

NOTICE OF EXEMPT SOLICITATION

NAME OF REGISTRANT: Caesars Entertainment, Inc.

NAME OF PERSON RELYING ON EXEMPTION: Trinity Health

ADDRESS OF PERSON RELYING ON EXEMPTION: 20555 Victor Parkway, Livonia, MI 48152

Written materials are submitted pursuant to Rule 14a-6(g)(1) promulgated under the Securities Exchange Act of 1934. The soliciting person does not beneficially own more than \$5 million of the class of subject securities, and the notice is therefore being provided on a voluntary basis.

Dear Caesars Entertainment shareholders,

Trinity Health and the American Nonsmokers' Rights Foundation (the "Proponents") write to urge shareholders to vote **FOR Proposal No 4**, "Shareholder Proposal Regarding Commission and Disclosure of a Report on the Potential Cost Savings through the Adoption of a Smokefree Policy for Caesars Entertainment Properties" (the "Proposal") at the upcoming Caesars Entertainment, Inc. ("Caesars" or the "Company") annual shareholders meeting on June 10, 2025, as described below:

RESOLVED: Shareholders request the Board of Directors commission and disclose a report on the potential cost savings through the adoption of a smokefree policy for Caesars Entertainment properties. The report should be prepared at reasonable cost, omitting confidential and proprietary information.

The Proponents wish to make shareholders aware that the description of the Proposal on the Company's proxy card is inaccurate. The Proposal does not call for adoption of a smokefree policy. The proxy card's language is inconsistent with the Proposal's clear request for a report, as well as with the title Caesars gave to the Proposal elsewhere in the proxy statement.

The Proponents are requesting additional transparency regarding how the Company manages the risks associated with indoor secondhand smoke and the benefits of prohibiting smoking indoors. As long-term shareholders concerned with material legal, operational, and reputational risks to the Company, we find the current disclosure insufficient.

Operational Risks

There are potential business risks to allowing indoor smoking in Caesars properties, from higher employee health insurance premiums (when compared with casinos that don't permit indoor smoking), greater maintenance costs, and deterring a significant number of potential visitors who won't visit a casino due to exposure to tobacco smoke.

Independent researchers C3 Gaming’s analysis of revenue performance in several competitive casino markets found that smokefree casinos, for the first time, generated more revenue: “Data from multiple jurisdictions clearly indicates that banning smoking no longer causes a dramatic drop in gaming revenue. In fact, non-smoking properties appear to be performing better than their counterparts that continue to allow smoking.”¹

Trends

The COVID-19 pandemic changed long-held business assumptions across many industries. For the gaming industry, customers became much more sensitive to indoor air quality and how such air affects their health. New and enduring customer preferences and the decline in smoking prevalence require an examination of the status quo in which smoking is allowed in gaming properties around the country. The Company notes in its statement opposing the Proposal that seven of the states in which Caesars operates prohibit smoking indoors at casinos, with at least three of the remaining states in which the Company owns, leases or manages property considering legislation banning indoor smoking. We acknowledge that Caesars is following state laws. The trend toward indoor smokefree casinos is growing.

On the Las Vegas Strip, Park MGM voluntarily went smokefree indoors in September 2020. The president of Park MGM said, “We found through our research that there was a significant market of people out there who were looking for smoke-free options, specifically a smoke-free casino. Fortunately for us, that has been very well received...we do offer a dedicated smoking area outside for those who really like the notion of a smoke-free environment inside, but an option to smoke outside. So all in all, I would say we've received incredibly positive feedback from our guests and, being the first entirely non-smoking casino in Las Vegas, it's a very positive differentiator.”²

Worker Health & Safety/Human Capital Management

With nearly 90% of US adults today being nonsmokers³, the Company does not disclose whether it surveys current or prospective employees or customers on smoking rates or preferences, nor is there any transparency as to whether it assesses the impact of secondhand smoke on turnover, absenteeism, and healthcare costs. Representatives from smokefree casinos have indicated that a smokefree policy can result in up to 40% rebates on health insurance premiums, which can mean not having to raise rates and can support retention.

For example, the Chief Marketing Officer of Bensalem, Pennsylvania-based Parx Casino told the *Play Pennsylvania* website in February 2023 that since the casino went smokefree, Parx has seen a positive effect on the health and morale of employ, and the move did not increase health insurance premiums: “Frankly, we are starting to see health costs go down....What’s been interesting to me, is a lot of our smoking guests have actually said things like, ‘I never realized how smoky and annoying it was. I really don’t mind walking 50 feet out to the smoking patio.’”⁴

¹ https://8b3e0552-f01a-40e0-b077-ca4813c4af0b.usrfiles.com/ugd/8b3e05_348baee6d05949ad9b4adae2b7a77105.pdf

² <https://no-smoke.org/park-mgm-president-says-going-smokefree-has-been-a-very-positive-differentiator/>

³ https://www.cdc.gov/tobacco/data_statistics/fact_sheets/adult_data/cig_smoking/index.htm

⁴ <http://www.playpennsylvania.com/g2e-panel-discussion-parx-casino-smoking/>

Additionally, New Mexico’s Sky City Casino’s CEO said that with smokefree casinos, “We have seen a 40% rebate on our health insurance, because our employees are less sick.”⁵

Further, a 100% smokefree indoor environment can simplify human resources processes such as not having to manage requests for working in nonsmoking areas made by pregnant women and workers with chronic conditions.

Customers

For the nonsmoking majority, the nuisance and health hazard of spending time in a smoking environment can lead to lower frequency and duration of visits. Surveys have shown that higher spending customers tend to be nonsmokers, and that a majority of people who do smoke also support smokefree indoor air environments.⁶ Just as hospitality companies such as Marriott⁷ ultimately adopted portfolio-wide smokefree indoor air policies to create a consistent brand experience for customers and staff, the first place to start is with better data such as asking specifically about smoking related issues rather than guessing or relying on anecdotes.

A 2024 survey found that 86% of casino patrons preferred playing in a smokefree casino, regardless of whether they themselves were smokers. They ranked the fact that a casino is smokefree as a more important consideration than cleanliness, travel distance, and likelihood of a payout.⁸ Nearly three quarters of Philadelphia casino-going adults surveyed stated that they would be more likely to visit an Atlantic City casino if it was 100% smoke-free indoors. That figure rises to 76% for non-casino-going adults.

Facilities

ASHRAE – the American Society of Heating, Refrigerating and Air-Conditioning Engineers—stated in a memo to the Nevada Resort Association: “There is currently no available or reasonably anticipated ventilation or air cleaning system that can adequately control and significantly reduce the health risks of [secondhand smoke] to an acceptable level.”⁹

ASHRAE’s 2023 official Position on Environmental Tobacco Smoke states that “the only means of avoiding health effects and eliminating indoor ETS (environmental tobacco smoke) exposure is to ban all smoking activity inside and near buildings. This position is supported by the conclusions of health authorities that any level of ETS exposure leads to adverse health effects”.¹⁰

⁵ <https://www.youtube.com/watch?v=mAmom3JsoJc>

⁶ <https://smokefreecasinos.org/wp-content/uploads/pdf/2021-NIGA-Gaming-Survey-Facts.pdf>

⁷ <https://www.marriott.com/marriott/smokefree.mi>

⁸ <https://www.bcslots.com/smokefree-survey.html>

⁹ https://mcusercontent.com/f1d5d9ad6ad8254621a3b9a2d/files/05f3c181-6c8f-65d3-c8f7-3ac049ff4949/ASHRAE_memo_Nevada_Resort_Association.pdf

¹⁰ https://www.ashrae.org/file%20library/about/position%20documents/pd_environmental-tobacco-smoke-2023-06-28.pdf

The US Surgeon General's 2024 report, *Eliminating Tobacco-Related Disease and Death: Addressing Disparities*, noted "promising interventions to reduce tobacco-related health disparities." One of its conclusions was: "The evidence is sufficient to infer that comprehensive smokefree laws that apply to all indoor areas of public places and workplaces, including casinos.... would reduce disparities in smokefree protections and reduce exposure to secondhand tobacco smoke if fully and equitably adopted, implemented, and enforced."¹¹

Exposure to secondhand smoke generates costs to the economy that harm broadly diversified investors.

Addressing the health costs and potential savings of implementing a smokefree policy at Caesars locations may help protect its shareholders from the public health costs and resultant macroeconomic threats from exposure to smoking. Given that the growth and stability of the economy is a key driver of long-term portfolio returns for diversified investors, the health of society's workforce is an important consideration for such investors, separate and apart from its impact on individual company performance.

Indeed, it can be argued that the financial return to such diversified investors chiefly depends on the performance of the market, not the performance of individual companies: research indicates that overall market performance, not idiosyncratic company performance, determines 75-94% of portfolio returns.¹²

Over long time periods, market performance is influenced chiefly by the performance of the economy itself, because the value of the investable universe is equal to the portion of the productive economy that the companies in the market represent.¹³ But the social and environmental costs created by companies pursuing profits can burden the economy. This drag on GDP directly reduces the return on a diversified portfolio over the long term.¹⁴

¹¹ <https://www.hhs.gov/sites/default/files/2024-sgr-tobacco-related-health-disparities-exec-summary.pdf>

¹² Stephen Davis, Jon Lukomnik, and David Pitt-Watson, *What They Do with Your Money*, Yale University Press (2016)

¹³ Principles for Responsible Investment & UNEP Finance Initiative, "Universal Ownership: Why Environmental Externalities Matter to Institutional Investors," Appendix IV, available at https://www.unepfi.org/fileadmin/documents/universal_ownership_full.pdf.

¹⁴ See *supra* n.27.

The public health costs of smoking and exposure to secondhand smoke are well-documented. For example, according to the CDC,¹⁵ cigarette smoking cost the United States more than an estimated \$600 billion in 2018 (the most recently available data), including:

- More than \$240 billion in health care spending.
- Nearly \$185 billion in lost productivity from smoking-related illnesses and health conditions.
- Nearly \$180 billion in lost productivity from smoking-related premature death.
- About \$7 billion (updated to 2018 dollars) in lost productivity from premature death from secondhand smoke exposure.

For diversified investors, these figures point to risks that could hinder long-term portfolio growth. The societal burden of smoking raises healthcare expenses for individuals, businesses, and public systems, while also cutting into productivity and deepening inequities in health—factors that can ultimately weaken investment performance.

Reputational Risks

- Responsible Gaming

Casino consultant and co-founder of C3 Gaming Andrew Klebanow noted at the end of the 2022 Responsible Gaming Education Month that eliminating smoking in casinos is a responsible gaming technique. In an article in *CDC Gaming Reports*, he said: “A fundamental tenet of Responsible Gaming is encouraging your players to step away.” He also pointed to three Philadelphia-area casinos that have banned smoking voluntarily. “They did it because they hadn’t seen a decline in gaming revenue (during a COVID-related smoking ban). And they did it because it’s the right thing to do.”¹⁶

There are studies showing an association between problem gambling and daily tobacco use.¹⁷ This creates reputational risk for the company, as responsible gaming increasingly includes a regulatory lens. This growing awareness could impact certification of Company casinos by regulators.

As the authors of the aforementioned C3 Gaming report wrote, “Casinos throughout North America have made commitments to support responsible gambling initiatives. Virtually all operators have links to websites that provide additional information regarding playing responsibly. A recent study commissioned by the Casino Association of New Jersey projects gaming revenue losses based on smokers having to take breaks, which is the antithesis of one of the principles of responsible gaming...What the authors of that report unwittingly acknowledge is that a casino that prohibits smoking risks losing gaming revenue because a certain portion of players who smoke decide during their smoke break to walk away. In other words, they chose to play responsibly, and taking a periodic smoking break allowed them to do so. Their argument that a casino will make more money if smokers remain at their games is the antithesis of one of the principles of responsible gaming.”¹⁸

¹⁵ <https://www.cdc.gov/tobacco/php/data-statistics/economic-trends/index.html>

¹⁶ <https://cdcgaming.com/casino-smoking-bans-a-tangle-of-health-rg-principle-player-preference-and-money/>

¹⁷ <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6953879/>
<https://psycnet.apa.org/doiLanding?doi=10.1037%2Fadb0000964>

¹⁸ https://8b3e0552-f01a-40e0-b077-ea4813c4af0b.usrfiles.com/ugd/8b3e05_348baee6d05949ad9b4adae2b7a77105.pdf

The leading organization dealing with gambling addiction, the National Council on Problem Gaming, has warned legislators in at least one state that continuing to allow indoor smoking will only continue to encourage gambling addiction. “Making casinos smokefree is likely to reduce the incidence of problem gambling and improve public health.”¹⁹

Smokefree casinos can help in meeting responsible gaming regulations, as is the law in New Jersey and other states, by requiring customers to take a break from the casino for outdoor smoking.

Investor Expectations

Investor expectations for improved performance and disclosure, on companies’ workplace health and safety practices are increasing. The right to a safe and healthy working environment is a human right, and corporations have a responsibility to respect human rights under the UN Guiding Principles for Business and Human Rights.

The Proponents submitted this Proposal because Caesars shareholders lack information about the costs our Company is bearing for continuing to allow indoor smoking, nor has the Company disclosed the social and environmental costs and risks imposed on its stakeholders.

The Proponents encourage all Caesars Entertainment shareholders to support Proposal 4, requesting the Board of Directors commission and disclose a report on the potential cost savings through the adoption of a smokefree policy.

This communication is not a solicitation of authority to vote any shareholder’s proxy, and no proxy cards will be accepted. Vote your Caesars Entertainment proxy according to the Company’s instructions.

¹⁹ https://mcusercontent.com/f1d5d9ad6ad8254621a3b9a2d/files/623298e8-ca24-2c62-1ead-70d07e598f2c/NCPG_Letter_to_NJ_Legislature.pdf
