Harrah's Chester Casino and Racetrack



Annual Diversity Plan 2009





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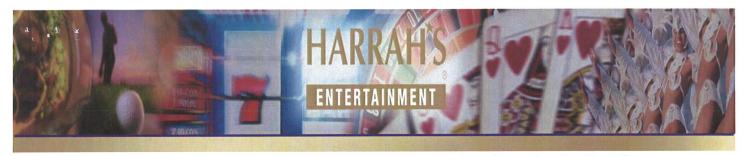


HARRAH'S DIVERSITY VISION

Harrah's Chester Casino and Racetrack ("Harrah's Chester") shares a vision with our 38 casinos toward understanding, valuing, and embracing diversity. This vision is best expressed through Harrah's Code of Commitment. The Code of Commitment along with our diversity vision helps ensure that Harrah's Chester Casino and Racetrack along with our sister properties create an environment that respects, understands, embraces, and recognizes the diverse components of our workforce, workplace, and respective communities. 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. Harrah's Chester is proud of what we have accomplished for these key stakeholders.

HARRAH'S CHESTER CASINO & RACETRACK

Harrah's Chester Casino and Racetrack ("Harrah's Chester") 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 the latest slot machines and other first-class amenities. Recently upgraded, the gaming floor features 2,873 games including slot, video poker and electronic blackjack machines. Harrah's Chester offers an array of restaurants and bars, including a 450 seat Temptations Buffet, our fine dining experience The Cove at Riverview, and End Zone Sports Bar & Grill. The casino level also includes Ace's Diner, Club



Cappuccino and Stir, a casino bar in the center of the gaming floor. 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 in the areas of Human Resources, suppliers of goods and services, construction contracting, community relations and market-branding. The following is an overview of Harrah's Chester's efforts at achieving a diverse community.



HARRAH'S CHESTER DIVERSITY ORGANIZATIONAL STRUCTURE

To execute our diversity plan, Harrah's Chester Casino and Racetrack 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 the Diversity 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 of the corporate Diversity Plan. The Vice President of Human Resources will serve as the Equal Opportunity Officer for Harrah's Chester Casino and Racetrack and has the full support of the General Manager and Senior Vice President as well as the other senior management members for additional execution of this plan. Harrah's Chester Casino and Racetrack management shall have the authority to call upon Harrah's corporate offices for additional insight and resources necessary to make the Diversity Plan maximally effective.

Harrah's Chester has formed a Diversity and Inclusion Committee which is co-chaired by the Vice President of Human Resources and the Vice President of Casino Marketing and comprised of a diverse group of employees at all levels within the organization to manage efforts specific to business and community initiatives. The Committee is beginning to plan 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 Harrah's Operating Company will work closely with Harrah's Chester Casino and Racetrack's management in achieving property specific diversity goals and initiatives which closely relates to all the items outlined in this Diversity Plan.



HUMAN RESOURCES

The following areas are the methods that Harrah's Chester has and continues to utilize to actively attract and maintain a diverse pool of candidates. These diverse candidates provide to Harrah's Chester the depth of talent, skills and potential to insure a diverse operating environment. We are confident that through utilization of the outreach

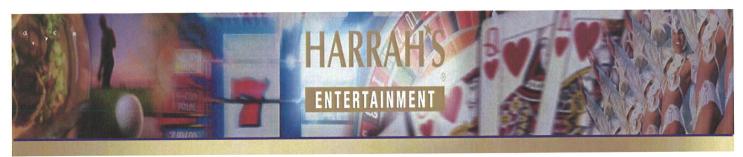
Early Identification Plan **Sponsorships** Delaware County · Talent Review, Women's Expo, Succession YWCA, Gay Planning, Intern-Vendor **Employment** Pride Festival, and Externship Relationships Branding AsianFest, **Programs** NAACP **HCCR Strives to** Community Outreach Programs, maintain working relationships with Peirce College many diversity and Offerings, \$200K in minority owned scholarships Diversity businesses. Recruitment Strategy Advertising **Academic Partnerships Delaware County Daily** Peirce College, DCTS, Times, Philadelphia Literacy Council, Drexel Inquirer, Al Dia, Philly U, Temple U, Widener **Gay News** U, U of Delaware, The Community Restaurant School, Stewardship Careerbuilder.com, Cheyney College HotJobs.com, YWCA, EARN Centers, RTC, Monster.com DOL-Vets, El Concilio, CAADC, People for People, TEWC. EDSI, Careerlink, Center for new PA Residents, New Choices/New Options, City Team Ministries, Pathways to Success

efforts described below, Harrah's Chester has and will continue to achieve a diverse workforce.

Recruitment and Employment

Harrah's Chester 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 Chester Casino and Racetrack 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 life styles. We ensure that the job fairs we choose to attend will allow us to have access to a diverse population. We also have a very aggressive Community Outreach Program. The employment team has liaised with up-to 30 different community action partners to develop a program whereby these community action partners are regularly notified when any positions become available. We also attend two job fairs each month with these partners and have invited them on-site to preview our process as well as discuss initiatives to select and retain top talent.
- Academic Partnerships: Harrah's Chester Casino and Racetrack has partnered with area schools with specialized hospitality programs to encourage internships and real-work opportunities for students. We will also make available to current employees enrolled in one of these programs an opportunity to complete internships in the areas of study where available. Current Partnerships include: Widener University, Drexel University, Temple University, University of Delaware, DeVry University, Cheyney University and The Restaurant School at Walnut Hill College
- Employment Branding and Advertising: Harrah's Chester Casino and Racetrack has and will continue to incorporate EEO and Diversity statements and initiatives into all of its HR campaigns. We plan and attend a variety of diversity job fairs. Photographical representations in advertising typically include a diverse pool of employees. 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 where appropriate, provide literature in other languages.



- Sponsorships: Harrah's Chester Casino and Racetrack has sponsored events and activities in the community that allow us to have access to diverse populations. For example, in 2008, we sponsored the Delaware County Women's Expo, GayPride Festival '08, AsianFest 2008 and the Alzheimer Association.
- Hiring Process: Our goal is to eliminate any discrimination in our hiring decisions.
 We have and will continue to ask a diverse group of interviewers to help us in our selections. Our own human resources team is diverse and reflects the community in which Harrah's Chester Casino and Racetrack resides.

Employee Relations

- Policies: Harrah's Chester Casino and Racetrack 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 nofault attendance policy and a strong anti-harassment policy.
- Dispute Resolution: Harrah's Chester Casino and Racetrack 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



Through all of our training, especially New Hire Orientation, we place a strong emphasis on the importance of diversity. From our communication methods to our coaching and development tools, we strive to create a diverse and inclusive culture.

- Training during New Hire Orientation: Harrah's Entertainment, Inc. has contracted
 with GlobalLead to develop and present a diversity module, "We Connect," to all new
 hires. During this session, we communicate our commitment to diversity and involve
 employees in activities that stress the importance of diversity and inclusion.
- Leadership Training: In 2008, all Harrah's Managers, Director and Vice Presidents
 were required to attend a two-day workshop for Diversity and Inclusion. This
 workshop was developed and facilitated by Global Lead. For 2009, Harrah's
 Chester Casino and Racetrack will be rolling this training out to the Supervisory
 level.



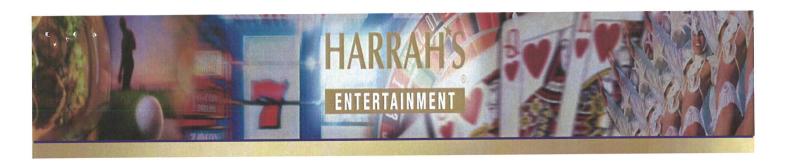
ADVERTISING

Harrah's Chester will advertise in newspapers in Chester/Delaware County and the Delaware Valley area. Additionally, the internet web site Harrahs.com will be utilized as a source of recruitment for opportunities in operational areas.

MARKETING/BRANDING HARRAH'S CHESTER

Harrah's Chester 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 Chester's internal signage and communications as well as our external communications and community outreach.

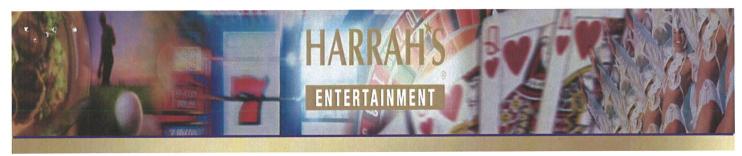
Nevertheless, Harrah's Chester will continue to utilize advertising and marketing efforts which focuses on formal outreach, internal policy, and processes and procedures to enhance diversity throughout every aspect of our operation.



DEVELOPMENT PROGRAMS TO BE MADE AVAILABLE AT HARRAH'S CHESTER

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. Each of these programs is administered by the Human Resources Department and each employee will be required in Harrah's Chester, as appropriate, to participate in the applicable program:

- Exploring Supervisor Opportunities (ESO) ESO is a program used to
 provide hourly employees with a realistic preview of what it means to be a
 supervisor. The program uses a self-pace/self-study online format to help
 employees prepare for the job.
- Excellence in Supervision (EIS) This course assists newly hired or promoted supervisors to accelerate understanding of their roles and expectations.
- New Hire Orientation Introduces new employees to our company culture, our company brands, and our commitment to diversity and inclusion.
- Educational Opportunities Harrah's makes available to all of its
 employees basic training tools and initiatives that are geared to assist
 employees develop basic skills. These programs prepare employees to seek
 promotions for which they might not otherwise be qualified. Such programs
 include:
 - English as a Second Language resources
 - Cross Training
 - Outside Seminars



- Tuition Reimbursement Program
- Pinnacle Leadership Training Program- A six session series for Managers
 and Supervisors based on the key principles presented in the Kouzes and
 Posner book, The Leadership Challenge. These sessions provide key
 development opportunities for supervisors and managers who are expected
 to create a culture of diversity and inclusion and employee engagement.
- Enrichment Workshops Quarterly enrichment workshops that are
 facilitated by the general manager which are intended to provide our key
 leadership with the tools to create a highly engaged workforce. 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.



SUPPLIER DIVERSITY

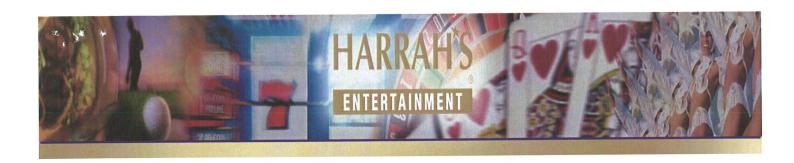
It is Harrah's Chester policy is procure its goods, products and services from a diversified pool of qualified vendors, contractors and professional service providers and to work with such businesses to help them grow. Harrah's Chester has spent \$11 Million buying everything from pastries to hardware.

Through our Minority/Women/Disadvantaged Business Enterprises ("M/W/DBE") outreach contacts, Harrah's Chester will collaborate with organizations such as the regional office of the National Minority Supplier Development Council ("NMSDC"), and various other support organizations for recruiting qualified M/W/DBE.

Our outreach efforts will take a three-phased approach. We will if possible work with vendors that are:

- (1) Specific to the City of Chester
- (2) Specific to the surrounding communities within Delaware County; and
- (3) Specific to the Philadelphia area.

This method helps to ensure economic development in Chester and Delaware County are addressed first. In keeping with all applicable licensure requirements, Harrah's has obtained certification with the Pennsylvania Department of Commerce and State-specific certification with bona fide national certification authorities, such as the NMSDC, and the Women's Enterprise Business Network Council (WEBNC) and continue to encourage specific second tier M/W/DBE spend for its major vendors and contractors.



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 Chester follows the 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, these include:

- Meeting corporate community giving goal of 20% of all charitable contributions to diverse organizations, that is, organizations devoted to the advancement of the traditionally disadvantaged;
- Ensuring Community involvement activities are in alignment with and support company diversity strategies and our Code of Commitment;
- Engaging targeted state and local minority and women organizations to identify additional channels for community relations and charitable contributions.

Harrah's Chester Casino and Racetrack pay an integral role in initiatives such as the \$500,000 Chester Challenge; a donation presented to the Delaware County Workforce Investment Board dedicated to job training in the area. Harrah's also donated our \$50,000 gaming test day after-tax proceeds to the United Way of Southeast Delaware County and another \$50,000 to the Alzheimer's Association. In Fact, Harrah's Chester was recognized as the Corporate Partner of the Year by the Alzheimer's Association of Delaware Valley. Among other things, these donations



funded a three-day summit hosted by the United Way aimed at aligning stakeholder groups to set a vision for education in the city of Chester. We have also lent our hands to such organizations as the Community Action Agency of Delaware County, Elwyn Institutes, Habitat for Humanity, Riddle Hospital, Susan G. Komen Foundation, Chester Domestic Abuse Walk, ChesPenn, Mercy Health Systems, Crozer Medical Center, Chester High School, Chester Helping Hands, and Widener University just to name a few.

In January of 2008, Harrah's Chester announced a \$200,000 Scholarship program aimed at Chester residents seeking higher education. The program, set up to distribute funds over two years, recently awarded 28 Chester residents with funds from \$500 to \$5,000 based on merit and need. To support the very idea of the importance of higher education, Harrah's Chester also donated an all-new college resource center equipped with Dell PC's, all-new furniture, a laptop and overhead projector for the instructor.

Also earlier in 2008, Harrah's Chester donated over \$35,000 towards twelve new Dell computers, a printer, plus new furniture and paint to refurbished the Chester YWCA's outdated computer lab. Hobb's & Company Electric out of Boothwyn partnered with Harrah's Chester to donate their time, effort and material while working on the YWCA's electrical needs. The new Technology Center is now equipped to aid in benefiting the local community and its residents by giving them the tools to assist in computer literacy and educational needs.

The Harrah's Chester executive team is encouraged and expected to be directly involved in community organizations and personally volunteer free time where needed. We currently have members of our executive team represented on boards for organizations around the area including The Institute for Economic Development,



Delaware County Chamber of Commerce, J. Lewis Crozer Library, Chester Rotary Club, United Way of Delaware County, Chester Literary Council, City Team Ministries, Chester Education Foundation, Adopt a Family and many others.

There is no doubt that 2009 presents many opportunities for us. As always, Harrah's looks forward to participating in similar good neighbor efforts in 2009.