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DIVERSITY PLAN STATEMENT

SLOT MACHINE APPLICANT NAME Chester Downs & Marina, LLC d/b/a Harrah's Chester Casino & Racetrack

SLOT MACHINE APPLICANT MAILING ADDRESS 35 E. 5th Street

P.O. Box 498

Chester, PA 19013

SLOT MACHINE APPLICANT PHONE NUMBER (484) 490-1777

Chief Diversity Officer

EQUAL EMPLOYMENT OFFICER

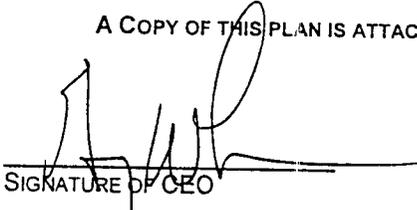
Fred Keeton

DATE SUBMITTED 12 / 29 / 2005

PURSUANT TO SECTION 1325(B)(1) OF THE PENNSYLVANIA RACE HORSE DEVELOPMENT AND GAMING ACT:

APPLICANT HAS DEVELOPED AND IMPLEMENTED A DIVERSITY PLAN.

A COPY OF THIS PLAN IS ATTACHED.


SIGNATURE OF CEO

Gary W. Loveman

NAME PRINTED Director, Chairman, CEO & President for Harrah's Entertainment, Inc. and
Director, CEO, and President for Harrah's Operating Company Inc.

12 / 22 / 2005

DATE

Harrah's Entertainment, Inc.
Pennsylvania Gaming Control Board
Appendix 34:

34. As required by §1325 of the Gaming Act, provide a plan with details for the following... (10) The record of the Applicant and its developer regarding compliance with (i) Federal, State and local discrimination, wage and hour, disability and occupational and environmental health and safety laws as well as (ii) State and local labor relations and employment laws; (iii) the Applicant's record in dealing with its employees and their representatives at other locations. If Applicant is applying for a Conditional Category 1 License, the final versions of the items listed in Appendix 34 are not required until the date of the issuance of the Conditional License.

Please see the following documentation:

- 2005 Harrah's Entertainment, Inc. Code of Commitment
- Record/history of Employment Law Compliance (01 Nov 1995 - Present)
- Record of Non-gaming Sanctions Imposed by Regulators, Law Enforcement or Others
- Harrah's Entertainment, Inc. Compliance Program
 - Summary
 - Compliance Program
 - Internal Reporting Requirements
 - Management Disclosure Form and Release/Affidavit
 - Business Information Form, Affidavit, Release, Data Summary Sheet

Please see the Chester Downs & Marina, LLC Conditional/Category 1 Application submitted herewith for a copy of the Harrah's Entertainment, Inc. Pennsylvania Diversity Plan.

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DIVERSITY PLAN STATEMENT

SLOT MACHINE LICENSE APPLICANT NAME Does not apply to Harrah's Pittsburgh Management Company

SLOT MACHINE LICENSE APPLICANT MAILING ADDRESS Please see Stations Square Gaming, LP's Conditional/
Category 2 Application as it is the Slot Machine Applicant
and entity submitting the Diversity Plan

SLOT MACHINE LICENSE APPLICANT PHONE NUMBER _____

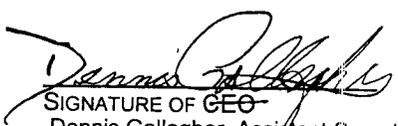
EQUAL OPPORTUNITY OFFICER _____

DATE SUBMITTED / /

PURSUANT TO §1325(B)(1) OF THE PENNSYLVANIA RACE HORSE DEVELOPMENT AND GAMING ACT:

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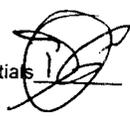


SIGNATURE OF ~~GEO~~
Dennis Gallagher, Assistant Secretary of
Harrah's Pittsburg Management Company

NAME PRINTED

12 27 2005

DATE

Initials 

Harrah's Chester Downs

Diversity Plan

December 20, 2005

Diversity Plan Contents:

- I. Harrah's Diversity Vision
- II. Harrah's Diversity Focus Areas
- III. Human Resources Goals
- IV. Supplier / Vendor / Contractor Goals
- V. Community Relations Goals
- VI. Harrah's Resources Commitment
- VII. Diversity – General ROI
- VIII. Commitment To Diversity – Chester Focus
- IX. Conclusion

I. Harrah's Diversity Vision:

Harrah's Code of Commitment is the foundation for our diversity initiative which provides a focused method of acknowledging, valuing and embracing every segment of the various local, state, and national stakeholders in Harrah's family.

The Code along with our Diversity vision helps ensure that we create an environment where everyone is respected and included; we will leverage similarities and differences, both visible and non-visible to enhance our workforce, workplace, and marketplace.

II. Harrah's Diversity Focus Areas:

Harrah's is focused on diversity in the areas of Human Resources, Supplier Diversity, Construction Contracting Diversity, Community Relations Diversity, and Marketing-Branding of Harrah's diversity efforts. The following will outline our various Pennsylvania diversity plan components in support of these efforts.

III. Human Resources Diversity Goals:

- We actively search for a diverse pool of candidates to provide us with the depth of talent, skills and potential to meet our goals.
- We have strong mentoring, management development and tuition reimbursement programs to ensure that everyone has the opportunity to build the best career possible.

- We encourage a diverse work environment that fully capitalizes on the talents, skills and potential of all our employees.
- We hire, retain and develop the best employees so that we may provide our guests with the unsurpassed customer service that is the foundation of Harrah's success.
- Harrah's is committed to recruiting, retaining and developing the best employees regardless of race, color, religion, sex, age, disability or national origin.

IV. Supplier / Vendor / Contractor Diversity Goals:

- Harrah's is committed to procuring its goods, products and services from a diversified pool of vendors, contractors and professional service providers, and working with developing businesses to help them grow.
- Harrah's strategy is to work with a broad range of suppliers and contractors that are competitive in quality, service and price. Our major suppliers and contractors are encouraged to support diversity efforts through the use of second-tier supplier programs. Specifically:
 - ✓ Establish an internal supplier-contractor diversity council
 - ✓ Educate operating location Purchasing Managers
 - ✓ Support mentor-protégé, and education programs
 - ✓ Tie suppliers-contractors to community reinvestment initiatives
 - ✓ Measure results and plan for continuous improvement

V. Community Relations Diversity Goals:

- 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 is committed 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 these include:
 - ✓ Meet corporate community giving goal of 20% of all Charitable Contributions to Diverse organizations
 - ✓ Ensure Community involvement activities are in alignment with and support company Diversity strategies and our Code of Commitment
 - ✓ Engage targeted state and local minority and women organizations to identify additional channels for Community Relations and Charitable Contributions

Building Communities the Harrah's Way is measured by the tangible social and economic investments we make to communities where we operate.

VI. Harrah's Resources Commitment:

Harrah's created a diversity team targeting initiative development in specific functional areas. This team supports the implementation of diversity and inclusion efforts company wide. The team is focused on diversity in the functional areas of Human Resources, Supplier Diversity, Construction Contracting Diversity, Community Relations Diversity, and Marketing - Branding Diversity positioning. The following executives and professionals constitute our diversity team:

- Chief Diversity Officer – Heads the company's overall diversity efforts.
- Vice President of National Diversity Relations – Leads efforts at strategic national diverse organization relationships.
- Director of Diversity Administration – Responsible for administration and management of all diversity initiative tactical progress.
- Director of Supplier Diversity – Position responsible for identification and recruitment of diverse supplier and contractors in support of strategic sourcing and design and construction.
- Manager of Diversity Relations – Reporting to VP of National Diversity Relations, position supports development and maintenance of diverse organization relationships.
- Representative from Community Relations – Liaison supporting efforts at ensuring diverse community reinvestment.
- Representative from Human Resources – Liaison supporting efforts at recruitment and development of diverse employees.
- Representative from Marketing – Assists in Harrah's external branding and positioning of its diversity efforts.
- Representative from Government Relations – Ensures recognition of Harrah's diversity efforts by diverse local, state and federal government officials and bodies.

Harrah's has formal internal diversity leadership structure supported by external leaders who provide their expertise, advice and counsel:

- Internal Diversity Council – Supports the diversity initiative by creating policy, process and procedure to formalize diversity efforts. This council is co-chaired

by Harrah's Chairman and CEO, its Chief Operating officer and its Chief Diversity Officer. Executive leaders from the functional areas as set forth above sit on the council.

- External Diversity Advisory Committee – This is a group of four external and nationally known leaders who provide advice and counsel to Harrah's in both the creation and implementation of its diversity initiatives.

VI. Diversity – General ROI Impacts:

Harrah's views diversity as a major component of how its business is run. As mentioned at the outset, Harrah's Code of Commitment is the basis upon which our business is run. Diversity and Inclusion is central to the Code's three tenets which focus on our employees, the communities where we operate and our customers. Diversity brings positive returns to our business as set forth below:

- **Increased Employee Retention / Reduce Turnover (Decreased Expense)**
 - ✓ Reduce Recruiting Costs
 - ✓ Decrease Training Costs
 - ✓ Decrease Learning Curve and Loss of Productivity
 - ✓ Improve Employee Moral
- **Employee Innovation (Increased Revenue)**
 - ✓ Employee Education
 - ✓ Employee Contribution
 - ✓ Employee Engagement and Innovation
- **New Markets (Decreased Expense / Increased Revenue)**
 - ✓ Decrease Domestic Business Transaction Costs
 - ✓ Decrease International Business Transaction Costs
 - ✓ Operator of Choice
 - ✓ Business Partner of Choice – New Developments

VII. Harrah's Commitment to Diversity – Chester Focus:

Harrah's efforts in Chester have already evidenced its focus on creating an inclusive workforce, workplace and marketplace. These efforts, while supportive of Harrah's new development, have been focused on the entire marketplace and workforce of Chester. Positive impacts from Harrah's significant initial investment in Chester is not solely focused on potential Harrah's employees. Rather, all citizens and other businesses in Chester who so choose may take advantage as well. The following describes the level and scope of Harrah's commitment to the Chester community.

- **In June 2005 Harrah's donated \$500,000 to the Delaware County Workforce Investment Board to be used to help educate and train potential employees**
 - ✓ This workforce initiative program is being led locally in Chester by Mayor Butler's Workforce Advisory Group

- **By partnering with the local City of Chester officials, Harrah's is developing a relationship focused on fostering the commitment to diversity for vendors, community and employees**
 - ✓ On June 10, 2005 the City of Chester hosted a Construction Vendor Fair on how to do business with Harrah's
 - The National Association of Minority Contractors participated with Harrah's Design & Construction Team for a successful event with over 100 attendees

 - ✓ On October 28, 2005, the City of Chester hosted a Chester City Forum on Vendor Opportunities with Harrah's
 - Several property and corporate executives participated in this forum to communicate to potential vendors the best avenues to conduct business with Harrah's

 - ✓ On October 29, 2005, the City of Chester hosted a Workforce Readiness Forum to showcase employment opportunities and resources to local residents
 - Harrah's was represented by property and corporate executives with information on timing and types of future positions offered at the Chester site

VIII. Conclusion:

As evidenced in our plan above, Harrah's has a defined strategy and plan for promoting diversity at Chester Downs. This plan focuses on the critical areas of Human Resources, Supplier Diversity, Construction Contracting Diversity, Community Relations Diversity, and adequately marketing and branding Harrah's diversity efforts. Harrah's has proven many times over that our business generates significant benefits to communities where we operate. Harrah's focus on the entire community, including its diverse segments, has been central to that success.

Pennsylvania Diversity Plan





Diversity Plan Content

- Harrah's Diversity Vision
- Human Resources
- Supplier / Vendor / Contractor
- Community Relations
- Commitment to Diversity



Harrah's Diversity Vision

Harrah's Code of Commitment is the foundation for our diversity initiative which provides a focused method of acknowledging, valuing and embracing every segment of the various local, state, and national stakeholders in Harrah's family.

The Code along with our Diversity vision helps ensure that we create an environment where everyone is respected and included; we will leverage similarities and differences, both visible and non-visible to enhance our workforce, workplace, and marketplace.



Harrah's Diversity Focus Areas

- **Human Resources**
- **Suppliers and Vendors**
- **Construction Contracting**
- **Community Relations**



Human Resources Diversity Goals

- **We actively search for a diverse pool of candidates to provide us with the depth of talent, skills and potential to meet our goals.**
- **We have strong mentoring, management development and tuition reimbursement programs to ensure that everyone has the opportunity to build the best career possible.**
- **We encourage a diverse work environment that fully capitalizes on the talents, skills and potential of all our employees.**
- **We hire, retain and develop the best employees so that we may provide our guests with the unsurpassed customer service that is the foundation of Harrah's success.**
- **Harrah's is committed to recruiting, retaining and developing the best employees regardless of race, color, religion, sex, age, disability or national origin.**



Supplier / Vendor / Contractor Diversity Goals

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Community Relations Diversity Goals

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 - ✓ Engage with State and Local Minority organizations to identify additional channels for Community Relations and Charitable Contributions

Building Communities the Harrah's Way is measured by the tangible social and economic investments we make to communities where we operate.



Harrah's Resources Commitment

Harrah's created a diversity team that consists of the following functions:

- **Chief Diversity Officer**
- **Vice President of National Diversity Relations**
- **Director of Diversity Administration**
- **Director of Supplier Diversity**
- **Manager of Diversity Relations**
- **Representative from Community Relations**
- **Representative from Human Resources**
- **Representative from Marketing**
- **Representative from Government Relations**

Harrah's has formal internal diversity leadership and external expertise:

- **Internal Diversity Council**
- **External Diversity Advisory Committee**



Diversity – General ROI Impacts

- **Innovation (Increased Revenue)**
 - ✓ Employee Education
 - ✓ Employee Contribution
 - ✓ Employee Engagement and Innovation
- **Increase Retention / Reduce Turnover (Decreased Expense)**
 - ✓ Reduce Recruiting Costs
 - ✓ Decrease Training Costs
 - ✓ Decrease Learning Curve and Loss of Productivity
 - ✓ Improve Employee Moral
- **New Markets (Decreased Expense / Increased Revenue)**
 - ✓ Decrease Domestic Business Transaction Costs
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 - ✓ Operator of Choice
 - ✓ Business Partner of Choice – New Developments



Harrah's Commitment to Diversity – Chester Focus

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Diversity Engagement Continuum

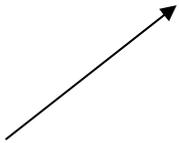
(Companies Engage Diversity / Inclusion at three levels)

Commerce (<i>High</i>)
<p>Increased Revenue Partner/Operator of Choice Employer of Choice Lower Transaction Costs Compliance / Character</p>

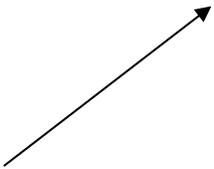
Character (<i>Medium</i>)
<p>Moral Imperative Code of Ethics Corporate Citizenship</p>

Compliance (<i>Low</i>)
<p>Regulation / Regulators Legislation / Legislators Litigation / Litigators</p>

Business Critical "Must Do!"



Positive "Nice To Do"



Impacts

Top Line: Revenue Growth
 Bottom Line: Cost Reduction
 Pipe Line: Top Talent

Negative "Forced to Do"

Pennsylvania Diversity Plan



End

