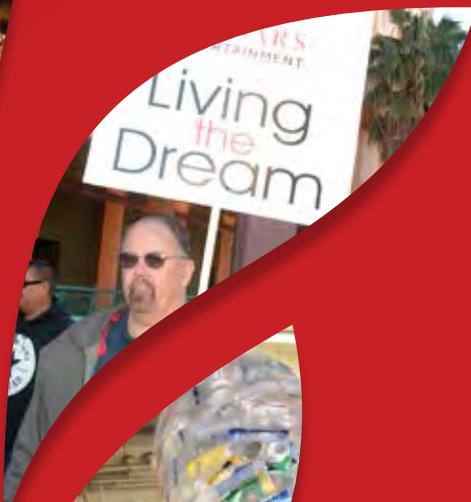


# Vibrant COMMUNITIES

## 2012 CSR AND SUSTAINABILITY REPORT

This report is in  
accordance with  
GRI G4 Guidelines  
at CORE level.



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# WELCOME

## FROM GARY LOVEMAN

**T**hank you for your interest in Caesars Entertainment. Our Corporate Social Responsibility (CSR) and Sustainability Report summarizes the impacts of our company on people, society and the environment during 2012 and the early part of 2013. At our company, CSR and sustainability extend beyond our social license to operate as well as the requirements of the gaming licenses we are privileged to hold around the world. We are committed to using our industry leadership and deep passion to help create vibrant communities.

This is our fourth CSR and Sustainability Report. We have raised the bar in terms of transparency with our early adoption of the leading global sustainability reporting framework, the Global Reporting Initiative's (GRI) G4 Sustainability Reporting Guidelines. Our early responsiveness to these new reporting expectations reflects our approach to CSR and sustainability, which is strategically integrated into the way we manage our company. The G4 Guidelines have helped us focus our reporting on the issues that matter most for our business and our stakeholders. I hope you find the information that is important to you in this report. We are happy to engage with you on these or any related subjects, so do reach out to us if you have questions.

I would like to take a moment to reflect on the challenges and accomplishments that have defined the past year for all of us at Caesars Entertainment. In a year in which the economy continued to face significant challenges, we worked to strengthen our foundation for sustainable growth. We remained focused on improving the company's financial position, taking steps to further improve our capital structure. We embarked on the next wave of marketing innovations, including the introduction of several changes to our industry-leading

Total Rewards loyalty program that helped make it even more appealing to gaming and non-gaming customers alike. Horseshoe Cleveland, our first new casino in more than five years, opened in May 2012 and more than 6 million visitors have passed through its doors since then. The property is having a tangible and positive impact on downtown Cleveland, providing further evidence that our innovative, city-integrated casino model is effective. This gave us even more reason to be excited as we opened Horseshoe Cincinnati earlier this year and plan for the opening of Horseshoe Baltimore in 2014.

We have also invested significantly to reinvigorate the core of our business, making upgrades across several properties and outlining plans to upgrade hotel rooms across our network. We completed the sale of Harrah's St. Louis to Penn National Gaming, redeploying the proceeds from the transaction to fund maintenance and capital projects. Caesars Interactive Entertainment, our interactive subsidiary that also owns the World Series of Poker, is very well positioned to emerge as a leader in real money online gaming and social games.

*AGAIN THIS YEAR WE*

*WERE REMINDED OF*

*THE REMARKABLE*

*BRAVERY, DEDICATION*

*AND PROFESSIONALISM*

*OF OUR COLLEAGUES.*

Delivering outstanding service is the heart and soul of our business. My colleagues once again helped us exceed all expectations when it came to creating memorable experiences for our guests. We achieved the highest customer service scores in our company's history, and employees earned more than \$18 million in Total Return credits in 2012 as recognition for these efforts. Additionally, five properties earned our Total Service Jackpot by delivering 6 percent or greater annual improvement in serving our guests. Employees at those locations shared an additional \$2.5 million in rewards.

Again this year we were reminded of the remarkable bravery, dedication and professionalism of our colleagues. In the Gulf Coast and Mid-Atlantic Regions, our teams showed amazing resilience in the aftermath of Hurricanes Isaac and Sandy. Sandy was particularly devastating, and I am proud of the leadership role Caesars is taking to support Atlantic City's recovery.

Our company came together to support our colleagues in need, donating tens of thousands of dollars via checks, payroll deductions and gift cards to assist Atlantic City team members.

Extending a long tradition of volunteerism, our employees supported the communities where we are privileged to operate, volunteering more than 130,000 hours in their hometowns and regions to community organizations such as the American Cancer Society and the National Park Trust. The Caesars Foundation distributed nearly \$6 million in support of charitable

organizations around the globe. Those gifts provided support to a variety of organizations and causes, including the Public Education Foundation, Clean the World, Meals on Wheels Association of America, the United Negro College Fund and Second Wind Dreams.

Our CodeGreen program had another impressive year as well. We made significant progress toward many of our environmental goals, including a 4.6 percent reduction in absolute carbon emissions and an increase in waste recycling to 24 percent across our network of properties. Harrah's Rincon and our Lake Tahoe properties received the prestigious Travelife Gold award for their performance on social and environmental sustainability standards.

Throughout the year, I communicate with all our team members at Caesars Entertainment through my weekly email, the eWrap, in which I keep employees informed about what's going on within the Caesars family. This message highlights individuals who have delivered exceptional performance in the business or in our CSR or CodeGreen programs. You will read some of these stories throughout this report under the heading "A story from our weekly CEO eWrap." These are true stories that have helped chronicle our progress, and inspire and motivate our colleagues.

With each CSR and Sustainability Report, I am reminded of how fortunate I am to work with such a talented, dedicated and diverse group of professionals. In fact, I am acutely aware of the partnerships that have been formed among all of our colleagues and know we all take pride in the vibrant communities we help support.

I hope that as you read this report you will find us worthy of your partnership and trust as we strive to do even more to make our communities better places to live and work.



**Gary W. Loveman**

Chairman, President and CEO

Caesars Entertainment Corporation



# ABOUT

## CAESARS ENTERTAINMENT

Caesars Entertainment Corporation is the world's most geographically diversified casino-entertainment company. Since our beginning in Reno, Nevada, more than 75 years ago, Caesars has grown through the development of new properties, expansions and acquisitions, and now operates casinos on four continents. The company's properties operate primarily under the Harrah's®, Caesars® and Horseshoe® brand names. Caesars also owns the London Clubs International family of casinos. Caesars Entertainment is focused on building loyalty and value with its guests through a unique combination of great service, excellent products, unsurpassed distribution, operational excellence and technology leadership. We are committed to responsible corporate citizenship, environmental sustainability and harnessing the leadership and passion of our employees to help create vibrant communities. We believe that running a profitable enterprise and being a good corporate citizen are not mutually exclusive. We strive to both set and raise corporate social responsibility standards for our properties, our company and our industry. We do this by adhering to our core mission, vision and values and to our Code of Commitment through which we promise to always:

- Value the diversity of the communities in which we operate
- Conduct our business honestly and with integrity
- Empower our employees to get involved as community volunteers
- Share our financial success with the community

<p><b>8.58</b></p> <p>US\$ billions (2012) Total Net Revenues</p>	<p><b>27.99</b></p> <p>US\$ billions Total Assets (December 31, 2012)</p>	<p><b>67,187</b></p> <p>Employees worldwide</p>	<p><b>&gt; 75 MILLION</b></p> <p>Guests per year</p>
<p><b>49</b></p> <p>Properties in the U.S.</p>	<p><b>14</b></p> <p>Properties outside the U.S.</p>	<p><b>3</b></p> <p>Native American Tribal Partnership properties</p>	<p><b>42,710</b></p> <p>Hotel rooms and suites worldwide</p>
<p><b>59.21</b></p> <p>Million square feet of air conditioned space in the U.S.</p>	<p><b>3.07</b></p> <p>Million square feet of casino space worldwide</p>	<p><b>56,950</b></p> <p>Slot machines worldwide</p>	<p><b>3,595</b></p> <p>Table games worldwide</p>



# CSR AND SUSTAINABILITY SCORECARD

	2012	2011
<b>RESPONSIBLE GAMING</b>		
Total employees trained in Responsible Gaming	35,361	33,345
Total hours spent in Responsible Gaming training	30,906	50,017
<b>EMPLOYEES</b>		
Women in management	41%	40%
Employees in minority groups	56%	N/A
Employee training total hours	3,649,256	3,152,893
New hires	9,358	7,025
Turnover rate	16.1%	13.8%
Injury rate per 100 employees	3.10	3.26
Injury severity rate per 100 employees	0.73	0.84

ENVIRONMENTAL PERFORMANCE	SHORT-TERM TARGET	LONG-TERM TARGET	2012 PERFORMANCE	2011 PERFORMANCE
Energy Conservation (2007 baseline): Reduce energy consumption (fossil fuel based) per thousand air-conditioned sq. feet	20% reduction by 2015	40% reduction by 2025	-18.66%	-15.98%
Greenhouse Gas Emissions: (2007 baseline): Reduce absolute greenhouse gas emissions	10% absolute reduction by 2013		-11.40%	-7.18%
Greenhouse Gas Emissions: (2007 baseline): Reduce greenhouse gas emissions per thousand air-conditioned sq. feet		40% reduction by 2025	-20.75%	-16.24%
Water Consumption: (2008 baseline): Reduce water use per thousand air-conditioned sq. feet	10% reduction by 2015	15% reduction by 2020	-7%	-9.83%
Waste Diversion: (2007 baseline) : Divert waste from landfill	25% of total waste by 2014	50% of total waste by 2020	24%	Not measured
Real Estate: Achieve LEED certification for all newly-built and expanded properties owned by Caesars.		100%		Achieved
Green Key Certification: Certification for all properties globally		100% by end 2013		On track

VIBRANT COMMUNITIES PERFORMANCE	SHORT-TERM TARGET	LONG-TERM TARGET	2012 PERFORMANCE	2011 PERFORMANCE
Total Giving (Mandatory, Discretionary and Caesars Foundation) (\$ million)			78.7	72
Employee volunteering in our communities (hours volunteered)	10% increase in 2013		130,161	148,080

# OUR MOST

## SIGNIFICANT IMPACTS

**C**SR and sustainability at Caesars is driven by leadership, passion and the desire to help create vibrant communities. As the most diversified casino entertainment company in the world, our impact is felt far and wide. Through forward-thinking leadership, genuine passion at all levels in the company and a commitment to the communities we operate in, we aim to make a positive contribution to society and to the sustainability of our planet. We believe this approach helps us become a better company and enhances trust in our business.

Our most significant impacts are important both for our long-term success as a company and also for our stakeholders, as they affect the decisions that stakeholders make in relation to Caesars. This year, as part of the process of preparing our CSR and Sustainability Report, we undertook a thorough review of our material impacts by engaging in dialogue with both internal and external stakeholders. This process was important to help us review our CSR and sustainability strategy and provide new understanding and insights, especially from our external stakeholders. We also understood that such a materiality review was essential, following our decision to be an early adopter of the new Global Reporting Initiative (GRI) G4 guidelines, which is considered the most advanced global framework for voluntary sustainability reporting.

Our strategic CSR and sustainability methodology has evolved over several years. We navigated the interests of different stakeholders and attempted to meet their changing needs through performance and transparent reporting, while also considering the risks and opportunities for our business. For over a decade, we have maintained our Code of Commitment as a guiding framework for our approach to responsible and ethical business. In 2007, we established CodeGreen to drive environmental efficiencies including reducing energy consumption and increasing water conservation as well as waste diversion from landfill. CodeGreen has delivered significant performance improvements measured against a 2007 baseline in all key areas of environmental stewardship and has been instrumental in engaging employees at all levels company-wide.

In 2010-2012, we further broadened our view to consider prominent issues faced by society at a global level, known as “mega-trends.” We seek to examine our areas of impact in the light of these mega-trends and strengthen the link between our CSR and sustainability strategy and these most pressing needs of society and the planet.

As a natural extension of our strategic process, including our experience with CodeGreen and our mega-trends review, we conducted a scan of possible CSR and sustainability issues relevant to companies in our sector. In consultation with internal and external stakeholders, we narrowed a list of possible relevant CSR and sustainability issues from more than thirty to ten critical issues which we believe represent our most significant impacts and are of most interest, and sometimes concern, to our stakeholders.

## Selecting the Most Important CSR and Sustainability Issues

This summarizes our process for defining Caesars material sustainability issues in early 2013.

G4 MATERIAL  
DISCLOSURE:  
G4-18

- Internal review of possible sustainability topics relevant to our sector including inputs from:
  - Analysis of our business strategy in light of six sustainability mega-trends and current economic and regulatory environments.
  - Analysis of input from guests and employees based on extensive survey results and dialogue sessions.
  - Analysis of external sustainability rating agency feedback relating to issues important to investors.
  - Targeted external sustainability benchmarking of key companies in our sector.
- Internal prioritization of issues with Caesars executive management to identify ten priority issues and their significance, which is a process guided by the GRI G4 Sustainability Reporting. This process included consultation with all our senior leadership, specifically involving heads of investor relations, environmental affairs, risk management, sustainability, communications, human resources, and government affairs.
- Outreach to external stakeholders with expertise in sustainability strategy for advice on the relevance of our priority issues. These experts included a global sustainability-focused NGO and a well-known independent sustainability advisor. We also obtained input from representatives of the investment company that holds a majority shares in Caesars Entertainment.
- Agreement of executive management and our Environment, Social and Governance (ESG) Council on the list of priority issues, incorporating external stakeholder input.
- CEO review and approval of issues and agreement to disclose our position on these issues in this CSR and Sustainability Report

We determined that we must address each issue with equal commitment, allocating our resources in such a way as to achieve measurable progress in each key area. This report includes an update on our policies and performance in these areas. In addition, we have included reference to other issues that are continuously of interest to a range of stakeholders, such as environmental impacts of waste diversion from landfill and water conservation, and enhancing the positive outcomes of our business activities in the communities we serve.



*“The process of determining material issues has proven to be valuable. We are pleased to be one of the early adopters of the new GRI G4 Guidelines, which place emphasis on those key CSR and sustainability issues that are of most importance to our business and to our stakeholders. This is not only a solid basis for transparency and communication with our stakeholders, but it also helps shape and refine our strategy going forward. The process itself revealed new insights, which is the benefit of broad internal and external consultation.”*

**Gwen Migita**, Vice President Sustainability & Community Affairs

## Preparing this Report

In preparation for the publication of this report, we presented a draft to three external stakeholder experts who provided us with insights and recommendations. We have carefully considered their feedback and already addressed certain insights in this report, while ensuring that other recommendations are retained for review as we go into our next reporting cycle. Here are some key insights:

*“The materiality analysis is focused on the key issues. I find the CodeGreen sections to be the most developed from the standpoint of goals, charts, narrative and transparency with respect to challenges. Generally, stakeholders want to know what organizations companies belong to and how they engage in the political process. Maybe Caesars could include a few more examples of engagement in the public policy area.”*

**Beth Lowery**, Senior Advisor for Environment and Sustainability TPG

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*“The work to prioritize your material concerns is well done, well told, and contributes to your story. The environmental stewardship story is clear and solid. You know your impacts, have good data and processes, and are addressing them. On the other hand, Caesars could consider going further in terms of setting goals that match the scale of our mega-challenges (climate change and resource constraints, for example). Leading edge companies, recognizing some hard realities, are targeting 100% renewable energy, water neutrality, or decoupling growth from impacts.”*

**Andrew Winston**, Principal, Winston Eco-Strategies, LLC

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*“In general, we felt this report provides a comprehensive overview of Caesars sustainability performance and impacts. There are some areas where we would recommend adding additional detail. We feel that that it should be clearer who was engaged in the materiality process and more details provided about the inputs received. In the environmental section, there should be improved clarification of boundaries in environmental data collection and more explicit disclosure of the methodologies used.”*

**Cynthia Cummis**, Deputy Director, GHG Protocol, World Resources Institute

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## Our Most Material Issues

The result of our materiality assessment is a list of priority issues that reflect our most significant impacts, and the key concerns and expectations of our stakeholders. We provide performance metrics for these issues in this report, aligning with the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines covering material Aspects and Specific Standard Disclosures.



# VIBRANT COMMUNITIES





VIBRANT COMMUNITIES:

# A COMMITMENT

## TO RESPONSIBLE CONDUCT

Reinforcing our Values

Leading the Industry with our Code of Commitment

Measuring the Impact of our Code of Commitment

Compliance and Anti-Corruption

Corporate Governance

Our mission, vision and values express our shared aspirations and guide us in all that we do. Our mission defines our core purpose as an entertainment and hospitality company: we inspire grown-ups to play. Our vision points us in the right direction to fulfill the mission: creating memorable experiences is the essence of what we do. Together with Caesars Entertainment's long-standing Code of Commitment, which sets out our specific promises to our employees, guests, communities and the environment, our values guide our behaviors along the way. Our six core values are the foundation of who we are and how we interact with everyone we touch in our daily activities. Our mission, vision and values define our culture and help us secure our leadership position in the gaming and hospitality industry.

### OUR MISSION

We inspire grown-ups to play

### OUR VISION

Create memorable experiences, personalize rewards, and delight every guest, every team member, every time

### OUR VALUES

**INTEGRITY:** Do what's right, no matter what

**SERVICE WITH PASSION:** Take pride in everything you do

**CELEBRATING SUCCESS:** Work hard and celebrate successes both large and small

**DIVERSITY:** Embrace what makes us unique to inspire innovation and win together

**CARING CULTURE:** Create a caring culture so every team member can have fun and be their personal and professional best

**RIGOR:** Find lessons in every outcome to drive extraordinary experiences

OUR MISSION,  
VISION AND VALUES  
EXPRESS OUR SHARED  
ASPIRATIONS AND  
GUIDE US IN ALL  
THAT WE DO.

## Reinforcing our Values

In early 2013, we updated our corporate mission, vision and values, following a two-year process of internal consultation at all levels of the organization. One hundred and fifty of our most senior managers across the business and an extensive network of employees were involved through dialogue sessions and internal surveys. We have undergone significant organizational changes in recent years, and face new strategic and economic challenges. This process was necessary to provide a new clear direction and focus for our organization. We wanted to refresh and align our path and purpose as a company with our new realities in order to engage employees more effectively in the pursuit of our shared objectives.

### The Four Pillars of our Code of Commitment

**EMPLOYEES:** A commitment to all our employees to treat them with respect and provide satisfying career opportunities.

**GUESTS:** A commitment to all our guests to promote responsible gaming.

**COMMUNITIES:** A commitment to all our communities to help make them healthy and vibrant places to live and work.

**ENVIRONMENT:** A commitment to responsible stewardship of the environment.



CAESARS CODE  
OF COMMITMENT

THE CAESARS CODE

OF COMMITMENT

GOVERNS THE

CONDUCT OF

OUR BUSINESS.

## Leading the Industry with our Code of Commitment

We introduced the Caesars Code of Commitment in 2000 and led the gaming industry in making a public promise to conduct ourselves with integrity and with concern for our stakeholders. That leadership continues to inspire us and our Code of Commitment is as relevant today as it was many years ago.

The Caesars Code of Commitment governs the conduct of our business. It is a public pledge to our employees, guests and communities that we will honor the trust they have placed in us. Our Code is used continuously in internal communications to employees, is available online, widely distributed and displayed in all our venues for our guests and all who visit. We organize

events throughout the year to help embed our Code of Commitment among our employees, including training events, and communications and team meetings that reinforce our stance on ethics, compliance and anti-corruption at all levels of the business. All new employee orientation programs encourage a clear understanding of our Code of Commitment and new hires sign their intention to comply with the Code when joining the company.

## The Impact of our Code of Commitment

In our annual Employee Opinion Survey (EOS), which typically achieves a response rate of over 85%, we ask our employees for a variety of feedback about our company, including the degree to which we uphold the commitments outlined in our Code. Regularly, some of the most positive responses of employees relate to the Caesars Code of Commitment.

### The Impact of our Code of Commitment

We ask employees about their awareness of the Code of Commitment and its importance to them, their thoughts about leadership involvement and their participation in CodeGreen initiatives in the past six months. Employee Opinion Survey (EOS) questions are grouped in four areas:

- Diversity and Inclusion
- Responsible Gaming Policies
- HERO Volunteering Program
- CodeGreen Initiative

EOS responses were more positive in 2012 in each area than in 2011, demonstrating improvement in management and employee awareness, commitment and behavior.



*EOS RESPONSES  
WERE MORE POSITIVE  
IN 2012 IN EACH AREA  
THAN IN 2011*

## Compliance and Anti-Corruption

Caesars Entertainment observes strict policies and processes that ensure we comply with all applicable regulations and laws related to bribery and corruption in every location in which we operate. The gaming business is highly regulated and in several of the jurisdictions in which we operate in the U.S., we are required to undertake specific commitments in the area of

MATERIAL ASPECT:  
ANTI-CORRUPTION  
DISCLOSURE G4-S04  
IN THE GRI  
CONTENT INDEX

compliance and anti-corruption. However, we aim to observe the highest possible standards wherever we operate, without exception.

As an entity that conducts business in the highly regulated gaming industry, Caesars and its licensed affiliates and subsidiary entities are subject to the laws, regulations, policies and procedures required by various regulatory agencies. As with all gaming licensees, Caesars and its affiliates and licensed subsidiaries are subject to disciplinary actions in the various jurisdictions for incidents of non-compliance. Caesars and its affiliates and subsidiary licensees take these matters very seriously and take all appropriate steps to mitigate and correct incidents of non-compliance and to prevent recurrences. Information relating to disciplinary actions imposed by the various gaming regulators is generally made public.

Under the Federal Bank Secrecy Act, Caesars and its licensed affiliates and subsidiary operating entities are considered “financial institutions” for Title 31 cash transaction reporting purposes. As such, Caesars has adopted and implemented a company-wide Anti-Money Laundering Program (AML). Caesars’ AML Program is implemented across all of its operating properties with the goal of consistent cash transaction reporting. The AML Program provides detailed guidance to our operators on the Currency Transaction Reports (CTR) and Suspicious Activity Reports (SARC). All applicable staff members are trained in the AML Program in accordance with the federal requirements and an annual risk assessment is conducted in accordance with the Title 31 anti-money laundering requirements. In addition, Caesars’ Internal Audit Department conducts audits under Title 31 and these audits are performed against the AML Program.

### Transparency of Disciplinary Actions

The following websites contain information about any disciplinary actions that involved Caesars Entertainment or its affiliates.

<a href="http://akchin-tga.nsn.us">akchin-tga.nsn.us</a>	<a href="http://ky.gov">ky.gov</a>	<a href="http://njdgc.org">njdgc.org</a>
<a href="http://azgaming.gov">azgaming.gov</a>	<a href="http://lrc.state.la.us">lrc.state.la.us</a>	<a href="http://casinocontrol.ohio.gov">casinocontrol.ohio.gov</a>
<a href="http://agco.ca">agco.ca</a>	<a href="http://maryland.gov">maryland.gov</a>	<a href="http://state.pa.us">state.pa.us</a>
<a href="http://cgcc.ca.gov">cgcc.ca.gov</a>	<a href="http://state.ma.us">state.ma.us</a>	<a href="http://rc.state.oh.us">rc.state.oh.us</a>
<a href="http://ggb.org.za">ggb.org.za</a>	<a href="http://mgc.state.ms.us">mgc.state.ms.us</a>	<a href="http://pa.gov">pa.gov</a>
<a href="http://revenue.state.il.us">revenue.state.il.us</a>	<a href="http://mgc.dps.mo.gov">mgc.dps.mo.gov</a>	<a href="http://agco.ca">agco.ca</a>
<a href="http://igc.in.gov">igc.in.gov</a>	<a href="http://nigc.gov">nigc.gov</a>	<a href="http://rincontgc.com">rincontgc.com</a>
<a href="http://iowa.gov">iowa.gov</a>	<a href="http://gcb.nv.gov">gcb.nv.gov</a>	

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*“Compliance is what everyone does. Ethics is a step above that. We want to do both. We want to ensure we are always compliant while ensuring our employees know and subscribe to the ethical values which drive compliance, and apply these in their everyday behaviors in the company. We maintain a very strong ‘tone from the top’ and ensure our leadership is updated on all matters relating to compliance and integrity at all times.”*

**Sue Carletta**, VP of Regulatory Affairs and Compliance

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Our efforts to ensure we do business with integrity and prevent all appearances and possibilities of corruption are underpinned by an extensive compliance organization headed by our Chief Regulatory and Compliance Officer who oversees a network of compliance officers throughout the organization, including one at each Caesars property.

In 2012, we thoroughly reviewed and revised our compliance program in order to improve our central controls and ensure it includes the necessary compliance frameworks. We have submitted this new program for external review and consultation in three U.S. states and plan to roll it out after finalization in 2013. The new compliance program includes a more extensive section on anti-corruption. In addition, we engaged external legal experts to assist us in developing a specific anti-corruption policy to ensure increased focus and greater visibility of our commitments and obligations. This new policy will be submitted to the Caesars Board of Directors and Audit Committee prior to implementation.

The Caesars Code of Business Conduct and Ethics defines the regulatory and ethical compliance requirements and behaviors expected of all our employees. This Code was revised in 2012 and an updated version was published in early 2013. We also maintain a Compliance and Ethics Hotline for employees and third parties who conduct business with Caesars to anonymously report suspected criminal activity, illegal or unethical conduct and/or suspected safety violations occurring within the Company. Concerns may be reported by calling the hotline toll-free at 1-877-450-5199, which is available 24 hours a day, 7 days a week. Telephone calls to the hotline are received by an independent outside entity and callers may choose to remain anonymous. We do not tolerate retaliation against anyone who reports a concern in good faith.

*THE CAESARS CODE OF  
BUSINESS CONDUCT  
AND ETHICS DEFINES  
THE REGULATORY AND  
ETHICAL COMPLIANCE  
REQUIREMENTS  
AND BEHAVIORS  
EXPECTED OF ALL  
OUR EMPLOYEES.*

## Corporate Governance

We aim to apply the highest standards of corporate governance, and our Board of Directors is fully committed to maintaining Caesars' CSR and sustainability leadership in our industry as a responsible corporate citizen. Our Board of Directors is composed of 12 members, including our CEO of ten years, Gary W. Loveman, who also serves as Chairman of the Board. For additional details about our corporate governance structure, including Board committees and charters, see our website:

**<http://investor.caesars.com/governance.cfm>**

In order to advance our sustainability programs, we maintain an Environmental, Social and Governance (ESG) Council, headed by our CFO and comprised of representatives of Caesars Entertainment's most senior management, to guide our activities and allocate necessary resources. A Vice President of Sustainability and Community Affairs leads the implementation of our corporate CSR and sustainability strategy, supported by business representatives from our properties and headquarters staff.

VIBRANT COMMUNITIES:



# A COMMITMENT

## TO EMPLOYEES

- Passion for Service
- A Great Place to Work
- Training and Development
- Health and Wellness
- Diversity and Inclusion

## Passion for Service

There is a clear relationship between employee engagement and customer service. The more engaged our employees, the more our guests benefit from memorable experiences. Engaging employees is therefore a backbone and a driver of our success. We engage our employees in many ways, including fostering open and constructive dialogue, investing in policies and programs that make us a great, diverse and inclusive place to work, caring for our employees' safety, health and wellness, and providing opportunities for personal growth and development. Most importantly, we tie our employee reward system directly to customer satisfaction results. In this way, employees know that they gain personal benefits when guests are satisfied.

## Total Service — Total Rewards — Total Return

Our guests expect nothing less than outstanding service and our goal is to make sure they receive it. For their loyalty, our guests enjoy our Total Rewards program which offers them valuable benefits in return for their patronage. In exactly the same way, our Total Return program rewards employees for their engagement and performance in meeting customers' needs. By meeting and exceeding our customer service objectives, employees earn credits which they can spend on rewards for themselves and their families. Rewards include travel, entertainment, electronics, electrical appliances or household goods and more. Over the years, we have demonstrated that guest satisfaction correlates highly with employee service performance.

Collectively, employees at our properties earned approximately \$18.3 million in Total Return Credits for improving service in 2012. This includes payouts of over \$2.5 million to employees at the five properties which exceeded the six percent annual service improvement threshold and captured the Total Service Jackpot, an additional reward for exceptional service. In 2012, we received the highest customer service scores ever in the history of our company, reaching a service score high of 58.1 percent A-scores for the question "How would you rate the overall customer service you received from employees during your visit?" A-scores are the highest scores customers can give in response to our service questionnaires.

### Embedding Service with Passion

Top scoring properties for customer service improvement rates in 2012:



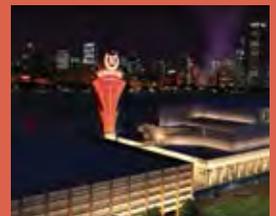
Caesars Palace



Harrah's Louisiana Downs



Harrah's North Kansas City



Horseshoe Hammond



Grand Biloxi

“

*“Total Return is highly motivating for employees and it has proven itself in contributing to good business results. Guests who are satisfied return to our properties and spend more. We have correlated this program to an average increase in spending of eight percent. Our employees know their numbers and what targets they have to achieve. When they deliver, they benefit. To our knowledge, we are the only company in America that rewards employees against one single parameter: service. We meet our Total Return promise in good times and bad. Even in challenging times, employees know they will get their Total Return. Over the past four years, we have paid out close to \$60 million to our employees through our Total Return program.”*

**Terry Byrnes**, VP Total Service and Customer Satisfaction

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*“I have spent about 80% of my Total Return credits on special little “spur of the moment” gifts for my little girl. I love to see her face when the boxes are delivered! But when we won the Total Return Jackpot for 2012, I ordered a big gift for myself. For well over three years now, I have been on a weight loss journey. I have lost over 100 pounds, and I will reach all of my fitness goals by the end of 2013. To give myself a little bit of an edge, I used my Total Return Jackpot Credits to order myself an elliptical. Using my new exercise equipment, I will reach my goal a little quicker and have a convenient way to help maintain my weight loss at home. The best part is that my family has been using the elliptical as well! It’s so easy for any of us to jump on it while we’re watching our favorite TV programs.”*

**Kristi Townsend**, Revenue Supervisor, Grand Biloxi

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*“Throughout 2012, I purchased quite a few small and large items with my Total Return Credits. My husband Jeff and I went on our honeymoon from August 13th - 18th to Las Vegas, Nevada. By using my credits, we were able to do many fun and exciting things. I don’t think we would have been able to have such an amazing time without using the credits.”*

**Melissa Jones**, Human Resources

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*“Total Return is just one of the many perks I get to enjoy from working at Harrah’s. The program is great, especially over the holidays! This past November I was able to get holiday gifts such as a Bissell Deep Cleaner, various PS3 and Xbox 360 games, a Sonicare Air Floss and Coach wristlets. Total Return gives you the opportunity to get items you otherwise would have to think twice about when purchasing on your own. It also encourages me to provide even greater customer service for a chance to receive more Total Return points. I have my eyes set on a Dyson tower fan!”*

**Marimille Dacia**, Events & Promotions Supervisor at Harrah’s, Reno

”

## A Great Place to Work

Being a great place to work is an important driver of employee engagement. We make Caesars a great place to work by our commitment to understanding our employees' needs, honoring and respecting their rights, providing them with opportunities to serve in a caring, nurturing workplace and investing in their health, safety, well-being, professional development and personal growth. Our leadership model is directly connected to our corporate values. In 2012, 21.7 percent of our new hires were referred by existing Caesars employees, a testament to employee appreciation of working at Caesars. Similarly, our employee attrition rates are well below the industry average, which is around 22 percent (U.S. Bureau of Labor Statistics). In 2012, Caesars turnover rate for U.S. employees was 16.1 percent.



We measure employee engagement with our annual Employee Opinion Survey (EOS) and Supervisory Feedback Survey (SFS). The EOS gives employees the opportunity to give us valuable, confidential feedback on how well we've created a workplace where they can be their best. It asks for opinions and suggestions on a variety of issues, such as whether employees have the tools they need to do their job and whether they receive constructive feedback on how well they are doing. The SFS allows employees to provide helpful, confidential feedback about their supervisors. Employees answer questions about how well their supervisors show leadership, understand their needs, guide them for improved performance and recognize accomplishments. This employee feedback contributes to leadership assessments and is used in career planning and professional skills development. All employees participate in an annual performance appraisal review to examine their accomplishments for the entire year and plan further performance development.



*BEING A GREAT  
PLACE TO WORK  
IS AN IMPORTANT  
DRIVER OF EMPLOYEE  
ENGAGEMENT.*



**A story from our weekly CEO eWrap:** Allen Eisele joined Harrah's Reno on August 1, 1962, as a change attendant in the slots department. Over the years he held several positions in the slots department, including slot supervisor and slot manager, before transitioning into his current role as a facilities engineering mechanic in 1985. Throughout his career, Allen has had a front-row seat to half a century of history at the property; from the opening of the 400-room hotel tower in 1962 and the debut of the property's Headliner Room in 1966, to the flooding of downtown Reno in 1997 when the entire Harrah's Reno team set up sandbags to protect the property and the opening of The Plaza entertainment venue in 2000.

Vice President and Assistant General Manager Tim Tretton and members of the Harrah's Reno leadership team surprised Allen with a cake and a Tag Heuer watch to commemorate 50 years of outstanding service, the first 50-year service anniversary in Harrah's Reno history. During the party, Allen shared several stories with the group and said the one thing that kept him loyal and motivated over the last five decades was being surrounded by such talented and friendly coworkers. Asked what advice he would give to someone just starting their career with Caesars Entertainment, Allen offered these simple but profound words: "Do a good job, work hard, and do things the right way."

## Training and Development

Training at Caesars Entertainment is based on an entire suite of organizational learning programs, called the Empire Series, designed to support delivery of current business strategies and to measurably support organizational goals. The Empire Series consists of comprehensive programs including a new hire orientation program ("Welcome to the Empire"), a new leader onboarding program ("Managing the Empire") and a leadership coaching course ("Leading the Empire"). The Empire Series aligns learning offerings with our organizational career development programs and provides learning opportunities to support the growth and upward mobility of our employees. We strive to build upon best demonstrated learning practices in our organization by continuing to include cutting-edge technology and social networking tools throughout our curriculum. In addition, we offer an e-Learning curriculum that opens up hundreds of courses to our employees. Our mission is to create learning experiences that elicit an emotional response from participants and connect them to the heart of Caesars Entertainment. We continue to track the effectiveness of organizational training to ensure a positive impact on both participants and the business.

For high-potential managers, we offer an Emerging Leader Summit (ELS) program designed to furnish growth opportunities, celebrate successes and educate our future business leaders. The agenda typically includes a strategy session and business update from senior management, a case study on a relevant business issue, and development planning exercises. In addition to providing meaningful opportunities to help emerging leaders build on

## EMPLOYEE TRAINING

- **52** full-time trainers
- Over **3,500 employees** with expertise involved in the delivery of in-house training
- **3,649,256** total training hours delivered in 2012
- **52** average training hours for all employees in 2012
- **88** average training hours per manager in 2012
- **69** average training hours per employee in administration and support roles in 2012
- Over **2,200 employees** promoted in 2012, following investment in personal development and training

existing skills and broaden their Caesars experiences, this forum creates an informal networking group that helps each participant strengthen his or her relationship with Caesars. These summits are generally held on a quarterly basis, with appropriate follow-up activities (conference calls, experience sharing, etc.) between each official session. Over the course of 18-24 months, the Caesars Entertainment emerging leaders gain exposure to all key members of our senior management team. During 2012, 150 high-potential managers attended Emerging Leader Summits.

## Health and Wellness

Investment in employee health and wellness adds value for our people, our business, our guests, our environment and our communities. Our commitment to the health and wellness of our employees goes beyond compliance with occupational health and safety legislation. We reach out

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to employees in ways that energize and motivate them to invest in their own wellness. When employees are energized to look after their own health, they are more engaged in the business and are more committed to guest satisfaction. This investment in health and wellness has meant impressive reductions in medical claims and has reduced our operating costs and enabled us to share the financial benefits with our employees. Fewer instances of employee illness have also lowered the risk of business disruption. Equally as important, when employees are healthy, they are able to contribute to creating vibrant communities.

### Shared Accountability

Wellness Rewards is our integrated approach to health and wellness, designed to be a partnership between the company and our employees. Caesars provides access to a comprehensive range of information, practical resources, and valuable incentives to encourage employees to increase their awareness and engagement, and earn tangible rewards through individual proactive personal health and wellness management. Employees are invited to accept accountability for their own wellness, and manage their personal path to an improved quality of life. At many of our properties around the U.S., we offer on-site facilities which employees can use to manage their health. These include wellness centers, clinics, nurses, fitness facilities, pharmacies, and more. But better health and fitness are not the only benefits employees enjoy, they benefit financially too.

*WE REACH OUT TO  
EMPLOYEES IN WAYS  
THAT ENERGIZE AND  
MOTIVATE THEM  
TO INVEST IN THEIR  
OWN WELLNESS.*

### WELLNESS REWARDS

- WELLNESS REWARDS PROGRAM DESIGNED WITH EMPLOYEE NEEDS IN MIND
- ONSITE CLINICS AND RESOURCES
- WELLNESS ACTIVITIES AND INCENTIVES
- FOCUS ON QUALITY AND OUTCOMES
- ROBUST EMPLOYEE COMMUNICATIONS
- PARTNERSHIP WITH HUMAN RESOURCES TEAMS AT ALL LOCATIONS
- IN-DEPTH MEASUREMENT AND METRICS

### WORKFORCE WELLNESS

- Caesars employees collectively shed 95,000 lbs. last year
- Over three years, 2010 – 2012, employee health risks reduced by:
  - 11% (total cholesterol)
  - 7% (blood pressure)
  - 12% (glucose)
- In 2012, 143 employees and/or family members quit smoking
- Employees identified as having zero risk factors increased by 10%

Our Wellness Rewards program incentivizes employees to benefit from lower medical care premiums. To receive a saving of around \$250 per year (in 2012), an employee simply joins the program and makes an annual visit to a wellness nurse. To receive further savings, employees must address health risks identified through their health screening and take proactive action to improve their health. Employees who are truly engaged in the Wellness Rewards program and committed to a healthy lifestyle can save over \$2,000 per year for themselves and their spouses. It's not surprising that our engagement rate, after three years of consistent internal campaigns and improvements in our health and wellness offering for employees, is now over 85 percent. We believe this is the highest in our industry.

In a sample of 26,862 eligible employees and spouses who participated in biometric screenings in 2010 and 2011, health status improved in nearly every area measured. By 2012, we were able to record significant gains. This year, we also laid the foundation for a more comprehensive biometric screening for a wider range of employees, with even greater incentives to participate.

In addition to improving our collective health, our Wellness Rewards program is producing measurable financial results for both Caesars and our employees. In 2011 and 2012, Caesars saved approximately \$2.5 million in annual health care costs, and we calculate a projected five-year savings of around \$35 million in healthcare-related costs. Employee attitudes toward health and wellness are shifting. Our surveys show an emerging culture of health that is fostered by our Wellness Rewards program and shared accountability model.

*IN ADDITION TO  
IMPROVING OUR  
COLLECTIVE HEALTH,  
OUR WELLNESS  
REWARDS PROGRAM  
IS PRODUCING  
MEASURABLE  
FINANCIAL RESULTS  
FOR BOTH CAESARS  
AND OUR EMPLOYEES.*



*“Our approach has been “repeat, repeat, repeat” on a multi-year journey to change behaviors towards wellness. The first challenge was to drive awareness among our employees of the need for them to take ownership of their health and wellness. We combined that with clear financial incentives for employees to utilize the broad range of resources we provide and rigorous tracking of the health outcomes we achieve through the program. We apply the latest technology to make our employees informed consumers of healthcare. All this results in better health for our employees and their families, and improved costs for the company. We’re making dramatic progress compared to external benchmarks with a diverse workforce in many locations, for whom English is often a second language. The true sign of success is those water cooler conversations about our program that happen between individuals making progress with their personal health goals. We are proud of our program and the enthusiasm our employees have demonstrated to embrace it.”*

**Mary Thomas**, Executive Vice President of Human Resources

## WELLNESS REWARDS PROGRAM LEADERBOARD 2012

<p><b>11%</b> highest increase in employee participation <b>Horseshoe Tunica</b></p>	<p><b>62%</b> of at-risk participants with lower Body Mass Index (BMI) <b>Harrah’s Reno and the Flamingo</b></p>	<p><b>58%</b> of at-risk participants with highest weight loss total at 4,134 pounds <b>Lake Tahoe</b></p>
<p><b>100%</b> of at-risk participants with lower total cholesterol <b>Planet Hollywood</b></p>	<p><b>92%</b> of at-risk participants with lower glucose levels <b>Tunica Roadhouse</b></p>	<p><b>98%</b> of at-risk participants with lower blood pressure <b>Horseshoe Council Bluffs</b></p>

**Wellness**  

**REWARDS**  
 A payout that lasts a lifetime

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**A story from our weekly CEO eWrap: Wellness Rewards**

*During the summer of 2011, Stella Ortega, whose husband Rudy Ortega works as a facilities specialist at Harrah's Lake Tahoe, had her routine checkup at a Caesars Employee Wellness Center. She was diagnosed with several serious health conditions that threatened her life including pre-hypertension and bradycardia. Taking the advice of Tahoe Wellness Nurse Debbie Biczack, Stella began to eat healthier and exercise in order to improve her cardiac health. One year later, the results are life-changing. Stella has lost an incredible 45 pounds and decreased her Body Mass Index by 7.5 units. Stella says: "I want to thank you for changing my life. I would not have discovered my heart problem if it was not for your annual physical. I look and feel fantastic and can't thank you enough."*

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**Leading a Total Well-being Approach**

Encouraged by the success of our Wellness Rewards program, and after a review of employee input, we identified an opportunity to increase employee confidence in Caesars' leadership and our genuine passion for their well-being. As an organization, we provide many different resources that help support the total well-being of our employees, not only their physical health. Therefore, in 2012, we combined these resources and enhanced offerings for employees in a holistic program drawing on four key well-being focus areas: physical, personal, professional and financial. In some cases, robust programs were already in place, such as the Wellness Rewards program. In other cases, resources were offered but employees were not aware of them; or we developed new tools and resources for employees.

The Total Well-being program is now in pilot phase at three of our properties. We want to ensure that we meet expectations for improved total well-being before implementing the initiative company-wide. In addition, we are also improving the program's offering so that, by the time this becomes a fully embedded corporate policy, it creates additional tangible benefits for employees and for our organizational effectiveness.

WE IDENTIFIED AN  
OPPORTUNITY TO  
INCREASE EMPLOYEE  
CONFIDENCE IN  
CAESARS' LEADERSHIP  
AND OUR GENUINE  
PASSION FOR THEIR  
WELL-BEING.



## EMBEDDING TOTAL WELL-BEING

### Physical Well-being

We want to ensure you are in good health and have energy to enjoy a productive life.

### Personal Well-being

We strive to help you build strong relationships, identify effective support systems, and achieve a satisfying work/life balance.

### Professional Well-being

We hope that each of you feels a sense of purpose and belonging at work. We are committed to recognizing your achievements when you exceed expectations, ensuring you have the resources and tools you need to be at your best every shift and providing access to opportunities for career development.

### Financial Well-being

Helping you effectively manage your finances and reducing stress associated with meeting your family's basic needs.

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*"Our research has shown that when employees believe that you care about them, they are more likely to be loyal and invest more discretionary effort. Our objective with the Total Well-being program is to ensure that employees both know that we are passionate about their well-being, and also, are aware of the practical resources and support available to them. Managers have been actively involved in building awareness and are supported by strong communications plans which reinforce key messages in quarterly themes that are highlighted at team meeting opportunities."*

**Joy Antolini**, Director, Employee Relations Development

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## Health and Safety at Work

We aim to provide a working environment in compliance with all laws and regulations concerning employee occupational health and safety, in all our properties, wherever we operate. We regard this not only as an essential element of risk management, but also as part of our commitment to responsible corporate behavior toward our employees. In 2012, in our U.S. properties, we improved our injury rate by 5 percent in achieving a level of 3.1 recordable injuries per 100 employees, which compares favorably with the average industry rate (U.S. Bureau of Labor Statistics) of 4.30 for 2012. This is important progress, but while injuries are predominantly minor slips, knocks, and cuts, we aspire to achieve even better performance as we continue to invest in safety awareness, and improved practice and management processes.

## Safety Management in Practice

All employees are trained in safety measures when they join the company and throughout their employment. All of our properties undergo an annual safety audit which covers 92 checklist items in twelve categories. Safety audit findings and corrective actions are closely monitored and followed up by safety officers and safety committees at each location. We monitor and track safety metrics and report these to management each month for review. In addition, we have robust emergency procedures which ensure a fast response from relevant internal and external contacts.

In 2012, we improved internal controls by revising the way safety data is reported to management. We wanted to provide more detail by department that helps management identify opportunities for improved safety, and engage on safety matters with employees.

*“Our primary risk control mission is to create the safest and most apprehension-free environment for our customers and employees by implementing policies, procedures and practices that reduce or eliminate risk and increase profitability. We believe we are having great success in this effort and have set the bar for our industry by developing and driving a strong safety system; hiring and cultivating passionate safety managers at our properties; and auditing annually for results.”*

**Gregory Hanusey**, Corporate Director of Risk Control

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### EMBEDDED OCCUPATIONAL HEALTH AND SAFETY AUDIT CATEGORIES

- SENIOR MANAGEMENT LEADERSHIP
- RISK CONTROL AND SAFETY COMMITTEES
- ACCIDENT INVESTIGATION PROGRAM
- SELF-INSPECTION PROGRAM
- PERSONNEL CONTROLS
- SAFETY TRAINING & ORIENTATION
- EMERGENCY PLANNING
- SPECIALIZED PROGRAMS
- MATERIAL HANDLING EQUIPMENT, FOOD PREPARATION AND STORAGE
- CLAIMS MANAGEMENT
- MACHINERY AND EQUIPMENT
- HAZARD COMMUNICATION

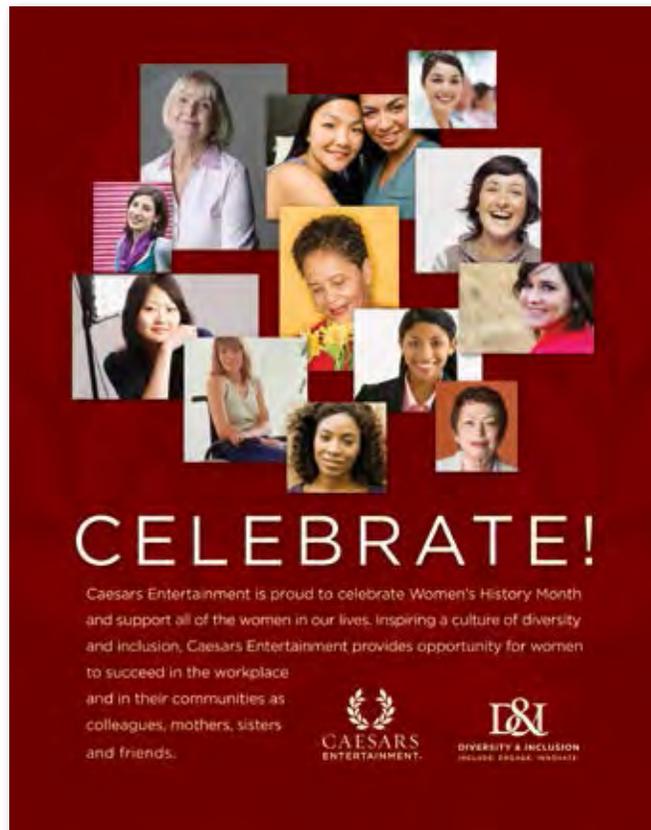


## Leading the Way with a Diverse Workforce

We are committed to creating a dynamic and innovative culture where individual growth is rewarded, recognized and celebrated. Our workforce is comprised of a wonderful array of diverse individuals, and most of them confirm they enjoy equal opportunity at Caesars. In the U.S., the home base for 96 percent of our total workforce of over 67,000 employees worldwide, 50 percent of our employees are women, 56 percent belong to minority groups, and 34 percent are employees over the age of 50. All individuals have equal opportunity to progress, and this is demonstrated by our rich workforce diversity profile, which we believe is higher than any other company in our industry in the U.S.

In addition to keeping our finger on the pulse of our workforce profile, we also seek feedback from employees in our annual Employee Opinion Survey (EOS). In response to the statement: *“My supervisor treats all with dignity, respect, and integrity regardless of race, gender, religion, age, sexual orientation or other individual differences”*, of the 83 percent of our employees who participated in our 2012 EOS, 60.4 percent of employees responded positively, an increase of 2.8 percent versus 2011. Overall, our scores in our EOS relating to the awareness of our diversity and inclusion programs, the importance to employees, and the view of leadership involvement increased in 2012 by 8 percent, giving an overall level of over 80 percent positive responses.

50% OF OUR  
EMPLOYEES ARE  
WOMEN, 56% BELONG  
TO MINORITY  
GROUPS, AND 34%  
ARE EMPLOYEES OVER  
THE AGE OF 50.



## Recognition in the Field of Diversity and Inclusion

Caesars Entertainment is the only company in the casino entertainment industry to receive a perfect score, seven consecutive times, on the Human Rights Campaign (HRC) Corporate Equality Index (CEI) – including the latest 2013 publication. The CEI rates American workplaces on lesbian, gay, bisexual, and transgender (LGBT) equality. We are proud to protect the rights of our employees, in the same way as we welcome LGBT guests from all corners of the country.

In 2012, Caesars Entertainment was recognized as one of the top 2012 Diversity Leaders by Profiles in Diversity Journal for our innovation, communication, and dedication to diversity and inclusion practices. Participating companies are evaluated on the effectiveness of their internal and external communication channels with their employees, customers, partners and the public.

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**EVERY MIND**  
brings something unique to the table.

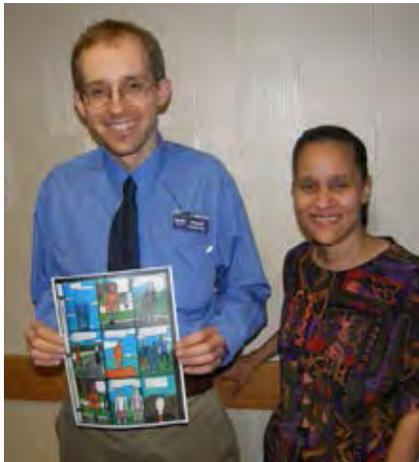
When diverse teams of talented people tackle the task at hand, the results can be simply  
**EXTRAORDINARY.**

**I&I**  
DIVERSITY & INCLUSION  
INCLUDE. ENGAGE. INNOVATE.

CAESARS ENTERTAINMENT

IT'S WHO WE ARE

CAESARS CODE OF COMMITMENT



### **A story from our weekly CEO eWrap: Celebrating Diversity**

*Working in a company that employs nearly 70,000 individuals, it's no surprise that our colleagues possess a variety of skills and interests that are seemingly unrelated to their chosen professions. While we know that Caesars Entertainment is made up of, among other things, a collection of talented customer service professionals, entertainers, number-crunchers and executives, our ranks also are filled with accomplished artists, musicians, athletes and performers. One such colleague is Frank Quigley Jr., Auditor at Harrah's Resort Atlantic City. He has been with Harrah's for over ten years.*

*Frank, who is in his early thirties, was diagnosed with autism at an early age. Like many individuals with autism, Frank struggled with expressing his thoughts and emotions to others throughout childhood. But as a young man, he began writing and illustrating a cartoon called *The Invisible Robot*. Each edition is a six-page story, meticulously hand-drawn and populated by a sprawling cast of characters. Frank finds inspiration for each story in his everyday life and the world around him. Themes of the comics have included issues relating to global warming, or interactions with family, friends and coworkers. Frank's sharp mind and creativity are an asset to the team in Atlantic City and he is an example of how inclusiveness and different dimensions of diversity can contribute both to success in the workplace and to an improved quality of life for individuals.*

## **Emergency Support for Employees in Times of Need**

At Caesars, we pull together and offer support for our employees in times of need.

There were several occasions in 2012 when this collegiality was demonstrated.

Hurricane Isaac forced both Harrah's New Orleans and Grand Biloxi to close, and flooded many parts of New Orleans where approximately 370 Harrah's New Orleans employees reside. Later in the year, Hurricane Sandy devastated eastern parts of the U.S., and badly damaged our Philadelphia and Atlantic City properties. Our employee teams worked tirelessly to support colleagues whose homes were destroyed. In Atlantic City, our team set up an employee assistance center dubbed "Sandy Central" that provided a centralized location where employees could access support including temporary housing, food and clothing. Employees and their families whose homes were severely damaged or otherwise uninhabitable were provided hotel rooms.

Several mechanisms were introduced to facilitate employee donations to Atlantic City to benefit employees impacted by the storm, amounting to \$100,000.



VIBRANT COMMUNITIES:

# A COMMITMENT

## TO OUR GUESTS

Creating Memorable Guest Experiences

Guest Diversity and Outreach

Responsible Gaming

Protecting the Privacy of our Guests

Sustainable Events

Sustainable Supply

## Creating Memorable Experiences for our Guests

Delivering memorable experiences for our guests is a fundamental part of what defines Caesars Entertainment and is a central tenet of our strategic vision. Each day, the majority of our employees directly serve our guests. Our ability to succeed hinges almost entirely on the skill, spirit and vigor with which we approach service at each of our venues. Our commitment to delivering service with passion is reflected in sharing rewards with employees who help create memorable guest experiences. In our competitive marketplace, our most critical differentiator is how we provide our guests with the entertainment options they desire, and extend them the best possible personal, attentive and caring service.



### Total Rewards

Our approach to outstanding customer service is by design. We work at many levels to ensure our guests have fabulous, memorable experiences every single time they visit our properties. The key source of information we use to engage our guests and learn what they want and how they enjoy our entertainment offerings is our award-winning guest loyalty program, Total Rewards.



**TOTAL  
REWARDS®**

Total Rewards gives our guests a reason to make us their first choice. We offer them a range of benefits, discounts, exclusive entertainment options and more. Not only does the Total Rewards program provide guests with tangible value for being loyal Caesars Entertainment patrons, it also provides us with invaluable information about their preferences and habits. Feedback from our customers underpins both Total Rewards, which honors them for their patronage, and Total Return, which provides rewards to employees who have delighted our guests and delivered first class service. Over the years, we have learned that employee

### Total Rewards

- 45 million customers in our Total Rewards database.
- There are four levels of recognition in Total Rewards: Gold, Platinum, Diamond and Seven Stars.
- Each tier offers a range of rewards including free play at our gaming properties, room upgrades, discounts on meals and gifts at our properties, invitations to special events, VIP reservations and more.
- 85 percent of gaming revenues can be tied back to customers' specific preferences, enabling Caesars to target special rewards in line with what our customers want most. The hotel industry average is around 56 percent.

engagement and recognition pays off impressively for our guests. This correlation is the result of over half a million completed customer surveys each year for the past 13 years.

Total Rewards has received recognition both in the casino industry as well as other industries outside of the hospitality sector. In 2012, we received the Master of Enterprise Loyalty Award, one of the loyalty industry's most prestigious honors from COLLOQUY, a global provider of loyalty publications, education and research. Each year, COLLOQUY, grants the Master of Enterprise Loyalty Award to the company that best demonstrates

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*"When I first arrived in late 2010, I was asked to review and make improvements to our Total Rewards program. In spring 2011, we launched a massive research initiative to identify ways to better understand and meet customer needs and preferences. We already knew that Total Rewards was the largest loyalty program out there, and the research told us that Total Rewards was also the most popular program by a wide margin (64 percent of surveyed guests said Total Rewards was their preferred program, with our next competitor at 28 percent). While this made the task of improving the program more daunting, we learned that we could do much more about educating our customers about the benefits that Total Rewards provides to members who do not gamble or who simply prefer other forms of entertainment. Based on this insight, we introduced several new benefits to improve the program for our hospitality guests, not just our gaming customers. Total Rewards now integrates all the different types of entertainment that customers can enjoy. Through this new approach, and use of customer data to understand what motivates our guests, we have increased our reach to gamers and hospitality guests alike, and improved our customer loyalty over time."*

**Joshua Kanter**, Senior Vice President of Total Rewards and CRM Capabilities

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how its enterprise loyalty strategy has been adopted and integrated across its organization, resulting in improved financial or customer performance, competitive advantage and longer-term customer loyalty.

In addition to Total Rewards, we aim to understand our guests through our Caesars Circle program, a proprietary research community of 4,000 members, including guests and potential new guests. All members voluntarily opt-in and maintain confidentiality as part of their Caesars Circle commitment for at least one year. Unlike traditional research panels, we maintain ongoing dialogue with the members of Caesars Circle throughout the year. Caesars Circle serves both as an advisory board and as a sounding board for customer insight into our entertainment offerings. During the past year, we engaged several times with our Caesars Circle members through mini-polls, surveys and online dialogues on matters ranging from gaming preferences and casino facilities, to planning trips to Las Vegas, and naming a hotel.

## Customer Dialogue

In 2012, our marketing team was planning to rename Imperial Palace Casino after expanding entertainment offerings significantly and rebranding the entire property. The team consulted with Caesars Circle through an online survey, and the collective feedback was that, of the options presented, The Quad was the preferred name. Now, thousands of guest visit The Quad on the Las Vegas Strip each day.



## Total Service

Our performance serving guests has improved every year since 2001. In 2012, satisfaction scores increased 2.56 percent, in line with our record of continuous improvement in customer satisfaction every year. In simplest terms, our guests are more satisfied with their visits to our properties than at any time in the past, a fact that holds great promise as a driver of future loyalty.

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### **A story from our weekly CEO eWrap: One Millionth Guest**

*On Tuesday, May 28, Theresa and Andy Janovsky from Michigan City, Indiana, and their 11-year-old grandson, arrived in New Orleans for vacation and to celebrate their 42nd wedding anniversary staying at the hotel at Harrah's New Orleans. Shortly after noon local time, the family approached the hotel entrance, unaware that they were about to be part of a historic moment for the property. Upon entering the hotel lobby, the family was warmly greeted by members of the hotel staff as well as Assistant General Manager Sherri Pucci and Director of Hotel Operations Brad Weissman. The Janovskys made a celebratory entrance and were escorted to the front desk by team members as they were showered with confetti. The Janovskys joined team members in the lobby for a champagne toast, and were treated to a complimentary three-night stay in one of the hotel's luxurious twenty-sixth floor penthouses. During their stay, they received VIP treatment, with special deliveries of fresh flowers, strawberries and champagne.*

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### **Guest Diversity and Outreach**

At Caesars Entertainment, our commitment to diversity has been long-standing, including diversity of the employees that make up our workforce, our supplier base, and of course, the guests that we are privileged to serve. Our guest diversity programs are led by our marketing directors and supported by property managers. We create unique, tailored outreach to diverse guest populations, offering special facilities and events with a range of entertainment possibilities. We aim to ensure our workforce reflects the diversity of our local communities: 56 percent of Caesars' employees are from minority groups and 50 percent are women.



We have a long history of leadership in supporting LGBT communities across the country. LGBT guests are treated with the utmost respect and are encouraged to take part in pioneering LGBT events and offerings (e.g. gay weddings and commitment ceremonies, honeymoon packages, nightlife and PRIDE events). Caesars has openly supported notable pieces of legislation including the DOMA amicus brief and the Nevada Transgender Anti-Discrimination Bill.

### Our Commitment to LGBT Guests

- Many of our properties have received awards for their local LGBT leadership and involvement in the community.
- We provide support for or maintain membership with a number of organizations including, but not limited to:
  - Human Rights Campaign (HRC)
  - International Gay & Lesbian Travel Association (IGLTA)
  - National Lesbian and Gay Journalist Association (NLGJA)
  - National Gay and Lesbian Chamber of Commerce (NGLCC)
  - The Gay and Lesbian Alliance Against Defamation (GLAAD)
  - LGBT Community Centers
  - PRIDE and LGBT causes and events (e.g. AFAN Aids Walk, Las Vegas PRIDE Parade)

*"We are proud to work with the LGBT community. We work hard to understand them and are sensitive to their needs. Many of us at Caesars are members of the LGBT community and we make every effort to represent our employees and guests authentically. For instance, when we create marketing material we make sure to use members of the community in our creative materials. We shy away from using stock photos of models (who may or may not be LGBT) in advertising and other media. Of course, the LGBT crowd offers good business potential as well - what members of the LGBT community spend on travel and entertainment is far higher than their heterosexual counterparts. We love working with this diverse community because we have a genuine passion for diversity and it's a necessary ingredient to the vibrant communities we try to help create."*

**Katie Martin**, Chair of EQUAL, Employee Business Resource Group Chair and Marketing Senior Graphic Designer

One of the highlights of 2012 was hosting one of the major lesbian events in the country, the Girl Bar Dinah Shore Weekend. Attended by tens of thousands of lesbians for over 20 years, the event now has a home in Las Vegas. In 2012, Dinah Vegas partnered with Caesars Entertainment for an extremely successful inaugural year. Several of our Vegas properties were involved in the weekend events which included brunches, dinners, cocktail parties, and pool parties. There was also a poker tournament and a wide range of entertainment. Attendees confirmed having an amazing time, and we were able to demonstrate our commitment to this diverse community by doing what we do best: providing great adult entertainment. Caesars is proud to have hosted Dinah Vegas again in 2013 and our plan is to host this unique event for the next several years.

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WAS HOSTING ONE OF  
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COUNTRY, THE GIRL  
BAR DINAH SHORE  
WEEKEND.

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*“Caesars Entertainment has been cutting-edge with respect to their outreach of the LGBT community because they have recognized that the LGBT market is a viable and lucrative one. We have enjoyed working with Caesars on many levels because of their professionalism and their open support of the LGBT community.”*

**Sandy Sachs**, Co-Producer of *Girl Bar* and Co-Founder of *Dinah Vegas*

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We also enjoy our new association with the Miss'd America Pageant in Atlantic City. For the first time, a Caesars property hosted the event in September 2013. The Miss'd America Pageant is presented by the Greater Atlantic City LGBT Alliance and the Schultz-Hill Scholarship Foundation. It is a tradition that started in 1994 as an LGBT version of the world-renowned Miss America Pageant. In the Miss'd America Pageant, contestants compete for the Miss'd America drag queen title, while raising money for charitable causes.

### CodeGreen for Guests

We have a passion to protect our environment and we share this with our guests so that they may make environmentally-conscious entertainment



and lodging choices. Over the years, our guests have taken greater interest in energy, water conservation, and recycling. Current trends reveal that environmental awareness will become even more important to more guests and their future entertainment choices.

### LEED and Green Key Certifications

Leadership in Energy and Environmental Design (LEED) is a rating and certification system for the design, construction and operation of high performance green buildings, homes and neighborhoods. Developed by the U.S. Green Building Council (USGBC), LEED provides a framework for measurable green building design, construction, operations, and maintenance solutions.

The Green Key Eco-Rating Program is a rating system designed to recognize green hotels, motels and resorts that are committed to improving their environmental performance and sustainable practices. Over 3,000 hotels participate in the program.



Helping guests make environmentally-favorable choices starts with the way we construct and design our properties, as well as the sustainable practices we advance. At Caesars, for example, we have committed to LEED certification for all new property construction and to the Green Key Eco-Rating Program certification for all our properties by the end of 2013.

Several of our properties have also achieved independent external certification for leadership in environmental stewardship, which provides guests with confidence that they can align their entertainment choices with their green preferences. In 2012, an additional three properties received the Gold Certification for commendable environmental sustainability practices from Travelife, the prestigious international certification program, which certifies and assists hotel properties in managing social and environmental issues. Audited by Travelife, Caesars' properties demonstrate their commitment to sustainability by encouraging guests and local residents to get involved, actively seeking out new opportunities for energy efficiency and other environmental improvements, adhering to planning procedures for new developments, as well as producing progress reports related to local community relations initiatives.

SEVERAL OF OUR  
PROPERTIES HAVE  
ALSO ACHIEVED  
INDEPENDENT  
EXTERNAL  
CERTIFICATION  
FOR LEADERSHIP IN  
ENVIRONMENTAL  
STEWARDSHIP.

#### SUSTAINABLE CHOICES FOR GUESTS

Some of our sustainability awards for our properties in 2012 include:

- **Travelife “Sustainability Gold Level**

**Accreditations”:** Harrah’s Rincon, Harrah’s Lake Tahoe Casino and Harvey’s Lake Tahoe Casino achieved the highest accreditation for best sustainability practices.



- **Blue Ribbon Award: Large Green Business:** Harrah’s Lake Tahoe Casino and Harvey’s Lake Tahoe Casino were recognized by the Lake Tahoe Chamber of Commerce for their exemplary sustainability efforts.

SUSTAINABLE CHOICES

*“Managing ethical, social, and environmental impacts is a strategic imperative for every company operating in today’s global marketplace. Consumers increasingly expect that those impacts are being managed by the hotel or resort they are staying in. Robust and credible sustainability certification helps companies to manage their performance and communicate progress to guests. It is very encouraging that three Caesars Entertainment hotels have successfully gone through the Travelife certification process, demonstrating that the company is taking sustainability seriously.”*

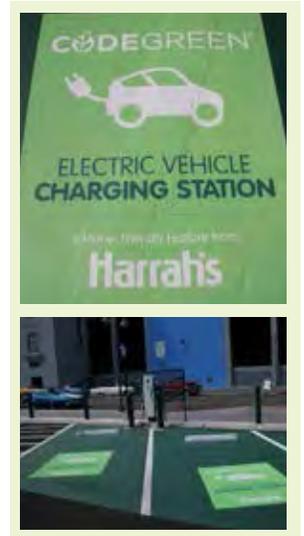
**Sören Stöber**, Travelife Business Manager

Some of the ways we advance green options for guests include ensuring that all our properties apply sustainable best practices. This includes low-energy intensity lighting, low VOC carpet and wall coverings, HVAC controls, and efficient laundry practices. In 2012, we added facilities for guests to charge their electric vehicles (EV) at our properties. We launched our EV charging stations program on a pilot basis in 2012 with charging stations for up to 16 vehicles at properties in northern Nevada. We are planning an expansion to another 12 properties beginning in late 2013. Ultimately, we’ll have the most geographically diverse EV charging network in our industry.

In early 2013, we added to existing sustainably-sourced food options. Three of our properties in Atlantic City established a partnership with Masters Organic Farms in Galloway, New Jersey. The 40-acre farm produces sun gold cherry tomatoes, organic cherry peppers, herbs, tomatoes and other organic vegetables that we use in a variety of dishes at our restaurants, giving our guests more farm-to-table dining options.

### Protecting the Privacy of our Guests

We are committed to protecting guests’ privacy and personal information. We aim to connect with our guests and cultivate relationships with them on an individual level. This means we are often entrusted with their personal information. We therefore ensure all our staff members understand the importance of customer privacy. Also, we collect and use customer information, with their permission, to provide them with better and more memorable guest experiences. Our loyalty program is optional, and any enrolled customers who wish to discontinue their participation may opt out at any time. We analyze data about our guests to better understand their preferences. A robust data governance structure and information security framework, including continuous performance monitoring, govern all uses of customer data. We are not aware of any recent breaches of customer information from our data systems.



CREATING MEMORABLE  
GUEST EXPERIENCES  
MATERIAL ASPECTS: PRODUCT AND  
SERVICE LABELING/CUSTOMER PRIVACY  
DISCLOSURES G4-PR3, G4-PR4,  
G4-PR5, AND G4-PR8 IN  
THE GRI CONTENT INDEX

WE ARE COMMITTED  
TO PROTECTING  
GUESTS’ PRIVACY  
AND PERSONAL  
INFORMATION.

## Sustainable Events

In any given year, we host more than 12,000 different meetings, gatherings, conventions, congresses and private events that are attended by close to two million people at more than 40 properties in the U.S. Of these meetings, 65 percent are for corporate customers, 25 percent serve trade or industry associations, and the remainder serve other organizations or private customers. We are noticing more requests and greater demands relating to sustainable elements in the design of different types of events, such as



recycling, organic food sources, or carbon offsetting. We offer a comprehensive package to our meeting and events customers that includes sustainable practices both in the preparation of the event and in all their catering options.

### Sustainable Events

Back in 2010, we made the decision to train our teams in green meetings and certified over 100 employees in the industry's first proprietary program developed with external environmental advisors.

The training focused on industry best practices in four key areas:

venue, food and beverage, accommodations and transportation. We now have over 200 trained Green Meeting Professionals who can offer customers a range of green event options and assist meeting planners in making their events more sustainable.

In 2012, we were proud to receive the Silver IMEX Green Supplier Award for our commitment to environmental sustainability. Developed by IMEX and the Green Meetings Industry Council (GMIC), the Green Supplier Award recognizes environmental excellence and innovation within the meetings industry, and represents the highest accolade for environmental responsibility among meeting suppliers.

One special aspect of our sustainable meeting program in Nevada includes the opportunity for customers to participate in our Teacher EXCHANGE™ partnership. Launched in 2002 by The Public Education Foundation, the Teacher EXCHANGE™ is a re-use resource center for southern Nevada public school teachers, offering learning tools that enhance classroom projects and curriculum. Donations of new and reusable items are collected from

*IN 2012, WE WERE  
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AWARD FOR OUR  
COMMITMENT TO  
ENVIRONMENTAL  
SUSTAINABILITY.*

businesses and individuals and provided to teachers at no charge for in-class use. At Caesars, we encourage our convention and meeting customers to join us in donating all conference materials including notepaper and pens, display materials, folders, binders and all forms of equipment and meeting accessories for the benefit of schoolchildren in Nevada.

### **Sustainable Supply**

In 2012, we accelerated a sustainable supply chain strategy and are engaging our suppliers around three areas of concern: electronics, seafood and paper. We continued to advance our first risk assessment and lifecycle analysis on the products and services that we procure. We have started a program to estimate the entire carbon footprint of Caesars total supply chain spend, and compare carbon footprints of different expenditure categories to enable prioritization of programs. For example, we have discovered that use of slot machines in our casinos represents over 6 percent of our total carbon footprint, an area in which we have an opportunity to drive change. Improving the energy efficiency of slot machines by just 10 percent will reduce carbon emissions by over 4,000 tons, the equivalent of powering over 2,000 homes with electricity for one year. During 2013, we are collaborating with suppliers across key areas of our supply chain expenditure and anticipate partnerships with up to 75 key suppliers to reduce our carbon footprint.

### **Engaging our Suppliers**

We know that our influence extends throughout our supply chain and we aim to understand the impacts associated with our diverse array of suppliers. In 2012, we began requesting that our suppliers provide information about their sustainability practices and reporting policies. Our aim is to identify and reward those suppliers that offer eco-friendly products and use recycled or other sustainably sourced materials, such as those complying with green certifications like Green Seal, Eco-Logo, Green Guard, LEED, Organic, and Rainforest Alliance. More than 180 suppliers have opted in to submit their information and we continue to work to engage more suppliers.

*IN 2012, WE  
ACCELERATED A  
SUSTAINABLE SUPPLY  
CHAIN STRATEGY  
AND ARE ENGAGING  
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AROUND THREE  
AREAS OF CONCERN:  
ELECTRONICS,  
SEAFOOD AND PAPER.*

# Responsible Gaming

## Leading the Way in Responsible Gaming

At Caesars, we are committed to leadership in Responsible Gaming. We know that our commitment to Responsible Gaming is critical for the enjoyment and positive experience of our guests, and for the benefit of the wider community as well as for the success of our business. This is nothing new at Caesars. More than two decades ago, we created the industry's first programs addressing Responsible Gaming. We maintain our leadership through the creation of innovative and increasingly robust tools and resources to help promote Responsible Gaming. Our casinos and online gaming sites are created for fun and enjoyment, and are a part of the vibrant communities in which we live, work, and play.

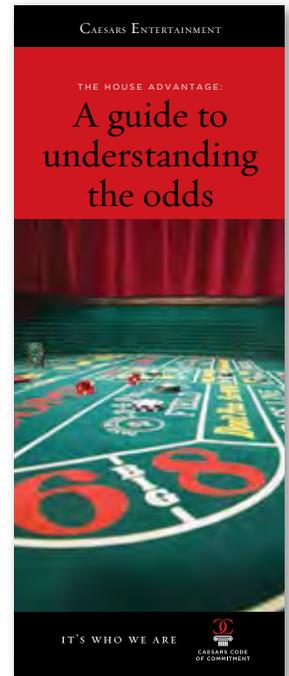
RESPONSIBLE GAMING  
MATERIAL ASPECTS: MARKETING  
COMMUNICATION AND COMPLIANCE  
DISCLOSURES G4-PR7  
AND G4-PR9 IN THE  
GRI CONTENT INDEX

### Promoting Responsible Gaming in our Industry

Our leadership achievements include being the first company to:

- Develop responsible gaming initiatives informed by latest science, evaluated objectively and created in conjunction with leading researchers.
- Recognize and address problem gambling including underage gaming prevention. Caesars responsible gaming education programs continue to serve as a model for industry efforts.
- Achieve recognition for leadership by the National Council on Problem Gambling in the U.S.
- Offer nationwide self-exclusion and self-restriction in the U.S.
- Partner with the National Council on Problem Gambling to establish first national 24-hour toll-free responsible gaming helpline.
- Broadcast local and national responsible gaming messages.
- Have a casino accredited by the Responsible Gambling Council.

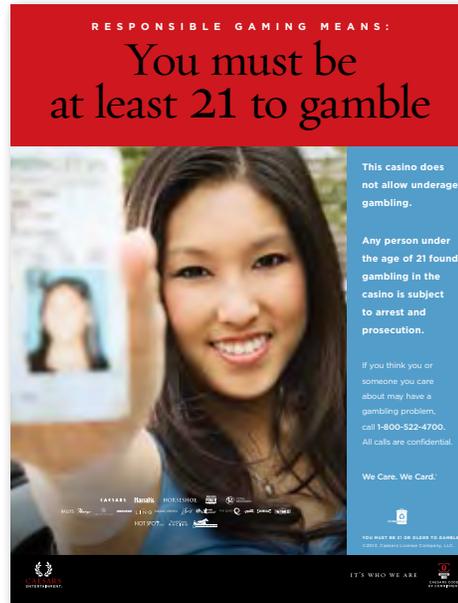
RESPONSIBLE  
GAMING



### We promote Responsible Gaming in many ways:

- Assigning significant resources to promoting and supporting Responsible Gaming, including nominated RG Committees at each of our properties;

- Educating and training our employees at all levels;
- Enhancing guest awareness of the availability of RG resources and assistance;
- Providing resources for assistance to guests, including self-exclusion and helplines; and
- Playing an active role in industry-wide efforts to ensure high standards of Responsible Gaming throughout the industry.



## Responsible Gaming

- The vast majority of adults, in every culture and jurisdiction studied, experience no significant negative consequences related to their gambling.
- There is a small minority whose gambling significantly interferes with their personal, professional and financial lives.
- Severe gambling problems are confined to about 1-2 percent of the adult population around the world, regardless of the availability of casinos or other forms of gambling and despite the significant expansion of gambling over the last several decades.
- Evidence from a number of jurisdictions suggests that rates of problem gambling are stable or will decline over time.
- Some form of responsible gaming legislation or regulation exists in virtually all jurisdictions.

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*“Making sure that individuals who think they might have a gambling problem are aware that help is available if they need it, is the cornerstone of our responsible gaming efforts. Consistent with the counsel we have received from experts, our best role is to give people the knowledge and opportunity to help themselves. To that end, we train all of our frontline employees to report comments that guests make that cause concern about a guest’s gambling. In some cases, it may be a direct remark, such as “I just lost all my rent money,” or it could be more subtle, such as “I don’t have fun here anymore. I don’t know why I keep coming back.” In such cases, a Responsible Gaming Ambassador (RGA), an employee who is specially trained to conduct responsible gaming conversations with guests who express that gambling may be causing them problems, with great sensitivity, may invite a guest for a discreet conversation, to discuss the concern, and offer resources to assist in the case of need. In some cases, guests may decide on the spot to self-exclude during the conversation with an RGA. We feel that, even if we help only one person, all our investment in Responsible Gaming programs is worthwhile, though in practice, our promotion of responsible gaming helps all of our guests.”*

**Jennifer Shatley**, Vice President for Responsible Gaming Policies and Compliance

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## **Voluntary Responsible Gambling Accreditation**

The gaming industry is highly-regulated in all the locations in which we operate. We maintain robust programs to ensure we comply with regulation on Responsible Gaming, while being quick to adopt new approaches based on scientific research in order to go beyond compliance.

One such example is our leading position in achieving the first accreditation by the Responsible Gambling Council (RGC) in Canada at our Caesars Windsor property. The RGC RG Check Accreditation Program offers gaming establishments the opportunity to gain an independent assessment of the quality of their Responsible Gaming programs. The process required us to provide a comprehensive written submission to the RGC that included a detailed description of our Responsible Gambling strategy and programs. This was followed by a site visit by RGC staff which included interviewing key employees, conducting employee and guest surveys, and observing a mock self-exclusion demonstration. The process also involved a review of our position on eight core Responsible Gambling standards: corporate policies, self-exclusion, advertising and promotion, informed decision-making, assisting guests who may have problems with gambling, access to money, venue and game features, and employee training. RGC made minor suggestions for improvement to our program and, following our implementation, conducted a second site audit prior to awarding their first gaming venue accreditation to Caesars Windsor.

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*“At Caesars Windsor, our commitment to guests is to offer the best possible gaming entertainment experience in the most socially responsible manner. We want people to come to Caesars Windsor for one reason: to have fun. As such, we naturally jumped at the opportunity for an independent endorsement of the quality of our Responsible Gambling program and to have it benchmarked against international best practices. Although the accreditation program is completely voluntary, we strongly believe that achieving the RG Check Accreditation sends a clear message to our guests, employees, and community. Caesars Windsor is committed to ensuring resources are available to those who need them, and that we place a high priority on our Responsible Gambling program as a whole and ensure long lasting relationships with guests in a fair and transparent gaming environment. This increases public confidence, trust and support, and employee pride in working for a company that takes a responsible approach beyond legal requirements.”*

**Lori Cowie**, Manager of Legal Affairs and Compliance, Caesars Windsor

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## **Innovative Responsible Gaming Tools**

In January 2012, we launched a new program with upgraded functionality to reinforce our commitment to Responsible Gaming. Our new “RG ID @ Slots” function builds on our self-exclusion program, which allows a guest to request to have all privileges, including play privileges, denied at all Caesars owned, managed or operated properties. Initially launched in Illinois, the initiative was expanded to all Caesars properties, and supported by onsite training for all surveillance, security and Responsible Gaming teams at each property. The “RG ID @ Slots” program is activated whenever a self-excluded guest inserts a Caesars Total Rewards card into a slot machine. Within seconds, surveillance and RG teams are alerted that a self-excluded guest is playing a slot machine and the exact location of the slot machine. This notification allows immediate action which may include escorting the guest off the property.

As the online gambling environment evolves and becomes increasingly regulated, and with recent legislation that legalizes online gambling in certain states, we have incorporated online gambling into our Responsible Gaming policy. We are conscious of the interface between online and casino gambling, and believe that self-exclusion should apply to each individual in all gambling environments. Our policy, therefore, provides for shared self-exclusion lists, including online self-exclusion, among our properties. We believe this is an innovative approach that has not been implemented to date by other companies in our industry.

At Caesars, we remain vigilant of possible risks and seek to improve our systems and procedures, so that we can provide relevant assistance to guests when needed. Our ongoing efforts to remain innovative in Responsible Gaming resources and programs help us provide the best tools available to help our guests keep gambling as it is intended to be - a fun activity.

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**A story from our weekly CEO eWrap:**

*Next week, Caesars Entertainment will join gaming companies throughout the United States to participate in the American Gaming Association's "All In Campaign" during the fifteenth annual Responsible Gaming Education Week. Employees at our resorts will participate in events and activities designed to educate our customers and coworkers about the importance of Responsible Gaming. Responsible Gaming is not just a casino issue; it's a community issue. That's why, as a central pillar of our Code of Commitment, Caesars makes a public pledge to all of our guests to promote Responsible Gaming. By doing so, we help ensure that every guest who gambles at one of our properties is there for the right reason - to simply have fun.*

*At Caesars, we are constantly looking to improve our Responsible Gaming programs by supporting and consulting new research to better understand the issue of problem gambling. I know we are all proud of the employees who serve as Responsible Gaming chairs or ambassadors at our properties, and are thankful for the care and compassion they show our guests when they are in need. Along with the rest of our customer-contact employees, they bring our Responsible Gaming policy to life.*

*I hope you all will participate in the Responsible Gaming Education Week activities planned for your property. Throughout the week, consider how you can share your knowledge about responsible gaming with your customers, family, friends and community. And, most importantly, I'd like to thank all of our employees who serve as the heart and soul of our commitment to responsible gaming throughout the year.*



## Training our Employees in Responsible Gaming

Our investment in employee training, education and skill development in all aspects of Responsible Gaming is second to none in our industry. No employee can work at any of our gaming venues without completing RG training within the first thirty days of employment. Thereafter, more specialized programs are offered for employees in different roles and with varying degrees of responsibility and experience. In 2012, our employees and managers received almost 31,000 hours of Responsible Gaming training in structured learning programs. Additionally, over 35,000 employees completed RG refresher courses. That investment in Responsible Gaming training is equivalent to the working hours of more than 15 full time employees for one year.

OUR INVESTMENT IN  
EMPLOYEE TRAINING,  
EDUCATION, AND  
SKILL DEVELOPMENT  
IN ALL ASPECTS OF  
RESPONSIBLE GAMING  
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IN OUR INDUSTRY.

### RESPONSIBLE GAMING TRAINING

All our casino management and staff are trained to support Responsible Gaming, and participate in structured learning programs:

- **Module I:** All employees are trained in “Responsible Gaming Awareness” within 30 days of employment.
- **Module II:** All customer contact employees and all supervisors are also trained in “Roles in Responsible Gaming” within 30 days of employment. We trained 8,817 employees in Modules I and II during 2012.
- **Module III:** Selected employees at each Caesars property are further trained as “Responsible Gaming Ambassadors (RGAs)” to empower them to conduct conversations about Responsible Gaming with customers. Caesars now has over 900 RGAs in our different properties around the U.S.

In addition, we require specialized training for other employees whose roles interface with Responsible Gaming in different ways.

## Industry Collaboration on Responsible Gaming

We make every effort to contribute to the advancement of Responsible Gaming knowledge and practice through our involvement with industry associations and other responsible gaming institutions and bodies. For example, Vice President for Responsible Gaming Policies and Compliance Jennifer Shatley, serves on the Board of Directors of the National Center for Responsible Gaming (NCRG). NCRG is the only national organization exclusively devoted to funding research that helps increase understanding of pathological and youth gambling and find effective methods of treatment. Jennifer Shatley also serves as president of the Nevada Council on Problem Gambling, a non-profit organization focused on addressing the impact of problem gambling on citizens, businesses and communities in Nevada.



We voluntarily participate and contribute our knowledge and resources to these and many other industry and government bodies in the belief that industry-wide collaboration with national and local governments is necessary to achieve the optimum results in Responsible Gaming for citizens throughout the U.S.

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*“Responsible Gaming programs have had a favorable impact on employees including an increase in their knowledge and awareness of the problem and value in knowing about sanctioned action plans. Research suggests a positive link between employee training and casino exclusion programs. The Caesars programs should be recognized as a historic leader in Responsible Gaming. It is culturally important that they continue to demonstrate socially-responsible leadership. The initial pilot evaluations of the Caesars programs revealed that employees were better prepared to interact with customers and less distressed because they understood that their employer actively recognized and shared employee concerns. Relatedly, customers, who were identified as “at risk” via the Responsible Gaming initiative, appeared to positively receive prompts to seek treatment. The literature is very clear about the positive effect of professional intervention. Treatment helps individuals minimize their gambling pathology. Unfortunately, those with gambling problems are reluctant to seek treatment. We have witnessed both these issues over the years treating disordered gamblers at the University of Memphis’ Gambling Clinic. We have treated over 500 individuals and we reliably see dramatic reductions in excessive gambling.”*

**James P. Whelan**, Associate Professor, Director, Psychological Services Center Co-Director, The Institute for Gambling Education and Research, University of Memphis

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## Responsible Marketing

In 2000, we took an additional industry-leading step in our approach to Responsible Gaming with the introduction of our Marketing and Advertising Code. In early 2013, we updated the Code to better reflect today's gaming environment especially online gambling, play-for-fun sites and social gaming. The Code applies to every media or channel for marketing and/or advertising, including, but not limited to, direct mail, email or SMS messaging, outdoor, on property, radio, television, film, mobile devices, print, social gaming and the Internet. It clearly lays out our commitments, policies and approaches with regard to the scope, content, placement, compliance, and dissemination of marketing and advertising materials relating to our gaming entertainment offerings. All of our marketing and advertising staff has been trained in the Code and we have put systems in place to ensure we meet our own high standards of marketing and advertising at all times.





VIBRANT COMMUNITIES:

# A COMMITMENT

## TO OUR COMMUNITIES

- Positive Economic Contribution
- Helping Create Vibrant Local Economies
- Supplier Diversity
- Supporting Local Communities
- Assessing Social Impact
- The Caesars Foundation
- Employee Volunteering - our HEROS
- Taking a Public Stand on Important Issues

## Positive Economic Contribution

Our objective in all the locations in which we are privileged to operate is to make a positive overall contribution, adding both economic value and helping develop vibrant communities. A Caesars Entertainment property delivers widespread economic benefits for the local community, creating thousands of direct job opportunities, attracting tourism, engaging hundreds of local businesses as suppliers, and contributing significant funds through taxes and community investment through our charitable foundation.

We believe we are playing a role in creating economically vibrant communities. For every dollar the average U.S. corporation pays in taxes, Caesars pays more than three dollars. This injection of funds enables local communities to enjoy a range of diverse benefits. Additionally, on a direct basis, we redistribute the economic value we generate to our different stakeholder groups. Our employees receive a share of this value in the form of salaries and benefits and our suppliers receive fair compensation for the goods and services they provide. The individuals and organizations that finance our business through the purchase of our stock or provision of loans earn a share of the value we create in the form of interest payments. We share the value we generate with our communities through charitable donations and volunteering activities. In short, both in challenging economic times when our company is under pressure, and in more favorable times when revenues and profitability are growing, the economic value we create and distribute to our stakeholders is significant.



*WE BELIEVE WE  
ARE PLAYING A  
ROLE IN CREATING  
ECONOMICALLY  
VIBRANT  
COMMUNITIES.*

Component	US \$ Million
<b>Direct economic value generated (revenues, interest on assets and investments)</b>	8,969
<b>Economic Value Distributed</b>	
Employee wages and benefits	2,932
Interest payments, net of interest capitalized	2,101
Vendors	2,926
Local, state and federal taxes	1,073
Community investment	78.7
<b>Total economic value distributed</b>	9,111
<b>Economic Value Retained</b>	<b>-142</b>

**Note:** Information is provided for our U.S. operations only.

## Helping Create Vibrant Local Economies

Our entertainment, hotel and gaming venues generate economic value in all the communities in which we are privileged to operate. In 2012-2013, for example, we opened two new properties in Cleveland and Cincinnati, Ohio. Horseshoe Cleveland was Caesars Entertainment's first new casino in five years and the first casino in Ohio. With more than five million guests visiting Horseshoe Cleveland in the months following its opening in May 2012, the casino is credited with promoting additional investment in the area while positively impacting the city and region through the creation of new jobs, increased downtown hotel occupancy, and providing more than \$25 million for local governments and schools.



In 2013, we expanded our base in Ohio with the opening of Horseshoe Cincinnati. Located on a 23-acre area that was once a surface parking lot, Horseshoe Cincinnati is an excellent representation of the urban casino concept which we pioneered in New Orleans and has also been successful in Cleveland. Designed to engage

pedestrians and support existing culture, nightlife and sports attractions in the downtown area, the property features a 100,000-square-foot gaming floor, approximately 2,000 slot machines, 87 table games, a 31-table World Series of Poker room, an Asian gaming room that pays homage to Cincinnati's sister city of Liuzhou, China, and an event plaza outside the entrance that provides space for concerts and other outdoor activities. The property also features a number of unique dining options and has teamed up with the city's finest hotels and local restaurants to offer guests access to downtown Cincinnati's accommodation and cultural offerings.

In order to identify potential new local employees, while addressing the challenge of hiring employees who, in many cases, did not have previous gaming experience, we worked with local recruitment partners to offer digital interviewing that allowed the hiring team to screen over 6,000 applicants via web-based interviews. We created 1,700 new jobs of which 92 percent were staffed by locals from the Greater Cincinnati area.

Prior to the official opening, Horseshoe Cincinnati hosted a controlled demonstration for invited guests, as required by the Ohio Casino Control Commission, to demonstrate operational readiness. More than 6,000 guests attended and gaming proceeds from the night were donated to four local non-profit organizations. Horseshoe Cincinnati is projected to create nearly \$100 million annually in gaming tax revenue and generate six million additional visits each year to downtown Cincinnati.

Horseshoe Cleveland and Horseshoe Cincinnati are just two examples of how our properties help create vibrant economies and communities in many different ways.

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**A story from our weekly CEO eWrap:**

*Each year, the U.S. Travel Association hosts its International Pow Wow (IPW) in a major American city to showcase U.S. travel destinations for meetings professionals and leisure travel buyers. The IPW is more than a typical trade show; it is the travel industry's premier international event bringing together more than 1,000 travel organizations from every region of the United States and close to 1,200 international and domestic buyers representing more than 70 countries. Throughout the three-day event, buyers, vendors and destination representatives meet during pre-scheduled appointments to conduct business negotiations that result in the generation of more than \$3.5 billion in future travel to the U.S. In addition, the IPW also attracts more than 500 journalists from 50 countries, many of whom are searching for stories and unique aspects of destinations about which to report. The IPW was held in June 2012 at Caesars Palace in Las Vegas.*



*Don Ross, Vice President, Catering, Conventions and Events in Las Vegas wrote in a message to the event team: "This was truly a team effort. From Culinary to Banquets, Engineering to Entertainment, PR to Advertising, Hotel Operations to Front Services, Catering to Security, Hotel Interns and Pool Operations, everyone put forth 110 percent and worked together to host what is being talked about as the best Pow Wow in the event's 45-year history.*

*"This year's event attracted more than 6,000 attendees, making it the most well-attended IPW in 12 years. In fact, the event was so successful that the IPW has announced that it will return to Las Vegas in 2020.*

*The U.S. Travel Association predicts the business done at this year's convention will bring at least \$350 million into Las Vegas over the next three years.*

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Mr. Marcus Glover  
General Manager  
Horseshoe Casino Cleveland  
100 Public Square  
Cleveland, Ohio 44114

October 4, 2012

Dear Marcus,

Having a casino right here in downtown Cleveland that has made a promise to incorporate the full-range of Cleveland's offering to visitors has created a great opportunity for the tourism and hospitality industry.

Nowhere else in the world can a visitor experience The Rock and Roll Hall of Fame and Museum, University Circle, PlayhouseSquare or even the West Side Market. But when you add in the Horseshoe Casino Cleveland, you're exponentially expanding your tourism offerings, increasing overnight stays, creating economic vitality in downtown businesses and, ultimately, bettering the city's overall economy.

Add to that, the Horseshoe Casino Cleveland has agreed to ensure that visitors are experiencing the full spectrum of visitor offerings. That means that visitors to the casino not only experience world-class gaming, but they can also enjoy the city's independent and award-winning eateries, a Broadway series that attracts more than one million people every year and three professional sports teams. It's a win-win for everyone.

We're already seeing the benefits of having a casino located in the heart of our city. This includes an upswing in the number of booked hotel rooms, positive feedback from downtown restaurants and businesses, and an overall feeling of vibrancy throughout the city.

On behalf of Positively Cleveland, the convention and visitors bureau for the Cleveland area, we're proud the Horseshoe Casino calls downtown Cleveland "home."

Sincerely,

David Gilbert  
President/CEO  
Positively Cleveland  
334 Euclid Avenue  
Cleveland, Ohio 44114

## Supplier Diversity

We strongly emphasize supplier diversity and maintain policies to drive the development of a diverse supplier base. At the same time we created our Supplier Diversity Policy in March 2012, we launched a Supplier Diversity Committee, made up of 20 members from our Strategic Sourcing Department. This Committee identifies and examines opportunities to engage with diverse suppliers and advances tools and programs to expand the pool of potential suppliers. While we do not impose supplier diversity quotas, we recognize that the inclusion of a diverse supplier base in local, regional, and national sourcing strategies serves as a competitive advantage

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### Embedding Supplier Diversity

**Opportunity Village** is a Las Vegas based non-profit where people with developmental disabilities can be trained to be productive members of society. We continually strive to find ways to utilize the services offered by Opportunity Village. Two necessities of our business are the destruction of sensitive documents and the recycling of paper products. Opportunity Village provides us with these services and also, they provide small packaging services for our guest room condiments.

**Renu Oil of America Inc.** is an oil recycling company that was started by a former employee and, following the passing of the founder, was inherited by his wife and family. Together, they grew the business from 48 employees in 2009 to over 200 employees today, with the help of the business they do with our Caesars properties in Nevada.

**Bottlehood** started as a small artisanal factory outside of San Diego for refurbishing glass bottles into tumblers and jewelry. Our initial contact with Bottlehood was when the company approached Caesars for a steady stream of new bottles. We later offered Bottlehood a retail sales platform through our Caesars owned retail stores across the country. Today Bottlehood both collects 17,000 bottles a month from our properties and sells in over 21 retail stores including a flagship store in Caesars Palace.

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*“Our longstanding partnership with Caesars Entertainment has integrated sustainability, education, and community into our mutual preservation, recycling and waste reduction practices. Caesars Entertainment has significantly supported the vision of our family-owned company; this vision being that we are no longer “just recycling” but that our family is sustaining the environment for future families in our community. Caesars Entertainment’s support has been instrumental to our success and together our benevolent efforts have been vital to Las Vegas.”*

**Sophia Salas**, Renu Oil of America, Inc.

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and valuable business tool. Local sourcing from diverse suppliers also helps strengthen the local economies of which we are a part. When conducting sourcing efforts, we actively seek diversity within our local supplier base. In order to discover certified diverse suppliers, we connect with various organizations such as the National Minority Supplier Development Council (NMSDC), the Women’s Business Enterprise National Council (WBENC), and other local organizations (e.g., Chambers of Commerce, Hispanic Chamber, Asian Chamber).

### **Supporting Local Communities**

All our properties in the U.S. are rooted in local communities and play an active role in local community life. We intend to be a part of local communities for the long term and know that our fate is intertwined with our local environment. Every time we open a new property, we look for opportunities to use our passion, skills and resources to help make life in that community better.

The positive economic contribution we make through the taxes we pay, the jobs we create and the suppliers we engage has a ripple effect in local communities. As we grow, this economic contribution gets more significant,



Delivering health and nutrition to our friends and neighbors

touching the lives of many people in many communities. Our contribution to helping communities become more vibrant and resilient is enhanced by the work we do at the Caesars Foundation. Caesars Foundation benefits underserved populations, and helps older individuals live longer, healthier, more fulfilling

WE INTEND TO BE  
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WITH OUR LOCAL  
ENVIRONMENT.

lives. We provide support for environmental sustainability initiatives in towns and cities, and invest in initiatives to improve the quality of life in many ways. At Caesars, we maintain our commitment to our communities year after year, even in years which are financially challenging for our business.

Supporting communities also means taking a stand. As a business with a social conscience, we choose to use our knowledge and resources to campaign for protection of human rights and advancement of social justice. Issues such as equal rights for all Americans and immigration reform affect the communities we serve. By taking a stand, we show our solidarity with local communities and contribute to a more just society for all.

SUPPORTING  
COMMUNITIES  
ALSO MEANS  
TAKING A STAND.

### Assessing Social Impact

In 2012, we published a white paper entitled “Estimating the Monetized Social Benefits of Caesars Entertainment’s Societal Contributions”.

This paper was commissioned by Caesars Entertainment in an effort to understand the social impact of our presence in different cities. Our 2011 societal contributions include the activities we undertook with the aim of supporting the local community, societal causes or the public good, including mandated and discretionary giving to nonprofit community groups, employee volunteering, taxes and employee salaries and benefits. Bea Boccalandro, President of Vera Works, a specialist in assessment of community involvement programs, completed the research and prepared the white paper.

SUPPORTING LOCAL  
COMMUNITIES  
MATERIAL ASPECTS: LOCAL  
COMMUNITIES DISCLOSURE  
G4-S01 IN THE  
GRI CONTENT INDEX

The white paper answered the questions:

- What are the monetized social benefits associated with Caesars Entertainment’s societal contributions - both overall and per dollar of corporate revenue?
- How do these social benefits compare to the average for U.S. companies?



The key conclusions of the white paper are: **“Caesars Entertainment’s societal contribution programs appear to generate social benefits valued at over \$4 billion per year. On a per dollar of revenue basis, it appears that this is more than twice the average monetized social benefit that U.S. corporations generate. For every \$10 million in revenue that Caesars Entertainment generates, we contribute an estimated \$4.6 million in benefits to local communities and societies, compared to the estimated \$2 million average contribution made by U.S. corporations.”**

### Embedding Community Support

Just a few examples of community value and impact cited in the white paper “Estimating the Monetized Social Benefits of Caesars Entertainment’s Societal Contributions” from Harrah’s New Orleans include:

- Partnering with local businesses, spending more than \$95 million with dozens of local “partner” hotels, and more than \$45 million with scores of local restaurants and attractions over the last ten years.
- Renovating and restoring New Orleans’ historic Fulton Street corridor making available several new opportunities for businesses near the casino, creating a gateway to a part of the city that previously was not connected to the primary tourist areas.
- Distributing 200 energy efficiency kits in 2012 (compact fluorescent light bulbs, draft stoppers and outlet gaskets) to help low-income families increase their home energy efficiency, saving 60,000 pounds in carbon emissions.
- Partnering with Rebuilding Together, an organization that rehabilitates homes for low-income homeowners.

### Practical Support for Social Causes

We leverage the popularity of our properties to provide visibility and practical support for social causes. For example, in 2012, we celebrated our first Breast Cancer Awareness Month. Thirty-four of our properties took part in calling attention to breast cancer and women’s health issues. At participating properties, we changed 231 table game felts from green to pink to create “pink table zones”. We also encouraged employees to wear pink pins made from recycled playing cards to spark conversations with guests about our company’s breast cancer awareness activities. At Planet Hollywood Resort & Casino, we staged our second annual Battle of the Bras Fashion Show and auction, the culmination of the month-long initiative, where employees and guests competed to decorate bras and participated in a celebrity fashion show of the winning designs, which raised over \$10,000 for the American Cancer Society. We have a long-standing



According to the American Cancer Society, about one in eight women will develop breast cancer during her lifetime. Approximately 227,000 new cases of invasive breast cancer are expected to be diagnosed in U.S. women in 2012, and approximately 39,500 women will die from the disease this year alone.

commitment to fighting cancer through our ongoing support for the American Cancer Society. Since 2006, Caesars Foundation has contributed more than \$2.4 million throughout the U.S. in a range of American Cancer Society events.



In addition to supporting breast cancer awareness, we engage with local communities around our properties on a wide range of topics and provide support in a multitude of ways. We maintain relationships with local food banks and donate surplus prepared meals for those in need, and we offer our properties to host local community fairs in which local entrepreneurs can gain exposure and a platform to expand their small enterprises.

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*“One of the powerful things about our breast cancer awareness activities is that we really started realizing how many of our employees are touched by cancer and how passionate they are about getting involved to advance early awareness. It’s a shame that shame that people die from something that could be prevented or treated. Cancer is a sickness that people are willing to talk about, more than other sicknesses, and this engages our employees. Our Battle of the Bras Fashion Show event opened up with a parade of survivors. Two people in the parade were dying from cancer, we knew they would not survive. Supporting them, their families and the broader community affected by cancer is very important to all of us here at Caesars.”*

**Ricky Busey**, VP of Human Resources at Harrah’s Tunica

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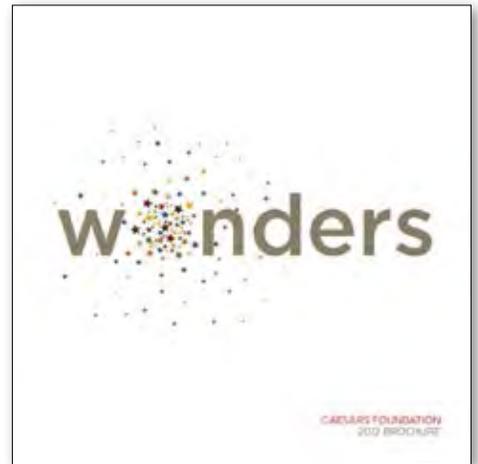
#### **A story from our weekly CEO eWrap:**

*Kelly Rhoten, VIP Services Lead at Horseshoe Council Bluffs, is just one of many Caesars Entertainment employees who have battled breast cancer. Her story shows the devastation that is often associated with the disease. Kelly was 35 years old when she discovered a lump in her left breast. After an appointment with her doctor and a subsequent biopsy, Kelly was informed that she had breast cancer and would need a mastectomy as soon as possible. Within two weeks of being diagnosed, Kelly had her left breast removed, including the breast wall and all of the lymph nodes under her left arm. Kelly underwent intense chemotherapy every Friday for six months. During the course of her treatment, she became extremely ill. By the end of the six-month period, she weighed 89 pounds, had lost all of her hair and developed a long list of medical issues. But Kelly considers herself lucky to be alive. “My daughter was eight years old when I was diagnosed with breast cancer,” said Kelly, who is now 52. “She asked me if I was going to die. I told her, ‘Not yet. God is going to let me be here for your prom, graduation, marriage and a grandchild.’ Today, my daughter is 25 years old, married and she is about to deliver my first grandchild. I kicked breast cancer’s butt.”*

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## The Caesars Foundation

Caesars Foundation is a private foundation funded by a portion of operating income from resorts owned or operated by Caesars Entertainment. The Foundation is the entity through which Caesars funds charitable programs and projects of \$10,000 or more, and meets not-for-profit giving requirements in certain operating jurisdictions. The Foundation's objective is to strengthen organizations and programs in the communities where our employees and their families live and work, and include our employees in volunteer efforts associated with the causes we support. We maintain our Caesars Foundation commitment each year, even in years where our business results do not meet our objectives. Since its inception, Caesars Foundation has gifted more than \$60 million to help create vibrant communities. In January 2013, we started a newsletter for all Caesars Foundation stakeholders to spread the word about the Foundation's activities. In 2012, we granted \$5.7 million to our community partners in support of our community focus areas. Some of the long term partnerships we maintain are with Opportunity Village, Second Wind Dreams, Meals on Wheels, Clean the World and the National Park Trust. A full list of organizations we support can be found in the Foundation's annual report available at [www.caesarsfoundation.com](http://www.caesarsfoundation.com).



### Caesars Foundation

#### Three focus areas for philanthropic giving:

- Helping older individuals live longer, healthier, more fulfilling lives, maintain optimal health and proper nutrition, avoid social isolation, and enjoy mental and physical vitality through every stage of the aging process.
- Marshaling our financial resources, and the commitment of our colleagues, to promote a more sustainable world and a safer, cleaner environment.
- Strengthening the social, economic, educational and cultural life of each community in which Caesars operates.

As a testament to the work of Caesars Foundation over the years, The National Council on Aging (NCOA) selected Caesars Chairman, CEO, and President Gary Loveman to receive its 2013 Distinguished Achievement award. The Distinguished Achievement Award was established to highlight the outstanding work of individuals and corporations that set the standards for community involvement and bettering the lives of others, yet the Award had not been presented for 20 years. NCOA re-launched the recognition by honoring our CEO for his dedication to supporting older adults through the work of the Caesars Foundation and our employee volunteers. The honor was presented in June of 2013 at Caesars Palace in Las Vegas.

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*"We take the long term view. We aim to develop long term partnerships, and the majority of our giving is ongoing with multiple year gifts. We also want to know specifically where the money is going and what the social or environmental outcomes are as far as they can be measured. Our larger partnerships provide us annual reports which help us gain an understanding of our social impact."*

**Thom Reilly**, Executive Director, Caesars Foundation

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the will is strong, the results are  
**WONDROUS**

Since 2002, the Caesars Foundation has directed millions of dollars in support to social service organizations nationwide, from groups that help America's seniors live healthier, more fulfilling lives to those that make higher education accessible to students from all backgrounds. In every case, we're guided by the values of fairness, inclusion and equal opportunity – qualities that truly represent the best our nation has to offer.

Changing lives. Transforming communities.  
Creating a brighter future for all. That's what our will to do wonders™ is all about.



CAESARS  
FOUNDATION  
*The will to do wonders*

## Employee Volunteering - our HEROS

Caesars employees love to volunteer to support our local communities. In 2012, in the U.S. alone, Caesars employees donated over 130,000 hours to support community causes, most of which are backed by philanthropic giving through the Caesars Foundation. That's the equivalent of more than 60 full time employees dedicating their entire working hours to supporting vibrant communities for one year.



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### **A story from our weekly CEO eWrap:**

**Erika Moore**, Casino Revenue Supervisor at Bally's Atlantic City, is passionate about her hometown of Atlantic City and providing the city's youth with inspiration and opportunity. As the co-founder of Youth Exposure of Atlantic City, Erika helped develop a program that provides area middle school students with positive role models and enriching experiences. She devotes every other Saturday to molding young minds and introducing them to examples of success with guest speakers such as Atlantic City Mayor Lorenzo Langford and Deputy Police Chief Ernest Jubilee. Erika personally sponsors the membership fees for as many students as possible and spends much of her free time fundraising for the organization in addition to leading them on overnight excursions to New York, camping trips at area parks, and visits to historic landmarks. When Erika's considerable property and community volunteer time was tallied for 2011, she could boast of almost 1,500 HERO hours between her various property and community efforts. That's why, in 2012, Erika was honored with our Chairman's Award for Community Service.

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## Clean the World

Some of our most successful, popular and highly impactful charitable work, involving both the Foundation and employee volunteers, is our association with the Clean the World Foundation, a Florida not-for-profit organization founded in February 2009, which collects and recycles soap and bottled amenities discarded by the hospitality industry. By distributing the soap and hygiene products to people in need, Clean the World aims to prevent the millions of deaths caused by hygiene-related illnesses. Clean the World has retrieved and redistributed over 10 million soap bars and 600,000 pounds of shampoo and conditioner, both serving important human needs and also eliminating over 700 tons of waste. To date, the Caesars Foundation has granted \$400,000 to Clean the World to establish the Las Vegas Recycling Operations Center, including \$150,000 at the end of 2012 to support ongoing operations. Our properties at Caesars are major contributors to Clean the World's cause. Each day, our housekeepers clean thousands of hotel rooms and collect unused soap and shampoo that we donate to Clean the World. In 2012, we provided over 100 tons of soaps and shampoos and, as in previous years, our employee teams volunteered at Clean the World's facilities to help sort and prepare soaps for redistribution.



*"Hygiene-related illnesses such as pneumonia and diarrheal disease kill about 9,000 children a day. We can cut those deaths in half if we give them soap and proper education on how and when to use the soap. Clean the World works with around 2,000 hotels across North America to collect and recycle discarded soap and bottled amenities. We then send soap to children and families all over the world. Since 2010, Caesars Entertainment has contributed nearly 200,000 pounds of discarded soap, which is enough raw material for Clean the World to manufacture and distribute more than a million bars of recycled soap. With the support of hospitality partners such as Caesars, we are proving that soap really does save lives."*

**Shawn Seipler, Founder and Executive Director, Clean the World**

## Second Wind Dreams

Another cause supported by Caesars Foundation and involving our employees is Second Wind Dreams. Second Wind Dreams is an international non-profit organization dedicated to changing the perception of aging through the fulfillment of dreams and educational programs to enhance the quality of life for those living in elder care communities. Second Wind Dreams has granted thousands of dreams in many countries around the world. Since 2008, Caesars Foundation has contributed \$1.1 million to further this mission. In 2012, Caesars Foundation's donation of \$200,000 helped our HERO volunteers fulfill dreams at a range of properties. Many of our employees have also taken part in the Second Wind Dreams hands-on, scientifically proven Virtual Dementia Tour® program which helps relatives, caregivers and volunteers gain critical insight into the experiences of those with dementia.



**Celebrate  
THEIR DREAMS**

The Caesars Foundation is proud to join Second Wind Dreams® in making dreams come true for individuals across the country.

JOIN US IN GRANTING DREAMS FOR LOCAL SENIORS:  
Wednesday July 20th, at 10 a.m., at the RIO, in the Miranda Room

Experience a life-changing moment through the VIRTUAL DEMENTIA TOUR®, a hands-on educational tool designed to help us better understand dementia. For information about Second Wind Dreams and the Virtual Dementia Tour, visit [www.secondwind.org](http://www.secondwind.org).

SPONSORED BY:



*"In 2012, I was involved in fulfilling a very special dream for a group of seniors who wanted to renew their wedding vows. It was humbling to serve such a group of people that didn't want anything more than to celebrate their closest relationships. In total, 18 couples renewed their vows in a very special event we all pulled together to create. Many people offered support including providing tuxedos for the men and fabulous dresses for the women; our party shop made special cakes and we even supplied Moët and Chandon champagne (after receiving doctor's clearance, of course!). What really struck me was that many of these folks, most of whom had been married thirty or forty years, were disabled in some way and ten of the men came down the aisle in wheelchairs. One senior, confined to a wheelchair, watched his old-new bride come down the aisle and actually stood up to watch her approach. We were all in tears. It's one of the most beautiful things I have ever seen in my entire life."*

**Nikki Jackson**, HERO lead, Atlantic City

## Rebuilding Together

Caesars HERO employee volunteers have also supported Rebuilding Together, a non-profit organization that rehabilitates homes for low-income homeowners, particularly the elderly, and those with disabilities. Caesars Foundation and Caesars Entertainment have developed a strategic partnership with Rebuilding Together, focusing on shared organizational goals that include creating safe, healthy environments and vibrant communities which allow low-income homeowners, especially the elderly, veterans and those with disabilities, to live full and productive lives.

Our joint strategic initiatives include energy efficiency rebuilding projects in our local communities and activities to support housing for veterans. We also leverage Caesars' sustainability expertise via our CodeGreen team and volunteer basic homeowner services through the CodeGreen Handyman team.

Rebuilding Together's work requires the efforts of more than 200,000 volunteers and includes over 10,000 home and property rebuilds per year. Our employees engage in rebuilding projects and handyman activities, and use our specially developed CodeGreen Train the Trainer and CodeGreen Handyman programs in rebuilding projects, and in the preparation and distribution of energy efficiency kits.

As part of the 2012/2013 partnership year, Caesars, Rebuilding Together and Caesars CodeGreen leaders facilitated knowledge sharing on energy efficiency through training in three main locations: Chicago, Las Vegas and New Orleans. In these areas, HERO volunteers repaired a veterans' community center, renovated the home of a displaced U.S. war veteran and rebuilt other private homes in Las Vegas and St. Louis.



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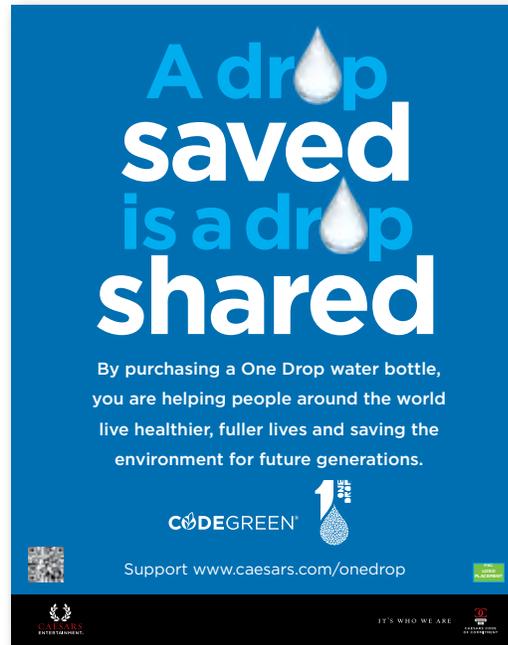
### **A story from our Weekly CEO eWrap: Supporting our veterans.**

*Earlier this fall, a Caesars Foundation gift to Veterans Across America helped fund the Veterans Employment Summit in New York. The summit gathered chief diversity officers, corporate executives, government leaders and policy makers from around the world to explore ways to assist veterans with re-entering the workforce or starting veteran-owned businesses. The Caesars Foundation also provides support to the USO Center at McCarran International airport and presented the USO Center with \$100,000 in support of its mission. In honor of the Center's first anniversary, we recently participated in a phone-a-thon during which HERO volunteers answered phones and recorded donations that will help the Center continue to provide members of the military traveling through the Las Vegas airport with meals, computer and phone access, and a comfortable area in which to relax before departing to their next duty station. Since opening its doors last year, the USO Center has been a home away from home for more than 25,000 soldiers, sailors, airmen, marines and their families.*

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## Fighting Poverty with Access to Clean Water

In 2012, the Rio All-Suite Hotel and Casino in Las Vegas hosted the 43rd World Series of Poker (WSOP). The 2012 WSOP competition awarded more than \$222 million in prize money over the tournament's 51 days, and welcomed nearly 75,000 participants. In addition to the poker action at the event, Caesars designated ONE DROP, as one of the official WSOP charities. ONE DROP is a non-governmental organization aiming to fight poverty, as one of the official WSOP charities. To support the organization's mission, the WSOP devised The BIG ONE for ONE DROP, a world-class tournament that featured the largest ever buy-in, \$1,000,000. Additionally, the tournament awarded the largest first place prize in poker history, more than \$18 million. In addition to raising awareness about the global water crisis, the event made a donation of \$5.44 million to ONE DROP to advance projects to address local water issues around the world. We also encouraged players who earned winnings at WSOP to donate 1 percent to ONE DROP and were able to raise a total of more than \$5.6 million for ONE DROP in just 50 days.



## Taking a Public Stand on Important Issues

As a business with a keen passion to support vibrant communities and advance social justice, we do not stay silent on issues which we feel strongly about. We offer our expertise and wealth of knowledge to state jurisdictions in the U.S. whenever they wish to consult, and we are involved in industry associations that amplify our voice as part of a collective effort to support positive public policy developments. Our President and CEO, Gary Loveman, participates in the Business Roundtable (BRT), an association of chief executive officers of leading U.S. companies, which works to help expand economic opportunity for all Americans. Some of the issues we care strongly about include:

**Human rights:** We have become involved with legislative efforts to provide equality and additional rights to all LGBT persons. With the support of our company, the 2011 Nevada Transgender Anti-Discrimination Bill passed. The bill outlaws discrimination against transgender people in public accommodations, such as restaurants, hotels and stores, and prohibits discrimination against them in the rental and sale of housing and property. This past year, we were the only gaming company in the U.S. to sign the U.S. Supreme Court Amicus Brief arguing that the Defense of Marriage Act (DOMA) must be overturned.

**Immigration reform:** We support comprehensive immigration reform that both advances border security as well as streamlines the immigration process for those who are willing to work hard and complete the legal process. Addressing the issues relating to immigration will provide a more effective framework to give local businesses in the U.S. access to a pool of employees previously unavailable by legal means. We have spoken out in favor of immigration reform, and in early 2013, Gary Loveman responded to President Obama's remarks on immigration reform which he delivered to business leaders during a visit to Las Vegas. Obama stated, "Nevada suffers from a very poor economic situation. Regularizing immigration will be a stimulus to growth and will begin to help the area's economy."

**Healthcare:** In July 2012, Gary Loveman, our President and CEO, published an Op-Ed as Chair of the Business Roundtable's Health and Retirement Committee in favor of healthcare reform and the lowering of healthcare costs for U.S. citizens, on the eve of the Supreme Court ruling on the Affordable Care Act.

**Climate change:** As a founding member of Team Earth, which unites organizations and citizens behind collective action to address climate change, we take opportunities to reaffirm our public commitment to responsible environmental practices by corporations and use our resources and efforts to drive change. For example, our Vice President of Sustainability and Community Affairs, Gwen Migita, holds a position on the Leadership Council of the National Park Trust (NPT) and supports the NPT in ongoing campaigns to promote the acquisition and protection of parks, wildlife

*WE HAVE BECOME  
INVOLVED WITH  
LEGISLATIVE EFFORTS  
TO PROVIDE EQUALITY  
AND ADDITIONAL  
RIGHTS TO ALL LGBT  
PERSONS.*

refuges, historic landmarks public lands, and waterways. Additionally, in 2012, we publicly supported a call to Nevada’s congressional leaders to introduce legislation to protect the Gold Butte Region by declaring it a National Conservation Area. Gold Butte is an area east of Las Vegas that is rich in history and natural resources including lakes, mountains, valleys and wilderness. As an important part of our natural heritage, we believe Gold Butte should be protected by laws governing visitation and activities.

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*“Public policy begins at home. In all the areas where we voice our views in public, we first ensure we act accordingly within our own organization. Supporting human rights, providing lawful employment for immigrant workers, investing heavily in our own employees’ health and wellness and massively improving our own environmental impacts through our CodeGreen sustainability initiative are all embedded in the way we do business. This makes it possible for us to voice our views and work with industry peers to drive positive public policy change.”*

**Jan Jones Blackhurst**, Executive Vice President,  
Communications & Government Relations

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A man with a mustache, wearing a green polo shirt and a black wristband, is focused on adjusting a glowing light fixture. He is in a casino setting, with a blurred background showing slot machines and other gaming areas. The lighting is warm and focused on the man and the light fixture.

VIBRANT COMMUNITIES:

# A COMMITMENT

## TO ENVIRONMENTAL STEWARDSHIP

CodeGreen

Reducing Energy Consumption

Minimizing Carbon Emissions

Water Conservation

Waste and Recycling

Supply Chain Sustainability

## Our Environment: Your Environment

Our environment is your environment. The resources and materials we consume in order to provide our guests with entertainment and gaming are important in two ways. First, resource consumption costs money, and the fewer resources we use or the more resources we avoid wasting, the more competitive and sustainable our business becomes. Second, the effects of climate change precipitated by human activities place the future of the planet at risk. As a responsible corporation, we accept our duty to help preserve the planet for our current and future generations. Our employees, guests and other stakeholders expect us to do so as well. Responsible stewardship of the environment is a clear business imperative: it saves money, it reduces risk, it offers opportunity to meet guest preferences and it engages our organization in a shared objective to protect and support vibrant communities.

*AS A RESPONSIBLE  
CORPORATION, WE  
ACCEPT OUR DUTY  
TO HELP PRESERVE  
THE PLANET FOR  
OUR CURRENT  
AND FUTURE  
GENERATIONS.*

## CodeGreen

CodeGreen is our organization-wide, multi-year strategy to identify, monitor, measure, assess, manage and reduce our material impacts on the environment. This consistent, structured, data-driven and disciplined environmental program leverages the passion of our employees, as well as engages our guests and suppliers. Since our baseline year of 2007, we have significantly reduced our environmental impacts related to energy use, greenhouse gas emissions, water consumption and waste.

## CODEGREEN®

### 5 YEAR PROGRESS

- 9 percent reduction in absolute electricity consumption.
- 19 percent reduction in electricity consumption per square foot of air-conditioned space.
- 11 percent absolute reduction in carbon emissions to the atmosphere.
- 21 percent reduction in carbon emissions per square foot of air-conditioned space.
- 7 percent reduction in water consumption per square foot of air-conditioned space.
- First full measurement of total of waste diverted to recycling.
- We diverted 24 percent of total waste in 2012.

## CodeGreen: Driven by Data

We continue to improve our environmental performance, supported by improved data-collection and monitoring systems. In 2011, we installed a management software program for tracking our utility consumption, and 2012 was the first full year of online data collection across all our properties, providing an accurate, critical tool for decision-making on resource efficiency and environmental impacts.

CodeGreen environmental data is collected by property, collated monthly, and reported to all property managers and company management. At the property level, managers review results with their teams and prioritize actions to improve performance. There is more than a little competitive spirit between properties, so in addition to a commitment to efficient operations and a passion for protecting the environment, property managers are encouraged to challenge their peers to do better. The CodeGreen Scorecard is well-publicized throughout the company, with the leading and laggard properties clearly identified, forming the basis for action planning.

CODEGREEN  
ENVIRONMENTAL  
DATA IS COLLECTED BY  
PROPERTY, COLLATED  
MONTHLY, AND  
REPORTED TO ALL  
PROPERTY MANAGERS  
AND COMPANY  
MANAGEMENT.

### CodeGreen Quick Facts: Progress in 2012

- Completed 37 corporate efficiency projects (lighting, HVAC and water) with an investment of \$3.5 million delivering annualized savings estimated at \$2.5 million and nearly 24 million kWh energy savings per year.
- Replaced over 70,000 halogen bulbs to date throughout U.S. properties with ongoing LED lighting and retrofit efforts.
- Achieved LEED Silver Certification on Caesars Palace Octavius Tower and Convention Center in Las Vegas that will yield annual electric and utility savings of 1.8 million kWh.
- Expanded our CodeGreen scorecard to include utility data and started quarterly reporting.
- Improved recycling and waste diversion partnerships.
- Planned Electric Vehicle charging station pilot program in Northern Nevada, completed in 2013.

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*“Being a good steward of the environment is not a cliché for Caesars. It means understanding our core environmental impacts, developing strategies to minimize them, collecting meaningful data to identify opportunities, measuring progress and providing feedback that allows employees at all levels to make a difference. We manage our sustainability program like we would any other serious business initiative and we’re driving triple-bottom-line results. But more importantly, we’re leaving a legacy of efficiency and environmental preservation for future generations.”*

**Eric Dominguez**, Corporate Director of Engineering, Utilities and Environmental Affairs

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## Reducing Energy Consumption

Reducing energy consumption is a key element of our environmental stewardship goals and at any given time, a multitude of initiatives are underway to improve energy efficiency at our properties. Progress has been especially significant in older properties where retrofits and upgrades have delivered significant savings. At new properties, we have the opportunity to design in environmentally friendly features from the outset. Encouraged by positive results, we drive ourselves to achieve more.

REDUCING ENERGY  
CONSUMPTION  
MATERIAL ASPECTS: ENERGY  
DISCLOSURES G4-EN3 AND  
G4-EN5 IN THE GRI  
CONTENT INDEX

### Energy Conservation

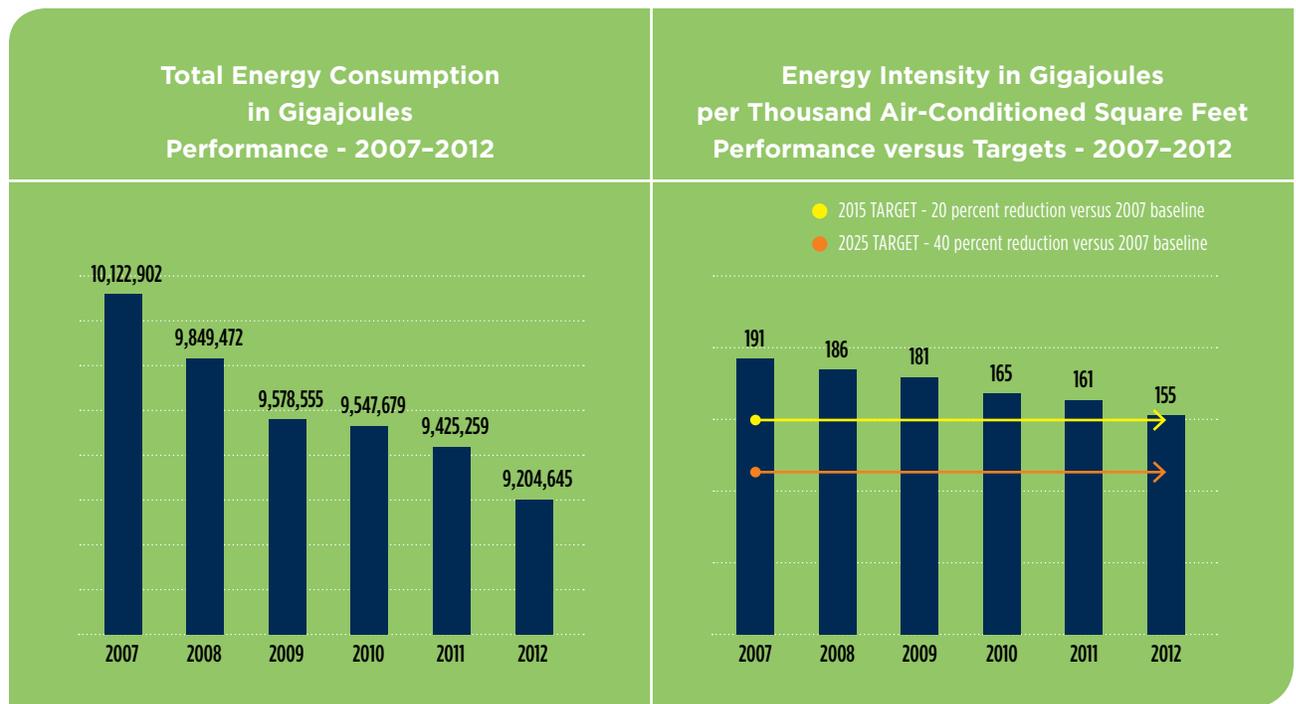
Caesars Entertainment has invested nearly \$70 million in energy conservation projects alone during the past nine years and has invested in more than 162 major retrofits, including:

- Installing energy efficient indoor and outdoor lighting, and reducing lighting usage.
- Improving efficiency and effectiveness of air-handling systems.
- Retrofitting equipment with energy-efficient upgrades.
- Reducing water consumption in laundry facilities.
- Upgrading guestroom thermostats.
- Replacing technological controls with advanced energy-saving sensors.
- Installing low-flow water controls and fixtures in guest areas.
- Incorporating comprehensive recycling programs.
- Training employees on environmentally friendly practices.

Electricity and natural gas are our main sources of energy, representing 93 percent of our consumption. During 2012, we achieved a 1.4 percent reduction in absolute electricity and gas consumption in our operations, bringing our total performance since the establishment of our baseline in 2007 to an 8.5 percent absolute reduction for these energy sources. This is equivalent to savings of around 150 million kilowatt-hours in energy each year, which is enough energy to power a community of over 30,000 people over this period.

When measuring our total energy performance in relation to air-conditioned space, in order to give a comparable measure of our performance (energy intensity) that accounts for significant expansion, we achieved a 3.2 percent reduction of energy per thousand air-conditioned square feet in 2012, and an overall 18.7 percent reduction since our 2007 baseline, indicating improved energy efficiencies in our total operations. We are on track to achieve our short-term energy target of 20 percent reduction in energy intensity by 2015. These improvements have been achieved both through significant investment and the passionate contribution of our employees throughout our company.

One example of our energy efficiency projects is the ongoing replacement of halogen bulbs in “always on” locations with high efficiency LED bulbs, which yielded an approximately 65,000 gigajoule reduction in electricity consumption in 2012.



## Environmental Efficiency Audits at Flamingo Las Vegas

We are always looking for opportunities to improve energy conservation and resource consumption. Through the efforts of diligent Chief Engineer Jeff Seavey, at Flamingo Las Vegas, we have developed a self-assessment model which has the potential for reapplication across all our properties. The chief engineer, or other authorized employee, makes a regular tour of the hotel property during the late night or early morning hours when few people are around. During this time, most appliances are not in use and large parts of the venue are not operational. The assessor identifies all opportunities to save energy and water and address issues relating to waste. This may include appliances remaining plugged in, leaking faucets, air-conditioning or heating remaining active in restaurants which are closed and more. The assessor then takes a photograph of the wasteful incident and advises the property management so they may take corrective action. As a result of these efforts, as well as other CodeGreen activities, in 2011-2012, Flamingo Las Vegas recorded a reductions of over 2,668 mWh in electricity consumption and additional reduction in gas and water consumption and waste levels.

WE ARE ALWAYS  
LOOKING FOR  
OPPORTUNITIES TO  
IMPROVE ENERGY  
CONSERVATION  
AND RESOURCE  
CONSUMPTION...



*"I took it upon myself to kick start a self-auditing campaign. It was like being the eyes and ears of every department. Initially, this was challenging as I didn't want to threaten people by calling attention to issues related to their work, but very soon, department heads began to understand and take the assessment process very seriously. Today, I can see the culture shift - this shows up in the improvements we have made, the tone of the responses and the willingness to participate in both conducting the assessments and building on the results. I spend time talking this through with other engineers at different properties and hope this practice will be adopted elsewhere.*

**Jeff Seavey**, Chief Engineer, Flamingo Las Vegas

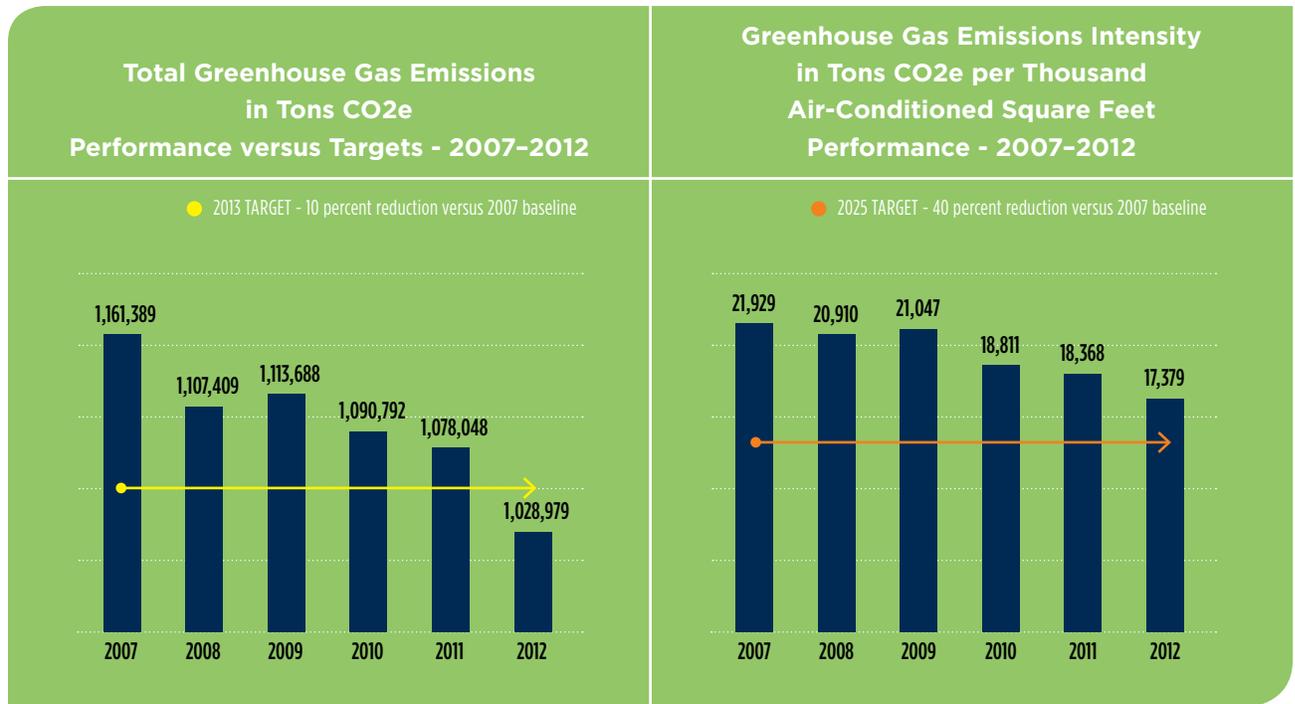
## Minimizing Greenhouse Gas Emissions

We mitigate our impacts on climate change through a precautionary approach to environmental stewardship and through a reduction in greenhouse gases (GHG) that we emit. We have reduced our emissions levels both on an absolute basis and on an intensity basis per thousand air-conditioned square feet since our baseline year of 2007. We are delighted to have surpassed our short-term target of 10 percent improvement in absolute emissions by 2013 one year early. We are on track to achieve our long-term target of 40 percent reduction in greenhouse gas emissions per square

MINIMIZING CARBON  
EMISSIONS  
MATERIAL ASPECTS: EMISSIONS  
DISCLOSURES G4-EN15, G4-EN16  
AND G4-EN18 IN THE GRI  
CONTENT INDEX

foot of air-conditioned space by 2025. In 2012, we reduced greenhouse gas emissions by 4.6 percent on an absolute basis and by 5.4 percent on an intensity basis, mirroring the energy efficiencies we achieved during this period.

We continue to consider opportunities to increase our use of renewable fuels, such as the use of vegetable oil from our kitchens as a source of bio-fuel, as ways to further reduce our GHG emissions.



### Verification and Transparency

In 2012, we demonstrated our ongoing commitment to continuous improvement in our CodeGreen strategy. We engaged an independent external auditor to verify our carbon emission disclosures and we continued to report our carbon emission disclosures to the Carbon Disclosure Project, and for the first time, we also reported our water consumption data.



Verification of our greenhouse gas emissions data was conducted by an accredited verifier from TRC Solutions, Inc., a California Air Resources Board (ARB) Accredited GHG Emissions Verification Body. The verifier used the ISO 14064 standard and found that our GHG emissions inventory for 2012 was “free of material misstatement”. The verification is available on our website.

The Carbon Disclosure Project (CDP) is the world's leading initiative to tackle climate change by helping organizations drive down GHG emissions, and water consumption, and mitigate environmental risk in their supply chains. By disclosing our performance to the Carbon Disclosure Project, we join the ranks of the world's leading companies who are serious about environmental stewardship. We became the first company in the gaming sector to disclose our carbon emissions to the CDP in 2010.

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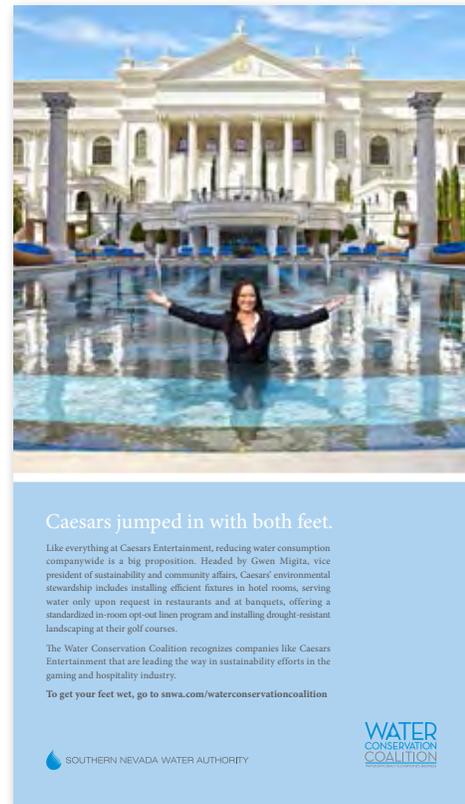
*"CDP's globally standardized disclosure platform enables shareholders to incorporate environmental factors, such as carbon and water, into investment decision making, helping mitigate risks and capitalize on opportunities in an increasingly volatile and natural resource constrained economy. Given the challenges ahead, companies able to account for and demonstrate actions to improve performance on carbon emissions and water conservation are well positioned to thrive. In the hospitality sector, this is crucially important as the customer base is informed and looking to its chosen brands for evidence of real action on environmental protection."*

**Tom Carnac**, Managing Director of CDP North America

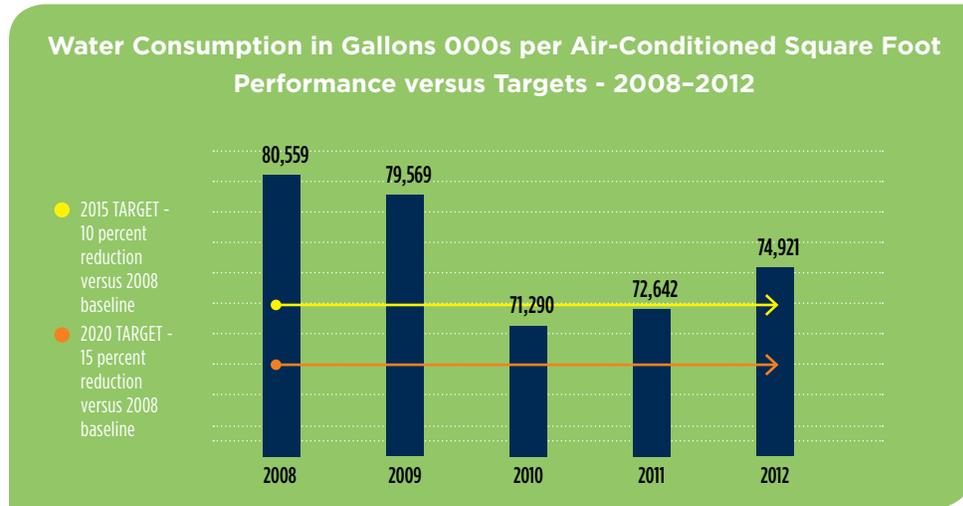
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## Water Conservation

Our CodeGreen strategy includes ambitious water conservation targets. With well over 100,000 faucets in our properties, plus shower heads and other water-consuming appliances, we have an ongoing job to ensure we use water wisely and protect against leaks. Our air conditioning systems have a major impact on water consumption, and by ensuring efficient water treatment strategies we have been able to reduce water use in our mechanical cooling systems. Similarly, the cooperation of our guests who accept reduced-frequency laundering of bedding and towels has enabled us to become even more water (and energy) efficient. We have made significant improvements in water management, both in our guest rooms at several properties where we installed reduced-flow fixtures, and in other aspects of our property management, such as our golf courses in Nevada which use reclaimed water for irrigation purposes.

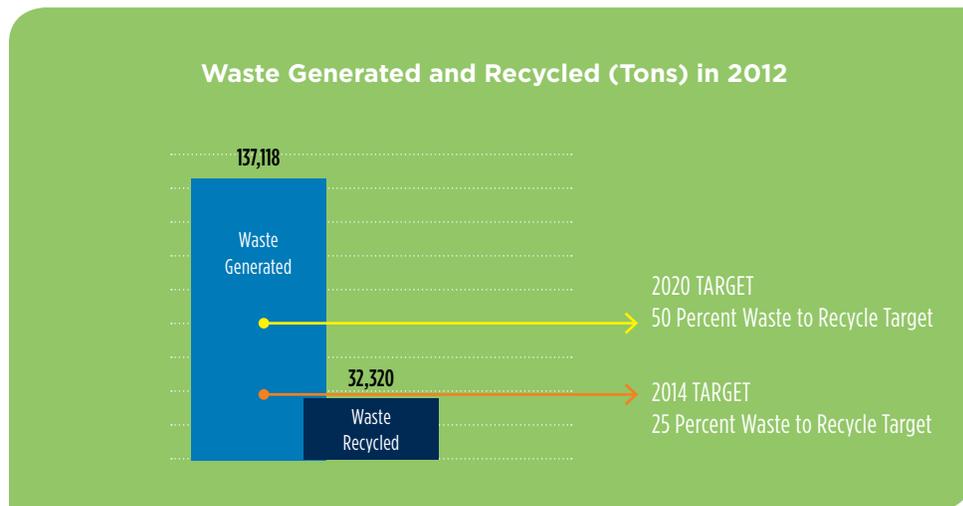


Nonetheless, achieving our water targets remains a challenge, and although we can record a 7 percent reduction in water consumption per air-conditioned square foot since our baseline in 2008, we have more to do to achieve our targeted 10 percent reduction by 2015 and overall 15 percent reduction by 2020.



### Waste and Recycling

We reduce waste levels to the greatest extent possible, and recycle unavoidable waste wherever possible. 2012 is the first year we have a comprehensive, reliable, internally verified figure for the total waste generated and diverted from landfill for recycling purposes across our entire list of U.S. properties. Today, we divert 24 percent of our waste from landfill, which means we are very close to achieving our short term target of 25 percent by 2014.



### WE RECYCLE:

- PAPER
- CARDBOARD
- PLASTIC
- ALUMINUM
- GLASS
- METAL
- TIN
- YELLOW GREASE
- BROWN GREASE
- BATTERIES
- ELECTRONICS
- SURPLUS FOOD



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**A story from our weekly CEO eWrap:**

*This Sunday, Caesars Entertainment will join individuals and businesses across the globe in recognizing Earth Day. Since Earth Day began in 1970, it has grown into a worldwide movement that gives citizens an opportunity to demonstrate their commitment to environmental protection and sustainability by participating in rallies, programs and events. In conjunction with this year's Earth Day, employees at our properties are participating in CodeGreen Day at their respective locations. Between March 31 and April 22, each property is designating their own CodeGreen Day to raise awareness among guests and employees about sustainability efforts at their location. Here is a look at just a few of the activities that our colleagues have planned:*



- *Harrah's Rincon: Giving away an electric mountain bike in a property drawing and hosting educational events where employees and guests can learn more about topics such as solar power and e-waste. In addition, Harrah's Rincon is coordinating the planting of a vegetable and flower garden at the Valle Vista Convalescent Home, a Second Wind Dreams partnering elder care community center. Following the installation of the garden, landscaping staff will show the residents how to care for the garden so they can actively maintain it on their own.*
  - *Caesars Windsor: Working with the Essex Region Conservation Authority to organize employee volunteers for a mass tree planting event to celebrate the launch of CodeGreen at the property. Employees also participated in the clean-up of a 50-kilometer trail walk at the local nature conservatory.*
  - *Harrah's Ak-Chin: Planting a sustainable garden near the employee dining room and giving away packets of wildflower seeds, as well as organizing a recycling event in the parking lot to thank employees for their great contributions and participation in CodeGreen throughout the year.*
  - *Harrah's Laughlin: Organizing a variety of events and promotions including a "green-themed" menu at the Beach Café, a water heater blanket raffle, and a Caesars-sponsored tutorial on how to make green cleaning products.*
-

## Environmental Performance at Harrah's Ak-Chin

Harrah's Ak-Chin provides an example of how we pull CodeGreen initiatives together in all aspects of our property management. April Stovall is the Surveillance and Facilities Manager and CodeGreen Leader at the property. She has led CodeGreen efforts at Harrah's Ak-Chin to become the top-scoring CodeGreen property in 2012. Her performance – and the performance of her property – provides leadership and inspiration for our other properties. These are some of the best practices which led Harrah's Ak-Chin to the top of the scoreboard.



*HARRAH'S AK-CHIN  
PROVIDES AN  
EXAMPLE OF  
HOW WE PULL  
CODEGREEN  
INITIATIVES  
TOGETHER IN  
ALL ASPECTS  
OF OUR PROPERTY  
MANAGEMENT.*

- **Room Energy Management System:** Room temperatures are controlled using the guest room key within energy efficient temperature range limits. The default setting for air conditioning resets to 75 degrees when the room is unoccupied to conserve energy. Hotel room refrigerators are powered down when the room is unoccupied.
- **Water Conservation:** Low-flow shower heads and faucet aerators are installed in all hotel rooms to reduce water consumption.
- **Laundry Efficiency:** Housekeeping changes sheets and towels only upon request to conserve electricity and water, and use water efficient laundry practices.
- **Recycling:** Everything possible is recycled, including: cardboard, paper, plastic, aluminum, wood, electronics, and yellow grease. Partially used bars of soap and shampoo bottles are recycled and redistributed worldwide through our partner community organization Clean the World. Used cooking oil is recycled into bio-fuel.

- **Energy Efficiency:** We use a thermal imager to detect problems in our electrical components and equipment that lead to inefficiencies in energy consumption. The thermal imagers enable us to audit our entire electrical infrastructure and take corrective action to conserve energy. In addition, in 2012, we converted the process of cooling for our air conditioning from compressor units to chilled water units. This reduced overall electricity consumption between 10 percent and 20 percent.



*"As Maintenance Manager at Harrah's Ak-Chin, as part of my role, I insist on being involved in all corporate initiatives and capital projects so that I can address environmental efficiency – energy, water, waste, materials consumption etc. – at an early stage. Mine is a relentless approach of preventive action and follow through. We need to be ahead of the game, designing in environmental features, not adding them at a later stage. One of the first things I did upon moving into this role was to build a professional team with key core capabilities – skilled technicians in the different areas of facility maintenance who are passionate about their work and about finding ways to improve. We encourage a culture of CodeGreen in all that we do. This year, one of our team members was recognized for suggesting an improvement in our kitchen facilities which regulates the pumping of cold water into our grease trap interceptor. By making a small change, we were able to save the equivalent of 60,000 gallons of water per year. We are happy and proud to be at the top of the CodeGreen leaderboard for all Caesars properties and plan to stay there!"*

**April Stovall**, Surveillance and Facilities Manager and CodeGreen Leader, Harrah's Ak-Chin

# ABOUT

## THIS REPORT

This CSR and Sustainability Report describes our approach to CSR and sustainability. It outlines the key actions we took during 2012 to advance responsible and sustainable practices in our global business and deliver increasingly positive impacts in our communities. In all cases, data relates to the 2012 calendar year unless otherwise stated. We also include reference to programs and stories from the first half of 2013. We published our prior report in 2012, which covered calendar year 2011.

In developing this report, we considered input from our primary stakeholders – employees, guests, suppliers, industry associations – and a range of additional stakeholders where appropriate. Caesars Executive Management determined the scope of this report based on an assessment of material issues, using feedback from internal and external stakeholders. This feedback was prioritized to create a list of the ten most material issues, which formed the main content for this report. We were also guided by the new Global Reporting Initiative G4 Guidelines and have developed content in accordance with the G4 Guidelines at CORE application level. For the first time, we have undertaken external verification of our greenhouse gas emission data. An external expert consultant assisted with the preparation of the report and provided guidance in the way material issues are reported and the way in which we respond to GRI disclosures.

This report has been written in accordance with the principles advised by the Global Reporting Initiative G4 Guidelines for defining report content. These are: Materiality (the issues most important for our long-term business growth and which are of most importance to stakeholders), Stakeholder Inclusiveness (responding to stakeholder expectations and interests), Sustainability Context (presenting our performance in the wider contexts of sustainability issues) and Completeness (inclusion of all the information which reflects significant economic impacts in order to enable stakeholders to assess our performance).

This report is our fourth annual CSR and Sustainability Report, and we intend to continue to report each year.

We welcome feedback on this report and on our CSR and sustainability performance. Please send comments to: [sustainabilityfeedback@caesars.com](mailto:sustainabilityfeedback@caesars.com)

G4 MATERIAL  
DISCLOSURE:  
G4-18

This report was submitted to the Global Reporting Initiative (GRI) Report Services for the GRI Materiality Matters check. This check analyzes whether a sustainability report has adequately disclosed against all the materiality-related performance indicators in the report (G4-17 - G4-24.)

The GRI Report Services team confirmed that the Caesars Entertainment Corporation CSR and Sustainability Report 2012 meets the requirements for materiality disclosures as part of its overall report level (GRI G4 CORE).

At the time of publication, we believe we are the first company in the world to publish a G4 Core level Sustainability Report that includes the GRI Materiality Matters icon after a check by GRI.



# GLOBAL REPORTING INITIATIVE G4 CONTENT INDEX

G4	GENERAL STANDARD DISCLOSURE	PAGE/LINK	EXTERNAL ASSURANCE WITH PAGE REFERENCE/LINK
<b>STRATEGY AND ANALYSIS</b>			
G4-1	CEO statement	Welcome from Gary Loveman, p. 1	
<b>ORGANIZATIONAL PROFILE</b>			
G4-3	Name of reporting organization	Caesars Entertainment Corporation	
G4-4	Products	About Caesars	
G4-5	HQ location	One Caesars Palace Drive Las Vegas, NV 89109, U.S.	
G4-6	Countries of operation	Map of global properties, p. 5	
G4-7	Legal form	Caesars Entertainment Corporation is a Delaware corporation, and primarily conducts its business through a wholly owned subsidiary, Caesars Entertainment Operating Company, Inc.	
G4-8	Markets served	Map of global properties, p. 5	
G4-9	Report the scale of the organization, including: Total number of employees; Total number of operations; Net sales (for private sector organizations) or net revenues (for public sector organizations); Total capitalization broken down in terms of debt and equity (for private sector organization); Quantity of products or services provided	About Caesars, p. 5	
G4-10	a. Report the total number of employees by employment contract and gender. b. Report the total number of permanent employees by employment type and gender. c. Report the total workforce by employees and supervised workers and by gender. d. Report the total workforce by region and gender. e. Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors. f. Report any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries).	See below, p. 93	
G4-11	Report the percentage of total employees covered by collective bargaining agreements.	42.6% at end 2012 of permanent full time employees based in the U.S.	
G4-12	Describe the organization's supply chain.	Caesars is a service industry and our supply chain is comprised primarily of tens of thousands of suppliers of products and services required to serve our guests in our diverse entertainment properties. We maintain a complex inflow of diverse goods and services ranging from furniture and fittings, food and beverages, equipment, transportation and IT, communications and other technology support systems. Our supply base is almost entirely local to the country of operation and in many cases, local to a specific state within the U.S. for U.S. properties. All guest services are delivered at our locations.	

G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	There have been no significant changes in size, structure or ownership, beyond the ongoing acquisition, divestment or development of properties. However, In February 2012, Caesars completed an initial public offering and its shares now trade on the NASDAQ Global Select Market (CZR).
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	Responsible Gaming section, p. 47
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization: Holds a position on the governance body; Participates in projects or committees; Provides substantive funding beyond routine membership dues; Views membership as strategic. This refers primarily to memberships maintained at the organizational level.	We are members and hold governance positions in several organizations and institutions in the gaming sector, and as part of our charitable activities. See below for a selection of key current positions.

**Gary W. Loveman: President and CEO**

- Business Roundtable, Washington. Chair of Committee on Health and Retirement Policy.
- President's Export Council, Washington, DC. Member of the National Advisory Committee.
- Children's Hospital Boston. Member of the Board of Trustees.
- American Gaming Association. Member of the Board of Directors, Executive Committee, and Compensation Committee.

**Jan Jones: Executive Vice President, Communications & Government Relations**

- National Center for Responsible Gaming, Washington. Board Member.
- U.S. Chamber of Commerce. Board Member.

**IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES**

G4-17	a. List all entities included in the organization's consolidated financial statements or equivalent documents. b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	See our FORM 10-K (Annual Report) filed 03/15/13 for the Period Ending 12/31/12 pages 28-29, available at <a href="http://www.caesars.com">www.caesars.com</a> . Data in this report includes all our U.S. properties unless otherwise noted.	Not assured
G4-18	a. Explain the process for defining the report content and the Aspect Boundaries. b. Explain how the organization has implemented the Reporting Principles for Defining Report Content.	Embedding Materiality Process, p. 8 About this Report, p. 86	Not assured
G4-19	List all the material Aspects identified in the process for defining report content.	Our Most Material Issues, p. 11	Not assured

<b>G4</b>	<b>GENERAL STANDARD DISCLOSURE</b>	<b>PAGE/LINK</b>	<b>EXTERNAL ASSURANCE WITH PAGE REFERENCE/LINK</b>
G4-20	a. For each material Aspect, report the Aspect Boundary within the organization, as follows: Report whether the Aspect is material within the organization. If the Aspect is not material for all entities within the organization (as described in G4-17), select one of the following two approaches and report either: The list of entities or groups of entities included in G4-17 for which the Aspect is not material or The list of entities or groups of entities included in G4-17 for which the Aspects is material: Report any specific limitation regarding the Aspect Boundary within the organization	All Material Aspects selected in this report apply equally to all of our operations and entities in the U.S. as listed in G4-17.  Please see below for a table which shows whether the impacts occur internally or externally for each material Aspect.	Not assured
G4-21	a. For each material Aspect, report the Aspect Boundary outside the organization, as follows: Report whether the Aspect is material outside of the organization. If the Aspect is material outside of the organization, identify the entities, groups of entities or elements for which the Aspect is material. In addition, describe the geographical location where the Aspect is material for the entities identified. Report any specific limitation regarding the Aspect Boundary outside the organization	All Material Aspects selected in this report apply equally to our all of our operations and entities in the U.S. as listed in G4-17.  Please see below for a table which shows whether the impacts occur internally or externally for each material Aspect.	Not assured

**G4-20 AND G4-21**

<b>Caesars Material Issue</b>	<b>G4 Category</b>	<b>G4 Material Aspects</b>	<b>Material within the organization</b>	<b>Material external to the organization</b>	<b>Relevance outside the organization</b>
Creating Memorable Experiences for our Guests	Product Responsibility	Product and Services Labelling; Customer Privacy		✓	This Aspect applies to all guests visiting our properties in the U.S. We entertain over 70 million guests per year and operate in 12 states in the U.S.
Responsible Gaming	Product Responsibility	Marketing Communications; Compliance		✓	This Aspect applies to all the communities in which we operate. Responsible Gaming is an important element of healthy communities. Our guests, as well as regulators in all U.S. States in which we maintain a gaming license, are also affected by our approach to Responsible Gaming.
Positive Economic Contribution	Economic	Indirect Economic Impacts		✓	This is important to the individuals and communities surrounding our casino and entertainment properties, as we aim to make a positive value contribution wherever we operate.
Supporting Local Communities	Social	Local Communities	✓	✓	This is important to the individuals and communities surrounding our casino and entertainment properties, as we aim to help create vibrant communities wherever we operate. It is also a critical factor in attracting and retaining employees, and therefore has an internal impact as well.
Health and wellness	Labor Practices	Occupational Health and Safety	✓		
Diversity and inclusion	Labor Practices	Diversity and Equal Opportunity	✓		
Great Place to Work	Labor Practices	Employment	✓		
Reducing Energy Consumption	Environment	Energy	✓		
Minimizing Carbon Emissions	Environment	Emissions	✓	✓	Carbon emissions are an important element in addressing climate change and this material Aspect is relevant in all the areas in which we maintain properties, as part of our commitment to environmental stewardship.

<b>G4</b>	<b>GENERAL STANDARD DISCLOSURE</b>	<b>PAGE/LINK</b>	<b>EXTERNAL ASSURANCE WITH PAGE REFERENCE/LINK</b>
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	Our water consumption data for 2011 has been restated, as this was under-reported in 2011.	Not assured
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	There is no significant change from previous reporting in the scope and Aspect Boundaries of this report. However, we removed two targets related to renewable energy and alternative fuels, as these have proven challenging to measure. We will review these aspects of our energy and emissions performance within our overall CodeGreen strategy.	Not assured
<b>STAKEHOLDER ENGAGEMENT</b>			
G4-24	Provide a list of stakeholder groups engaged by the organization.	Our primary stakeholders with whom we engage are: guests, employees, local community and environmental organizations, regulators at federal and state level, business partners and suppliers and shareholders.	Not assured
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	The basis for selection of stakeholders is management judgment based on interaction and feedback from all stakeholder groups during the year.	Not assured
G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	Our approach to shareholder engagement is ongoing - we survey our employees and guests frequently and at least annually, we engage with regulators in different states on an almost weekly basis on different issues, and we work with community and environmental organizations closely, meeting as needed with every new or changing project or campaign. For the purpose of this report, we specifically consulted three external organizations with expertise of CSR in our sector. See Section "Preparing our Report" for their comments, p. 9	Not assured
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	The key topics that stakeholders raised are reflected in the material issues we have chosen to report this year. See the table on page 92 for more details.	Not assured

#### G4-27: TOPICS AND CONCERNS RAISED THROUGH STAKEHOLDER ENGAGEMENT

Stakeholder group	Topic	Addressed within this report
<b>Guests</b>	Great service and value	Creating memorable experiences for guests
	Sustainable practices in our properties and events	Sustainable events, CodeGreen for Guests
	Privacy of personal information	Protecting the Privacy of our Guests
	Inclusion of different groups and needs	Guest Diversity and Outreach
<b>Employees</b>	Personal development	Training and development
	Fair and competitive benefits	Great Place to Work
	Equal opportunity	Diversity and inclusion
<b>Community organizations</b>	Support for local causes	Our HEROS Volunteer Program
	Capacity building	The Caesars Foundation
	Resource conservation, including water	A Commitment to Environmental Stewardship
<b>Regulators</b>	Compliance with responsible gaming regulations	Compliance and Anti-Corruption
	Training for employees in responsible gaming	Responsible Gaming
<b>Partners and Suppliers</b>	Collaboration and long-term relationships	Supplier Diversity
	Ethical and honest behavior	Commitment to Responsible Conduct
<b>Shareholders</b>	Positive economic return	Positive Economic Contribution
	Ethical conduct	Commitment to Responsible Conduct
	Risk management	Corporate Governance

#### REPORT PROFILE

G4-28	Reporting period (such as fiscal or calendar year) for information provided.	Calendar year 2012 for all quantitative data. Stories from early 2013 where relevant
G4-29	Date of most recent previous report (if any).	2012
G4-30	Reporting cycle (such as annual, biennial).	Annual
G4-31	Provide the contact point for questions regarding the report or its contents.	We welcome feedback on this report and on our CSR and sustainability performance. Please send comments to: <a href="mailto:sustainabilityfeedback@caesars.com">sustainabilityfeedback@caesars.com</a>
G4-32	a. Report the 'in accordance' option the organization has chosen. b. Report the GRI Content Index for the chosen option (see tables below). c. Report the reference to the External Assurance Report, if the report has been externally assured.	Cover page About this report, p 86 GRI Content Index, p.88 This report has not been externally assured. Carbon emissions, however, have been externally verified. See G4-33.
G4-33	a. Report the organization's policy and current practice with regard to seeking external assurance for the report. b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided. c. Report the relationship between the organization and the assurance providers. d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.	Caesars has sought external independent verification of energy consumption and carbon emissions from an independent consultant who maintains no other relationship with our company. The selection of the assurance provider was approved by a senior executive at Caesars without the direct involvement of our highest governance body.

G4	GENERAL STANDARD DISCLOSURE	PAGE/LINK	EXTERNAL ASSURANCE WITH PAGE REFERENCE/LINK
<b>GOVERNANCE</b>			
G4-34	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	See our website: Corporate Governance for details of our governance structure and Board committees: <a href="http://investor.caesars.com/governance.cfm">http://investor.caesars.com/governance.cfm</a> At Executive Level, an ESG Council is led by senior managers to drive CSR and Sustainability strategy and programs. See p. 19	
<b>ETHICS AND INTEGRITY</b>			
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	Mission, vision, values, p. 14 Code of Commitment, p. 15	

**G4-10  
GLOBAL WORKFORCE - PERMANENT EMPLOYEES (MAY 2013)**

	FEMALE	MALE	TOTAL
U.S.	30,486	29,889	60,375
Canada	1,275	1,783	3,058
UK	717	924	1,641
Uruguay	574	574	1,148
Rest of World (includes Africa and Asia)	331	634	965
<b>Total</b>	<b>33,383</b>	<b>33,804</b>	<b>67,187</b>

**U.S. WORKFORCE BY EMPLOYMENT TYPE AND GENDER**

CONTRACT TYPE	2012			2011		
	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
Permanent Full Time	24,233	25,206	49,439	25,364	25,969	51,313
Permanent Part Time	4,739	3,216	7,955	4,348	3,037	7,385
OnCall (part time)	1,514	1,467	2,981	1,604	1,620	3,224
Supervised Workers	1,164	1,353	2,517	937	1,011	1,948
<b>Total</b>	<b>31,650</b>	<b>31,242</b>	<b>62,892</b>	<b>32,253</b>	<b>31,617</b>	<b>63,870</b>

**Notes to data compilation:** Caesars global workforce includes permanent, full time and part time employees. Gender split for Uruguay is estimated at equal male/female pending collation of exact data. This is in line with overall average at Caesars. Supervised workers are the entire workforce of our Cherokee property in the U.S. which is managed by Caesars on an outsourced basis. Independent self-employed employees are not included, as they are considered "suppliers" not employees. However, this represents only a small number of individuals in exceptional cases. OnCall employees represent a pool of workers who are available to report for work at short notice, but remain on our payroll on an indefinite basis. This pool of employees assist in managing peak requirements, occasionally affected by seasonal surges, but not necessarily. OnCall employees work as needed and as possible, which may be just a few days every few months, or several days each month, and are remunerated accordingly.

MATERIAL ASPECTS AS LISTED IN G4-19	DMA AND INDICATORS	INDICATOR DETAIL	PAGE / LINK	OMISSIONS	EXTERNAL ASSURANCE
<b>CATEGORY: ECONOMIC</b>					
Economic Performance	G4-EC1	Economic value	Economic Value Section, p.56		
	G4-EC2	Climate change risks	Environment Section, p.75,79		
Indirect Economic Impacts	G4-EC8	Indirect economic impacts	Economic Value Section, p. 57-59		
<b>CATEGORY: ENVIRONMENT</b>					
Energy	G4-EN3	Energy consumption (Scope 1+2)	See table on p. 96		<a href="http://www.caesars.com/corporate/environment-sustainability.html">http://www.caesars.com/corporate/environment-sustainability.html</a>
	G4-EN5	Energy intensity	See table on p. 97		
Water	G4-EN8	Water withdrawal by source	Water conservation, p. 81-82. Almost all our water is drawn from state water supply. We do not track other sources at this time.		
	G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	See table on p. 97		
	G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	See table on p. 97		
Emissions	G4-EN18	Greenhouse gas (GHG) emissions intensity	See table on p. 97		
	G4-EN23	Total weight of waste by type and disposal method	Waste and recycling, p. 82	Waste is not split by type	
<b>CATEGORY: SOCIAL. SUB CATEGORY: LABOR PRACTICES AND DECENT WORK</b>					
Employment	G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region.	See table on p. 98		
	G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	100% of employees are represented in management-worker health and safety committees. Such a committee is in place at each of our properties.		
	G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	See table on p. 98	Split by gender is omitted, and total absenteeism rates are not reported at this time.	
Occupational Health and Safety	G4-LA9	Average hours of training per year per employee by gender, and by employee category	Training and development p. 24-25	Training is not split by gender	
	G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Training and development p. 24-25		
	G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	100% of employees receive performance and personal development reviews.		
Training and Education					

MATERIAL ASPECTS AS LISTED IN G4-19	DMA AND INDICATORS	INDICATOR DETAIL	PAGE / LINK	OMISSIONS	EXTERNAL ASSURANCE
Diversity and Equal Opportunity	G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	See table on p. 99		

**CATEGORY: SOCIAL. SUB CATEGORY: SOCIETY**

Anti-Corruption	G4-S04	<p>Report the total number and percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to, broken down by region.</p> <p>b. Report the total number and percentage of employees that the organization's anti-corruption policies and procedures have been communicated to, broken down by employee category and region.</p> <p>c. Report the total number and percentage of business partners that the organization's anti-corruption policies and procedures have been communicated to, broken down by type of business partner and region.</p> <p>d. Report the total number and percentage of governance body members that have received training on anti-corruption, broken down by region.</p> <p>e. Report the total number and percentage of employees that have received training on anti-corruption, broken down by employee category and region.</p>	See table on p. 100		
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**CATEGORY: SOCIAL. SUB CATEGORY: PRODUCT RESPONSIBILITY**

Product and Service Labeling	G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	p. 17		
	G4-PR5	Results of surveys measuring customer satisfaction	Customer Satisfaction p. 37-39		
Marketing Communications	G4-PR6	Results of surveys measuring customer satisfaction	Customer Satisfaction p. 37-39		
	G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	There have been no incidents relating to marketing communications.		
Customer Privacy	G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Zero incidents.		

MATERIAL ASPECTS AS LISTED IN G4-19	DMA AND INDICATORS	INDICATOR DETAIL	PAGE / LINK	OMISSIONS	EXTERNAL ASSURANCE
Compliance	G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Zero fines.		

**G4-EN3  
TOTAL FUEL CONSUMPTION FROM NON-RENEWABLE SOURCES IN JOULES OR MULTIPLES,  
INCLUDING FUEL TYPES USED**

ENERGY CONSUMPTION	UNITS	2007	2008	2009	2010	2011	2012
Electricity	Gj	5,680,364	5,476,968	5,286,730	5,316,674	5,247,490	5,157,500
Natural Gas	Gj	3,726,438	3,704,724	3,634,880	3,613,995	3,478,245	3,446,577
Purchased Steam	Gj	493,044	459,195	461,914	425,422	507,778	414,055
Chilled Water	Gj	164,176	156,054	144,139	142,110	147,190	142,554
Propane	Gj	58,880	52,531	50,892	49,477	44,557	43,959
<b>Total Energy Consumption</b>	Gj	<b>10,122,902</b>	<b>9,849,472</b>	<b>9,578,555</b>	<b>9,547,679</b>	<b>9,425,259</b>	<b>9,204,645</b>

We do not currently use significant amounts of renewable fuel. Some of our electricity consumption is sourced from regional grids which are partially based on renewable energy sources, but we do not calculate this separately. We have a small solar facility at Harrah's Rincon, but this energy source supplies an insignificant proportion of our overall consumption and is not considered a material element of our energy consumption.

**ELECTRICITY, HEATING, COOLING AND STEAM CONSUMPTION IN JOULES, WATT-HOURS OR MULTIPLES.**

ENERGY CONSUMPTION	UNITS	2007	2008	2009	2010	2011	2012
Electricity consumption	Gj	5,680,364	5,476,968	5,286,730	5,316,674	5,247,490	5,157,500
Heating consumption	Gj	3,785,318	3,757,255	3,685,772	3,663,473	3,522,802	3,490,536
Steam consumption	Gj	493,044	459,195	461,914	425,422	507,778	414,055
Cooling consumption	Gj	164,176	156,054	144,139	142,110	147,190	142,554
<b>Total</b>	Gj	<b>10,122,902</b>	<b>9,849,472</b>	<b>9,578,555</b>	<b>9,547,679</b>	<b>9,425,259</b>	<b>9,204,645</b>

**Electricity, heating, cooling and steam sold in joules, watt-hours or multiples.**

See chart of total fuel consumption above.

**Standards, methodologies, and assumptions used and the source of the conversion factors used.**

All our data is collated through a central utilities database system and is automatically incorporated from invoices received from vendors. Calculations are made using USEPA eGRID factors for electricity and factors from USEPA and the GHG Protocol for other carbon emission sources.

## G4-EN5

### Energy Intensity Ratio Metric

Our energy intensity ratio is calculated per thousand air-conditioned feet of space in all our properties and sites in the U.S. It includes all fuel, electricity, heating, cooling, steam as indicated in our total energy consumption figures reported in G4-EN3 consumed within our organization.

ENERGY INTENSITY		2007	2008	2009	2010	2011	2012
Electricity		107	103	100	92	89	87
Natural Gas		70	70	69	62	59	58
Purchased Steam	Gj / 1000	9	9	9	7	9	7
Chilled Water	sq Feet	3	3	3	2	3	2
Propane	A/C space	1	1	1	1	1	1
<b>Total Energy Intensity</b>		<b>191</b>	<b>186</b>	<b>181</b>	<b>165</b>	<b>161</b>	<b>155</b>
<b>Cumulative difference versus 2007 (%)</b>		<b>0.00</b>	<b>-2.70</b>	<b>-5.29</b>	<b>-13.85</b>	<b>-15.98</b>	<b>-18.66</b>

### G4-EN15 AND G4-EN16 GREENHOUSE GAS EMISSIONS

	UNITS	2007	2008	2009	2010	2011	2012
Scope 1 Indirect Energy	Tons CO2e	235,126	231,636	231,874	231,388	225,382	227,713
Natural Gas	Tons CO2e	926,262	875,772	881,814	859,404	852,666	801,266
<b>Total Energy Consumption</b>	<b>Tons CO2e</b>	<b>1,161,389</b>	<b>1,107,409</b>	<b>1,113,688</b>	<b>1,090,792</b>	<b>1,078,048</b>	<b>1,028,979</b>

### Basis for Reporting on Greenhouse Gas Emissions

All greenhouse gases are included in our calculation of CO2e. Our base year is 2007, which was the start of our CodeGreen environmental strategy, and we have tracked emissions annually against this base. Our emissions calculations including GWP rates are based on the U.S. Environmental Protection Agency methodology for calculation of emissions from buildings based on air conditioned square footage and engineering estimates related to equipment leaks. All properties under our operational control in the U.S. are the basis for our calculations.

## G4-EN18

### GHG Emissions Intensity Ratio Metric

Our GHG emissions intensity ratio is calculated per thousand air-conditioned square feet of space in all our properties and sites in the U.S. It includes Scope 1 and Scope 2 emissions as reported in G4-EN15 and G4-EN16 and includes all GHG gases.

GHG INTENSITY		2007	2008	2009	2010	2011	2012
Electricity	Tons CO2e /	4.440	4.374	4.382	3.990	3.840	3.846
Natural Gas	1000 sq foot	17.49	16.54	16.66	14.82	14.53	13.53
<b>Total Energy Intensity</b>	<b>A/C space</b>	<b>21.93</b>	<b>20.91</b>	<b>21.05</b>	<b>18.81</b>	<b>18.37</b>	<b>17.38</b>
<b>Cumulative difference versus 2007 (%)</b>		<b>0.00</b>	<b>-4.65</b>	<b>-4.02</b>	<b>-14.22</b>	<b>-16.24</b>	<b>-20.75</b>

**G4-LA1  
U.S. WORKFORCE-EMPLOYEE TURNOVER**

NEW HIRES BY AGE AND GENDER	2012		
	FEMALE	MALE	TOTAL
< age 30	2,649	2,007	4,656
age 30 – 50	1,841	1,834	3,675
> age 50	416	611	1,027
<b>Total New Hires</b>	<b>4,906</b>	<b>4,452</b>	<b>9,358</b>

**LEAVERS BY AGE AND GENDER**

< age 30	2,122	1,569	3,691
age 30 – 50	2,021	1,968	3,989
> age 50	772	936	1,708
<b>Total Leavers</b>	<b>4,915</b>	<b>4,473</b>	<b>9,388</b>

**U.S. WORKFORCE-EMPLOYEE TURNOVER**

NEW HIRES BY AGE AND GENDER % RATES OF TOTAL NEW HIRES	2012		
	FEMALE	MALE	TOTAL
< age 30	28	21	50
age 30 – 50	20	20	39
> age 50	4	7	11
<b>Total New Hires by % by gender</b>	<b>52</b>	<b>48</b>	<b>100</b>

**LEAVERS BY AGE AND GENDER % RATES OF TOTAL LEAVERS**

< age 30	3.64	2.69	6.33
age 30 – 50	3.47	3.37	6.84
> age 50	1.32	1.61	2.93
<b>Total Leavers by % by age and gender</b>	<b>8.43</b>	<b>7.67</b>	<b>16.10</b>

**Notes to calculations:** Rates are calculated on the basis of monthly average turnover (not on the basis of year-end headcount, as this does not reflect the real turnover rate of our operations. Figures exclude employees released due to sale or closure of operations (approx. 1,000 employees in 2012, due to closure of our St. Louis property).

**G4-LA6  
SAFETY PERFORMANCE**

		2012	2011
		TOTAL	TOTAL
<b>TOTAL U.S. WORKFORCE</b>			
<b>Injury Rate</b>	The frequency of injuries relative to the total time worked by the total workforce in the reporting period.	3.10	3.26
<b>Occupational Disease Rate</b>	The frequency of occupational diseases relative to the total time worked by the total workforce in the reporting period.	0	0
<b>Lost Day Rate</b>	The impact of occupational accidents and diseases as reflected in time off work by the affected workers. It is expressed by comparing the total lost days to the total number of hours scheduled to be worked by the workforce in the reporting period.	0.73	0.84
<b>Fatalities</b>	The number of deaths of workers occurring in the current reporting period, arising from an occupational injury or disease sustained or contracted while in the organization's employ.	0	0

**Notes to calculations:**

- Data relates to actual hours worked by permanent employees in the U.S. We do not split this data by region within the U.S. We do not calculate rates for supervised workers or contractors. Our systems at this point do not provide us with a breakdown of accident rates by gender.
- All U.S. properties are included with the exception of Cleveland, Cincinnati and ThistleDown properties in Ohio, which are new properties and will be included in our next report.
- Standard OSHA rates are used to calculate Injury Rates and Lost Day Rates per 100 workers.
- Injuries are recordable injuries for which insurance claims are submitted.

**G4-LA12  
U.S. WORKFORCE IN DETAIL**

CATEGORY	2012			2011		
	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
<b>BOARD OF DIRECTORS IN DETAIL</b>						
Total Board of Directors	0	11	11	0	11	11
< age 30	0	0	0	0	0	0
age 30–50	0	8	8	0	7	7
> age 50	0	3	3	0	4	4
Directors in Minority Groups	0	2	2	0	2	2
<b>EXECUTIVES IN DETAIL</b>						
Total Executives	2	8	10	2	7	9
< age 30	0	0	0	0	0	0
age 30–50	1	2	3	1	3	4
> age 50	1	6	7	1	4	5
Executives in Minority Groups	0	1	1	0	0	0
<b>MANAGERS IN DETAIL</b>						
Total Managers	3,060	4,448	7,508	2,836	4,207	7,044
< age 30	344	415	759	293	369	662
age 30–50	1,851	2,543	4,394	1,709	2,385	4,094
> age 50	865	1,490	2,355	834	1,453	2,287
Managers in Minority Groups	1,140	1,252	2,392	1,073	1,169	2,242
<b>OTHER EMPLOYEES IN DETAIL</b>						
Total Other Employees	25,912	23,974	49,886	26,875	24,778	51,654
< age 30	4,681	3,927	8,608	4,673	3,929	8,602
age 30–50	12,728	11,398	24,126	13,461	12,061	25,522
> age 50	8,503	8,649	17,152	8,741	8,788	17,529
Other Employees in Minority Groups	16,594	13,080	29,674	16,970	13,429	30,399
<b>TOTAL WORKFORCE IN DETAIL</b>						
Total Workforce	28,974	28,430	57,404	29,713	28,992	58,707
< age 30	5,025	4,342	9,367	4,966	4,298	9,264
age 30–50	14,580	13,943	28,523	15,171	14,449	29,620
> age 50	9,369	10,145	19,514	9,576	10,245	19,821
Total Employees in Minority Groups	17,734	14,333	32,067	18,043	14,598	32,641
<b>TOTAL WORKFORCE IN DETAIL – RATES</b>						
Total Workforce	50	50	100	51	49	100
< age 30	9	8	16	8	7	16
age 30–50	25	24	50	26	25	50
> age 50	16	18	34	16	17	34
Total Employees in Minority Groups	31	25	56	31	25	56

#### G4-S04

Our Compliance and Ethics Program is very comprehensive and addresses, among other items, anti-money laundering, anti-corruption, and whistleblower processes. The Compliance and Ethics Program policies and procedures are regularly communicated and reviewed throughout or organization at all levels, including communications and training activities which take place on a regular frequency, at least annually, and others which are defined and delivered as needed throughout the year. This applies to our directors, executives and employees. In addition, we have in the past communicated certain Compliance and Ethics Program policies and procedures to our business partners and suppliers including relevant clauses in our purchasing contracts for new suppliers.

<b>DETAILS OF COMPLIANCE AND ETHICS PROGRAM COMMUNICATIONS AND TRAINING IN OUR U.S. OPERATIONS</b>	<b>NUMBER</b>	<b>PERCENTAGE</b>
Total number and percentage of governance body members that the organization's Compliance and Ethics Program has been communicated to and who have been trained in the principles of the program.	16 (Board of Directors and Compliance Committee)	100% of Directors and Compliance Committee members
Total number and percentage of employees that the organization's Compliance and Ethics Program has been communicated to.	Over 58,000	Over 90% *
Total number and percentage of employees that have received training on the organization's Compliance and Ethics Program.	4,256 (Managers and Executives)	95% of management employees
Total number and percentage of business partners that the organization's Compliance and Ethics Program has been communicated to.	Not reported **	Not reported **

\* We estimate this figure in good faith to be over 90 percent at any given time, as our Compliance and Ethics Program is cascaded down from senior management with instructions and commitment by managers to ensure all employees, including new hires, receive the communication package in full. However, as we do not specifically track and audit these communication processes, we cannot absolutely confirm 100% as an auditable number.

\*\* We are not able to report a specific number of business partners and suppliers who have received communications. However, our Code of Commitment is widely communicated, including on our website and in other corporate communications which our suppliers and business partners routinely receive. We will consider implementing a tracking method for all new suppliers within the framework of new business contracts and report more specifically within the next two reporting cycles.