



January 13, 2023

Mr. James Butler
Assistant Deputy Director/Chief of Staff
Maryland Lottery and Gaming
1800 Washington Blvd., Suite 330
Baltimore, MD 21230

VIA ELECTRONIC MAIL ONLY

RE: PENN Maryland OSB, LLC MD SWARC Diversity Plan Submission

Dear Mr. Butler:

Please find enclosed the Diversity Plan for PENN Maryland OSB, LLC, licensed Mobile Sports Wagering Operator in the state of Maryland for the Sports Wagering Application Review Commission's ("SWARC") review. PENN Maryland OSB, LLC is a subsidiary of Penn Cecil Maryland, LLC dba Hollywood Casino Perryville, licensed Video Lottery Operator and Sports Wagering Facility in the state of Maryland. These entities are wholly owned subsidiaries of PENN Entertainment, Inc. (collectively "PENN"), a publicly traded company on the NASDAQ Exchange.

PENN Maryland OSB, LLC in conjunction with Penn Sports Interactive, LLC ("PSI"), licensed Online Sports Wagering Operator went live on November 23, 2022, offering online sports wagering services in the state of Maryland. The enclosed Diversity Plan will outline PENN's strategic initiatives to cultivate current relationships with diverse communities, develop new relationships, and build diversity within its owners, investors, and employees.

If you have any questions or need any further information from us, please do not hesitate to reach out.

Regards,

Nicole Derr

Nicole Derr
Sr. Licensing Manager
Penn Interactive
(215) 607-0470

Encl: PENN Maryland OSB, LLC Diversity Plan



PENN Maryland OSB, LLC Maryland Diversity Plan

PENN Maryland OSB, LLC, licensed Mobile Sports Wagering Operator in conjunction with Penn Sports Interactive, LLC (“PSI”), licensed Sports Wagering Facility and Online Operator, outlines below its Diversity Plan for the Maryland Sports Wagering Application Review Commission (“SWARC”). PENN Maryland OSB, LLC is a subsidiary of Penn Cecil Maryland, LLC, d/b/a Hollywood Casino Perryville, licensed Video Lottery Operator and Sports Wagering Facility in state of Maryland. These entities are wholly owned subsidiaries of PENN Entertainment, Inc. (f/k/a Penn National Gaming, Inc.), a publicly traded company on the NASDAQ exchange (collectively “PENN” or the “Company”).

PENN is deeply committed to fostering a culture that welcomes a diverse set of customers and dedicated team members. As a long-standing good corporate citizen, PENN is also committed to being a trusted and valued member of its communities. As PENN continues to grow in the online gambling and sports betting industry, we strive to cultivate our current relationships with diverse communities, develop new relationships, and build diversity within its owners, investors, and employees. Through its good faith efforts, PENN seeks to use all resources available to support diverse businesses, diverse individuals and diverse economic development in the state of Maryland, including PENN’s 5% beneficial ownership interest partner Lee & Lee Consultants, LLC and its sole member Sonjie Decaires, who also wholly owns and operates Maryland MBE/DBE/SBE Sonjé Productions, a full-service special event management, promotions, event staffing, non-profit fundraising, and planning company and holds an indirect 5% ownership interest of PENN Maryland OSB, LLC.

1. Strategies for obtaining a diverse group of owners, investors, employees (including executive and managerial positions), and contractors;

PENN intends to continue its mission to support diversity within the communities it serves. With its ever-growing portfolio, PENN will reach more individuals than ever as it expands its offerings and operations across North America. PENN MD OSB, LLC in conjunction with PSI will partake in several community outreach opportunities in partnership with Hollywood Casino Perryville. PENN already has significant investments in the state of Maryland, therefore, both PENN MD OSB, LLC and PSI will continue to build on those relationships to reach Maryland’s diverse communities and businesses.

PENN intends to do the following:

- PENN will explore opportunities for recruiting events, such as job fairs, to connect with potential new hires for its operations in Maryland and nationally;
- PENN will continue to leverage opportunities with Hollywood Casino Perryville’s connection to its community to recruit diverse contractors and employees for its gaming and retail sportsbook operations. PENN is extremely proud to have partnered with Bowie State University (“BSU”) as part of its ongoing support of HBCU’s across the country. In collaboration with BSU, PENN has established a new Science, Technology, Engineering and Mathematics (“STEM”) Scholarship Program. The establishment of the STEM Program was made possible through a \$1,000,000



endowment from PENN. This partnership provides full tuition scholarships to students through the four years of study, while simultaneously providing access to the company's Leadership Excellence at PENN Entertainment ("LEAP") Program. The LEAP program provides hands-on training, mentoring, and real-world experience to new or recent college graduates who are interested in building a long-term career in the gaming industry. Additionally, Ms. DeCaires and Sonjé Productions, LLC will play a central role in activating our new, comprehensive long-term partnership with BSU. Ms. DeCaires maintains a longstanding relationship with BSU, which will be beneficial as we grow our partnership with the University.

- PENN will continue connecting with diverse contractors through its established channels. PENN has entered into a comprehensive marketing and events partnership with Ms. DeCaires, owner/operator of Maryland MBE/WBE Sonjé Productions, LLC to assist with our marketing efforts and complement PENN's loyalty program provide expertise in full service, special events management, promotions and planning firmly based in the Baltimore metropolitan area.
- PENN anticipates connecting into Sonjé Productions' network of local vendors, representing a range of minority owned businesses, increasing overall diversity opportunities; and
- Each quarter, PENN will review the Maryland Lottery and Gaming Control Commission's diversity contractor database for new opportunities with diverse businesses.

PENN's Diversity Committee mission is to put PENN's long standing stance on diversity, equity and inclusion into action. This committee is dedicated to finding ways to give back to PENN's team members and the surrounding communities. Their strategy is to increase awareness within PENN of on-going efforts to expand economic development impact in every community where it operates. The Diversity Committee maintains its commitment to contribute to diverse individuals and businesses in Maryland to support further positive business outcomes.

2. Diversity objectives adopted by the Applicant, and methods for tracking the achievement of those objectives;

PENN is always focused on cultivating an environment where our team members and local communities, regardless of differences, have a sense of belonging. PENN has five priorities as it relates to diversity: Scholarship, Recruitment, Leadership Development, Procurement, and Community/Company Engagement. We continue to promote diversity through outreach and investment in local communities. PENN prides itself on taking its exceptional talent and giving them the tools and resources to succeed within the company and beyond.

When determining how to measure progress for the above five diverse areas of focus, PENN's Diversity Committee defines diversity goals and establishes metrics to identify outcomes/opportunities in expanding its diversity efforts.



- PENN promotes economic inclusion in these five areas across a diverse base of suppliers and contractors who provide goods and services to its properties.
- The company utilizes internal processes to track and measure diverse spend, maintain current certifications and licenses, vet potential suppliers and a *Supplier Diversity Calendar of Events* used to track outreach and engagement activities on a national and regional level.

3. A plan for diversity-related outreach or events the Applicant will conduct to support its diversity objectives in ownership, investment, management, employment, and contracting;

Local MD Recruitment Efforts:

Hollywood Casino Perryville works with several recruitment, outreach, and support organizations in Maryland. These include Chimes, Bayside Community, and Susquehanna Workforce Network.

Chimes is a not-for-profit organization that assists people with intellectual and behavioral challenges to achieve their fullest potential. Chimes offers a vast array of services — educational, employment, vocational, residential, habilitative and behavioral health — which are delivered through a network of national and international affiliates.

Bayside Community Network is a non-profit human services agency licensed and funded by the State of Maryland Department of Health and Mental Hygiene, Developmental Disabilities Administration. Bayside Community Network focuses on the development of the disabled in helping individuals find rewarding careers.

Susquehanna Workforce Network (“SWN”) is a non-profit organization that coordinates workforce development programs. SWN provides services for businesses and individuals in Cecil and Harford Counties. SWN aids in the advancement and growth of the Susquehanna region, creating a better quality of life for jobseekers, businesses and community members.

Additionally, the Hollywood Casino Perryville team uses geo-fencing job/career campaigns in/around businesses or colleges/universities where it is targeting labor in Maryland, and posts on various social media platforms. Hollywood Casino Perryville provides onsite job fairs and attends other local Cecil County, MD sponsored job fairs, as well as employee referral incentives.

Diverse Management Opportunities:

PENN is also part of several leadership development programs that it intends to continue relationships with to support its diversity goals and missions. One prominent organization is Global Gaming Women (“GGW”), which supports development of women in the gaming industry. Over the past five years, we have contributed over \$100K to support the Global Gaming Women Charitable Education Fund. Additionally, PENN’s relationship with GGW has provided membership opportunities to 20 female team members, leadership conference participation for female executive leaders, 28 attendees at bi-monthly Virtual Master Class webinar training, and Lean In Circle participation for 17 female team members.

The Women Leading at PENN (“WLP”) program continued to grow in its fourth year of operations. The goal of WLP is to network, inspire and encourage women to pursue leadership roles and to have female



executives champion growth and development at the property, corporate and interactive levels. As a result, women held 34% of the leadership positions at the Company in 2019 and we've seen continued growth since then. Today, our Corporate Senior Management Team is 35% female, and our Executive Team is 37.5% female.

Diverse Supplier Efforts:

PENN's Diversity Committee continues to lead a corporate-wide Supplier Diversity Initiative to coordinate efforts across all properties to develop new opportunities for diverse businesses, regardless of jurisdictional requirements. This initial effort resulted in our more than doubling our diversity spend with businesses owned by minorities, women, disabled individuals and veterans. In 2021, we enhanced our efforts through a membership in the National Minority Supplier Development Council ("NMSDC"). With the help of NMSDC, we were able to increase our diversity spend from \$52 million in 2020 to \$68 million in 2021.

In addition, PENN will be joining the Women's Business Enterprise National Council (WBENC) and the US Black Chamber in 2023 as corporate members. These new partnerships will help to expand their Supplier Diversity program and provide more business opportunities for inclusion of diverse suppliers in its supply chain.

PENN will also participate in the Maryland-Washington Minority Companies Associations Annual Spring Breakfast held in Baltimore. This will be a new regional outreach event for the company.

Despite the challenges of COVID-19 and restrictions on gatherings, we maintained our commitment to increasing the number of minority business networking events we host each year. In 2021, we launched our first virtual regional minority vendor fair in Illinois. This event touched several vendors and will serve as a template for how we will launch similar virtual and in-person events company-wide. Additionally, PENN Small Business Incubator — a program that onboards minority businesses and assists them in growing from local to national suppliers within our company, has created valuable opportunities for minority businesses that may have not had the chance to grow their business due to the difficult economic climate.

4. Proposed timelines and benchmarks for achieving the diversity objectives;

PENN is actively working through the planning phase of the diversity initiatives (mentioned above) in the state of Maryland throughout 2023 with the recently launched Barstool Sportsbook platform. Additionally, Sonjé Productions will play a significant role as we launch marketing across the state, including helping to facilitate an array of experiential events. In partnership with PENN's Hollywood Casino Perryville, Sonjé Productions will create and host Maryland-centric events around key sporting events, such as the Super Bowl and March Madness, and Maryland specific events such as Ravens and Orioles games, as well as sporting events hosted by Maryland's several nationally relevant universities.

Through goal tracking, feedback from employees, and research from PENN's Diversity Committee, we will continue our diversity efforts to better address the needs of Maryland residents and businesses.



5. To the extent available, the diversity status of each owner, investor, employee, and contractor; and

PENN prides itself on employing a diverse and varied group of individuals. PENN values the different perspectives and ideas that its employees bring to the table. In 2021, 48% of PENN's employees were women, and 46% identified as non-white (Asian, Black, Hispanic/Latinx, Indigenous, or multiracial). 4 out of the 9 members of PENN's Board of Directors are women, with 3 self-identifying as diverse (1 Asian, 1 LGBTQ+, and 3 Military Veterans).

For contractors, currently 20% of PENN's spend is categorized as Diverse Qualified Spend. This includes qualified spending across the country at PENN's properties that are not excluded for being a monopoly in a market or industry, government-regulated and/or not a biddable option for the gaming industry.

In the online sphere over the last year, PSI has worked with numerous diverse vendors and is currently seeking to find more to assist with its national operations. PSI actively partners with PENN casino properties in jurisdictions where it operates retail in to explore diverse vendor opportunities.

Additionally, PENN Maryland OSB, LLC's partnership with Ms. DeCaires and Maryland MBE/WBE Sonjé Productions provides evidence to PENN's commitment in diverse ownership representation and meaningful partnerships with Maryland's diverse interests. PENN seeks to use all resources available to support diverse businesses and economic development in the state of Maryland.

6. Any other information that demonstrates the Applicant's commitment to ownership, investment, management, employment, and contracting diversity.

PENN strives to support its diverse team members and reach a wide range of talent. As PENN continues to grow in the online gambling and sports betting industry, we are committed to creating a work environment that highlights our employees' unique skills, abilities, and potential. With operational presence from Hollywood Casino Perryville and PSI, PENN has the opportunity to find talent from a variety of backgrounds in the Maryland community. This diversity provides a deeper understanding of others, fosters creativity, and leads to new ideas. PENN maintains contracts with minority- and women-owned vendors. Additionally, we are committed to cultivating our current relationships as well as developing new relationships with diverse vendors. PENN seeks to use all resources available to support diverse businesses and economic development in the state of Maryland.

We have provided notable highlights below:

- We dedicated more than \$4 million to fund a new Science, Technology, Engineering and Mathematics ("STEM") Scholarship Program in partnership with Historically Black Colleges and Universities ("HBCUs") in states where we operate.
- We committed \$1 million to our annual Diversity Scholarship Program for the children of team members. In our inaugural year, we awarded 58 students \$1,050,000 in scholarships. 57% are first-generation college students.



- We were honored by two prominent organizations for the gender diversity of our Board of Directors.
- PENN was once again named an Employer of First Choice in the annual Bristol Associates-Spectrum Gaming's Executive Satisfaction Survey.
- We created an Emerging Leader Program, focusing on hourly and early career team members wanting to grow into leadership positions at PENN; and
- We launched the my**heroes** special rewards program for veterans, active duty and first responders and reached over 100,000 new enrollees in the program.