required to enter information into our sourcing tool which automatically sends an email to our supplier diversity alerting them as to the commodity being sourced and related NAISC codes.

Next, in the Supply Market Research step, our Category Managers are pinged to include diverse suppliers or fill out an exception report in order to meet their internal performance review goals. Finally, in the event that a local or diverse supplier is not competitive enough to win that bid, we encourage our category managers to offer direct feedback to their suppliers to assist them in preparing for future Caesars opportunities. Much of the feedback comes in the shape of the Caesars standardized supplier feedback form which is often accompanied by a phone call from either or both the category manager

In conclusion, Caesars is committed to expanding our outreach efforts in order to find ready, willing, capable and able business to assist us in our goals on the procurement area.

Training

In addition to the targeted outreach events, Caesars will hold at least one

online training session to assist first time users of our purchasing and sourcing software solution, Ariba. Caesars Entertainment utilizes the Ariba software suite for the sourcing events, contracting process and day to day purchasing (PO) application. Our training educates the local business community on how to become part of the Ariba network to gain exposure to a network of leading corporations. It also walks participants through the supplier information management tool and various Ariba screenshot of what an online RFP might look like.

All training opportunities will be posted on the property website and will be communicated to the Tri-State community partners.

Tracking Participation

The Supplier Diversity team along with the support of the Property Leadership tracks participants and associated businesses attending the general information sessions, the category sessions and training sessions.

Caesars will also ask information as to where participants might have heard about an event in order to track it back to the source. We internally report out on the number of MWSBE businesses that were in attendance at each of the events to understand our outreach within our targeted areas.

In addition to tracking attendance for each of the events, Caesars will direct all interested parties to register on the Caesars Supplier website <http://www.caesars.com/corporate/enroll-in-our-database.html>.

COMMUNITY RELATIONS DIVERSITY

Harrah's commitment to building our communities is demonstrated through our continuous contribution to those local economies as evidenced by our employment, community reinvestment, and local procurement of goods and services where possible and feasible.

Harrah's Philadelphia will donate over 3,680 hours of community service. Harrah's Philadelphia follows our corporate commitment to making charitable contributions to a wide range of community interests and encouraging employee volunteer efforts to make their communities better places to live.

Specifically, in 2014, these will include:

- Food donations in excess of 20 pounds to City Team Ministries
- Partnered with Chester Charter School for the Arts to assist with their career day.
- Partnering with the Walk to Work Program to help provide down payments of up to \$5,000 on homes for up to 2 employees looking to buy in the City of Chester
- Multiple Blood Drives on property that will benefit the local chapter of the American Red Cross
- Donations of food/water/ time and money for the Relay for Life Program
- Donation to We Serve Too, to help our soldiers overseas as well as stateside to find joy this holiday season as they receive a hand written holiday card from our employees.
- Back to school supply collection to benefit employee's children and local children in need.
- Donation to the local ALS foundation as well as raise awareness in the local community.
- Breast Cancer Awareness activities throughout the month of October (Fundraising, Awareness events on property, mastectomy pillow donation to

the Crozier Chester Medical Center, etc.)

- Host and cater an annual BBQ for the Chester Senior Center community
- Donation of over 1,500 pounds of food to City Team Ministries as well as assisting City Team with various renovations.
- Partner with the local US Marine Corp to assist with their Toys for Tots Drive thru the donation of over 1,000 toys.

Below is a sample of organizations within the local Chester & Delaware County communities that received Caesars Foundation donations to in 2014:

- Chester Senior Center \$25,000
- City Team Ministries \$10,000

In addition, there is an expectation that our leadership is active in our community by sitting on the Boards of local non-profit organizations. Some examples include:

- Institute for Economic Development
- Widener University
- Chester Charter School for the Arts
- City Team Ministries
- United Way of Southeast Delaware County
- Crozer Library
- Chester Education Foundation
- Delaware County Chamber of Commerce
- Chester Senior Center Advisory Board
- Philadelphia Chamber of Commerce
- Chester Public Safety Committee
- Boys and Girls Club – Chester