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# **IGT Global Footprint**







# Letter from the CEO GRI: 102-14

Dear Readers,

Welcome to the 11<sup>th</sup> annual IGT Sustainability Report.

This year's edition represents our ongoing pledge to sustainably grow our industry and the communities we serve. In addition to enhancing our leading position in the market as a global innovator in the gaming business, IGT continues to strengthen its corporate citizenship.

We have identified five core values that define our culture and inspire our behavior inside and outside the organization. We are engaging our people through these core values of being Passionate, Responsible, Authentic, Collaborative, and Pioneering.

Our Human Resources, Organization and Transformation department has evolved into our People and Transformation function to better deliver services and enable organizational results. The new organizational structure and operating model focus on the individual needs, motivations, and preferences of our people.

IGT is proud to be the world's first vendor to receive recognition in each of its business segments for responsible gaming initiatives. Our cooperation with the world's leading responsible gaming organizations represents our collective effort across all business functions to better tackle issues related to problem gambling.

IGT also continues to help fight climate change. Our advanced environmental stewardship has been recognized by the CDP, a global non-profit organization that partners with businesses to measure their carbon footprint so they can work to reduce it. The CDP recognizes IGT for implementing best practices and coordinating actions in line with the Paris Agreement goals set in 2015 to protect the environment.

As a further step, IGT has committed to the United Nations Sustainable Development Goals (SDGs). The SDGs refer to the 2030 Agenda for Sustainable Development, a universal 15-year plan to end extreme poverty, fight inequality and injustice, and protect the planet.

The United Nations Development Programme recognizes that the private sector has a major role to play, and IGT, as a global leader, is dedicated to this initiative. This report identifies the program goals that are relevant to our Company, and we are now defining specific objectives and initiatives to pave the way for IGT's commitment in the years to come.

Please join me in exploring the many ways that IGT is becoming a better corporate citizen and continuously striving to be Ahead of the Game.

Sincerely,

Marco Sala CFO

International Game Technology PLC





## **About IGT**





































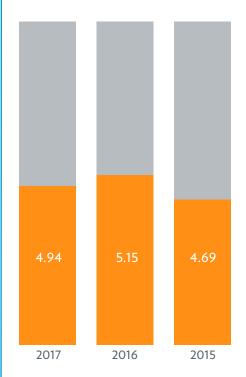
### **Profile** GRI: 102-3; 102-4; 102-7

IGT is the world's leading endto-end gaming company, with leading market positions in North America and Italy, and the largest gaming content library in the world. The Company is headquartered in London, with operating facilities in Providence (Rhode Island, U.S.), Las Vegas (Nevada, U.S.), and Rome (Italy). Research, development, and manufacturing are centralized in North America.

IGT operates and provides an integrated portfolio of leading technology products and services across all gaming markets, including lottery management services, online and instant lotteries, instant ticket printing, electronic gaming machines, sports betting, interactive gaming, and commercial services, to customers in more than 100 countries. Reported revenues for 2017 amount to \$4.94 billion with an adjusted operating income of \$1 03 billion

IGT strives to create stakeholder value by adhering to the highest levels of service, integrity, responsibility, and innovation. The Company is committed to responsible gaming, giving back to its communities, and doing its part to protect the environment. The certifications awarded to IGT by the most important industry associations worldwide are testimony to the Company's commitment to responsible gaming.

### Financial Highlights Revenue (for the years ended December 31)



Dividend per share (for the year ended December 31, 2017): \$0.80

Products & Services GRI: 102-2: 102-6

### Lottery

The Company supplies a unique set of lottery solutions to more than 100 customers worldwide. Revenues from lottery ticket sales are often a significant source of funding for good causes in each lottery jurisdiction.

IGT's lottery offering includes a complete suite of point-of-sale terminals that are electronically linked with centralized transactionprocessing systems; high-quality instant ticket games and printing services, such as instant ticket marketing plans and graphic design, programming, packaging, shipping and delivery services; lottery games, including licensing of new game brands from third parties; and lottery distribution devices designed to drive responsible same-store sales growth for customers. The Company also actively advises customers on growth strategies, and provides marketing services including retail optimization and lottery brand awareness campaigns.

The Company leverages years of experience as the concessionaire for the Italian Lotto, one of the world's

largest lotteries. This B2C expertise in Italy, which includes management of all of the activities along the lottery value chain, allows IGT to better serve its B2B customers in the rest of the world.

### Machine Gaming

The Company offers cabinets, games, systems, and software for customers in regulated gaming markets throughout the world under fixed-fee, participation, and product sales contracts. IGT holds more than 450 global gaming licenses and does business with commercial casino operators, tribal casino operators, and governmental organizations (primarily consisting of lottery operators). Large customers include MGM Resorts International, Caesars Entertainment, Boyd Gaming, and Station Casinos.

IGT offers a diverse range of machine cabinets and develops a wide range of casino games. It also provides video lottery terminals (VLTs), VLT central systems, and VLT games, primarily to government customers worldwide. It also provides Amusement With Prize machines (AWPs) and games to licensed operators in Italy and the rest of Europe. In addition, the Company offers a comprehensive range of system modules and applications for all areas of casino management.

### Sports Betting

IGT offers sports betting technology to lotteries and commercial operators in regulated markets, primarily in Italy and other

countries in Europe as well as in the U.S. IGT's sports betting platform is localized and certified for each market and composed of either (1) core engine and associated support modules, as well as trading and risk management tools, provided to customers as a fully managed service, or (2) "software only" technical solutions to create a complete one-stop solution or integrate new functionality with existing operations. The Company also provides secure retail betting solutions, point-ofsale display systems, call center facilities, internet and mobile betting technology, and fixed odds or pool betting options.

### Interactive

The Company offers a full suite of award-winning configurable products, systems, and services, including poker, table games, slot games, bingo, iLottery, virtual reality, mobile-to-retail products, player management systems, and market intelligence services. IGT holds more than 20 interactive gaming licenses worldwide and. in Italy, is both a complete internet gaming operator and mobile casino operator. The Company's diverse interactive B2B customer base includes Caesar's Entertainment, the Georgia Lottery, and William Hill. Mirroring industrywide trends of product and channel convergence, IGT's omnichannel solutions connect retail products to mobile device offerings. For content, the

Company offers premium brands across interactive channels (e.g., Wheel of Fortune® is a casino slot machine, VLT, iCasino game, elnstant game, and an instant ticket in several jurisdictions). In the Customer Relationship Management (CRM) part of the interactive business, a single player account management system connects retail with online together with an advanced analytics framework, enabling cross-selling and upselling.

### Commercial Services

IGT develops innovative technology to offer commercial services over an existing lottery infrastructure or over networks that are separate from the lottery. Leveraging its distribution network and secure transaction-processing experience, the Company offers highvolume processing of commercial transactions including prepaid cellular telephone recharges, bill payments, e-vouchers and retailbased programs, electronic tax payments, stamp duty services, prepaid card recharges, and money transfers. These services are primarily offered outside of North America.

### Governance GRI: 102-18

International Game Technology PLC is a company organized under the laws of England and Wales and qualifies as a foreign private issuer under the rules and regulations of the U.S. Securities and Exchange Commission (SEC) and the listing standards of the New York Stock Exchange (NYSE).

IGT's Board of Directors currently consists of 12 directors, 11 of whom were elected upon effectiveness of the Mergers on April 7, 2015. Heather J. McGregor was appointed to the board effective March 8, 2017. Seven of the current directors were determined by the board to be independent under the listing standards and rules of the NYSE, as required by the Company Articles.

IGT's Board of Directors has made an affirmative determination that the members of the board meet the standards for independence set forth in the Corporate Governance Guidelines and applicable NYSE rules. At March 1, 2018, the Company's directors and certain senior managers are as set forth below:

Philip G. Satre	Chairman of the Board; Director (Independent)  Member of the Nominating and Corporate Governance Committee
Lorenzo Pellicioli	Vice-Chairman of the Board; Director
Patti S. Hart <sup>7</sup>	Vice-Chairman of the Board; Director
Paget L. Alves	Director (Independent)  Member of the Audit Committee and Compensation Committee
Paolo Ceretti <sup>1</sup>	Director
Alberto Dessy <sup>7</sup>	Director (Independent)  Member of the Compensation Committee and Nominating and Corporate Governance Committee
Marco Drago	Director
James F. McCann	Director (Independent) Chairperson of the Nominating and Corporate Governance Committee
Heather J. McGregor	Director (Independent) Member of the Audit Committee
Vincent L. Sadusky	Director (Independent) Chairperson of the Audit Committee
Marco Sala	Director and Chief Executive Officer
Gianmario Tondato da Ruos	Director (Independent) Chairperson of the Compensation Committee
Renato Ascoli <sup>†</sup>	Chief Executive Officer, North America Gaming and Interactive
Walter Bugno	Chief Executive Officer, International
Fabio Cairoli	Chief Executive Officer, Italy
Fabio Celadon	Senior Vice President, Gaming Portfolio
Mario Di Loreto	Executive Vice President People & Transformation
Alberto Fornaro	Executive Vice President and Chief Financial Officer
Robert Vincent	Executive Vice President for Administrative Services & External Relations
Donald R. Sweitzer (*)	Chairman, IGT Global Solutions Corporation
Donald R. Sweitzer (*)	Chairman, IGT Global Solutions Corporation

<sup>\*</sup> Donald R. Sweitzer is a consultant to the Company.

### 1) At the date of publishing we report the following changes:

- Patti S. Hart is independent, no longer VC and on the Nominating & Corporate Governance Committee
- Paolo Ceretti is no longer a member of the Board
- Alberto Dessy is no longer on the Nominating & Corporate Governance Committee
- Renato Ascoli is Chief Executive Officer, North America

### **Whistleblower Policy**

GRI: 103-3

All employees must feel comfortable reporting activities that may be unlawful, lead to incorrect financial reporting, or raise guestions about the integrity of management, without any fear of retaliation. Employees, consultants, and representatives are encouraged to report suspected or known violations of the Code of Conduct, any violation of law or Company policy, or health and safety concerns through regular reporting channels or anonymously through the Integrity Line.

The Compliance
Department receives
all Integrity Line intake
telephone reports of
suspected or known
violations through an
independent provider, and
will coordinate and identify
who will be responsible for
conducting the investigation,
if warranted, clearly define the
scope of the investigation,
and establish reporting lines.

If it is reasonable to conclude under the circumstances that a material violation is ongoing or about to occur, the Chief Compliance Officer and/or the General Counsel shall immediately notify the Chairman of the Audit Committee of the Board of Directors. In all other circumstances, investigation reports, findings, and recommendations will be reviewed in a reasonable and timely manner by the Chief Compliance Officer or appropriate IGT department or personnel and General Counsel where violations of law are alleged.

# Anti-Corruption Compliance and Ethics (ACE) Policy GRI: 103-3

With operations around the world, IGT is committed to conducting business with integrity and maintaining the highest ethical standards. IGT employees are dedicated to acting with honesty and in good conscience in all business activities and dealings with government officials, customers, and third parties.

IGT's reputation as a responsible and ethical supplier of gaming and lottery products and services is critical to its success. Global compliance with anti-corruption laws and IGT-related policies and procedures is fundamental to protecting the Company's reputation. A single improper act by one person can destroy the reputation earned by the hard work and integrity of many.

IGT forbids directors, officers, employees, and third parties from offering or giving to any person, or soliciting or accepting from any person, bribes, kickbacks, or any other improper benefits. IGT prohibits bribery in any form to or from any person.

To maintain the highest ethical standards and comply with global anti-corruption laws, IGT also prohibits bribery in the private sector, also known as commercial bribery. Any business courtesy should be reasonable and for a legitimate business purpose. IGT also prohibits soliciting or accepting a bribe from a supplier or other private-sector party.

IGT is required to keep accurate books and records and maintain a system of internal accounting controls sufficient to give reasonable assurance that transactions are properly authorized and accurately recorded. A violation does not depend on the legality or illegality of the underlying transaction, as improperly recording or failing to properly authorize an otherwise legal transaction can be a violation of law. Accordingly, all IGT employees must obtain all required authorizations and provide accurate and complete information for IGT's books and records. IGT will require specified employees to complete anti-corruption training on a periodic basis and certify completion of that training.

All IGT employees have a duty to prevent bribery and violations, and report and fully cooperate with investigations of any attempted, suspected, potential, or actual violations of Company policies. IGT will not retaliate or permit retaliation against anyone who reports suspected misconduct in good faith or cooperates with an investigation.

### Regulatory Framework GRI: 103-3

The gaming and lottery industries are some of the most highly regulated and monitored businesses in the world, wherein the public interest must prevail over many other interests. In safeguarding such public interest, governments, regulatory bodies, and local governmental organizations play a key role according to primary legislative objectives: legality and public security, protection of consumers and fair competition, safeguarding of public safety, and financial and tax compliance. Proper regulatory oversight also ensures that government authorities collect the appropriate amount of gaming tax revenues to fund important government-sponsored programs and good causes.

Gaming laws are based on declarations of public policy designed to ensure that gaming is conducted honestly and competitively, and is free from criminal and corruptive elements. While the regulatory requirements vary from jurisdiction to jurisdiction, the majority typically require some form of licensing or regulatory suitability of operators, suppliers, manufacturers, and distributors, as well as their major shareholders, officers, directors, and key employees. Regulators review many aspects of an applicant, including financial stability, integrity, and business experience. Additionally, the Company's gaming products and technologies require certification or approval in most jurisdictions where IGT conducts business.

A comprehensive network of internal and external resources and controls is required to achieve compliance with the broad governmental oversight of the Company's business. IGT has a robust internal compliance program to ensure compliance with applicable requirements imposed in connection with gaming and lottery activities, as well as legal

# Main Regulators in the European Union and Italy

In Europe, IGT is involved in a regular constructive dialogue with EU institutions (European Commission, European Parliament and European Council), national regulators, and societal stakeholders (BEUC, the European Consumer Organization). IGT contributes based on existing EU laws and related national laws. The sustainable development of the sector in Europe is built on the primary competence of national authorities, which can quarantee public interest and certainty of the rules in a regulated system, fully respecting the jurisprudence of the European Court of Justice and limiting the spread of uncontrolled illegal operator activities. In Italy, the regulation of the gaming market is within the remit of Parliament, and enforced at the national level by ADM (Agenzia delle Dogane e dei Monopoli, the Agency for Customs and Monopolies). At the local level, the regions enforce the national laws and address the prevention of problem gambling and excessive gambling, according to the regional authority related to public safety, while the single municipalities rule on locations and operating hours of gaming centers.

requirements generally applicable to all publicly traded companies.

IGT employs more than 100 people to support global compliance, which is directed on a day-to-day basis by the Company's Senior Vice President, Chief Compliance and Risk Management Officer. Legal advice is provided by attorneys from the Company's legal department as well as outside experts. The compliance program, accountable to the Board of Directors, is overseen by the Global Compliance Governance Committee, which comprises employee and nonemployee directors and a nonemployee gaming law expert. Through these efforts, IGT seeks to assure both regulators and investors that all its operations maintain the highest levels of integrity.

The Company complies with substantial oversight by specialized lottery authorities and related government agencies. In some instances, regulators not only govern the activities within their jurisdiction, but also monitor IGT activities in other jurisdictions to ensure compliance with local gaming operating standards on a global basis.

### Recent Regulatory Changes GRI: 103-3

The Italy and U.S. regions are being considered for the purpose of reporting on regulatory changes, as they represent the most profitable markets.

In the U.S., the most significant regulatory development was the United States Supreme Court (SCOTUS) case involving sports betting, followed in early 2018 by the decision of SCOTUS to overturn the federal Professional and Amateur Sports Protection Act (PASPA) and open up sports betting in the U.S. PASPA didn't outlaw sports betting; rather, it banned states, outside those granted exemptions, from regulating (and taxing) sports betting. Despite PASPA's previous existence, the American Gaming Association (AGA) estimates that at least \$150 billion a year is gambled on sports, and 97% of that amount is bet illegally.

The SCOTUS decision effectively permits states to regulate legalized sports betting across the country, and opens the door for state-specific legislation. States can now establish their own regulated sports betting, and IGT is uniquely

positioned to work within most states' constitutional guidelines (a handful of states' constitutions prohibit sports betting). The Company will be able to assist policymakers in evaluating sports betting options that provide maximum benefit to the state, ensure integrity, and work within an appropriate tax structure.

From IGT's perspective, the widespread illegal sports betting market in the U.S. should be regulated to provide the necessary rules and consumer protections to help quard against problem gambling and eliminate fraud. Much like all other gaming issues in the U.S., IGT views sports betting as an issue that should be regulated on a state-by-state basis. Legal and regulated sports betting is a logical and innovative gaming portfolio progression for state gaming markets.

Italy's uncertain political environment has entailed frequent amendments to the regulatory framework, and 2017 was no exception:

 In April, ADM introduced new technical rules applicable to

- VLTs. The VLTs will have to be upgraded by April 1, 2019.
- In May, Parliament adopted the EU IV Directive Anti-Money Laundering, introducing new limits for pre-paid cards and stricter rules for the identification of players and data storage.
- In June, Parliament introduced an increase in taxation by 19% for AWPs and 6% on VLTs. The same law has introduced a higher taxation for lottery and VLT winnings, and an overall 35% reduction in the number of AWPs: by the end of 2017, AWPs will have to be less than 345,000; by April 30, 2018, AWPs will have to be less than 265,000.
- In December, Parliament ruled on a nine-year extension of the instant lottery concession (Scratch & Win) on a deposit of €50 million for 2017 and €750 million for 2018. In the same month, the taxation on horse betting margins was raised to 43% and 47% (online) effective January 2018.

### Focusing on Our Stakeholders

Materiality Analysis GRI: 102-49; 103-1

According to the Global Reporting Initiative (GRI), sustainability topics are considered material when they reflect the organization's economic, environmental, and social impacts, or substantively influence stakeholders' decisions. Therefore, such topics represent the sustainability issues pivotal to IGT and the relevant expectations of stakeholders, taking into account the sustainability context of the industry.

The 2017 Sustainability Report is structured according to the sustainability topics identified through an identification and prioritization process.

During the identification stage, IGT conducted a media analysis to identify the main aspects reported about the Company in 2017. IGT then performed a benchmark analysis of the most-relevant aspects to IGT competitors and peers, while defining the most significant sector trends in the gaming industry according to available studies and outlooks. Finally, IGT carried out an analysis

to identify the sustainability macro trends worldwide by comparing documents and studies from the most-relevant and influential non-governmental organizations, policy makers, and global stock exchanges.

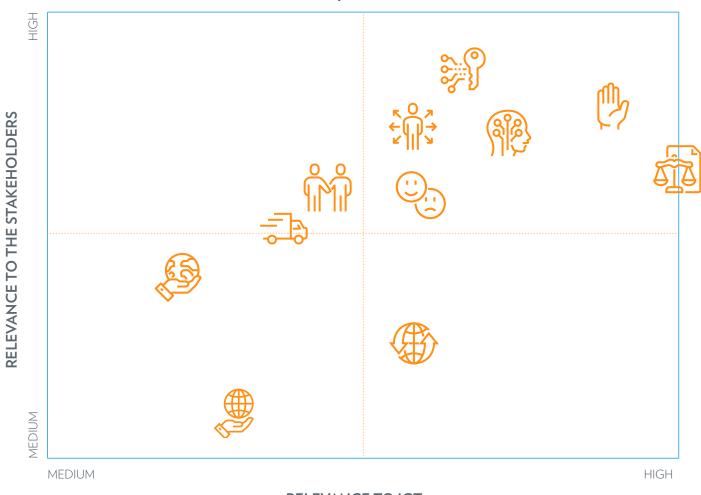
During the prioritization stage, IGT ranked the identified sustainability topics according to the priority that was assigned to each topic, as requested by the GRI standards. IGT priorities were defined according to the likelihood and severity of impacts, and factored in risks and opportunities to evaluate the importance and business impact of each topic. Stakeholders' priorities were defined by weighing the presence of the topics in the media analysis, IGT competitors' evaluation of the topics, and the presence of the topics, both into the sector documents and in the macro sustainability trends.

Based on the outcome of the process, the following Materiality Matrix was shared with and validated by IGT senior management, and reflects the priorities of IGT and its stakeholders for 2017. Consistent with the precautionary principle, all of the topics above the relevance threshold set by IGT have been considered material.

Compared to the 2016 materiality analysis, there are two main changes:

- IGT's Business Strategy (a 2016 material topic) was not included in the 2017 matrix because it is already included in other topics, such as Responsible Gaming, Fraud Prevention and Data Protection, Innovation and Technology, and Customer Satisfaction.
- Respect for Human Rights (not a 2016 material topic) is now included in the 2017 matrix due to the growing attention of this topic.

### **Materiality Matrix**



### **RELEVANCE TO IGT**

### **Sustainability Priorities**



Business Ethics



Environmental Responsibility



Local Community Involvement



Respect for Human Rights



Fraud Prevention and Data Protection



Responsible Gaming



Customer Satisfaction



Human Capital

Development and
Protection



Supply Chain Management



Diversity and Equal Opportunity



Innovation and Technology

Risks are considered in terms of their impact and likelihood from both financial and reputational perspectives. Although not exhaustive, the principal risks facing the Company are essentially categorized as follows:

- Risks relating to the Company's business and industry;
- Legal and compliance risks;
- Operational risks; and
- Financial and tax risks.

From a broader perspective, IGT faces risks that can be attributed to economic, social, and environmental factors.

### Economic Risks

IGT is exposed to risks associated with the performance of the global economy and the markets where it operates, including interest rate risk, foreign currency exchange rate risk, liquidity risk, and credit risk. The Company's overall risk management strategy focuses on the unpredictability of financial markets, and seeks to minimize potential adverse effects on its performance through ongoing operational and financial activities. IGT monitors and manages its exposure to such risks, both centrally and at the local level, as appropriate, as part of its overall risk management program. This program aims to reduce the potential adverse effects of risk on the Company's operational results and financial position.

To prevent any disruption in systems, networks, or telecommunications due to technical failures or cyber-attacks, IGT constantly implements and improves network security measures and data protection safeguards, including a disaster recovery strategy for back-office systems.

### Social Risks

Economic contraction or uncertainty, political instability, and the perception of weak or weakening economic conditions may cause a decline in demand for entertainment in the form of gaming. In addition, changes in discretionary consumer spending or preferences could be driven by factors such as an unstable job market, perceived or actual disposable consumer income and wealth, or fear of future acts of terrorism or war. A significant threat to the entire gaming and betting industry arises from illegal activities, which may move significant betting volumes away from the regulated industry. IGT constantly reviews its business strategy and maintains a diverse portfolio across many regions, while remaining closely aligned with governments and other policymakers in all markets where IGT operates.

From time to time, the gaming industry is exposed to negative publicity related to gaming behavior, gaming by minors, the presence and number of gaming machines in a particular jurisdiction,

### **Principal Risks** GRI: 102-11; 102-15

IGT is a global company operating in a complex and highly regulated business environment. Due to the nature of the gaming business, IGT is exposed to risks that are related to regulatory issues and the general socio-economic climate. IGT operates on a global scale and in a number of different contexts and jurisdictions. IGT also operates in tribal jurisdictions with sovereign immunity within the U.S...

Thanks to solid corporate governance, IGT has established healthy and successful relationships with communities, regulatory bodies, and authorities worldwide, allowing the Company to successfully compete in the marketplace while mitigating risks.

While it is not possible to identify or anticipate every risk due to the changing business environment, the Company has an established risk management process. The Company's process for identifying and managing risk is set by the Board of Directors.

### **ABOUT IGT**

risks related to online gaming, and alleged association with money laundering. If the gaming industry is perceived as failing to address such concerns adequately, political pressure may result in the industry being subject to increased regulation that could adversely impact the gaming business.

**Environmental Risks** 

IGT is committed to reducing its environmental impact, even if it operates mainly in the services sector, the impacts of which are not significant compared to other sectors. Nonetheless, IGT has adopted a risk management model to identify, evaluate, manage, and monitor the main environmental risks affecting all activities at a regional level. The risk management model defines the measurement scale and related metrics for risk assessment and prioritization.

IGT has implemented energy efficiency measures aimed at reducing energy consumption and, consequently, reducing IGT's exposure to the rise of energy and fuel costs. IGT has started modifying its vehicle fleet in the U.S. with more efficient vehicles and implemented energy-efficiency solutions at its locations. IGT has also implemented a systematic process that collects data on energy and fuel consumption in its offices, warehouses, and production and printing sites. Each significant site compiles a web-based "environmental package," which

is used to monitor consumption and environmental impact. This enables the Company to update its strategy and take action in a timely manner at locations that exceed predefined consumption thresholds.

# Global Risk Management Corporate Policy

This policy defines the governance guidelines and procedures of the Enterprise Risk Management (ERM) process that ensure the main risks potentially affecting the value of the Company are properly identified, assessed, treated, and monitored.

Compliance and Risk
Management is responsible for
ensuring that operational, financial,
and other risks to the Company
are properly identified, evaluated,
and mitigated. Its function is
designed to detect and prevent
violations of law, regulations, and
Company policies and procedures
– in conjunction with the Code
of Conduct – in order to reduce
the likelihood of unethical activity
by employees, officers, directors,
agents, and consultants.

Since IGT is a publicly listed company, a comprehensive list of risks and their mitigation initiatives, along with other relevant information, can be found in the SEC Form 20-F submitted to the U.S. Securities and Exchange Commission by foreign companies with shares traded on a U.S. exchange.

### Strategic Approach to Sustainability

GRI: 102-16; 103-2

Sustainability can be measured by the degree to which an organization contributes to the improvement of economic, environmental, and social conditions at local, regional, and global levels. As a company operating on a global scale, IGT acknowledges the fundamental sustainability principles needed to guide its actions in the marketplace, from being a good corporate citizen to actively engaging at the local level.

When conducting business with local governments and organizations, IGT uses a system of checks and balances to ensure strict adherence to the principles of lawful conduct in every jurisdiction it serves. Further, the Company has identified five core values inspiring its corporate culture and representing the foundation upon which it is building a stronger corporate identity. These values are passionate, pioneering, responsible, authentic, and collaborative.

IGT is able to define its sustainability topics for economic,

environmental, and social impacts by listening to all of its stakeholders. Thus, these topics are identified according to a materiality analysis that takes into consideration stakeholders' expectations. As a result of this process, IGT takes steps such as embedding responsible gaming practices into the design of gaming platforms, systems, and machines; enhancing data protection and security measures with state-ofthe-art technology; and ensuring that ethical business practices extend to its supply chain.

IGT's commitment has grown beyond compliance to embrace the guiding principles set forth by the 2030 United Nations (UN) Agenda for Sustainable Development and its Sustainable Development Goals (SDGs) and the 2016 Paris Agreement on climate change addressing the need to limit the rise of global temperatures. Universal, inclusive, and indivisible, the UN agenda calls for action by all countries, companies, and individuals to improve the lives of people everywhere. While the SDGs are not legally binding, governments are expected to take ownership and establish national frameworks to achieve the goals.

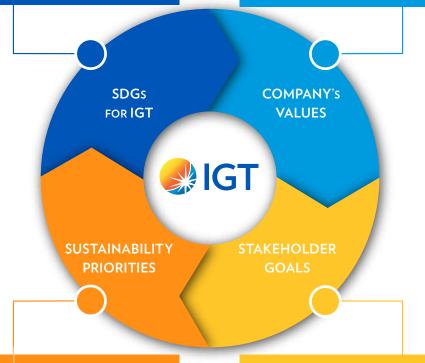
IGT is now actively contributing to this global effort, refocusing its Corporate Social Responsibility (CSR) initiatives to implement advanced sustainability practices, such as:

- Acknowledging all stakeholders' legitimate interests;
- Communicating transparently via open dialogue with stakeholders:
- Managing its direct and indirect impact on all stakeholders;
- Acknowledging and minimizing any potential negative impact;
- Adopting transparent and accountable practices.

By being compliant with current and emerging regulations, committing to pursue the UN's SDGs, and voluntarily disclosing information through the annual Sustainability Report, IGT is leveraging the long-standing results of its CSR strategy to strengthen its reputation, improve customer confidence, and gain a competitive advantage.

- 1. No Poverty
- 3. Good Health and Well-Being
- 4. Quality Education
- 5. Gender Equality
- 7. Affordable and Clean Energy
- 8. Decent Work and Economic Growth
- 9. Industry, Innovation and Infrastructure
- 10. Reduced Inequalities
- 13. Climate Action

- Passionate
- Pioneering
- Responsible
- Authentic
- Collaborative



- Business Ethics
- Diversity and Equal Opportunity
- Environmental Responsibility
- Fraud Prevention and Data Protection
- Human Capital
   Development and

   Protection

- Innovation and Technology
- Responsible Gaming;
- Supply Chain Management
- Customer Satisfaction
- Local Community Involvement
- Respect for Human Rights

- Acknowledging all stakeholders' legitimate interests
- Communicating transparently via an open dialogue with stakeholders
- Managing direct and indirect impacts on all stakeholders
- Acknowledging and minimizing potential negative impacts
- Adopting transparent and accountable practices

### Stakeholder Relationships and Engagement

GRI: 102-40; 102-42; 102-43; 102-44

### **STAKEHOLDERS**

### **ENGAGEMENT** APPROACH AND **GOALS**

IGT is firmly committed to designing and managing games in a way that ensures safety, reliability, integrity, and efficiency. Regulators confidently rely on IGT's capabilities and experience in preventing illegal and problem gambling, and in counteracting match fixing. IGT's top managers regularly attend meetings and workshops with public authorities and institutions at both local and global levels to actively share knowledge and expertise.

IGT is committed to maintaining its position as a leading company around the globe.

### **ACHIEVEMENTS**

- Shared knowledge and expertise with national and international institutions.
- IGT's player protection approaches were recognized as a benchmark for player protection best practices.

- Managing games in a way that guarantees safety, reliability, integrity, and efficiency.
- Counteracting illegal and problem gambling.
- Preventing match fixing, data fraud and breaches.
- Fostering the innovation process and contributing to the constant improvement and evolution of the market.



### ENGAGEMENT APPROACH AND GOALS

IGT's CSR strategy is to have a significant and positive impact on the communities in which the Company operates. The strategy is executed through community involvement and employee engagement initiatives supporting programs that enrich and strengthen those communities.

Initiatives embrace a wide breadth of needs, providing educational and economic opportunities for people in challenging socioeconomic environments around the globe.

Community projects are reviewed and approved by IGT's Social Impact Committee (SIC) in quarterly meetings. SIC guidelines ensure that all approved support requests are aligned with IGT's overall Corporate Social Responsibility strategy.

### **ACHIEVEMENTS**

- Employee involvement and engagement initiatives.
- The Social Impact
   Committee has a
   transparent approvals
   process for charitable
   contributions.
- Organizations requesting funding from IGT are asked to provide volunteer opportunities for IGT's employees.

- Managing the Employee Giving program to facilitate employee requests for support of local organizations.
- Producing a yearly report to analyze requests received and supported by the SIC, to ensure IGT's contribution is wellbalanced and reflects the Company's strategic vision.
- Improving the understanding of communities' needs and focusing actions to the benefit of vulnerable members of the population.



### ENGAGEMENT APPROACH AND GOALS

IGT maintains a longstanding commitment to player protection through close relationships with customers, gaming regulators, research institutes, and advocacy groups that promote tools to prevent problem gambling; support responsible gaming organizations that address problem gambling; and prevent underage gambling. Furthermore. IGT has created an internal Responsible Gaming Working Group, a team of global subject matter experts from different departments to share updates on IGT's responsible gaming efforts.

IGT has established and maintains appropriate, comprehensive systems and internal controls to enable the identification, monitoring, and management of fraud risks, while cooperating at international level on match fixing issues and solutions.

### **ACHIEVEMENTS**

- Player protection and security tools are included in IGT systems and portals to safeguard players' interests and address regulators' concerns.
- The IGT Responsible Gaming Working Group has generated cohesive awareness around responsible gaming efforts and helped create effective programs.
- IGT's player protection approaches were recognized as a benchmark for player protection best practices.

- Improving awareness of tools to prevent problem gambling, with a focus on training customer-facing employees on these tools.
- Supporting responsible gaming organizations that address problem gambling.
- Preventing underage gambling through effective tools and procedures.
- Preventing match fixing, data fraud and data breaches.



**Employees** 

### ENGAGEMENT APPROACH AND GOALS

People who work for IGT, representing the Company and managing its operations, are collectively the best asset for meeting the business challenges posed in today's gaming market.

IGT's overall goal is to increase the presence of underrepresented groups at all levels, and create a more inclusive and equitable organizational culture within IGT.



- Redesigned our human resources organization, IGT People and Transformation, to better deliver services and enable organizational results while addressing constantly changing needs.
- Improved communication between leaders and employees through a series of live webcasts.
- Formed the Executive
  Diversity and Inclusion
  Council, a crossfunctional team of senior
  and emerging leaders
  from around the world.
  It helps IGT deliver
  on its commitment to
  reflect the diversity of
  its global customers
  and communities, and
  support a fair, inclusive
  culture where all
  employees feel valued,
  respected, and engaged.
- Hired our first Vice
   President of Diversity
   and Inclusion, who is
   responsible for creating
   the Office of Diversity
   and Inclusion and
   the Global Strategic
   Plan for Diversity and
   Inclusion.

- Maintaining a working environment where everyone is treated with fairness, dignity, and respect.
- Increasing the frequency of employee meetings with management.
- Focusing
   improvement
   efforts on areas
   of professional
   development,
   recognition, and
   reward with new
   learning and
   development
   programs and a
   simplified performance
   management process
   more clearly linked to
   rewards.
- Ensuring all employees receive appropriate training on significant topics (such as data security and responsible gaming).

Shareholders

### ENGAGEMENT APPROACH AND GOALS

According to its sound business models and strategy, the Company is operating in growing global market segments and investing in innovation to create shareholder value. All relevant information is transparently, promptly, and completely

reported.

### **ACHIEVEMENTS**

 Regularly updated, prompt, transparent, and complete reporting.

### **COMMITMENTS**

- Increasing effectiveness
   of communication
   through the
   Sustainability
   Report and specific
   questionnaires promoted
   by investment specialists
   (such as RobecoSAM)
   for inclusion in
   sustainability indices.
- Operating in growing global market segments and investing in innovation to create shareholder value.
- Increasing sustainability
   of the business to
   ensure the ability of the
   Company to create
   economic value in the
   long term.



Attention and dedication to our customers is integrated into the strategies we use to provide them with prompt and complete assistance.

IGT's partnerships with global customers are based on integrity, respect, and excellence fostered over time and through a vast range of integrated services and technologically advanced, innovative, and safe products.

- Provided innovative and secure products and services, such as our PlaySpot<sup>™</sup> product and bespoke player convenience lottery apps for jurisdictions around the world. Enhanced our ability to provide customers with innovative instant ticket products by adding a new TRESU press and 45,000 square feet of secure production area to our Lakeland, Florida, printing facility.
- Adopting strategies that provide prompt and effective assistance to our customers.
- Offering a vast range of integrated services.
- Designing and providing solutions that help our customers meet their players' evolving preferences.
- Integrating digital and traditional channels to offer a wider gaming experience.

### ENGAGEMENT APPROACH AND GOALS

IGT works with suppliers

that can ensure high-

services and meet high

economic, ethical, and

socio-environmental

standards. Suppliers

play a key role in IGT's

customers' requirements. IGT's Code of Conduct

serves as a guide to the

moral, legal, and ethical

standards expected of

suppliers when doing

business with IGT

ability to support our

quality goods and

### Improved the selection process to ensure a more sustainable and ethical supply chain (with regards to anti-bribery and anti-corruption

aspects).

**ACHIEVEMENTS** 

### Analyzed suppliers that represent 80% of total expenditures, developing a deeper and detailed understanding of our supply chain and improving awareness of exposure of human rights risks.

### **COMMITMENTS**

- Creating a supplier
   Code of Conduct
   with which suppliers
   are required to comply.
   It may include, among
   others, environmental
   and human
   rights protection
   requirements.
- Defining a strategy to address suppliers at risk in terms of human rights violations.



As part of its promise to achieve environmental sustainability, IGT commits to meet or exceed applicable environmental legal and certification requirements. The Company strives for continual improvement in its environmental management systems and reducing its environmental impact.

- Implemented initiatives for resource efficiency.
- Designed and manufactured environmentally compliant products for all jurisdictions.
- Increased boundaries and accuracy of the greenhouse gas (GHG) emission monitoring and reporting through a webbased tool.
- Improved the performance in the CDP (formerly known as the Carbon Disclosure Project) 2017 Climate Change Program for commitment and actions fighting climate change, scoring the "Leadership A-" level.

- Continuing improvement of the Environmental Management System (EMS).
- Obtaining full boundary coverage of environmental data collection by 2020.
- Pursuing more energyefficient solutions, transportation, and mobility.
- Raising employee awareness through specific training and communication campaigns.



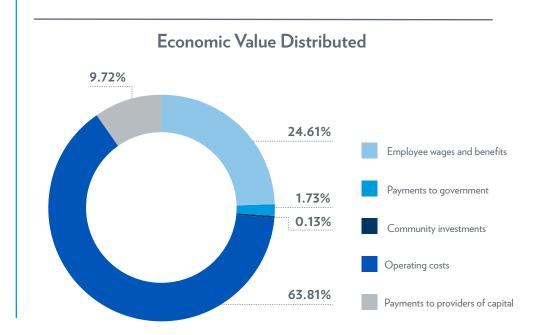
# Direct Economic Value Generated and Distributed GRI: 103-1; 103-3; 201-1

Each year, IGT analyzes the generation and distribution of added value, which provides an alternative description of the financial numbers released by the Company. By evaluating accounting figures with multiple stakeholders' interests in mind, the focus shifts from a mere Profit and Loss approach to one that also considers the distribution of economic value generated by the

Company to multiple stakeholders. This value, distributed to the Company's internal stakeholders (for example, employees) and external stakeholders (for example, communities and public administrations), can thus be measured in a way that is supplemental to a strict financial view in which only shareholders' interests are to be satisfied, and provides a more comprehensive picture of the value the Company contributes to the communities in which it operates.

(\$ thousands)	2017	2016 <sup>(*)</sup>
Economic value generated	4,505,418	5,291,361
Economic value distributed	4,720,594	4,953,666
Employee wages and benefits	1,161,516	1,175,386
Payments to government	81,690	175,823
Community investments	6,045	5,145
Operating costs	3,012,444	3,128,043
Payments to providers of capital	458,899	469,268

<sup>\*2016</sup> figures have been restated due to updates to calculation methodology.





# 2 Fostering Responsible Gaming

# Fostering Responsible Gaming





































As the world's leading end-to-end gaming company, IGT is aware of the risks associated with gaming activities. As the industry has grown, the Company has steadily increased its commitment to minimize any risk that may adversely affect players. More specifically, IGT works closely with its customers to understand and accommodate their needs to embed Responsible Gaming features into their offerings.

Employing more than 12,000 employees in more than 50 countries, IGT consistently designs training courses to ensure that employees at all levels and responsibilities within the Company have the appropriate skills to successfully manage their daily activities. While general awareness training of responsible gaming is provided to all employees, more focused courses are designed for those employees working in

specific areas of the Company such as marketing and advertising, game design, or contact centers.

IGT works with a wide variety of stakeholders, including problem gambling researchers and advocacy groups dedicated to promoting awareness of responsible gaming. The Company also works with a wide array of stakeholders with the goal of promoting and supporting responsible gaming to the fullest extent possible.

### Our Commitment GRI: 103-3

At IGT, the idea that responsibility and growth are not mutually exclusive is fully embraced. IGT believes that it is incumbent upon all stakeholders in the gaming industry to take a proactive approach to problem and underage gambling.



# IGT'S RESPONSIBLE GAMING COMMITMENTS

In compliance with the WLA Associate Member CSR Standards, as well as iCAP and G4 certification requirements, IGT has identified eight commitments underlying its Responsible Gaming Working Group's goals:

- Work with appropriate stakeholders on responsible gaming issues to ensure IGT follows best practices and is aware of current responsible gaming research as it relates to corporate operations.
- Create internal awareness of responsible gaming and provide specific education and training to relevant employees as it relates to their daily activities.
- Incorporate responsible gaming tools into products and services to minimize potential risks.
- 4. Ensure IGT's remote gaming platforms offer operators the ability to monitor players' behavior and minimize any potential excessive or illegal gaming activities.
- Ensure all advertising and promotional activities comply with IGT's Responsible Gaming Code of Principles.
- 6. Support customers with responsible gaming best practices in order to promote responsible play.
- Engage with stakeholders to align IGT's responsible gaming strategies with their expectations.
- 8. Report IGT's responsible gaming activities to key stakeholders.

#### FOSTERING RESPONSIBLE GAMING

IGT's responsible gaming efforts are based on the following objectives:

- To promote protective tools to prevent problem gambling.
- To support responsible gaming organizations that address problem gambling.
- To prevent underage gambling.

To promote awareness and best practices within the organization,

IGT established the IGT Responsible Gaming Working Group, which includes subject matter experts (SMEs) within many departments at the global level. Its contribution is key to incorporating responsible gaming features into products and training programs for staff and customers, as well as internal and external communications, in accordance with the overall goals of IGT's responsible gaming efforts.



SETTING THE STANDARD FOR IGT'S INTERNAL COMMITMENT TO RESPONSIBLE GAMING

IGT's Responsible Gaming Working Group is the internal working group comprising of global SMEs representing 11 areas of the Company (Compliance, Marketing, Research, Corporate Communications, Sales, Interactive, Gaming, Betting, Lottery, LMS, and Talent Management) who meet at least twice per year to provide updates on the Company's responsible

COMPLIANCE

CORPORATE COMMUNICATIONS

GAMING

LMS

LOTTERY

MARKETING

SALES

TALENT MANAGEMENT

gaming efforts.
Between meetings,
preparatory work is
carried out by eight SubWorking Groups, which
correspond to the eight
Responsible Gaming
Program Elements. SMEs
within those groups
discuss projects related
to responsible gaming,
such as enhanced
employee trainings and
updated Advertising

and Marketing Code of Principles. Decisions made in the Sub-Working Groups are then presented to the larger Working Group. The Corporate Social Responsibility team will continue to develop responsible gaming policies and practices that ensure compliance with applicable rules and regulations, international standards, and best practices.

The Goals of the Responsible Gaming Working Group are to:

- Create internal awareness around responsible gaming.
- Help define the responsible gaming action plan and monitor program effectiveness.
- Complete selfassessments of IGT's existing responsible gaming capabilities.

"Responsible gaming is fundamental to our business success and our corporate social responsibility initiatives are part of our DNA. These principles govern the protection of our customers and their players. It also gives us a unique opportunity to work more closely with our Responsible Gaming stakeholders, refresh our advertising practices, and involve our employees in unique ways to reinforce the Company's commitment to responsibly delivering growth to the gaming industry."

Robert K. Vincent
IGT Executive Vice President
Administrative Services & External
Relations

IGT is weaving a responsible gaming approach into the fabric of its products, programs, and policies, applying industry best practices and international standards to help customers educate and safely entertain players.

IGT's approach to responsible gaming technology consists of two elements: emphasizing the educational component by offering various features that make the player more informed and advocating for the deployment of responsible gaming technology, thereby encouraging voluntary use of responsible gaming features combined with incentives for players who actually use such features.

IGT has adopted an Advertising and Marketing Code of Principles that ensures all promotional activity follows solid principles of responsible marketing.

#### Awareness and Prevention - Let's Spread the Word!

Lottomatica in Italy has carried out the sixth edition of the underage gambling prevention tour, in partnership with MOIGE (Movimento Italiano Genitori, the Italian Parents Movement) and FIT (Federazione Italiana Tabaccai, the Italian Tobacconists Association). A reception stand visited 80 points of sale in 20 cities to raise awareness of and prevent underage gambling. The communication campaign "Facciamo Girare la Voce" (Let's spread the word) running mainly in local newspapers was launched to support the tour, while a second launch started in October in major newspapers and on online websites.



#### **Underage Play Prevention in New Jersey**

IGT's Northstar Lottery Group partnered with the State of New Jersey to develop Underage Play Prevention materials for use by public schools in the state. Outlines for elementary-, middle- and high school-aged students were designed to identify specific warning signs of problem gambling and potential risks to vulnerable students. These outlines also contained information for educators who were looking for additional resources on more thorough underage play prevention and education materials. IGT distributed these packets at the New Jersey School Boards Association and New Jersey Education Association Conferences in Atlantic City in the Fall of 2017.

#### **Our People**

IGT's commitment to responsible gaming starts with people.
Technology may be a powerful tool that operators use to deliver game content to players, but gaming is fundamentally a human activity.
From both sides of the game, operators and players must share a full awareness of the inherent risks of gambling, thoroughly understanding how and when an entertaining game may turn into a problem.

A balanced and responsible approach to gambling helps ensure long-term value creation. Training courses, which are regularly scheduled for all employees and new hires, encourage growth in an ethical and responsible manner. They are designed to educate all employees about the Company's commitment to responsible gaming and highlight the consumer protections built into the Company's various gaming platforms. Some courses also

educate player-facing employees about problem gambling, key signs and symptoms, and how to find available resources for those who seek help.

In addition to educating staff about responsible gaming risks, policies and solutions, IGT takes an active part in cooperating with reputable parties to promote best practices, develop policies, and support responsible gaming awareness programs.

#### Responsible Gaming Training Programs Active in 2017



# E-LEARNING EMPLOYEE TRAINING FOR BUSINESS-TO-CONSUMER (B2C)

Designed to provide Contact Center employees the capacity to objectively identify customers who may need support, provide assistance, and show available features on IGT's online platforms.



#### WHEN THE FUN STOPS

Mandatory training program about understanding problem gambling for employees who directly interface with gaming patrons at the Reno airport.



# LOTTERY MANAGEMENT EMPLOYEE TRAINING IN NEW JERSEY AND INDIANA

Designed to educate all employees on the Lottery's commitment to responsible gaming and problem gambling education.



#### PRE-TRADE SHOWS PRODUCT TRAINING

Designed to help key Account Development Managers (ADMs) and sales teams gain a better understanding of IGT products and services to promote responsible gaming among customers.



# RESPONSIBLE GAMING TRAINING PROGRAMS UNDER DEVELOPMENT IN 2018

In addition to the training programs underway, IGT consistently designs new training courses in an effort to refresh existing content to stay on trend with the ever-evolving gaming market, and to enhance the specific skills needed for different levels of employees.

The Global Responsible Gaming Awareness Training is designed to educate all employees on the Company's commitments to responsible gaming and problem gambling education.

The Game Designers Pilot Program/ Training on Responsible Gaming, on the other hand, is designed to educate game designers on responsible gaming topics that can impact future product development. "It is truly the commitment of employees across all business segments that makes IGT's responsible gaming program so successful. We were proud to highlight personal messages of responsible gaming from many of our Working Group members for this year's Problem Gambling Awareness Month".

Stefania Colombo, IGT Manager, Corporate Social Responsibility



# Partnering with NCPG for the Problem Gambling Awareness Month

IGT supports Problem Gambling Awareness Month (PGAM), a grassroots campaign, held annually in March, by the National Council on Problem Gambling (NCPG). Participants include state affiliates, organizational and individual members. state health agencies, gaming companies, recovery groups, and a wide range of healthcare organizations and providers. Participating companies ask employees to share on social media their answer to the question "What does responsible gaming mean to you?" IGT's Responsible Gamina Working Group used Yammer, Facebook, and LinkedIn to spread responsible gaming awareness to thousands of social media followers through this campaign.

#### Partnering with AGA for the Responsible Gaming Education Week

IGT is proud to support the American Gaming Association (AGA)'s annual Responsible Gaming Education Week (RGEW) held in August. The RGEW provides an opportunity to showcase the industry's year-round dedication to responsible gaming programs and is an important part of the industry's steadfast commitment to promoting responsible gaming.

Every year, IGT joins the AGA to increase awareness of responsible gaming among gaming employees, casino customers, and the general public.



In August 2017, IGT launched the first-ever responsible gaming contest for employees around the world using Yammer, an internal employeefocused social media tool. The contest asked employees to post their answer to the question "What does responsible gaming mean to you?". In addition to posting answers to the question, employees used #RGEW and asked their colleagues to "like" their posts. All posts with one or more "likes" were automatically entered into a prize drawing.

#### **Our Capabilities**

As gaming continues to expand into interactive and mobile channels, it is even more critical for all IGT products, systems, and portals to include responsible gaming tools to safeguard the interests of players and address regulators' concerns.

Responsible gaming tools are significantly more effective when offered across every gaming channel, whether the player is at the retailer counter, or on a Video Lottery Terminal (VLT), laptop, mobile phone, or tablet. When applied according to best practices, responsible gaming solutions promote, rather than inhibit, responsible play by helping players make informed decisions about their playing behavior.

Lottery

As the world's leading operator of highly secure online lottery transaction-processing systems, IGT tailors its solutions to each jurisdiction's individual needs, from implementing a new lottery that is compatible with a particular culture to acting in a manner consistent with being a good corporate citizen.

IGT's comprehensive approach considers all of the elements of a game program, including its design, launch, and promotion. All of this is performed with the support of a suite of responsible gaming best practices gained from experience supporting and operating gaming programs throughout the world. Lottery system features for responsible gaming ensure operational control over all components, addressing processing, reporting, security, retailer management and customer support as they implement responsible gaming structures and play styles.

The point-of-access at the retailer setting plays a critical role in how IGT incorporates responsible gaming parameters into its systems. All of IGT's current point-of-access products are capable of supporting customers with reliable age-verification technology for retailers. The age-verification process becomes even more critical with self-service devices. Retailers have the ability to remotely shut off

the power to IGT products, and customers could implement the actual scanning of a player's driver's license or government ID card for each transaction, virtually eliminating underage play. Furthermore, IGT multimedia digital signage enables lotteries to promote responsible gaming messages to encourage players to play responsibly.

IGT's online and instant system installation and conversions include complete communication and training programs to ensure the jurisdiction's site staff and retailer base are fully prepared and properly trained and equipped to handle all sales activities. Individual terminals are also equipped with a Training Mode, so new game and sales features can be practiced and perfected before sales go live. The responsible gaming features that are part of lottery software are used by more than 60 customers worldwide.



#### Gaming

Jurisdictional requirements are aimed at protecting players and minimizing problem gaming risks and other potential harms. IGT's products are compliant with each region's regulations and fulfill each operator's responsible gaming rules and requirements. IGT's compliance is also verified by test agencies appointed by operators and regulators.

IGT provides responsible gaming features across its Casino Systems product portfolio. These features have the ability to track player gaming activity and detect situations in which players are reaching preset limits according to players' choices or defined according to casino operator policies or regulations. The most common limits are on credits wagered, time played, losses, and number of visits, and each limit can be associated with a period of time. When a limit is reached, specific actions can be triggered, like informing the player or the casino operator. The responsible gaming feature for Casino Systems is accessible through a web interface.

IGT has developed responsible gaming technology for VLT and central management systems based on extensive research among lottery operators and players, and in consultation with experts in the field of problem gambling. IGT's solution for the distributed market is the most comprehensive found in the industry today, as it consists of a wide selection of different responsible gaming features that are offered to players.

These responsible gaming tools include on-machine features and system-supported functionalities, with the main objective of helping players make informed choices. Therefore, the majority of responsible gaming features are designed to enhance player education and self-awareness

Other features include age verification and explanations of randomness and independence of events to dispel erroneous perceptions that players may have about gambling; setting time and monetary limits for a session, day, week, or month; self-assessment surveys on problem gambling; permanent clocks displaying time and game/session durations; credit meters showing monetary amounts; restriction on money inserted; spending predictions; and automatic session stops.

#### Interactive

The rapidly evolving world of interactive gaming, also known as remote gaming, requires a sophisticated approach to implement best-practice responsible gaming and security

tools for the protection of players. As the industry has progressed into the world of remote gaming, operators have worked with suppliers to reproduce the instore lottery and instants playing experience by optimizing lottery play online, while ensuring the presence of responsible gaming controls at each stage of the migration of lottery gaming over the internet.

"Responsible Gaming is at the core of every IGT decision. Whether it is an interactive game or a new technology solution, we are guided by this principle. Our goal is to always promote responsible play while creating a fun player experience."

Giuseppe Portoricco IGT Vice President Player Account Platforms and iLottery



#### FOSTERING RESPONSIBLE GAMING

IGT has implemented a range of player-protection tools on the interactive gaming demo portal, igtgames.com, where B2B customers can see the applications that can be embedded into their websites. Operators can implement these features and functionalities to be compliant with their market rules and regulations or to exceed existing requirements.

The online player-protection tools have been designed to provide operators with baseline features and functionality that can be implemented to allow players easy access to features such as:

#### **GAME LIMITS**

Players have the ability to select their daily deposit and daily, weekly, and monthly game limits. By completing the fields, players activate automatic checks performed by the system. Once completed, their behavior regarding deposits and play can be under regulation and monitoring.

#### **GAMBLING RISK TEST**

A self-assessment tool to help players establish their current situation. The higher the score, the more likely it is that their gambling may be a problem.

#### **GAME TRANSACTIONS**

Ability to view Game Name, Session ID, Start Date, End Date, Duration, Wager Amount, Win Amount, and Status.

# SELF-EXCLUSION AND TIMEOUT Players can choose a timeout, which allows for a short break from gambling by blocking their account for 24.

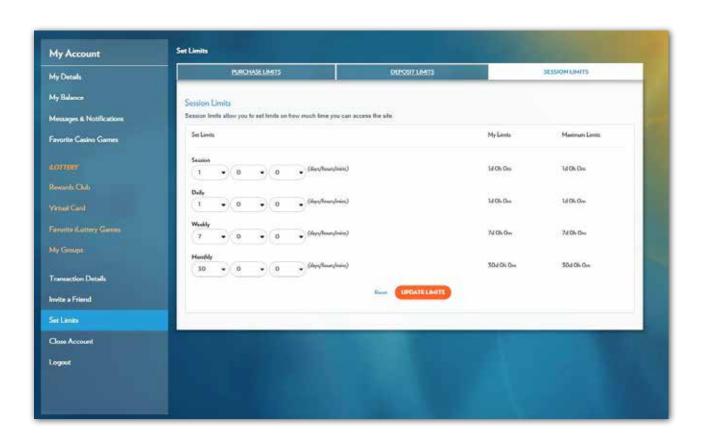
break from gambling by blocking their account for 24 hours, 48 hours, 7 days, or 30 days. Players also have an option to choose self-exclusion, a formal process whereby a request is made to prevent any access to the online account for a period of six months to permanently.

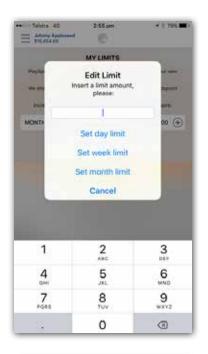
#### MYTHS AND MISCONCEPTIONS

A list of common myths that players can look through for clarification.

#### MY FINANCIAL TRANSACTIONS

Ability to view the date, amount, type of transaction made, description, and game details.







#### Betting

PlaySpot<sup>™</sup> is an integrated suite of technologies enabling casinos to harness the power of mobile and deepen customer relationships. Ninety percent of land-based casino visitors are active on their smartphones, even while playing in the casino. IGT has developed a completely new kind of mobile betting experience with Casino Games and Race & Sports Betting, including patent-pending technology, with responsible gaming features attracting and retaining the attention of visitors before, during, and after each visit.

Within the PlaySpot application, players have the ability to limit their spend or deposits for a defined period, and then not raise any limit set, according to a daily, weekly, monthly, or yearly period. Also, at the start of a gaming session, players are presented with a pre-commitment of spend for a particular session, forcing players to consider how much of their bankroll they want to commit to a particular game and thus make a conscious decision on the risk they are taking. Ultimately, players can opt for temporary or permanent self-exclusion from mobile betting.

Operators are able to set the Reality Check period in the secure back office. When a player reaches a break point, the session is forcibly closed and a configuration option can force a new login after this break. The PlaySpot system allows operators and players to have a full view of gaming behaviors for assessment, from money deposits and withdrawals to time spent playing and frequency of login, while players has access to responsible gaming information from the account screen and direct links to Help websites.



#### Our Partners GRI: 102-13

IGT welcomes the opportunity to work with operators in any gaming jurisdiction that may be implementing responsible gaming features and tools on gaming products to ensure that players' gaming experiences are safe and enjoyable.

IGT is an Associate Member of the World Lottery Association (WLA). WLA's values are based on a commitment to the highest standards of corporate responsibility, including the WLA Responsible Gaming Principles and Framework, and respect for the duly authorized legal systems that determine where, and in what form, gaming products can be provided to citizens of a particular geographic or national territory. The WLA is committed to sharing knowledge and experience amongst its members and improving its business in the interest of stakeholders as determined by the authorities in their respective jurisdictions. IGT is part of the Corporate Social Responsibility (CSR)/RG WLA Working Group, and Fabio Cairoli, IGT CEO Italy, is a member of the WLA Executive Committee.

IGT is a Premium Partner of the European Lotteries (EL), the umbrella organization of national lotteries operating games of chance for the public benefit. EL brings together state-owned and private operators, both profit and non-profit, who operate on behalf of the state. Members only offer gambling and betting services in the jurisdictions in which they are licensed by the respective national government. EL promotes the sound and sustainable gaming model for the benefit of society, based on the values of subsidiarity, precaution, solidarity, and integrity. IGT representatives cooperate with all EL working groups.





Setting Guidelines for CSR and Responsible Gaming in Spain with EL and WLA IGT was front and center at the European Lotteries (EL)/WLA CSR-RG Seminar that took place September 20-22 in Madrid, Spain. Responding to this year's theme, "CSR you ready?" were Tracy McNutt, IGT Indiana Senior Director and Deputy General Manager; Stefania Colombo, IGT CSR Manager; and Riccardo Troiani, IGT CSR, who participated in four workshops that showcased IGT's excellence in Corporate Social Responsibility and responsible gaming.



#### Research Partner

IGT is a proud partner to responsible gaming research carried out in the U.S. as well as in Europe. Among IGT's contributions:

IGT is supporting the Tennessee Education Lottery Corporation with a quarterly tracking study measuring how the lottery makes a positive contribution to the state, is respectful to all ethnic groups, markets its games to people of all income levels, communicates the overall odds of each game, discourages underage play, and ensures that games and drawings are run fairly and securely.

Lottomatica is complying with the Italian regulatory body (ADM) in carrying out new research focused on mechanisms triggering gaming willingness. Lottomatica participates in cooperation with the SNAI, University of Genova, La Sapienza University (Rome) and Doxa (research institute).

IGT Indiana is supporting "Positive Play Scale," a study measuring the positive characteristics shared among players. The survey was developed by GamRes, an independent research and consultancy service that designs, implements, and evaluates responsible gaming strategies and executed by the IGT Indiana analytics division.



IGT is a Platinum Member and Annual Sponsor of the Conference of the National Council on Problem Gambling (NCPG), the U.S.-based organization working with state and national stakeholders in the development of comprehensive policies and programs for all those affected by problem gambling. The NCPG developed the internet Compliance Assessment Program (iCAP) certification, which IGT has achieved. During its annual conference, Jade Luchauer, CSR Manager for IGT Indiana, presented an overview of IGT Indiana's CSR program for the Hoosier Lottery and how CSR is integrated into its core business programs.

# Gamble Aware ®

IGT is an Annual Member of GambleAware, the leading charity in the UK committed to minimizing gambling-related harm. As an independent national charity funded by donations from the gambling industry, GambleAware funds education, prevention and treatment services, and commissions research to broaden public understanding of gambling-related harm. The aim is to prevent people from developing problems as a result of their gambling and ensure that those who develop problems receive fast and effective treatment and support.



IGT is a supporter of the National Center for Responsible Gaming (NCRG), the only national organization exclusively devoted to funding research that helps increase understanding of pathological and youth gambling and find effective methods of treatment for the disorder



IGT is Member of the CSR and Responsible Gaming committee of the American Gaming Association (AGA), the U.S.-based national trade group representing commercial and tribal casino operators, suppliers, and other entities affiliated with the gaming industry.



IGT is an Associate Member of the North American Association of State and Provincial Lotteries (NASPL). The association's mission is to assemble and disseminate information and benefits of state and provincial lottery organizations through education and communications and, where appropriate, publicly advocate the positions of the association on matters of general policy.



IGT is a member of the European Association for the Study of Gambling (EASG). The association provides a forum for the systematic study, discussion, and dissemination of knowledge about all matters relating to the study of gambling in Europe. NASPL 2017: Our Vision To Modernize Lottery Play IGT had a significant stage presence at NASPL's annual conference, adding insight into and perspective on key topics. Angela Wiczek, Vice President, Corporate Communications, participated in a panel discussion on best practices in the development of CSR programs for the gaming industry. The panelists shared the specifics of their CSR programs and discussed how they determined the focus and priorities for their programs, addressing topics such as aligning CSR strategies with business goals, creating authentic programs, and the relationship between CSR and employee engagement.

# GiocaResponsabile (Play Responsibly)

In Italy, Lottomatica has long-standing relationships with several institutions and authorities dealing with responsible gaming issues at both the national and international levels. In particular, the collaboration with FeDerSerD (Fedederazione Italiana degli Operatori dei Dipartimenti e dei Servizi delle Dipendenze, the Italian Federation of Operators in Addiction Departments and Services) carried out "GiocaResponsabile," the first Italian free-of-charge helpline dealing with problem gambling since 2009.

The service is managed by professionals offering anonymous counsel and advice to people exposed to the issue, personally or through family and friends. Problem gamblers can also benefit from a behavioral therapy program. Since August 2013, online therapy for problem gambling has been available on Gioca Responsabile's website (www. giocaresponsabile.it). This service, also free of charge, is for gamblers who want to be treated by specialists online, and is state-of-the-art at the Italian and European levels. Registered users are quaranteed anonymity and confidentiality throughout their treatment.



The Association of Gaming Equipment Manufacturers (AGEM) is a non-profit international trade association representing more than 150 manufacturers and suppliers for the gaming industry. Members of AGEM work together to create benefits for every company within the organization through good corporate citizenship, political action, regulatory influence, trade show partnerships, educational alliances, and information dissemination. IGT is member of AGEM since its inception. with Luke Orchard (SVP, Chief Compliance and Risk Management Officer, IGT), Scott Gunn (SVP, Global Government Relations and North America Lottery Business Development, IGT), and other IGT representatives serving on various committees. AGEM assists regulatory agencies and participates in the legislative process to solve issues and create a business environment where AGEM members can prosper, while providing a strong level of support to education and responsible gaming initiatives.











#### Our Certifications GRI: 102-12

The certifications awarded to IGT by the most important gaming industry associations worldwide are an acknowledgment of the Company's commitment to responsible gaming. Provided that such certifications are not permanent, IGT constantly works to fulfill the requirements and prevent any gaps in actions or procedures that may hinder the certification process.

IGT is the first gaming vendor in the world to achieve responsible gaming accreditation from the Global Gambling Guidance Group (G4) for its land-based casino and lottery operations. This certification reinforces IGT's commitment to being a responsible vendor, and demonstrates the effectiveness of the responsible gaming technology solutions it provides to gaming operators worldwide.

Doing the right thing for players and the broader community has made Corporate Social Responsibility, specifically the Responsible Gaming
Principles and Framework, a
priority for WLA. IGT has
been awarded certification for
its lottery operations for the
WLA Associate Member CSR
Standards and Certification
Framework. IGT was
commended for its commitment
to having established sustainable
CSR and responsible gaming
programs as a vendor to the
global lottery industry for nearly
40 years.

An external appraisal was performed by a WLA-approved assessor who provided an informed, complete, and impartial assessment of the Company's lottery operations and completed a Statement of Alignment reflecting IGT's compliance with the eight sections of the WLA CSR standards. The eight standards include research, employee programs, product and service developments, remote gaming environments, advertising and marketing communications, client awareness, stakeholder engagement, and reporting.



The New Jersey Lottery was just the third lottery in the United States, after California and Indiana, to achieve its WLA Level 4 Certification in Responsible Gaming in the fall of 2016. IGT's Northstar New Jersey will help the Lottery apply for recertification in the fall of 2019. Furthermore, the NCPG acknowledged the Lottery's Responsible Gaming advertising campaigns with the CSR award in 2017.

In February 2017, IGT achieved iCAP re-certification. IGT was commended for its commitment to responsible gaming and player protection, as well as its wide range of employee training courses. The iCAP certification provides assurance to operators and consumers that IGT's business-to-consumer (B2C) websites and platforms offered in the business-to-business (B2B) market are compliant with the Internet Responsible Gambling Standards (IRGS). In 2012, the National Council

on Problem Gambling (NCPG) developed the IRGS, which are the highest standards for online responsible gaming in the U.S., meeting or exceeding the existing online regulations adhered to by jurisdictions around the world.

To obtain the iCAP certification, IGT received an independent assessment to ensure the highest quality and effectiveness of player protection systems offered by operators and vendors.

#### Lottomatica's Responsible Gaming Certifications



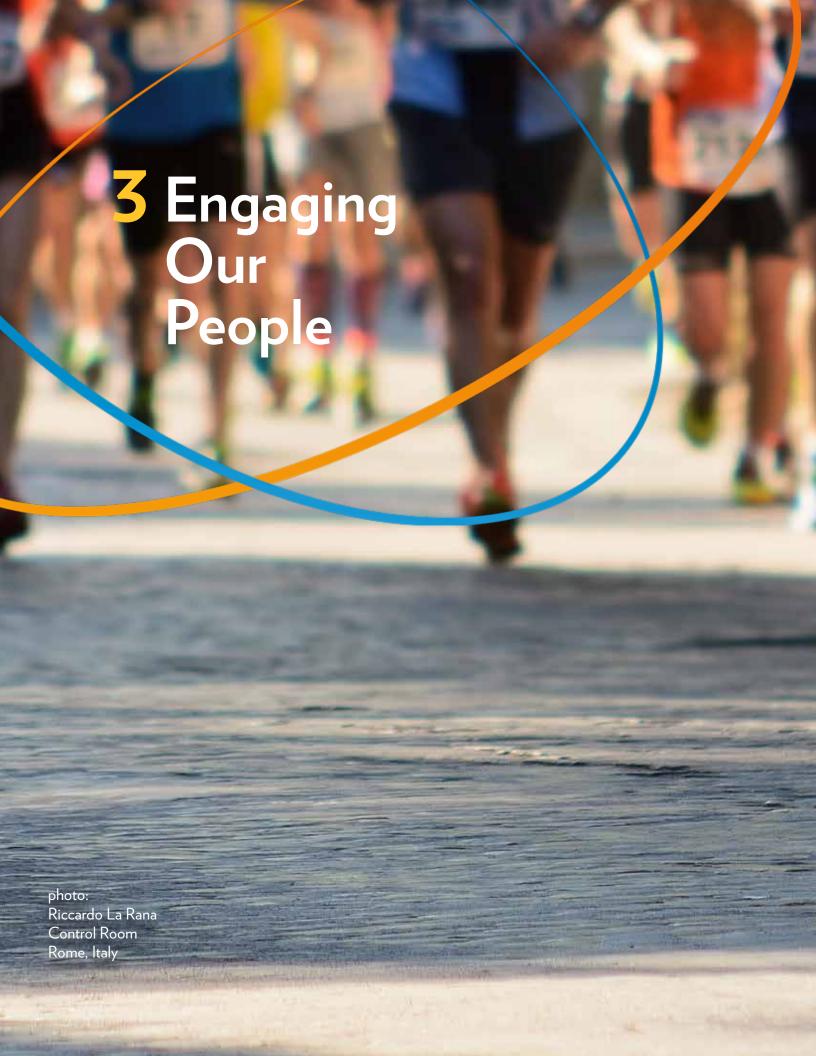
Certificate of compliance with the Responsible Gaming Standard of European Lottery program, achieved in 2009 and renewed to 2018.



Certificate of compliance with the Responsible Gaming Standard of World Lottery Association program at the highest level of certification (level 4), obtained in 2009 and renewed to 2019.



First international certification of conformity for all gaming portals, granted by G4 – Global Gambling Guidance Group, achieved in 2009 and renewed until 2017.





# **Engaging Our People**































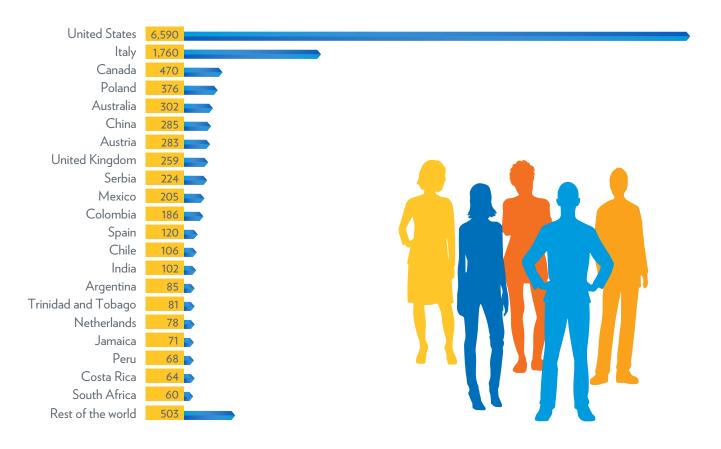






With more than 12,000 employees located in 58 countries and solid relationships with governments and regulators throughout the world, IGT represents a truly multicultural environment where individual beliefs and needs are appreciated, respected, and accommodated. In the global gaming market, which is heavily regulated by local governmental bodies, such diversity enables IGT to understand and participate in local market opportunities and foresee global business implications.

#### IGT People Around the World



#### **ENGAGING OUR PEOPLE**

Nothing affects a culture more than the words, actions, and interactions between colleagues. IGT has a long-term commitment to incorporate the diverse, multicultural talents, and experiences of its employees and unify the organization.

To that end, the Company has identified the values and core competencies that inspire employees' daily behaviors and shape the essence of IGT's aspirations:

# VALUES THAT SHAPE OUR CULTURE



## **PASSIONATE**



### **PIONEERING**



#### **WE ARE RESPONSIBLE**

We are **respectful** of others by are **reliable** and accomplish high-quality work results



#### **WE ARE AUTHENTIC**

We are honest, real people who strive to deliver excellence by showing up as our most authentic open, transparent, and timely communications. We are **open** to new ideas do this by **respecting** others.



#### **WE ARE COLLABORATIVE**

customers first, and sustained partnerships inside and outside of the seek out **new opportunities** by building collaborative developing, maintaining, and strengthening our relationships.

# WE ARE **IGT**



To provide all employees with a frame of reference for business and office behaviors, these values are rooted in people-centric programs and processes that are applicable to all IGT locations worldwide.



# valueSquare

In April 2017, a local project was designed in Italy, called ValueSquare, to serve as a worldwide pilot to increase awareness about IGT's core global values. A crossfunctional team, including employees representing all organizational units within the Italy region, designed initiatives to promote daily working life behaviors inspired by IGT values. Following a bottom-up approach, the team collected

ideas and implemented initiatives that involved all employees through the organization of role players into five subcommittees:

- Communication (Intranet and Yammer).
- Millennials (role players under 35).
- Interviews (video clips).
- Workshop of Leadership Team (drafting the Behaviors Chart).

 Training (joining in 30 training sessions and involving more than 400 colleagues).

Role Players represented the five core values and inspired all colleagues across the entire experience. Initiatives included the 5 Values Weeks (Sept.25 – Oct.27), one for each value; the Time Bank to allow employees to share their skills on an bank-like platform; the QR Code treasure hunt; and photo contests on Yammer.

The project succeeded in creating cross-working teams, establishing commitment to and ownership of diverse activities, and fostering a better environment for employees' everyday lives with an enhanced sense of belonging.

The Company is carrying out an extensive range of renewed programs and activities at all levels of the organization, including recruitment processes, learning and development offerings, and performance management processes.

#### People & Transformation

GRI: 103-3

In 2017, IGT redesigned and renamed the Human Resources organization to better deliver services and enable organizational results while addressing constantly changing needs. The newly reorganized function, called People & Transformation, is revamping the current operating model, global processes,

performance indicators, and strategic business alignment to better deliver services and improve results.

Our people are diverse individuals with distinct needs, motivations, and preferences. People & Transformation will operate as strategic business partners who recognize People Capital Management practices that drive the employee experience and engagement. Diversity, inclusion, and innovation will be paramount features of the core strategy to be considered in all People & Transformation practices.

Transformation is the engine of growth. People & Transformation is aligned with the business strategy and interlocks closely with business transformation efforts, helping leadership and employees rapidly

transform and adapt to the digital way of thinking.

People & Transformation has created a new infrastructure and operating model focused on global processes and procedures, and revised the scope and model of IGT global Centers of Excellence (COE), the span of control of our Business Partners, and the accountability of our Global Shared Services to deliver transactional initiatives.

In 2017, IGT launched a two-year roadmap to increase engagement and inclusion of ideation programs. The goal is to build a culture of ideation and ensure ideas are shared, responded to, and showcased. The project team successfully piloted YamJams on the Company's

"IGT is committed to ensuring our workforce reflects the global customers and communities we serve. Bringing more diverse perspectives to the table drives innovation and will enable IGT to continue to deliver the best products and services to our customers."

Mario Di Loreto IGT Executive Vice President People and Transformation internal social media platform Yammer. The ideas generated in these pilots around "Engaging Millennials" will be put through the already existing innovation pipeline, IdeaWorks, for further development and action. More ideation plans are underway in 2018.

New Company policies set expectations and required standards of employee behavior to ensure a work environment free from discrimination and harassment. Such policies effectively integrate the IGT Code of Conduct, which outlines the standards of behavior and level of integrity expected of all employees, directors, officers, and consultants, as well as any third-party agents or representatives who deal with or act on behalf of IGT and its subsidiaries and controlled affiliates.

IGT follows all applicable worldwide laws and regulations and expects all of its employees, contractors, and consultants to do the same. All employees are required to conduct themselves in a professional, courteous, and cooperative manner while working and attending Company-related activities (e.g., off-site meetings, Company functions, trainings, etc.).

IGT is committed to maintaining an environment where everyone

is treated with fairness, dignity, and respect. IGT will not tolerate any form of sexual, racial, ethnic, harassment, or bullying of employees by other employees, managers, customers, vendors, or the public.

IGT enforces compliance with these policies by implementing appropriate practices in the conduct of its business, training employees in the application of such procedures, and taking appropriate disciplinary action, up to and including termination of employment, for any violation of these policies (except where prohibited by law or contrary to applicable collective bargaining agreements).

Individuals who believe they are being discriminated against, harassed, or bullied are asked to promptly notify the offender that his or her behavior is unwelcome. Should the communication between individuals be ineffective or not possible, individuals can immediately report the incident to his or her immediate supervisor, any other member of the management team, People & Transformation, or the Integrity Line.

Any allegation of discrimination, harassment, or bullying brought to the attention of the Company will be promptly investigated by People & Transformation with cooperation from all parties. Retaliation against any individual for reporting harassment or participating in an investigation will not be tolerated and treated as a separate and independent violation of these policies. Individuals who are not themselves complainants, but assist in an investigation, will also be protected from retaliation.





IGT has partnered with the All-in Diversity Project as a founding member and participant in the project's inaugural year. In 2017, IGT expanded the Executive Diversity and Inclusion Council, which is comprised of a cross-functional team of senior and emerging leaders from around the world that help IGT deliver on its commitment to reflecting the diversity of global customers and communities and supporting a fair, inclusive culture where all employees feel valued, respected, and engaged. IGT hired its first Vice President of Diversity and Inclusion, who is responsible for creating the Office of Diversity and Inclusion and the Global Strategic Plan for Diversity and Inclusion. The overall goal of the strategic plan is to increase the incidence of underrepresented groups at all levels, consistent with applicable regulatory requirements, and create a more inclusive and equitable organizational culture within IGT. The council has approved the creation of employee business resource groups, the first of which will launch in 2018 as a global women's network with a pilot local chapter, and the creation of a working group to address issues relating to LGBTQ (lesbian, gay, bisexual, transgender, and queer/ questioning) employees.

#### **Equal Opportunities and**

**Diversity** GRI: 103-3

IGT is committed to providing equal employment opportunities and a work environment that values diversity and respect for all employees. This policy applies to all terms and conditions of employment, including the application and hiring process. IGT provides equal employment opportunities for all employees on the basis of qualification and merit, and will not permit discrimination on the basis of any characteristic, such as race or gender, or any legally protected status in accordance with applicable laws.

To a reasonable extent, IGT will accommodate employees with disabilities. In the U.S., the Company adheres to the guidelines of the ADA (Americans with Disabilities Act, 1990, as amended). Under the ADA, employers are required to enter into a good faith, interactive process to assess an individual's

need for a work accommodation A "reasonable accommodation" is an accommodation that enables an employee to perform the essential functions of the job and may result in job restructuring, a change in use of tools and equipment, a policy adjustment, or work from home arrangement. As such, reasonable accommodation is available to all employees and applicants as long as the accommodation does not create an undue hardship for the Company and can be provided without posing a substantial safety risk to the employee or others. Employees in the U.S. are provided a link to an accommodation request form, so as to initiate the interactive process to determine if an accommodation is required.

A more diverse and inclusive workforce is an essential element in IGT's success, as confirmed by the number of diversity activities carried out in 2017 and related to training, recruiting, and gender mix of IGT's leadership population. While diversity means many things, IGT is initially focusing on gender diversity because the global gender gap widens as seniority levels at IGT increase.

Employee Category	Men	Women	Total	Men%	Women%
Senior management	462	151	613	75.37	24.63
Middle management	1,064	433	1,497	71.08	28.92
Office staff	6,662	3,065	9,727	68.49	31.51
Workers	250	191	441	56.69	43.31
Total	8,438	3,840	12,278	68.72	31.28



Valore D and Inspiring Girls in Italy Lottomatica in Italy has signed the Valore D Employment Manifesto, a 9-point program defining specific instruments to enhance female talent in the Company. By signing the Manifesto, companies commit to consider both genders in the talent selection stage and monitor gender balance and pay gaps at all levels of the organization, with a specific attention to maternity management and parental support.

Within the framework of Valore D initiatives. Lottomatica supported the Inspiring Girls Project, which is focused on teaching young people that there are no "male" or "female" jobs, but rather different individuals who pursue and achieve their own goals. Lottomatica internally selected 11 Inspiring Girls to participate in the project, meeting students in the local community and answering their questions, thereby providing girls with a better perspective in terms of imagining their own futures and emancipating themselves from stereotypes and social conditioning.

#### Respect for Human Rights

GRI: 102-41: 103-3

The Company adheres to the principles set by the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work in the countries where it operates.

IGT publishes its Modern Slavery Statement in accordance with the Modern Slavery Act 2015, as part of U.K.'s efforts to prevent modern slavery in the businesses of large organizations and their supply chains. The statement discloses the steps IGT has taken during the financial year to ensure that modern slavery is not taking place in any of IGT's supply chains or part of its business.

The full version of the Modern Slavery Statement is available on www.igt.com.

In line with Principle Three of the United Nations' Global Compact, IGT recognizes the value of using dialogue and negotiation to achieve positive outcomes in employment practices. The Company abides by non-discriminatory policies and procedures with respect to trade unions, union memberships, and their activities. IGT provides workers' representatives with appropriate services to assist in the development of effective collective agreements. Consequently, IGT is involved in collective bargaining in different countries and committed

**IGT Takes a Zero-Tolerance** Approach to Modern Slavery The Company is committed to acting ethically and with integrity in all business dealings and relationships and implementing and enforcing effective systems and controls to reduce the risk of Modern Slavery, and human rights violations in general, from occurring in its businesses and those of its suppliers. Starting with its supply chain, IGT is committed to working toward the goal of eliminating potential breaches of human rights globally. An Integrity Line, which is confidential and managed by an independent third party, can be used anonymously to report activities that may involve unethical or unlawful conduct.

to accommodating specific local laws and regulations, providing union representatives with every tool needed to perform their duties.

Collective agreements regulating the terms and conditions of employees following a collective negotiation between management and trade unions currently cover 33% circa of the total workforce. Various locations have voted to become unionized within the United States, with a total of 86 employees electing to do so through two formal union contracts in the state of New York and one contract still under negotiation in Las Vegas, Nevada. All employees in Austria, China, Finland, Italy, Portugal, Serbia, Spain, and Sweden are covered by collective bargaining agreements.

In locations with collective agreements, the notification period of significant changes that could substantially affect personnel is communicated to employees and their elected representatives according to national laws. The minimum notification time varies from a standard 30 days in China and Serbia, to a variable period depending on the employee's tenure in Finland, to a person's age in Sweden. In Austria, employees are to receive a seven-day notice of termination and the work council must be informed. For any other changes, there are no general timelines.

#### **Employee Engagement Survey**

GRI: 103-3

In 2017, IGT followed up on the 2016 Employee Engagement Survey to measure the Company culture and level of internal support. The survey reached a much higher participation rate (82% vs. 55% in 2016).

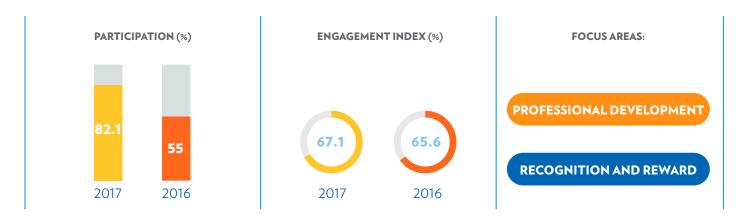
Overall, engagement results show improvement (67% vs. 66%). The

points of strength are the collective belief in IGT's future success and how employees live the Company values. The survey showed that employees are committed to the success of IGT and genuinely appreciate their work and co-workers: 76% of employees feel "comfortable bringing my whole self to work." Such results show authenticity in terms of IGT values and reassert the commitment to Diversity and Inclusion, thus encouraging the Company to carry on its efforts to sustain a truly inclusive culture.

On the other hand, results show the need to focus improvement efforts on areas of professional development, recognition, and reward. New learning and development programs will be carried out in 2018, together with a simplified performance management process with clearer links to reward.

IGT will leverage the suggestions collected through the survey to help employees understand how their contributions and current changes are going to help the Company compete more effectively in the future.

#### IGT's Results 2017 vs 2016



#### Harvard ManageMentor

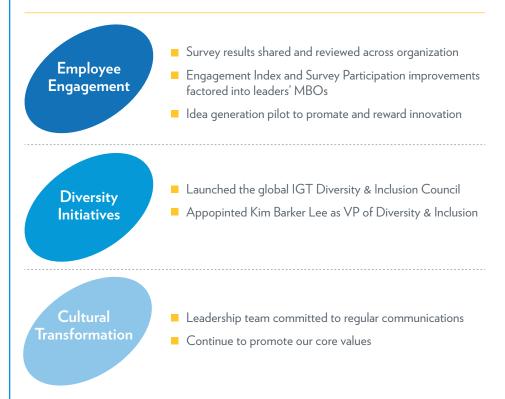
Harvard ManageMentor is a comprehensive online digital learning resource containing 44 modules on how to manage oneself, others and the business; it is aligned with IGT's core competencies and available to all employees globally 24/7.

These modules contain interactive learning activities, audio downloads for mobile devices, video insights, and other downloadable tools. All curricula are based on Harvard research and teaching. Harvard ManageMentor is the gold standard in digital learning, with more than two million global users.

#### **Manager Essentials**

Investing in manager development represents a strategic priority for IGT by ensuring the development of the best people managers. IGT has designed Manager Essentials, a new program consisting of a four-day classroom experience focused on the role of the manager; attracting, developing, and retaining talent; driving execution; and fostering collaboration. All 1,200 IGT global people managers, including supervisors, will participate in this program over the next three years. Directors and senior directors will attend a condensed, oneday version of the program in 2018 to ensure managers and employees are successful and supported.

#### **Evolving Our People Programs**



#### **Training and Development**

GRI: 103-3

IGT strongly encourages employee education. Annually, IGT's People & Transformation department leads various processes to fund and develop learning initiatives that align with business objectives and core competencies.

Development at IGT is a partnership in which employees own and drive their own development, managers support and encourage it, and the Company provides tools and resources to ensure it. In addition to the existing suite of development resources, IGT is making a substantial investment in employees and managers by

introducing two new significant initiatives: Harvard ManageMentor and Manager Essentials.

These programs align with the 10% of the 70/20/10 learning and development model (70% challenging assignments, 20% developmental relationships, and 10% coursework and training), which captures the optimal types of learning in three clusters -experiential, social and formal education- and explains their relationship to one another.

In Italy, a training catalog was created to support the development of global skills aligned with the Company's values. The catalog includes scaled sessions according to the role (supervisor or contributor).

#### **Building Blocks of Our Culture CULTURE:** HOW IGT OPERATES One IGT **CORE COMPETENCIES:** IGT'S CAPABILITIES TO DELIVER Building Decision-Making Self-Leadership Foster Personal Collaborative Relationship **IGT VALUES:** BEHAVIORS TO BE SHAPED AND DEFINED IN IGT'S CULTURE $\bigcirc$ 须 Authentic

In 2017, IGT delivered a total of 80,632 hours of training to 12,036 employees (out of 12,278) at all levels of the organization, more than half of which (66,536 hours) were in excess of the compulsory hours.

Most of the 1.1% of payroll allocated by IGT for employee training is managed locally to ensure alignment of training investment with specific business unit or department needs. Content consists of IGT-specific material and general skills development as well as leadership, management, communications/interpersonal skills, business process/systems, safety, and technical skills. Learning formats include classroom and virtual classroom, and a robust catalog of self-paced mechanisms (e-learning, videos, and simulations) that are available to all employees on-demand, 24/7. More than 20 classroom courses

are available off-the-shelf and custom courses are developed as requested by the business.

IGT is also reviewing the existing leadership programs to identify the best direction for future development, providing development programs for high-potential and emerging leadership in the Company, and front-line management programs open to all managers:

- Developing the Leader in You, known as DTL, is the classroom experience for emerging leaders. In 2018, IGT will expand the global footprint of this program to increase the opportunity for participation and development.
- Expanded virtual classroom offerings in terms of content and reach, using the Adobe Connect platform, to deliver live, highlyinteractive virtual learning content.

- Mid-level management training and management development curriculum.
- Internal coaching to support career development.
- Global, structured internal mentoring programs to support individual development, knowledge transfer, and career development.

Global Leadership Development, known as GLD, is being reviewed in 2018 to better understand the development needs of this population, with a new program being implemented in 2019.

IGT has a tuition reimbursement program in the United States that allows employees to receive tuition reimbursement for courses completed at accredited higher education institutions.



#### **Enhancing Women's Leadership**

IGT invests in women's leadership development and mentoring opportunities through specific partnerships with women's leadership organizations in Rhode Island (AWE - Advancing Workplace Excellence), in Las Vegas (Global Gaming Women), and Italy (Valore D).

In 2017, IGT made concerted efforts to review the female talent participating in leadership programs, in an effort to develop more women in the talent pipeline. As a result, the largest number of women to date participated in IGT's Global Leadership Development program. As a follow-up to the internally designed and facilitated women's leadership courses that were delivered virtually for Latin America & Caribbean team members in 2016, IGT also launched a mentoring program for women in the Caribbean region.

#### **IGT Talent Advisory Council**

IGT established the Talent Advisory Council (TAC), comprised of senior leaders in the organization representing different business units and geographies based on their personal history of developing talent and creating a great work environment. The purpose of TAC is to provide input and feedback to the global Talent Team, including Talent Acquisition, Talent Development and Talent Management, to ensure the Company is addressing business needs while building individual capabilities and promoting the organizational culture. For example, TAC members have been invaluable in the design of IGT's new Manager Essentials program for new managers and testing of IGT's new Employee Value Proposition (EVP).

#### Three Types of Goals



Managers and Above create MBO Goals, as well as some individual contributors that are STI eligible All non-STI eligible employees create Work Goals

#### **Performance Evaluation**

GRI: 404-3

The global integration of IGT's performance management process has continued with the implementation of the nine guiding principles, originally elaborated in 2015, through focus groups and interviews. In 2017, 99% of employees globally received a regular performance and career development review. Among them, 24% received performance reviews according to their individual MBOs (Management by Objectives).

IGT has established a goalplanning process to align corporate, functional, and individual objectives with a common set of strategic objectives. The process enhances an understanding of what is expected and what the end result should look like, providing employees with focus and direction toward work activities that contribute to the success of organizational or departmental objectives. Furthermore, the process provides a nonjudgmental means to coach and evaluate progress and results, while supporting motivation to employees and teams.

# Commitment to Health and Safety in the U.S.

IGT distinguished itself by taking an innovative, empowerment-based approach to its wellness program that started with senior management taking an active role in communicating the program benefits and supporting its development and implementation. IGT's employee wellness program includes financial incentives, onsite fitness centers, revamped cafeterias that offer fresh food choices and infused waters. wellness coaches, and standing desks.

IGT has also introduced, at no cost to employees, a 52-week, evidence based approach to supporting weight loss. The program includes interactive weekly internet webinars with popular celebrities along with weekly live coaching to drive behavior changes. Free kits that include nutritional guides, cooking tools, blenders, food scales, measuring cups, weight scales, meal plans, and exercise DVDs are delivered to participants' homes.

# Among the most meaningful awards:

- IGT received the Healthiest Employers in Rhode Island Wellness Award; The Company was lauded for providing healthy food choices to its Rhode Island employees by adding more vegetables, infused waters, and fresh soups to its café menu, as well as making Company-wide fitness centers free to all employees.
- IGT received the 2017
   Gold Achievement Award
   from the American Heart
   Association.
- In the US, IGT placed 47th in the Top Healthiest Employers in the U.S. out of more than 1,900 applicants.

#### Health and Safety on the Job

GRI: 103-3

The responsibilities for health and safety are shared. IGT is committed to providing, maintaining, and promoting a safe, healthy, and productive work environment for all employees and ensuring compliance with all applicable environmental health and safety regulations. Included in the new 2017 policies, the Safe and Healthy Work Environment policy covers topics such as Workplace Violence, Illegal Drug and Alcohol Use, Tobacco Use, Fitness for Duty, and what actions should be taken if someone needs to report a violation.

Supervisors are responsible for developing the proper attitude in themselves and those they supervise, while employees are responsible for ensuring that all operations are performed with the utmost regard for the health and safety of all personnel involved. Indeed, employees are responsible for wholehearted, genuine operation of all aspects of the health and safety program, including compliance with all rules and regulations with regard to continuously adhering to safety quidelines while performing their duties.

Formal joint management-worker health and safety committees represent 25% of workers. The safety Steering Committee, led by IGT Director of EHS, regularly presents information on potential risks and injury trends, upcoming projects and programs to be implemented, as well as initiatives to reduce risk and prevent injuries. In addition to the Steering Committee, there are a number of site-level safety committees. most of which are at the facility level. The Global Solutions team, instead, has a business unit-wide safety committee (GSSAFE) that publishes a weekly safety tip as well as a monthly newsletter alerting employees to common and seasonal hazards on the job. This committee also assesses risks and works to develop training tools to help mitigate the potential for injury.

About 5% of employees work in IGT gaming machine assembly factories, while the majority of employees work in office locations. In 2017, the Company showed a very low injury rate of 0.91 (in a range from 0 to 20) across the entire organization, with a total of 148 injuries and 2,847 days lost at work, showing a severity rate of 25.57 days.

In the case of a workplace-related injury or illness, the Company is committed to providing appropriate medical care for the affected employee. Of course, the Company will comply with all jurisdictional laws regarding reporting requirements, and all applicable requirements regarding using insurance to reimburse employees for lost wages and medical expenses.



## Building Excellence Program

**Building Excellence is** a recognition program designed to identify and reward specific positive behaviors that result in employees exceeding performance standards in a material and demonstrable way. All regular employees are eligible for the program, with the exception of Senior Vice Presidents and above, temporary employees, consultants, and independent contractors. Four main types of awards range from gift cards, Silver awards, Gold awards, and the annual Game Changer awards, providing winners with economic bonuses and recognition certificates. Top performers' teams also receive a monetary award toward a team celebration, team apparel, or trophies, attending the annual awards ceremony presented by IGT's CEO.

#### Welfare and Benefits

IGT takes pride in fostering a healthy work-life balance. In all countries where IGT is operating, eligible employees are provided with time off for the employee's serious health condition and/or to attend to family responsibilities. allowing the application of part-time work and teleworking where applicable. IGT carries out various wellness initiatives in the U.S., such as the Employee Assistance Program on worklife balance, monthly Onsite Health Educational Seminars on various health topics, and Online Wellness Programs.

The eligibility of workers leave greatly varies by jurisdiction, under which employees may be entitled to take paid or unpaid, job-protected leave for specified family and medical reasons, with continuation of group health insurance coverage under the same terms and conditions as they would be if the employee had not taken leave. For instance, U.S. employees may be entitled to leave under the federal or state Family and Medical Leave Act (FMLA). Employees who are not entitled to such leave may still be eligible for leave for medical or personal reasons. The FMLA entitles eligible employees to a number of benefits, such as 12 workweeks in a 12-month period to care for a newborn child or a parent suffering from a serious health condition, extended to 26 weeks if the eligible employee is the service member's spouse, son, daughter, parent, or next of kin (military caregiver leave).

In August 2017, within the U.S., the Company implemented a Paid Parental Leave to provide eligible employees who become new biological, adoptive, or foster parents with four weeks of 100% paid time off for their regularly scheduled hours at base pay for the purpose of bonding and caring for their new baby and time to achieve a healthy balance between their employment and new family responsibilities.

Outside of the U.S., IGT adheres to all statutory requirements for employers with regard to maternity, paternity, and family time.

Across the organization, 94% of employees are full-time, while the remaining 6% are temporary. Due to the variations in local laws and regulations, the benefits offered to employees vary accordingly. In Italy, for instance, the Insurance Life and Accident benefits are offered to all employees with permanent contracts. Following an agreement with the Italian labor unions, employees can choose to access voluntary health insurance by paying a health insurance premium.

IGT carries out several Health & Wellness initiatives at the local level to support employees in improving lifestyle and general health, as well as managing situations related to the working environment or private life. As benefit providers and statutory requirements differ across the globe, resource availability may differ depending on country and health care provider.

#### **IGT** Walking Day

On Wednesday, May 10, 2017, IGT encouraged all IGT employees to lace up their sneakers and join their colleagues for IGT Walking Day. The goal of the initiative was to get the majority of IGT employees outside during their lunch break for a short walk and raise awareness of how important it is to move.













- 1 Italy
- 2 Germany
- 3 Nevada U.S.
- 4 Belgium
- 5 California U.S.
- 6 Rhode Island U.S.

#### **ENGAGING OUR PEOPLE**

In some global locations, offices provide meal subsidies or ensure the availability of local fruits within the office break rooms, as well as providing childcare facilities. In the U.S., employees can connect with the Life Assistance Program (LAP) where they can meet with specialists in stress management or attend classes and workshops focused on various health topics that may include stress management training. Major locations of operations in the U.S. provide onsite fitness centers and most locations globally offer financial assistance to employees to cover a portion of the costs to utilize facilities outside of IGT locations.

IGT provides employees with outplacement assistance through an external supplier to assist employees in obtaining new employment due to workforce reductions and restructuring efforts, as well as severance payments to provide a financial bridge while seeking new employment. These outplacement services provide web-based programs that offer on-call coaching support; live, coachled webinars: and self-directed e-learning. They also provide opportunities to keep the job search productive with the creation of an effective online presence and social media profile to reach recruiters and hiring managers.

# Pioneering

**Internal Communications** 

IGT is committed to enhancing communications to its most important stakeholders – its employees. With more than 12,000 employees located around the world, the Company uses several channels to ensure important information is being properly communicated. From traditional types of communications like faceto-face meetings, to newer forms of communication through social media, internal communications are vitally important to keep everyone working toward the same goals and increase employee engagement.

Throughout 2017, Corporate
Communications worked with the marketing teams to create a digital version of the Company's monthly newsletter. The newsletter went through a complete rebranding, from changing its name to changing the format and making it conveniently available to all employees. What was previously known as News At Your Fingertips is now FUSE – the mobile-friendly way to read all about IGT's accomplishments, updates, and events around the globe.

#### **Wellness Programs**

Along with nourishing dining options, for U.S. locations, IGT also offers the weight loss program Real Appeal, which is open to all employees who are on the Companyprovided healthcare plan. Other wellness programs available to U.S. employees include biometric screenings, flu shot clinics, and educational programs for specific behaviors and conditions including pregnancy, life assistance (available through CIGNA), financial well-being, stress reduction, exercise initiatives, and tobacco cessation programs.

Training Group	No. of Unique Participants	Total Training Hours	_	Net Hours (training hours less compulsory hours)
Senior management	593	2,968	4.84	1,889
Middle management	2,696	26,645	17.80	24,514
Office staff	8,377	49,729	5.11	39,279
Workers	370	1,290	2.93	854
Total	12,036	80,632	6.57	66,536

"Fuse" means to join or blend to form a single entity. With business conducted in more than 100 countries, there is a lot of news and information that is highlighted and "fused" together in this single newsletter each month. FUSE showcases regional news with the latest from all the Company's business segments. It also features event updates and news from senior leaders, as well as highlights, spotlights, and photos from global, community, and charitable events.

Executive communications through a series of live webcasts were very successful in 2017, and these meetings will continue in 2018 to increase communication between leadership and employees. IGT CEO Marco Sala provides Company updates through live webcasts, which are available to all worldwide employees through a live and virtual audience and available on-demand. The business unit CEOs also host Company webcasts and are committed to

providing updates throughout the year to employees.

In addition, IGT Executive Vice President and Chief Financial Officer Alberto Fornaro hosts a quarterly webcast, called Inside the Numbers, where he provides a deeper explanation of IGT's quarterly earnings. In 2018, Executive Vice President of People and Transformation Mario Di Loreto held his first-ever worldwide Cultural Town Hall webcast and will continue to deliver updates to employees on a regular basis.

Employees' participation on IGT's internal social media platform, Yammer, increased in 2017.

More than 75% of employees have joined Yammer and post and read messages in the "All Company" feed. Yammer also allows employees to create public or private groups specific to their interests or offices to share photos and collaborate. Yammer will continue to be one of the key

communications tools for 2018.

In Italy, Lottomatica has continued the Employer
Branding strategy to promote and communicate the image of a unique and attractive place to work, increasing participation at events, career days at the most prestigious universities, and using Gamification as a tool for employer branding and recruiting. The initiatives led to the hiring of 18 interns in January 2017.







Pictured, left to right, at the London webcast: Jim Hurley, Senior Vice President of Investor Relations; Alberto Fornaro, Executive Vice President and CFO; Sandy Schulze, Vice President of International Accounting; and Matt Hughes, CFO of International.





# Enhancing Our Customers GRI:103-3





































IGT serves customers in more than 100 countries, each with different business needs and goals, along with diverse cultures and varying regulatory frameworks. This worldwide experience provides IGT with a unique understanding of how markets intertwine with global trends, and how to provide customers with products and solutions that meet their specific requirements. This is the focus of IGT's Customer First philosophy, which ensures the Company is aligned around customers' goals to help drive responsible growth.

Regulatory enhancements and customer requirements are guiding the evolution of our business, leading to the introduction of new games and the improvement of traditional ones. Beyond implementing state-of-the-art equipment and systems, IGT is committed to working with customers to understand their business challenges and design solutions that not only fit their

requirements and needs, but also meet their players' evolving preferences. IGT's lottery solutions represent an ecosystem that offers customers and their players different points of access, apps, and best-in-class services and content

Technology is playing a major role in the evolution of the gaming environment. In particular, mobile devices and portable applications are becoming essential to the preferred gaming style of players. This trend is particularly evident among younger generations of players, although age is becoming less of a factor in mobile adoption trends. Operators in the gaming industry are increasingly committed to providing players with portable solutions, and IGT is working proactively to design and deploy innovative gaming platforms that fit into customers' business strategies.

#### Liaising with Customers to Enhance Products and Services

GRI: 103-3

IGT continuously conducts research and pilot projects with customers, retailers, and consumers around the world to provide innovative cross-channel products and services.

#### RESEARCH AT THE CORE OF GAMING DEVELOPMENT AND CUSTOMER APPROACH

Market and customer satisfaction research is conducted to spot upcoming trends and anticipate customers' needs. *IGT's For the Win*, A Global Study of Player Motivations, is the blended qualitative and quantitative research that IGT carried out in two stages in October and December of 2016. Wholly funded by IGT and led by IGT's Lottery Marketing Insights Group, the study encompassed interviews with more than 8,000 adult players and non-players across 10 countries. The study provided IGT with information to assess playing behaviors, identifying opportunities to develop new game concepts while uncovering immediate opportunities for same-store sales growth and building a map of the player journey describing the emotions, influencers, and motivations that propel play.

We know that a key motivation for lottery players is winning a windfall that could improve their future. However, while the prospect of a life-changing win is certainly entertaining, hope isn't the only reason why people play lottery games. The research indicates that, to provide greater perceived value to players, lotteries can benefit from enhancing their understanding of consumers' various needs and emotions. This may further strengthen relationships with current customers and attract new players.

#### FOR THE WIN 2016 - GLOBAL STUDY OF PLAYER MOTIVATIONS

## **QUALITATIVE**FOCUS GROUPS



## **QUANTITATIVE**ONLINE SURVEYS



8,040

Total Respondents



Customer Satisfaction (CSAT) surveys are a part of IGT's ongoing efforts to provide best-in-class service to lottery and gaming customers by understanding how well the Company is meeting customer needs in specific areas, and identifying products and services requiring improvements. Two distinct surveys are customized to our different customer types (Commercial Gaming and Government Lottery), with survey content further customized for North American and International customers

These are 360-degree studies measuring multi-functional areas including technology, quality

and performance of games and hardware, day-to-day operations, marketing, and innovation.

Results of the 2016-2017 North American CSAT surveys show that the vast majority of customers remain satisfied with IGT at very high levels, and IGT's account managers and various account services (including field, support, technology, marketing, training, and depot services) are highly regarded.

In response to the surveys, the Company develops customized action plans for areas needing improvement, and immediately collaborates with customers to address them. Product-related survey findings are valuable in

identifying areas where it can focus on improving specific products and solutions, and the respective revenue performance of each

Based on the findings of the Gaming survey, IGT is working on improving core video game performance across hardware and content, and has significantly expanded its game test bank program, which now comprises 64 participating casino properties. Almost all of IGT's new core video games undergo a rigorous three-month test bank period, in which performance of those games is measured and compared to other games at those casinos. Only games that pass the test bank program are released to the market for sale. As IGT's test bank program continues to expand through international regions, it is significantly increasing customer confidence in core portfolio performance. Also in response to customer feedback, the IGT Web Services team is working on improvements to the Company website, IGT.com, leveraging a sophisticated suite of web development applications and tools to enable customers to quickly and easily find specific information.

In Lottery, central system and terminal reliability, software support deliveries, and sharing of industry consumer research and data analytics received high marks. The Company is working to further enhance its interactive product offering, and has already made significant progress.

## "Innovation at Play" at the Gaming and Interactive CAB Meeting

IGT hosted 64 of the most influential gaming and interactive customers from all over the world at the Company's annual Customer Advisory Board (CAB) meeting at Aria Resort & Casino in Las Vegas, themed "Innovation at Play". The meeting facilitated candid, productive discussions with customers about how IGT can improve gaming and interactive products and services. The program included networking events, along with a choice of 13 breakout sessions covering a range of topics such as virtual reality, mobile casino gaming, PlaySpot™, and electronic table games.



In addition to customer research, IGT continuously works to deepen its customers' understanding of and engagement with their players.

Transforming player and retail experiences by creating a connection between the digital and physical gaming space is the next big challenge. Lottery games are traditionally played within retail locations and, in many jurisdictions, lottery games, can only be accessed on the premises. Despite this strong link to retail, consumers' needs and behaviors are evolving to include digital environments, which ultimately affects their gaming experience.

Cashless and in-lane technologies, self-service vending, and mobile experiences are becoming fundamental to the development of gaming programs across channels. Lottery, digital, gaming, and betting now display a network of channels and consumer touchpoints that IGT customers can leverage to further engage their players. This interconnectivity provides the opportunity to build a single player view across these touchpoints, enabling IGT and its customers to get a full, 360-degree view of players: at the point-ofpurchase at retail, in the casino, at home on their personal computer, and on the go via mobile devices.

Interoperability of content across channels is one of the most challenging aspects of a true consumer omnichannel experience, but ultimately fulfills one of the most-important consumer desires for a seamless gaming experience. Purchasing a game on one channel and being able to complete the game play on another channel allows players to play on their own terms. Engaging with a brand for which the player has an affinity, on multiple channels and with multiple game play experiences, provides a stronger play association and a stronger lifetime play value.

Supporting cashless payments across all channels can also ensure a frictionless consumer experience. Players, especially younger players, are known to prefer digital payments to cash. Supporting cashless payments across interactive, self-service, and retailer-operated devices aligns with players' preferred methods of paying for other goods and services.

"PlaySpot<sup>TM</sup> helps lottery operators bridge the gap between the traditional retail model and digital gaming, improving the player experience and extending play."

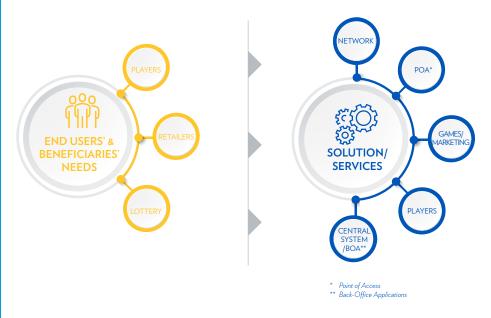
Jay Gendron IGT Chief Operating Officer Lottery





Following rigorous field testing, PlaySpot™ is IGT's new digital, localized solution. A first for the industry, PlaySpot enables players to purchase and play Keno, Instant Win, and draw-based lottery games on a mobile device within a licensed retail location, connected via Bluetooth to a lottery terminal. To bring the convenience of mobile into play, the Rhode Island Lottery has pioneered the IGT PlaySpot mobile solution to create an integrated lottery experience. Using the PlaySpot app, players can play live iKeno and Instant Win games, as well as check and collect winnings in a licensed retail location on any mobile device while connected via Bluetooth to the Lottery network. The Lottery's objective was to create a mobile solution for game play that would interface directly with the existing Lottery terminals, for an interactive experience that is secure, legal, and fun. The solution needed to tie into the existing player reward system and program, and offer a way for players to wager without the need to join a club. The request also included other services such as secure banking, claims and payment options, the ability to manage the game portfolio, and retail location identification. Most important, it needed to tightly restrict gaming within the walls of the approved Lottery retail location. To ensure minimal disruption to the retailer and quickly address any questions from players, IGT developed an Ambassador program to teach patrons about the new games, make observations, and provide feedback.

Customers' ideas and needs feed IGT's cumulative experience and provide a key linchpin to IGT's innovation planning and prioritization process, wherein the value of each innovation effort is correlated against the implied and explicit needs of customers. A customer supported by IGT can also be the incubator of new ideas that are developed onsite and pushed to IGT's product and innovation teams through various collaborative efforts and knowledge-sharing.



IGT's innovation leadership stems from its unmatched footprint, the range of different business it conducts and supports, and its comprehensive outlook on the future. IGT's innovation focus crosses many levels of the organization, combining the efforts of all groups in the R&D stream.

IGT invests annually across a broad spectrum of solutions and technologies that directly affects the ability of its customers to offer their products, appeal to retailers, and engage with consumers. From central systems and communications networks, to flexible retail solutions and direct-to-consumer channels, IGT consistently invests in a balanced R&D portfolio that is among the highest in the industry. IGT's ability to invest heavily in R&D is based in no small part on fiscal health and stability. As a result, the Company is positioned to maintain high levels of R&D investment that will fuel future innovations for years to come.

In 2017, IGT continued the rollout of its mobile and retail betting platforms in Nevada — the culmination of a multi-year effort to adapt our existing global platform to the specific requirements of U.S. players, operators, and regulators. We worked closely with our first customer. MGM Resorts International, and the Nevada regulatory authorities to create a product, the PlaySpot<sup>™</sup> mobile solution, that meets regulatory, casino, and player needs. IGT's omnichannel sports betting system provides an endto-end solution for U.S. casinos entering the sports betting business, and IGT continues to invest in this solution's features and capabilities.



## A DIGITAL TOOL TO SUPPORT LOTTERY RETAILERS AND PLAYERS IN ITALY

Lottomatica's new Retail Portal provides a high level of service and support to retailers, allowing them online access to sales administrative documents, e-learning, downloading display materials, and point-of-sale consumables orders. The portal also assists players in filling out online instant lottery orders. The digitalization of the administrative, IT, and monitoring processes through the portal allows Lottomatica to effectively provide strategic and executive assistance to retailers, while supporting them in delivering a new in-store experience and boosting sales. Almost 63% of the 91,000+ retailers have registered to the portal, the monthly usage rate has reached 75% and online instant lottery orders have overcome 66% of total retailers' orders in Q4, three years after launch.

"The digital transformation is going to involve the traditional channel as well, driven by the high penetration of mobile that is rapidly changing consumer behaviors."

Fabio Cairoli CEO Italy

## More Convenience for Players with Lotto App

Lottomatica has launched the Lotto app to add a new experience to both offline and online players. Through the app, players can access the archive of game draws, fill in the play slip that will be read by QR code at the retailer location, and watch the draws in real time.



## State-of-the-Art Research Facility in Las Vegas

IGT has opened a new Market Research and Product Testing program in its Las Vegas offices, with capacity for as many as five focus groups per day. Local players invited to participate in focus group research will experience, play, and then discuss in-development products. Player focus groups are an integral part of IGT's development process. Opening an in-house IGT facility creates efficiencies and reduces the complexity of hosting the sessions by bringing players directly on-site, with the potential for employee involvement during the focus group.



#### **Supporting Customers**

The IGT Field Services organization comprises multiple service areas, which include North America, Latin America and the Caribbean (LAC), Asia Pacific (APAC), and Europe, Middle East and Africa (EMEA). The organization features more than 1,500 service personnel spread across 37 states in the U.S., 10 Canadian provinces, 29 Latin American provinces, 43 EMEA countries, and 7 APAC countries. Lottery customers include 27 in the U.S., 10 in Canada, 25 in EMEA, 13 in LAC, and 5 in APAC, as well as more than 3,000 casino/gaming venues worldwide.

Field Services personnel are responsible for greater than 1.5 million pieces of equipment, including on-counter terminals, satellite communications

## IGT Field Services Organization and Its Customers





**80**LOTTERY CONTRACTS



+3,000
CASINO/GAMING VENUES

equipment, and player-facing games. The organization, consisting of Field Service Technicians, Bench Repair Technicians, and Field Service Management, assists with terminal provisioning (installations, removals, and relocations), repairs and all maintenance requirements any hour of the day, 365 days per year. In 2017, field service personnel across the globe responded to more than one million service visits.

IGT's global Field Services organization is focused on the Customer First experience, while maintaining a high level of productivity in both the Lottery and Gaming segments. IGT standards and expectations of Field Services employee performance is established not only through employee orientation, but also on an annual basis through performance metrics reviews, customer inquiries, and manager and peer feedback. In addition, IGT Field Services runs training and development programs at every level, which can include administrative task training, equipment repair, and safety. Functional activities performed by technicians within the Field Services organization are listed in the accompanying chart.

IGT's Field Services organization is unique to the service industry, as it offers a turnkey solution, maintaining each piece of equipment, including IGT games, third-party signage, and, sometimes, competitors' equipment, from the communications device to the terminal along with any other connected device.

#### Global Field Service for Lottery and Gaming

#### DESCRIPTION

#### **IGT LOTTERY FIELD SERVICE OPERATIONS**

## Defined in all lottery contracts: each

#### **SERVICE** DISPATCH

**SFRVICE** 

TIME

**RESPONSE** 

#### **PREVENTIVE MAINTENANCE**

#### **PROVISIONING**

#### **RETAILER TRAINING**

### response time is required for retailer time varies by jurisdiction and may be as little as 60 minutes or as much as 24 hours, to respond, based on the response type or transaction status of the retailer terminal and network.

## A service dispatch is when a lottery hotline to report an issue with any piece of lottery equipment or center representative is unable to help the retailer bring the equipment to she generates a dispatch for the local Field Service Technician.

regular maintenance visit that ensures the retailer terminal and network

IGT Field Services is a full-service

Many lottery customers require

#### IGT GAMING FIELD SERVICE **OPERATIONS**

Casino and gaming operations vary in many ways based on regulatory compliance, property ownership, management, and beneficiaries. As a result of the varying degree of contracts, IGT provides multiple levels of service response. The services can consist of onsite service personnel, remote service personnel, and projectdriven technician resources. In some cases, the casino/gaming venue has its own service personnel onsite.

With the wide variety of contract types managed on the casino and gaming platform, response times vary across each location.

When a casino or gaming operator contacts the local or national support line and reports an issue with the machine, a Field Service Technician is dispatched to the site to handle the repair.

As determined by the varying agreements with the casino operators. preventive maintenance requirements differ. However, maintenance on machines is generally done on a 120day cycle.

As a full-service network provider, IGT staff provides gaming machine service, as well as installation, removal, relocation, and pre-installation site assessments ("pre-sites").



Extensive world-class training Technology Training and Support Services (TTSS) delivers extensive training to IGT internal organizations in many different business units throughout the year, including Field Services, Product Management, Manufacturing, Compliance, Engineering, and other internal support organizations. For all new products and ongoing product conversions, upgrades, and modifications, TTSS is the organizational entity that consumes technological information, merges it with expert business awareness, and delivers the information. Training materials include manuals, videos, knowledge bases, online help systems, webinars, and classroom training events both on-campus as well as at IGT customer sites globally.

Training services are individually analyzed and contracted with each customer to ensure that their needs are met. IGT's lottery customer trainers are under the direct leadership of managers who participate in training delivery directly, and have more than 20 years of experience delivering lottery training globally. Each lottery training course is tailored to the lottery's users, workflows, and technology choices through a detailed training needs analysis process.

TTSS delivers the benefits of IGT's reputation and size directly to customers in the form of knowledge and expertise. IGT's trainers have trained more lottery customers on more technologies and processes in more places than any other company.

The Field Services organization makes employee safety a high priority by providing annual training programs, performing equipment inspections, making job task assessments, and appointing safety leaders at each site as well as at an organizational leadership level. IGT's Global Field Services Safety Committee, GSSAFE, publishes a weekly safety tip as well as a monthly newsletter alerting Field Service employees to common and seasonal hazards on the job. Tips and the newsletter are posted on the Company's Yammer feed for all employees to read.

In 2017, the IGT Field Services Safety Committee collaborated with corporate Environmental, Health and Safety (EH&S) to establish a policy related to Ladder Safety, Environmental Waste and Electronic Gaming Machine handling.

#### IGT Global Contact Centers

The Contact Centers' mission is to provide business assistance, accurate information, and efficient procedural safeguards in all locations where IGT provides this service to its customers. In particular, they strive to maximize customer satisfaction, with a specific focus on both responsible gaming and compliance (also in cooperation with areas managed by IGT

corporate partners), while ensuring sustainable costs through the identification and implementation of best practices (e.g., streamlined processes, quality management, and common tools).

There are now Contact Centers and dispatch teams distributed across multiple geographic locations to provide superior redundancy and disaster recovery capabilities, in addition to offering service in local languages to enhance the customer experience. This solution has boosted response times and overall customer satisfaction while reducing call volumes.

The Contact Centers track performance on a regular, ongoing basis. Service-level metrics provide insight into any problems that have occurred in the previous measurement period. The Contact Centers also generate reports to review the year's performance.

#### **B2C Services**

IGT Global Business-to-Consumer (B2C) Contact Centers provide 24/7 multichannel assistance to players worldwide, as well as to lottery and commercial partners operating within the entire interactive offering – iLottery, betting, poker, casino, skill games, bingo, and pre-paid cards – through

eight centers in five countries and in four different languages. In 2017, all B2C Contact Centers handled more than one million contacts across all channels (voice, webchat, and email).

The centers are focused on responsible gaming, compliance, and customer satisfaction, acting as a partner/advisor directly to players where IGT manages the customer base via a lottery contract or commercial license, and to third-party organizations for which IGT provides technology and services.

Organizationally, Global Consumer Services are coordinated through a dedicated team in the Rome office, and rely on local operational sites in the U.S., Canada, and Italy through outsourced centers in Romania and Albania. As a core element of its philosophy, management ensures that the 200 employees (part IGT, part outsourced via third parties) are always provided with the best working conditions, from ensuring workspaces are compliant with all relevant regulations, to providing up-to-date training.

Global Consumer Services consistently measures performance using the same Key Performance Indicators across each location. In addition to the various operational reports, a monthly report keeps track of each B2C Contact Center's performance and emerging

issues. The main indicators include phone call response rate, chats conducted, and emails sent within a specific timeframe, as well as the rate of incoming issues solved upon reception. Furthermore, the Global Consumer Services Unit measures customer satisfaction, adopting specific survey programs for several customers.

#### **B2B** Services

IGT's Business-to-Business (B2B) Contact Centers provide assistance to business partners and end users of systems and terminals in retailer locations and casinos across Latin America and

#### IGT B2C Contact Centers Across the World



#### **ENHANCING OUR CUSTOMERS**

the Caribbean (LAC); Europe, the Middle East, and Africa (EMEA); and U.S. regions<sup>1</sup>.

In April of 2017, the Company determined that the regionalization of services would result in improved responsiveness to customers and sales needs. Each region now has complete responsibility for its respective Call Center, Field Service, and Operational functions (including distribution centers and local hardware configuration activities).

In 2017, IGT received about 2.2 million contacts globally:

- 1 million in the U.S.;
- 900,000 in the LAC region;
- 300,000 in the EMEA region.
- 1) Moreover, in New South Wales, Australia, a third-party call center dispatches IGT Field Technicians to service calls on gaming machines for club and hotel gaming operator customers in the region.

#### IGT B2B Contact Center Locations and Countries Served



B2B Contact Center Location

Customer Protection GRI: 103-3

IGT works diligently to prevent any issue that may undermine the trust shared among customers and corporate stakeholders alike. Data security, fraud, money laundering, and match fixing are among the most prominent issues that any company operating in the gaming industry must effectively manage.

Data security is about enabling the business to operate securely, and it's of paramount concern in a business in which jackpots can represent life-changing prizes. IGT's Cyber Threat Intelligence Center (CTIC) team ensures that customers and consumers worldwide are protected whenever they are in contact with IGT, via email or website, or by logging into the Company's systems. Personal, financial, and gaming information represent a wealth of data that IGT protects with state-of-the art technology and highly skilled staff.

Regardless of geographic location, lotteries and casinos alike can be

assured that IGT's cybersecurity program is secure and monitored on a 24/7 basis. This allows the CTIC systems to catch between 90% to 95% of potential threats to IGT's network, and focus on the remaining 5% to 10% that place the Company's data at risk. If a cyber-threat does enter the Company, the CTIC has a top-of-the-line security incident response plan in place to effectively and immediately deal with the threat.

In Italy, the Information
Communication Technology
(ICT) Security Operation
Center (SOC) operates to
protect Lottomatica customers
and consumers in its business
verticals, as well as IGT's
Interactive customers around
the world. The SOC focuses on
protecting technology services
and assets, as well as people and
processes, within an increasingly
complex cyber-threat context,
addressing IT compliance,
business, and innovation needs.

The SOC team applies its processes and solutions to monitor security events on a 24/7 basis to proactively and efficiently detect and manage security threats such as volumetric and application attacks against web portals and other internetexposed services, internal and external malware infection and propagation, and phishing attacks against Lottomatica/CartaLIS clients aimed at stealing game account credentials and card data (CartaLIS is a Lottomatica company whose clients use Lottomatica pre-paid cards).

IT solutions, services, and processes are facing an increasing demand for compliance. A new EU regulation, the General Data Privacy Regulation (GDPR), affects data privacy processes. IGT IT is also affected by laws related to the finance sphere (such as the U.S. Sarbanes-Oxley Act, related to corporate and auditing accountability, responsibility, and transparency). In addition, concessions, or bids awarding operators the right to offer gaming on behalf of the state or regulator, require standards and controls. These types of regulations are always coupled with technical delivery, development, change, and operations processes.

As organizations shift from a compliance-centered security mindset to an active cybersecurity stance, security teams need to adapt to keep pace with evolving business objectives. Organizations must integrate many disparate and partially-owned elements into a coherent framework to manage active threats to the Company.



## A Well-Kept Secret: the CTIC

The Cyber Threat Intelligence Center (CTIC) in Rhode Island has been recognized as one of the best in the cybersecurity remit, working around the clock to ensure all IGT's data is secure. In July 2017, the CTIC hosted the Rhode Island Commerce Corporation and other government officials who visited the site to understand the scope and effectiveness of IGT's internal cybersecurity program. As a result of this meeting, IGT's best practices will be applied to various technology infrastructures across different levels of government.

CTIC's numbers and capabilities are impressive in its continuous scan for potential threats. In an average month, the center not only scans more than 66 billion data packets that make their way into IGT's network, it also reviews roughly 119 billion packets leaving the network. To protect the Company's infrastructure against breaches in data security, IGT employs more than 500 subject matter experts worldwide, all from diverse career backgrounds, who are committed to thwarting service attacks. website defacements. unauthorized access to sensitive information, and all other types of onslaughts.

#### Cybersecurity

IGT's Security Practice focuses on protecting technology services and assets, as well as people and processes, within an always-more-complex cyber-threat context, while addressing compliance, business, and innovation needs. The key challenge is to ensure the delivery, operation, and continuous improvement of security measures in software products, infrastructures, and IT solutions, enabling new

opportunities and facing the risks of the tech market.

The complexity of attacks and sophistication of malicious actions in cyberspace continue to increase. At the same time, threat agents of all types have advanced in terms of disguising and hiding their trails. These threats include sophisticated malware, web-based and application attacks, spam, and phishing, including those involving social engineering, ransomware, botnets, and identity theft.





Tackling Cybercrime Cybersecurity is an issue facing all sectors — business and government alike. The threats to networks, programs, and data due to attacks or unauthorized access are constant. In response, Rhode Island recently created a Cyber Rhode Island Advisory Committee, led by U.S. Congressman Jim Langevin, assembling some of Rhode Island's strongest cybersecurity leaders from industry, academic, and public sectors to help find solutions to the most vexing cybersecurity problems facing the state today. Kevin DeLange, IGT Vice President and Chief Information Security Officer, accepted an invitation to be a part of the committee.

Monetization is becoming the main motivation of cyber criminals who perform targeted ransomware attacks, infect systems with mining software to turn them into miners of cryptocurrency, and/or monetize information stolen through data leak campaigns (such as login or credit card information). In this context, IGT has seen a rise of "clickless" infections, such as the WannaCry threat, that leverage remote execution exploits and remote desktop protocol attacks with the ability to spread infections rapidly across the network.

Within this highly multifaceted landscape, information security plays a vital role and must rapidly address changes driven by the need for faster responses to threats by implementing increasingly advanced automation, monitoring, identification, and escalation capabilities.

#### Data Privacy

IGT has established the IGT Privacy Office and has appointed a Data Privacy Officer (DPO). The DPO is a Certified Information Privacy Professional from the International Association of Privacy Professionals (IAPP). In compliance with applicable legal and industry practices, the DPO is responsible for the development. implementation, and observance of IGT's policies and procedures concerning the collection, use, storage, transmission, and disposal of personal data, defined as any information relating directly or indirectly to a natural person. Furthermore, IGT has established a Data Privacy Working Group

that meets on a regular basis with members from major business units and functions (senior manager level) to drive and support the development of IGT's privacy program Company-wide, as well as establish and implement governance and operational data protection controls.

In order to administer IGT's strategy and controls around the collection, use, storage, transmission and disposal of personal data, the IGT Privacy Office has developed policies, processes, procedures, a Data Privacy section in the Company-wide Code of Conduct, as well as guidelines, templates, and checklists.



#### **IGT Data Protection Policy**

During the course of our activities, we collect, store and process personal data about customers, employees, suppliers and other third parties. IGT is committed to protecting personal data under our control and observing the following best practices.

#### Personal data must be:

- Processed fairly and lawfully;
- Processed for limited purposes and in an appropriate way;
- Adequate, relevant and not excessive:
- Accurate:
- Kept for no longer than is necessary;
- Processed in a manner that ensures appropriate security of the Personal Data.

To comply with its data privacy policies and data protection legal obligations, IGT has conducted a Company-wide data privacy inventory to determine what personal data is collected; by whom, how, where, and for what purposes; how this data is secured; where it is stored; to whom it is disclosed, with whom it is shared or to whom it is transferred; and how long this data is retained before destruction.

In 2017, IGT developed and provided a training video covering the General Data Protection Regulation (GDPR) to all its engineering employees. The IGT Privacy Office also developed video training on the GDPR Privacy Engineering Requirements and GDPR Impacts, and computer-based training with an overview of the GDPR for all employees worldwide.

Technical and organizational security measures to adequately protect personal data have undergone a global ISO 27001 and World Lottery Association Security Control Standard (WLA SCS) certification for the development and delivery process for most corporate and development locations, as well

as other critical site locations where this certification is either required by contract or desired to demonstrate IGT's commitment to information security and protection of personal data. This approach is unique in the lottery industry and a tested and proven approach used by many multinational corporations.

#### **Business Continuity Planning**

IGT's business continuity planning provides detailed guidance that enables all IGT locations and operations to recover from a disaster. Recovery plans and procedures are based on the assumption that the infrastructure for locations has been, or is being, recovered by IGT staff in accordance with pre-determined recovery strategies. A disaster may affect various operations in varying degrees. The scope of a Business Recovery Plan assumes a significant operational disruption to operations, up to and including the destruction of an IGT facility wherever it is located. At IGT, the term Business Recovery designates the recovery of business operations, whether it falls under the auspices of Disaster Recovery or Business Continuity.



**Incident Communication and Management Policy** An incident is an event or occurrence that causes or has the potential to cause substantial harm or disruption to the business of IGT or any of its subsidiaries, including harm to its employees. physical premises, information systems, data, data privacy, reputation, gaming/lottery licenses, or other assets. All incidents, including cybersecurity incidents, physical security incidents, regulatory suitability incidents, actual or suspected fraud, or criminal misconduct are handled according to the Incident Management Policy. Each vice president is responsible for designating an incident manager and creating and maintaining an Incident Management Plan for their department or site location, as necessary. All employees have an obligation to report incidents to their respective Incident Managers. For those incidents that require investigation, an incident management team should be convened by the Incident Manager, with advice from a member of the Legal Department, and may include representatives from Compliance, Information Security, Physical Security, Internal Audit, People and Transformation, Corporate Communications, Real Estate/Facilities, Risk Management, Environmental, Health and Safety, and Travel, as well as others as necessary. An Incident Management Report is then completed for each incident and sent to the Legal Department.

#### Fraud and Anti-Money Laundering

IGT takes a zero-tolerance approach to any level of fraud, and is committed to ensuring that opportunities for fraud are reduced to the lowest-possible level of risk. Fraud and security procedures are aimed at detecting and preventing fraudulent behavior on iGaming platforms. A specific risk score model is applied at the transaction level (game, play, and/or financial transaction) to identify players who exhibit high-risk behavior.

In Italy, Lottomatica has established and maintains appropriate, comprehensive systems and internal controls to enable the identification, monitoring, and management of fraud risks. At the early stage of preventing abnormal situations and behaviors. Lottomatica carries out a set of activities comprising monitoring of demographic details, game play, financial transactions, linked account blocks, and bonus abuse. According to the evidence from reports of abnormal or fraudulent behavior, activities include suspending a gaming account, complaining to institutional bodies, liaising with investigative commissions, managing interbanking network and customer reports, and anti-money laundering monitoring.

IGT in Italy adopts appropriate measures to prevent its involvement in money laundering

and terrorism financing within the three business lines subjected to specific regulations (Better Retail, Lottomatica Videolot Rete. and Better Online Gaming). The team constantly makes sure that internal processes are appropriately supporting the goal of preventing the violation of laws on Anti-Money Laundering (AML) and terrorism financing, while handling the process of detection, assessment, and warning to the Office of Financial Information (Ufficio di Informazione Finanziaria – UIF). The IGT team also ensures the reliability of the feeding system, the channel that IGT uses to report issues to the UIF's central archive, and provides guidelines for the training of employees and owners of points of sale.

In the Americas. IGT has established a Center of Excellence for Fraud & Security based in Toronto, Canada. This team evolved from the IGT's extensive European gaming operations and was created to serve the U.S. and Canadian markets. Supporting lottery, bingo, and poker, the team has the skills, tools, training, and discipline to minimize fraud exposure to our partners. Strategies include I.D. verification, gameplay analysis, and transaction monitoring. The team has a library of processes and policies, and applies both automated and manual procedures to monitor, identify, prevent, and respond to suspicious, abnormal, and/or fraudulent activities. As a result of these reviews, accounts may be locked, closed. or reported to regulatory bodies and law enforcement, and players

provided with warnings on appropriate behavior. The team and processes are constantly monitored to ensure adherence to all provincial and federal regulations (e.g., the Financial Transactions and Reports Analysis Center of Canada, or FINTRAC, which is the Canadian federal government's financial intelligence unit).

#### Match Fixing

Match fixing is one of the most significant threats to contemporary sports, and damages its image by jeopardizing the integrity and unpredictability of sporting competition. It contradicts the fundamental values of sport, such as integrity, fair play, and respect for others. Match fixing is a form of sporting fraud and may occur with the involvement of illegal betting cartels that may be linked to money laundering.

IGT has been a betting operator in Italy since 2006. Throughout this period, IGT has constantly improved its products, services, and overall proposition to both business partners and players, deploying a range of technology options operated through separate business units.

IGT, through Lottomatica, is a member of the Executive Committee of the World Lottery Association's Global Lottery Monitoring System (GLMS), the state lotteries' mutualized monitoring system for sports betting. GLMS aims to detect and analyze suspicious betting activities that could affect the integrity of a sport competition. Building on six years of experience following the establishment in 2009 of the European Lottery Monitoring System (ELMS) with European Lotteries, GLMS went global in January 2015, and extended its network to other continents. GLMS facilitates the sharing of sports betting information as part of the collective efforts of its members in ensuring sports integrity globally. It is dedicated to effective cooperation with all key stakeholders, namely regulators, law enforcement authorities, and sports organizations.

In compliance with strict regulatory operational guidance and recommendations by the Council of Europe on promotion of sports integrity against manipulation of results, Lottomatica has implemented a specific prevention, detection, and management process. It has internally developed the BIP (Betting Intelligence Platform), an ad-hoc application to support trading management and match fixing detection in Italy and other jurisdictions served by IGT. Lottomatica is also very active within the WLA network to exchange information on suspicious betting patterns. Information related to match fixing is currently shared with Europol, Interpol, and involved sporting clubs via email.







## Supporting our Communities





































As a world-class Company, IGT understands the importance of being a responsible corporate citizen, and continuously strives to make a significant and positive impact in the communities in which it operates.

Community involvement and employee engagement initiatives at IGT revolve around emergent local needs and opportunities. As the global leader in the gaming business, IGT is engaged with diverse stakeholders in many different communities. Maintaining these partnerships requires a strong corporate commitment and integrity due to the nature of the business and the products and services being offered.

IGT supports charitable giving and community engagement, with a focus on education, social causes. and cultural initiatives. IGT seeks to enrich and strengthen communities, by embracing a breadth of needs and providing educational and economic opportunities for people in challenging socio-economic environments.



#### Transparency and Accountability

IGT created its Social Impact Committee (SIC) to manage the complexity of planning and carrying out of charitable initiatives involving people and communities from countries and regions in the far corners of the world. The SIC represents the collection point for all community projects and programs that may be supported by IGT, with applications submitted via the IGT online portal and compiled for quarterly review and approval. The SIC Guidelines ensure that all approved IGT community support requests are aligned with the Company's overall CSR strategy.

The SIC is comprised of senior leadership from various IGT departments and regions who ensure the appropriate governance of the Committee in terms of evaluating submitted projects and quaranteeing transparency and accountability to applicants.

The SIC meets on a quarterly basis, at a minimum, and responds in writing to all Company-wide formal requests using criteria designed to allow for accountability and compliance in all jurisdictions.

### Commitment to Community Support





#### Commitment to Education

GRI-103-3

Education is a top priority at IGT. The Company has strong partnerships with local colleges and universities, providing work experience and opportunities to students through internships, co-ops, specialized classroom courses, and summer jobs. These relationships provide students with real-world work experience and build bridges for future job candidates.

In all areas of giving, IGT aims to support programs that serve diverse groups of students and adults in the areas of engineering, computer science, technology, and business management programs. IGT also supports programs that provide mentorship and assist youth from varying economic backgrounds, inspiring them to pursue a lifetime of education and excel in the areas of reading, math, science, and the arts.



#### IGT'S AFTER SCHOOL ADVANTAGE (ASA)

The After School Advantage (ASA) program is IGT's signature education program and flagship community involvement initiative. The program strives to close the "Digital Divide."

The goal of the ASA program is to address the needs of at-risk children, aged 5 to 18, with a meaningful, yet fun, learning experience in a safe environment during the critical after-school hours by providing qualifying non-profit community agencies and public schools with digital learning centers. Each digital learning center is unique in its design and specific to each organization's specific needs.

Since the launch of the ASA program on April 14, 1999, IGT has installed nearly 300 computer labs throughout the U.S., as well as Barbados, Canada, Chile, Colombia, Jamaica, Trinidad and Tobago, St. Kitts, Antigua, and the U.S. Virgin Islands.

IGT employees volunteer their time and technology skills to create each computer center. By applying knowledge and expertise to this type of program, IGT hopes to increase children's interest in careers focused on computers and technology, and provide them with the tools necessary to become more competitive in both school and today's job market.







- Del Vista Math & Science Academy Delano, CA May 19, 2017
- Rosewood Middle School Goldsboro, NC October 18, 2017
  - Boys & Girls Clubs of Lanier Gainesville, GA September 19, 2017

#### SUPPORTING EDUCATION INITIATIVES

Children, young adults, and adults alike should all enjoy equal opportunities in education training and experience. IGT has made education a top priority in its community support, collaborating with schools and colleges on a global level.

## TEACHERS' TREASURES DREAM BIG

INDIANA, U.S.





IGT Indiana was a proud sponsor of Teachers' Treasures Dream Big, the annual event supporting teachers in dealing with insufficient state budgets. A warehouse is filled with supplies, and teachers are welcome to come in and stock up for their classrooms and students. There is also a direct connection to teachers through the Hoosier Lottery, as retired teachers are one of the Hoosier Lottery's direct beneficiaries. In response to this active support, the Indiana team participated in a Teacher Appreciation Day and held a supply drive to help fill their shelves.

### WOMEN'S ENTREPRENEURSHIP PROGRAM



IGT Costa Rica launched a Women's Entrepreneurship Program, helping 19 women graduate from a six-week Entrepreneurship Workshop and embark on a new business venture or boost their current businesses. The program was provided through an alliance with Junior Achievement, the organization helping children and young adults in preparation for the "real world," showing them how to start a business and properly manage their start-ups, while contributing to their communities. The final session of the program consisted of an Expo/Fair in which the entrepreneurs had the chance to offer their products and services to their colleagues and neighbors in the community.

## LEGS FOR LITERACY RACE





For the fifth year, IGT was title sponsor of the annual IGT Legs for Literacy race, the largest running event in New Brunswick with more than 3,500 runners. Held in October, the event was well-represented with 113 participants, including 50 volunteers and 63 runners across all race distances. Since its inception 18 years ago, the Legs for Literacy event has donated \$674,000 to local literacy programs. To prepare for the event and help participants achieve their goals, the IGT office also hosted a Learn to Run program.

## Project "Generazione Cultura"

The future of young generations and public-private synergy for development projects, particularly in the area of culture, are the emerging challenges taken on by the Project Generazione Cultura, designed and supported by Il Gioco del Lotto in collaboration with MiBACT (Ministero dei Beni e le Attività Culturali e del Turismo, the Ministry for Arts, Culture, and Tourism), together with ALES (Arte Lavoro e Servizi) and LUISS Business School.

Italian artistic and cultural heritage represents an opportunity for economic growth for the country and may become an attractive working area for youth. With the goal of offering 100 young talents the opportunity to develop new skills in the area of culture to access the job market, the project is establishing a valuable network between institutions, universities, territories, and corporations, which will help cultural institutions to innovate their offerings through the proactive contribution of the youth who participate.

A scholarship for new graduates under the age of 27 was granted for six weeks of attendance and approximately 200 classroom hours of higher training at the LUISS Business School, one of the most prestigious European management schools. Upon completion of the training, more than 25 important cultural institutions across the country welcomed these young people for a six-month paid internship.

The program ended with a contest whereby participants submitted their ideas for the creation of a cultural enterprise. Up to 10 of the best ideas were supported by Il Gioco del Lotto and LUISS Business School in the preparation of their business plan.







#### Commitment to Social Areas

GRI: 103-3

IGT supports programs that have an impact on critical areas of daily life and help with the basic needs of the population, such as health care and assistance to lower-income families.

The investments are made in areas where public spending is inadequate and an individual is unable to pay for certain services. IGT invests in programs that help disadvantaged families achieve

economic self-sufficiency, obtain otherwise unaffordable childcare or elder care, and help families affected by drug addiction and child abuse.

Each supported organization has common characteristics, including volunteer services and strong diverse support to the local community. The enthusiastic support from IGT employees worldwide, through volunteerism and donations, is complemented by the Company through sponsorships, matching donations, and paid volunteer work.

#### IGT'S SUPPORT FOR SOCIAL PROGRAMS

# SUPPORTING CHILDREN WITH SPECIAL NEEDS AUSTRIA





IGT Austria has supported two children with special needs. Theresa, a teenager from the village of Leibnitz, 25 km south of Graz, lost her parents at a young age, and is now living with her grandmother. Theresa was born with spastic spinal paralysis and is in a wheelchair, leaving her in need of special therapy and support in school. And Jamie Lee, a 9-year-old girl, suffers from epileptic seizures on a daily basis due to a brain aberration, despite many therapies, surgeries, and countless examinations. IGT Austria raised money to help Theresa in her recovery and supported the purchase of a special therapy bicycle for Jamie Lee to help her for years to come.

## **365 KIDS HOME** CHINA





The IGT China Research Development Center (CRDC) in Beijing, China, for the fourth year, has supported 365 Kids Home, the organization sponsored by the China Social Welfare Foundation that serves orphaned children with developmental disabilities. IGT supports 365 Kids Home with an annual Company-wide staff donation and volunteer work, such as accompanying children to outings and excursions like the exciting 3D painting museum.

# ASSESSING THE VALUE OF SUFFERING PEOPLE





In Italy, the Company contributed to the Home Hospital for Oncologic Patients service provided by ANT (Associazione Nazionale Tumori – Tumors National Association) Foundation; operating in one area particularly affected by cancer pathology, Caserta. Here, ANT has already assisted, gratuitously, about 5,000 cancer patients. According to the Social Return on Investment (SROI) methodology, a study carried out by the Human Foundation and aimed at assessing the value of those psychological and social aspects pursued by the ANT Foundation has shown how its model is generating a positive impact for patients as well as caregivers, ANT staff, and volunteers.

According to the analysis, the total net social value generated by the service in the province of Bologna amounts to 10,581,391 Euro, against an investment of 5,580,316 Euro. Thus, the SROI ratio of 1.90 is clearly showing how 1 Euro for the ANT Foundation is generating almost double the value in terms of social benefits.

#### MS SYDNEY TO GONG AUSTRALIA





It's called the most impressive, scenic, one-day bike ride ever. For 36 years, thousands of cyclists have clipped into their bikes to ride in the MS Sydney, **Australia**, to Gong in support of people living with Multiple Sclerosis (MS). Two IGT Sydney, Australia, employees –Daniel Burke, Software Engineer Supervisor, and Lu Shang, Game Designer– raised money toward Multiple Sclerosis research, and joined 10,000 other riders in the 90-km ride south from Sydney to Wollongong.

#### MUSCULAR DYSTROPHY ASSOCIATION (MDA) SUMMER CAMP

NEW JERSEY, U.S. PENNSYLVANIA, U.S.





Every year, IGT employees from the Eastern Region of New Jersey drive up to volunteer at the Muscular Dystrophy Association (MDA) Summer Camp. IGT prepares and cooks dinner for approximately 150 campers during one of their "Guest Chef" nights. The MDA Summer Camp provides thousands of kids living with muscular dystrophy and related muscle-debilitating diseases with "the best week of the year". In addition, IGT partners with the MDA for its annual Halloween party at Dave & Buster's in Pennsylvania, where children and their families are invited to spend the evening doing crafts, eating dinner, and playing games. The Eastern NJ team began collecting donations, which were personally delivered by Tim Shortall, VP of Sales, and his son.



In 2017, a series of disastrous events dramatically impacted several communities where IGT employees live and work. The hurricanes that hit the Caribbean and southern U.S., the earthquakes that shook Mexico, and the deadly shooting that took place in Las Vegas personally and deeply affected IGT employees and their families, and the Company's customers. Thankfully, all employees and their families made it through these disasters safely, though some were left homeless, and many others sustained significant damage to their homes and personal belongings. In such tragic circumstances, local communities have shown extraordinary resilience and IGT employees sprang into action to help each other and contribute to the relief efforts. Many set up fundraisers and collected items to donate, and some even opened their doors to fellow colleagues or complete strangers who were left homeless. Other employees took advantage of IGT's Matching Gifts to offer financial assistance.

#### Hurricanes Harvey (Texas), Irma (Florida, the Caribbean), Jose and Maria (the Caribbean)

In just a matter of weeks between August and September 2017, the coastlines of Texas. Florida, and the Caribbean Islands were devastated by four Category 5 hurricanes, claiming many lives and causing catastrophic damage. Hurricane Harvey made landfall in the greater Houston area and southwestern Louisiana, directly impacting more than 80 IGT employees. All employees were safe and accounted for, though some sustained damage to their homes or were forced to evacuate due to the extensive floodina.

The path of Hurricane Irma covered the entire state of Florida and went directly through Lakeland, where

IGT's instant ticket printing facility is located. Much of the state was without power for weeks and some employees suffered significant damage to their homes. Employees helped each other with clean-up, provided generators for electricity, and offered their homes as a place to stay. The printing facility was shut down for a few days due to the storm, but as soon as it was inspected, many IGT colleagues were back immediately and ready to resume operations. Hurricane Irma also hit the Caribbean, followed by Hurricanes Jose and Maria just a few days later. The islands of St. Thomas, St. Maarten, Barbuda, Anguilla, St. Croix, and Dominica were among the most devastated. Other local

IGT offices and colleagues provided immediate assistance and support. For example, employees in the IGT Antiqua office purchased diapers, food, and water, and Field Service Technician Rhwiel Schwarty delivered the goods directly to Anguilla. Once ports on the other islands were opened, employees provided the same support and goodwill gestures. In Florida and Texas, IGT partnered with local and national organizations to provide financial support through Volunteer Florida and Rebuild Texas Fund. Furthermore, IGT's longtime partnership with All Hands and Hearts organization enabled employees to directly help families impacted by such natural disasters.

Through this critical support. hundreds of families in distress were offered assistance to get back on their feet. IGT partnered with Community Action Now (CAN) in the U.S. Virgin Islands to provide relief supplies to St. Thomas residents with food as well as personal and emergency items to 25,000 families in 10 communities. In St. Maarten, IGT and the local Rotary Club contributed to the rebuilding of Sister Marie Laurent School, among other relief projects. IGT employees were also engaged in supporting Blanchard's Anguilla Children's Fund, in support of daycare centers and children's needs, and Halo Foundation in Barbuda, assisting 26 local charitable bodies.









# EARTHQUAKES IN CUAUTLA AND MORELOS MEXICO



Employees at IGT's Mexico City office sprang into action shortly after two powerful earthquakes hit the country in rapid succession in September 2017. There was damage to IGT's warehouse in Santa Anita, but all IGT employees were safe. Immediately after they and their families emerged safely from the second earthquake, they began collecting lifesaving supplies for those who weren't as fortunate. The small community in the state of Morelos in south central Mexico was among the hardest hit, and was not receiving aid as quickly as other locations. In response, Field Services Manager Israel Castillo drove to Cuautla in one of the Company's large service vans with water, food, cleaning supply items, and personal hygiene articles.

### **LAS VEGAS TRAGEDY** NEVADA, U.S.



On October 1, 2017, a gunman opened fire on a crowd of concertgoers at a country music festival on the Las Vegas strip, leaving 58 people dead and 851 injured. The two sons of Tony Robone, IGT Client Manager for Southern Nevada, were attending the concert when the eldest one was wounded in the shooting. His younger brother promptly helped him, saving his life. As a trained paramedic and firefighter, he and another emergency medical technician friend were able to control the bleeding with hand-held pressure and secured a basic first-aid kit to dress the wound. Then, they assisted many other injured victims while waiting for the ambulance. Tony was inundated with support from within IGT and from his customers in the days following this tragedy. IGT also made a corporate donation to the Las Vegas Victims Fund, alongside many other industry vendors and operators, to provide relief and financial support to the victims and their families.

Our thoughts continue to be with those who have been affected and are working to recover from these devastating events. Thank you to all IGT colleagues for doing your part to contribute to the relief efforts.

#### SUPPORTING COMMUNITIES IN THE SPIRIT OF THE HOLIDAY SEASON

## MAKING THE WORLD BETTER WITH A SWEATER IN

UNITED KINGDOM



Christmas Jumper Day is a national event in the U.K. On December 15, thousands of people throughout the country donned their daftest, most creative woollies while contributing to a wonderful cause – Saye the Children

# MEANINGFUL CHRISTMAS IN CHILE



IGT employees in Chile plan the Christmas party and encourage employees to be a part of this charitable activity by participating as volunteers at the party and donating a Christmas gift to a child in the class.

# SWEET SURPRISES AND WARM HEARTS FROM JAMAICA



IGT employees in Jamaica made the rounds in December, bringing Christmas cakes, treats, and other goodies to their After School Advantage sites as a sign of IGT's continued commitment and friendship.

### HOLIDAY GIVING CAMPAIGN IN RHODE ISLAND. U.S.



Rhode Island employees spread cheer throughout local charities as part of its annual Holiday Giving Campaign. Beginning in mid-November, employees donated food for the Rhode Island Community Food Bank, gave toys to the Marines' Toys for Tots Foundation, and purchased gifts for Children's Friend's Adopt-a-Family program. On December 2, IGT hosted its 23rd annual "Breakfast with Santa", featuring IGT Global Solutions Chairman Don Sweitzer and his wife, Sheri, dressed up as Santa and Mrs. Claus. Monetary donations or canned food goods were collected in exchange for a picture with the couple. All proceeds from the event were donated to the Rhode Island Community Food Bank. IGT employees also "adopted" 29 families, including 72 children, through "The Spirit of Giving" holiday drive by Children's Friends, a non-profit organization that has been providing child welfare, family support, mental health, and child development services throughout Rhode Island since 1834. Right from the start, requests for families came pouring in from employees wanting to donate individually or as a team. The gifts were collected and delivered on December 12, so parents had time to wrap them before Christmas.

### AMICA HOUSE AND CYRIL ROSS NURSERY IN TRINIDAD AND TOBAGO



In the spirit of the holiday season, IGT Trinidad and Tobago employees made this Christmas a truly memorable one for the children at Amica House and Cyril Ross Nursery. Both homes provide long-term care for disadvantaged children and youth who have suffered abuse, neglect, abandonment, homelessness, or are in need of supervised care. IGT employees planned a fun-filled afternoon of activities with Parang and Christmas carols in the background. Assisted by his elf, Santa Claus presented each child with a personalized Christmas gift and goodie bags.

### GLEANERS FOOD BANK IN

INDIANA, U.S.



The IGT Indiana team is a consistent yearly supporter of Gleaners Food Bank. Employees volunteered in the Gleaners' warehouse and food pantry in December, sorting bags of food and assisting clients in the pantry. Gleaners is one of the largest food banks in the Midwest and provides food to numerous food pantries throughout Indiana. This activity is a holiday favorite for many employees who happily donate their time.

## **ADOPT-A-FAMILY IN**NEVADA. U.S.



IGT employees in Reno teamed up with a Northern Nevada non-profit, the Children's Cabinet, for its annual Adopt-a-Family program. Every year, departments and individuals from the Reno campus adopt families and youth transitioning out of the foster care system who are in need during the holiday season.

# CHILDREN AND FAMILIES FIRST IN FLORIDA, U.S.



IGT Lakeland employees continued to support those in need through a Thanksgiving food drive and a Christmas toy drive.



#### SUPPORT TO NATIVE AMERICAN COMMUNITIES

IGT supports Native American communities through charitable contributions to tribal organizations. With more than 280 tribes in 400 different locations, IGT recognizes the importance of supporting these communities through education and social service-related initiatives:

#### **SPIRIT OF SOVEREIGNTY**

Spirit of Sovereignty provides grants that allow Indian tribes and individuals to build upon the selfdetermination of their sovereign status. The Spirit of Sovereignty Scholarship Program provides approximately \$75,000 per year to students attending each of the nation's 37 tribal colleges. Also, each year at Christmas time, the foundation provides warm clothing, food, and popular toys to children living in the most impoverished reservation communities. Hundreds of children are served every year by this program.

## UNITY (UNITED NATIONAL INDIAN TRIBAL YOUTH)

The UNITY mission is to foster the spiritual, mental, physical, and social development of American Indian and Alaska Native youth and help build a strong, unified, and self-reliant Native America through greater youth involvement. The heart of UNITY lies in its affiliated youth councils, which are sponsored by tribes, Alaska Native villages, high schools, colleges, urban centers, and others. Youth councils are engaged in annual projects in four areas: cultural preservation, environmental awareness, healthy lifestyles, and community service.

#### NORTHWEST INDIAN COLLEGE

Northwest Indian College (NWIC) on the Lummi Indian Reservation is the only accredited tribal college in the states of Washington, Oregon, and Idaho. NWIC grew from the Lummi Indian School of Aquaculture, developed a technical training for employment in Indian-owned-and-operated fish and shellfish hatcheries throughout the United States and Canada. Today, NWIC is approved as a baccalaureate, degree-granting institution where enrollment averages 600 students per semester. The educational philosophy of NWIC is based upon the belief that the opportunity for post-secondary education must be provided within the Native American community. NWIC is committed to the belief that self-awareness is the foundation necessary to achieve confidence, self-esteem, and a true sense of pride, build a career, create a self-sufficient lifestyle, and promote life-long learning.



#### Commitment to Culture

GRI-103-3

Culture and arts are essential to the stability and growth of communities. They derive from people's common roots, inspire a sense of belonging, and are permanent features of people's identities. In supporting artistic and cultural events and activities, IGT reinforces its commitment to the communities and regions it serves.

Projects and initiatives are chosen according to their greater scope and relevance to local communities, while the involvement of local authorities and institutions is often a key element in selecting the most-needed interventions, greatly contributing to local municipalities' economic stability. IGT is continuing the tradition of supporting projects and events that add cultural value to communities, families, and new generations.

#### SUPPORT TO CULTURE AND THE ARTS

IGT is committed to supporting cultural and artistic events and initiatives that truly represent the spirit of the communities in which the Company operates.

**ARTOWN**NEVADA, U.S.

Artown's mission is to strengthen Reno's arts industry, foster its civic identity, and enhance its national image, thereby creating a climate for the cultural and economic rebirth of the region.

BLACKSTONE RIVER THEATRE Blackstone River Theater (BRT) is a cultural non-profit arts center where the music, dance, and folk arts traditions of the Blackstone River Valley come to life. Its mission is to preserve and support diverse traditions with emphasis on the groups that settled in the Blackstone River Valley. BRT presents weekly world and roots music concerts, arts classes for adults and children, and special events on a year-round basis.

PROVIDENCE FOUNDATION RHODE ISLAND LIS The Providence Foundation is a private sector, not-for-profit organization, supported by 140 of the leading companies and institutions in Rhode Island. The Foundation has been working for 40 years to revitalize downtown Providence and create a success story that will provide long-term economic and social benefits to the citizens of Rhode Island. For example, the Waterplace Park/River Relocation project has received numerous awards from national groups who have cited the project as one of the nation's best waterfront revitalization projects.

**RENO PHILHARMONIC**NEVADA, U.S.

The Reno Philharmonic is northern Nevada's largest performing arts organization, with something for all tastes from Classical to Pop. Beginning its 47th Season, the orchestra, led by music director Laura Jackson, is a part-time, per-service orchestra comprised of over 60 professional musicians who perform more than 30 concerts annually throughout the Reno, Carson Valley, and Lake Tahoe region.

#### WATERFIRE PROVIDENCE

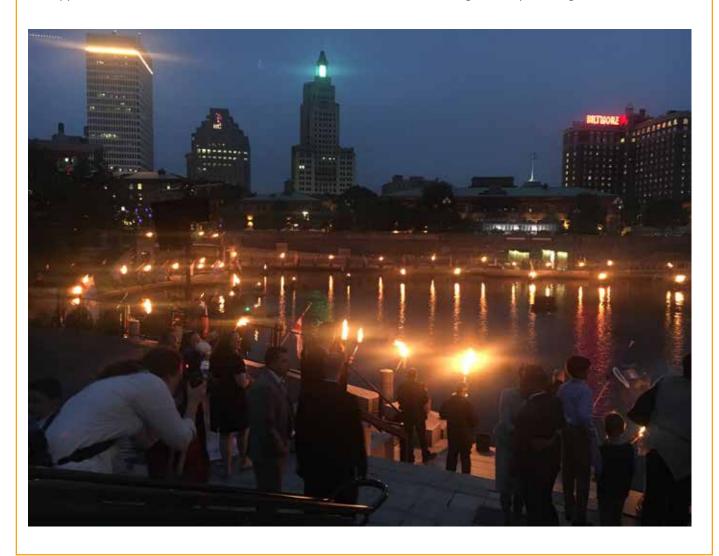
Cited by the Providence Journal in 1997 as "the most popular work of art created in the capital city's 371-year history", WaterFire is an independent, non-profit organization that continues to grow in popularity and size. American artist Barnaby Evans created "Second Fire" in 1996 for the International Sculpture Conference and the Convergence International Arts Festival, attracting thousands of participants from around the world.

Following this event, passionate art supporters convinced Evans

to begin an ongoing fire installation in Providence, Rhode Island. Evans established this installation as WaterFire Providence®, a non-profit arts organization.

This award-winning sculpture installed on the three rivers of downtown Providence has been praised by local and international visitors alike as a powerful work of art and a moving symbol of Providence's renaissance. Over one million visitors revitalize Rhode Island's capital each summer. They witness over 80 bonfires light up the river with the sound of enchanting

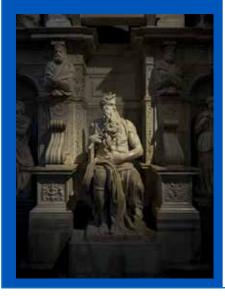
music playing in the background. WaterFire's mission is to inspire Providence and its visitors by revitalizing the urban experience, fostering community engagement, and creatively transforming the city. Its bright flames regularly illuminate downtown Providence, paying tribute to the importance of public art and its capacity to restore our urban and social landscape. IGT continues to be a proud sponsor of this non-profit organization.



#### SUPPORTING ARTS AND CULTURE IN ITALY

Since its origins in the mid-15th century, Il Gioco del Lotto has been tied to the necessity to fund endeavors that are too expensive to be paid for with taxation. While the game became more popular, with commensurately higher tax revenues, the proceeds from the game would be designated for religious buildings, public works, and charitable initiatives. Since then, arts and culture have greatly benefited from the increasing popularity of the game. Il Gioco del Lotto supports the promotion of cultural projects and initiatives, such as the restoration of the country's most significant monuments and organization of events at the sites. The focus is always on families and new generations, because culture is an essential element to the growth and development of healthy communities.

# A NEW LIGHT FOR THE WORLD-RENOWNED STATUE OF MOSES BY MICHELANGELO



The statue of Moses decorating the tomb of Pope Julius II, placed in the church of San Pietro in Vincoli in Rome, is undisputedly one of the most important and celebrated examples of the genius of Michelangelo. The Maestro unexpectedly used an extraordinary technique to make the marble reflect sunlight from the windows only after the statue was placed inside the church and according to the changing light conditions throughout the day. Il Gioco del Lotto has proudly supported the unanticipated project of restoring the statue with the original light conditions inside the church in order to return the masterpiece to its former glory. Michelangelo worked on the surfaces according to their exposure to sunlight. With time, light conditions were dramatically altered. The East window was enlarged and the West one closed, leaving in shadow those parts intended to get direct light, like the face of Moses turning to look for the grace of God in the form of sunrays kissing his forehead.

Thanks to innovative digital techniques, new light sources were designed to simulate the original light conditions with the passing of the day, thus creating a new scenography for the marble surfaces. Now the monument can reveal unprecedented details of significant artistic value to the four million yearly visitors.

### IL GIOCO PIÙ TUO IN TOUR



To celebrate the multi-century heritage in Italy, Il Gioco del Lotto sponsored "Il Gioco più Tuo" (The game is yours to take), a 10-city tour to celebrate local works of art through the organization of surprising itineraries, introducing citizens to various arts and culture initiatives. The 10 cities chosen correspond to the 10 places where the Lotto is drawn (Florence, Milan, Turin, Rome, Venice, Naples, Palermo, Cagliari, Bari, and Genoa).

More than 4,000 people were involved in the event in Cagliari. The tour featured a wide range of free events for all ages, from exhibitions and guided visits to performing arts shows in venues and along the city streets, in cooperation with the Superintendence for Architecture, Environment, History, Arts and Cultural Heritage. The Superintendence carried out an important restoration project of 4,000 photo plates featuring places and people from Cagliari of the 19<sup>th</sup> century. The plates were digitalized and the pictures uploaded on a dedicated website to make them accessible to the greater public.





#### **Employee-Driven Programs**

IGT encourages its employees to be actively engaged with organizations that align with the Company's overall community support endeavors. IGT's Employee Engagement programs reflect the Company's values, and provide employees the opportunity to give back to their local communities. The Matching Gifts, Day Off for Volunteerism, and Dollars for Doers programs embody the Company's commitment to social programs globally that positively impact our communities, as well as critical areas of daily life:



The Employee Matching Gifts
Program is designed to honor
the diversity of our employees'
charitable giving by supporting
a broad spectrum of non-profit,
charitable organizations. The
minimum gift eligible for matching
is \$25, up to a maximum of \$100
per calendar year.



Employees with exceptional community service may apply for grants from the IGT **Dollars for Doers Program**. When an employee volunteers 25 hours or more during the year to a charitable organization, IGT will provide a Dollars for Doers grant for \$250 to that Organization.



IGT recognizes the value of giving back and supporting the communities in which employees live and work. The purpose of the global **Day Off for Volunteerism** is to allow IGT employees to share in that effort by supporting and recognizing employee volunteer activities that serve our communities. The program provides employees one scheduled paid workday off per year.





# **Growing with Our Supply Chain**

GRI: 102-9; 103-3; 204-1





































IGT works with suppliers that can ensure high-quality goods and services and meet the utmost economic, ethical, and socio-environmental standards according to five informal strategic requirements:

- Capability
- Competency
- Compliance (quality)
- Value
- Support

Sound relationships with suppliers are essential to maintaining a dependable, competent source of uninterrupted goods and services, and suppliers play a key role in IGT's ability to support customers' requirements. IGT's Code of Conduct serves as a guide to the moral, legal, and ethical standards expected of suppliers when doing business with IGT, and sets parameters for what is considered an acceptable behavior.

IGT's Procurement department oversees the supplier engagement process, creating and reviewing the supplier questionnaire, determining commodity team responsibilities, and determining which suppliers should be classified as "strategic suppliers". Working with partners in the Quality Engineering team, IGT Procurement monitors the quality of each supplier's goods and services, as well as the metrics used to ensure quality. Furthermore, IGT has standardized payment terms across its supply base by renegotiating existing non-standard terms when possible and tracking suppliers with unique payment terms.

IGT expects suppliers to effectively assess, select, develop, and monitor their material sources and subcontractors, and comply with jurisdictional and environmental policies and regulations. IGT retains the right to use alternate suppliers if an existing supplier is unwilling or unable to comply with IGT policies. The Company considers the use of local, small-sized, and/or disadvantaged businesses, including minority and women-owned companies, when making sourcing decisions.

In 2017, IGT's supply chain consisted of more than 11,000 vendors worldwide, which accounts for about \$1.9 billion in annual spending in both the direct and indirect supply categories. "Indirect" supplies include technology,

computers, hardware and software, networking equipment, communications services, and standard Maintenance, Repair, and Operations (MRO) commodities that are purchased to support IGT's customer-facing deliveries, as well as its internal infrastructure. "Direct" supplies support the manufacture of IGT products that are delivered as part of IGT's customer-facing solutions.

IGT purchases most of the parts, components, and subassemblies necessary for its terminals and slot machines from outside sources. It outsources all of the manufacturing and assembly of certain lottery terminals to a single supplier; other products have portions outsourced to multiple qualified suppliers.

Suppliers based in the U.S. and Italy, where the majority of employees are based and the greatest portion of revenues are generated, are considered by IGT to be local suppliers. In 2017, 68% of IGT's suppliers were local, and almost 82% of the total budget was spent on these suppliers.

#### Geographical Distribution of Suppliers



#### Spending on Local Suppliers\*



<sup>\*</sup> Distribution of spending on suppliers.



#### **The Selection Process**

GRI: 103-3

IGT's decision to include a particular vendor in its supplier list is guided by IGT's International Organization for Standardization (ISO) 9001-certified quality management system. IGT uses suppliers selected and evaluated based on a scorecard. with a numerical score related to the quality/cost ratio of the goods and services supplied, the ability to adapt to requested delivery deadlines, the financial stability of the supplier, the delivery capacity, and the ability to comply with IGT business principles (quality, ethics, environmental awareness, and human rights).

IGT requires all suppliers to provide certificates proving compliance with the European Union (EU) Restriction on Hazardous Substances (RoHS) declaration of July 2006. IGT also considers a certified management system, such as ISO 9001, ISO 14001, or Social Accountability (SA) 8000, to be an asset.

During selection, each potential supplier must undergo a risk analysis by IGT, as well as a self-assessment of its own performance. Then, IGT cross-functional teams rigorously review the potential supplier, focusing on factors such as quality, finance, and technology. The process is intended to ensure that IGT partners with suppliers that provide the best technical

solutions, are financially capable of supporting long-term customer contract requirements, and can meet the contract terms necessary to maximize IGT's ability to support its global customer base.

The suppliers of goods and services subject to certifications required by law are subject to periodic inspections and visits. Even the most important suppliers (custom orders or original components) are subject to periodic inspections of their quality programs and the updating of certifications.

IGT requires suppliers that operate in countries characterized by weak human rights legislation to sign a statement that they share the ethical commitments listed in IGT's Code of Conduct, with particular reference to environmental protection, employee rights of association and collective representation, and bans on child labor and forced labor. Suppliers in developing countries and suppliers in other jurisdictions outside of the U.S. and the EU may be subject to screening for their compliance with certain human rights principles, based on those expressed in the United Nations International Bill of Human Rights.

IGT carries out on-site audits twice per year to verify performance of a limited number of suppliers identified



**Qualified Minority Business Enterprises** In the U.S., IGT works with top-quality suppliers, including suppliers classified as Qualified Minority Business Enterprises, especially in the lottery and instant ticket printing businesses. To be identified as a **Qualified Minority** Business Enterprise, a public agency must certify that the supplier is owned (at least 51%) by one or more of the following:

- Minority group members
- Women or
- Disabled veterans

Typically, in U.S. lottery competitive procurements, the Request for Proposal (RFP) includes an obligation to allocate a share (approximately 10%, usually) of the total budget to Qualified Minority Business Enterprises, thus allowing lotteries to contribute to the generation and distribution of economic value. In another approach, the RFP awards additional points to a proposal if a share of the total budget is allocated to Qualified Minority Business Enterprises.

as "critical" in the Company's risk analysis. After each audit, IGT provides feedback and meets the supplier to discuss possible improvements. The major Original Equipment Manufacturer (OEM) suppliers are visited periodically with the purpose of checking compliance with rules regarding social and environmental responsibility.

# Approach to Environmental Assessment of Suppliers

IGT designs and manufactures products that are compliant with applicable environmental requirements in each jurisdiction where it operates. IGT's environmental compliance policy includes product design, sourcing, warehousing, manufacturing, reconditioning, and delivery. IGT has developed processes and procedures for meeting environmental compliance requirements, including determining the environmental compliance of existing products, modifying existing products to meet environmental compliance requirements, and taking reasonable precautions concerning environmental compliance on an ongoing basis.

The supplier management approach to environmental assessment is one of first-hand observations, whereby

IGT directs its material supplier management team to conduct an informal inspection of conditions while onsite. Environmental assessments of suppliers are more intense in high-risk and less-regulated markets than in low-risk/highly regulated geographical areas (like the U.S. and the EU).

When visiting suppliers in highrisk areas, members of the supply management team check to ensure that appropriate licensing from the local government is in place. The team also pays special attention to waste management from industrial processes that produce hazardous solid waste. like chroming, plating, and painting processes. Preventive maintenance (PM) procedures and schedules are observed on related equipment undergoing these processes to confirm that PM schedules support hazardous liquid containment integrity.

The Company communicates and discusses observable exceptions needing correction on the spot with the supplier. Exceptional conditions are noted in the supplier visit report, and followed up on the next visit. In 2017, there was no formal environmental policy or contractual obligation for compliance with the suppliers. Any environmental audits were done informally and in good faith.

#### **Human Rights Protection**

In line with its five core values, IGT strives to protect human rights, both in its business and along its supply chain. IGT is committed to preventing and mitigating risks of human rights violations.

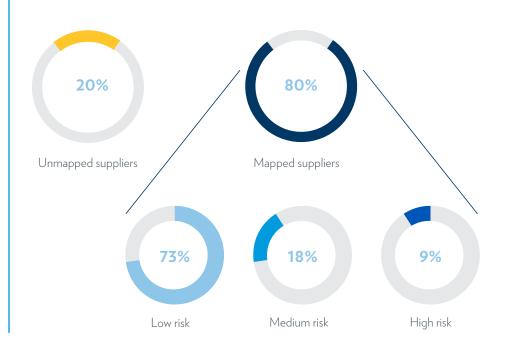
With regard to the supply chain, IGT established a due diligence system to identify the risks related to the supply chain structure and operations, mitigate the risk of such exposure in its supply chain, and undertake proper preventive actions to properly protect human rights, both now and in the future.

In 2017, IGT mapped all business and supplier activities by industry,

sector, and geographical area of operation to identify and prioritize those areas at risk of exposure to human rights violations. IGT analyzed suppliers that represent 80% of its annual expenditures globally, and the analysis highlighted that 9% of the examined suppliers have a high risk of exposure, 18% show a mediumrisk exposure, and 73% have a lowrisk exposure.

Subsequently, IGT prepared a questionnaire to be completed by the small percentage of suppliers considered at high risk, as well as all new suppliers, as part of a qualifying process. During 2017, IGT carried out an analysis of suppliers' answers to the

### Supplier Mapping by Expenditure



questionnaire to understand where IGT could intervene to improve its supply chain's human rights performance.

While the results concerning human rights management are positive overall, there are some areas that will require further analysis. IGT is evaluating additional actions to address the primary issues identified in the questionnaire, including conducting specific audits and inspections at suppliers' offices and facilities. Moreover, IGT has drafted a Supplier Code of Conduct related to social, environmental, and ethical responsibility, with a specific focus on human rights that will apply to all suppliers.

#### **Conflict Minerals**

IGT complies with the final rule on conflict minerals adopted by the U.S. Securities and Exchange Commission (SEC). This rule requires the implementation of reporting and disclosure procedures regarding conflict minerals. Conflict minerals - which include tantalum, tin, tungsten, and gold – are defined as those originating in the Democratic Republic of Congo (DRC) or adjoining countries, and any other mineral or derivative thereof determined by the U.S. Secretary of State to finance conflict in the DRC or adjoining countries, and therefore enable armed groups to commit, contribute to, or benefit from serious violations of human rights, violations of international humanitarian law, or crimes under

international law.

Since conflict minerals are necessary to manufacture landbased products (including, but not limited to, slot machines, video poker machines, video lottery terminals, electronic or video bingo machines, lottery terminals, instant ticket vending machines, and ticket scanners), IGT has implemented policies and procedures, including a conflict minerals policy, to ensure the minerals IGT and its suppliers use are DRC-conflict free and that IGT complies with the SEC's rule.

IGT developed its policies, procedures, and processes following the second edition of the Organization for Economic Cooperation and Development's Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and related supplements.

IGT's procedures include:

- Defining suppliers that are affected by conflict minerals;
- Identifying risks;
- Communicating supplier responsibilities;
- Establishing and using a crossfunctional team;
- Collecting necessary information; and
- Maintaining records of activity, responses, and conclusions.

#### Conflict Minerals Due Diligence Program and Process

To identify and trace conflict minerals in IGT's supply chain, the Company established a due diligence program based on procedures and tools provided by:

- Organization for Economic Cooperation and Development (OECD)
- Electronic Industry Citizenship Coalition (EICC) and
- Global e-Sustainability Initiative (GeSI)

The Conflict-Free Sourcing Initiative (CFSI), an entity founded by members of the EICC and GeSi, provides a Conflict Minerals Reporting Template. The template standardizes the way country-of-origin, smelter, and refinery information is reported, and facilitates the transfer of this information through the supply chain. IGT requests that suppliers whose products contain conflict minerals use the template to convey the required information to

IGT also requests that its suppliers adopt a conflict mineral policy with the CFSI's Conflict-Free Smelter Program (CFSP) assessment protocols, and establish their own due diligence program (to ensure their own suppliers are CFSP-compliant), including a detailed report to IGT on that effort.

IGT established a cross-functional team to comply with the SEC's rule. The team's duties are to:

- Identify which suppliers provide products to IGT containing conflict minerals;
- Distribute a conflict minerals letter with an environmental policy and the Conflict-Free Sourcing Initiative's (CFSI) Conflict Mineral Reporting Template to all suppliers determined to be in scope;
- Track which suppliers have responded, and retain the completed CFSI Reporting Template and policies;
- Review the responses and conduct further due diligence if warranted;
- Maintain smelter information from suppliers and check smelter identifications against the Compliant Smelter & Refiners list (at www. conflictfreesourcing.org) and the Smelter Reference list of the current CFSI Reporting Template; and
- Report IGT's due diligence process and compliance obligations to senior management annually.

To identify relevant suppliers subject to due diligence, IGT reviewed 659 suppliers that produce more than 95% of materials required for IGT's products. From the list of 659, IGT removed those suppliers that do not sell IGT material containing conflict minerals. If there was uncertainty, the supplier was considered in scope. As a result, IGT identified 58 suppliers that have been subjected to further due diligence in 2018.

## Reasonable Country of Origin Inquiry (RCOI)

The Conflict-Free Sourcing Initiative's (CFSI) Conflict-Free Smelter Program (CFSP) audits smelters and refineries, and identifies those that are Democratic Republic of Congoconflict free. As part of the Reasonable Country of Origin Inquiry (RCOI) process, IGT adopted the CFSI approach and is tracing the origin of conflict minerals by identifying smelters, refineries or recyclers, and scrap supplier sources. IGT used the CFSI and its CFSP to trace the conflict minerals back to the mine of origin. Because some suppliers source material from a number of sub-suppliers, IGT has determined that it may take time for some suppliers to verify the origin of conflict minerals (directly or indirectly) to IGT as detailed by the RCOI.

# 7 Caring for the Environment

photo: Mariano Cervino Sup. Field Svc II, Field Services Buenos Aires, Argentina



# Caring for the Environment





































IGT's approach to environmental activities is guided by the following principles:

- Setting and regularly assessing goals for improving environmental performance;
- Following operating guidelines that protect the environment, employees' health, and the integrity of communities influenced by the Company's business;
- Complying with current regulations and applicable authorization requirements at all levels;
- Applying principles for ongoing improvement of pollution prevention;
- Reducing the environmental impact of production processes in an economically effective way;
- Sharing information about the environmental impact of its business performance in a transparent manner; and
- Guaranteeing that staff have the skills and resources needed to achieve the established environmental goals.

As a global company, IGT is committed to complying with accepted environmental practices, including the promise to meet or exceed applicable legal and certification requirements. The Company strives to continually improve its environmental management systems and reduce its environmental impact. Effective and reliable monitoring systems allow IGT to assess its progress in reaching these goals.

#### **Approach and Commitment**

GRI: 102-11; 103-3

The Company's activities include hardware and software implementation, research and development, warehousing, and administrative tasks.

IGT's industrial activities include printing (in Lakeland, Florida, U.S. and Tito Scalo, Italy) and assembly (in Reno, Nevada, U.S.).

Potential environmental impacts on IGT facilities are related to:

- Material consumption As an indirect impact in Reno, Nevada, where the facility assembles sub-products provided by suppliers; as a direct impact in Lakeland, Florida, and Tito Scalo, Italy, where paper and inks are used in printing;
- Energy consumption Fuel for heating, Company fleet (cars and small trucks), electricity supply and natural gas (office, manufacturing, and printing);
- Emissions From energy use (direct and indirect) and transportation of goods by service providers;
- Waste production –
   Assembling and printing processes do not generate a significant amount of waste.
   Generally, the waste produced is not hazardous and most is

sent to recycling, consistent with

corporate policies;

• Sub-processes – Potential indirect impacts can be significant for some sub-product assembly processes in Reno (such as chroming); the suppliers used for such processes are periodically monitored with on-site inspections to verify their compliance with regulations.

Since 2016, IGT has used an internal web-based tool to collect environmental data from sites all over the world. The tool has systemized and harmonized the collection process, giving a more comprehensive overview of the Company's environmental impacts.

#### **Environmental Certification**

The International Organization for Standardization (ISO) 14001 **Environmental Certification** relates to the management of major environmental issues (energy consumption, waste production and management, office paper consumption, and management of supplies with environmental impact), the limitation of harmful substances. and the maintenance of Information Technology (IT) facilities. IGT undertook several actions to achieve certification. The main actions taken on sites with an active ISO 14001 Environmental Management System (EMS) are:

- Complete compliance with applicable environmental provisions of state or federal laws:
- Specific improvements in printing facilities (such as reduction of solvent-related air emissions);
- Reduction of paper consumption (adoption of software to check employee use of paper when printing documents, and implementation of a process to monitor the quantity of printed copies);
- Reduction of energy consumption, including replacement of air conditioning systems in IT rooms hosting data servers; adopting more efficient technology platforms; installing air conditioning fan coil sensors; window replacement; and substituting fluorescent tubes with LED lights;
- Monitoring and reducing water consumption;
- Increasing recycling (using recycling boxes); and
- Extension food waste composting into Rhode Island facilities.

Consequently, reporting boundaries have increased compared to last year, with more than 110 sites providing information on their environmental impact. Due to a wider reporting boundary, the 2016 environmental data is compared with both 2017 and adjusted 2017 figures. The latter only considers the impacts of sites within the 2016 boundary to ensure the most accurate comparability of IGT environmental performance between the years. IGT expects to enlarge this boundary every year.

#### Significant Improvements in Environmental Data Collection: Number of Sites Covered and Related Employees



In accordance with ISO 14001, the Company has Environmental Management Systems (EMSs) in place in the following locations:

- Rhode Island, U.S.
- The Austin Technology Center (ATC) in Austin, Texas, U.S.
- Lakeland, Florida, U.S.
- Rome, Italy
- Tito Scalo, Italy

Through these EMSs, IGT is committed to improving its environmental performance.

# Materials in Manufacturing Gaming Devices

GRI: 103-3; 301-1

IGT designs, develops, manufactures, and provides devices, games, systems, and software for customers in legal gaming markets. IGT uses a variety of raw materials to assemble gaming devices (i.e., metals, wood, plastic, glass, electronic components, and Liquid Crystal Display [LCD] screens). IGT's main manufacturing and production facility is in Reno, Nevada, with approximately 594,000 square feet dedicated to product development, warehousing, shipping, and receiving. Moreover, nine sites located in different countries worldwide provide a local presence, customized products, and regional production where they would be beneficial or required. Manufacturing operations primarily involve the configuration and assembly of electronic components, cables, harnesses, video monitors, and prefabricated parts purchased from outside sources.

In compliance with the European Union Restriction of Hazardous Substances (RoHS) Directive of 2006, IGT has begun manufacturing RoHScompliant machines for European distribution. Although IGT is not required to do so, manufacturing now includes many parts that meet or exceed the RoHS standards in machines for the U.S. and countries outside of EU. IGT machines comply with the European Waste Electrical and Electronic Equipment (WEEE) Directive on recycling. Recycling symbols may be present on some parts, but are not required by IGT.

#### **Purchased Materials**

Most materials purchased were for IGT's Reno facility and are used for assembling Instant Ticket Vending Machines (ITVMs), Electronic Gaming Machines (EGMs), and packaging. In 2017, about 35,000 ITVMs and 40,000 EGMs were assembled in Reno.

	2	.017	20	016
Materials purchased	Weight (tons)	% used by Reno	Weight (tons)	% used by Reno
Assemblies, electronic components, cables	1,505	66	1,279	93
Plastics (including packaging and foams)	907	89	917	99
Metals	6,440	98	6,049	100
Wood	643	44	524	28
Monitors	893	100	1,241	100

the Reno facility:

- 25.9 tons of metal (0.4%)
- 4.6 tons of plastic (0.6%)
- 4.8 tons of electronic components and cables (0.5%)
- 5.3 tons of monitors (0.6%)

Outside of the U.S., machine end-of-life management is handled according to local regulations on reuse, recycling, and waste reduction.

#### Machine End-of-Life Management

The Reno facility manufactures two types of machines: Instant Ticket Vending Machines (ITVMs) and Electronic Gaming Machines (EGMs). ITVM maintenance and replacement programs vary depending on the lottery contract. EGMs can be sold or rented. IGT performs ITVM maintenance but the machines' end-of-life treatment is handled by each jurisdiction, and these machines are not returned to the Reno facility. Rented EGMs in the U.S. are returned to Reno to undergo reconditioning or updating (software or hardware). Older or outdated machines are scrapped, and components that can't be reused are delivered to providers of disposal services.

In 2017, IGT carried out a full-scale gaming equipment refurbishment (mostly in the U.S.), with an annual volume of approximately 6,200 units equal to 15.63% of total EGMs assembled in 2017, with the following reported volume and percentage of reused materials at

#### Office Work and Printing Facilities

There is significant paper, toner, and ink consumption in IGT offices and at ticket printing facilities. A large portion of this includes packaging, most of which involves cardboard and paper. IGT's printing presses in Lakeland are servo-driven and can be operated solely on water-based ink systems. The servo-driven press optimizes job changeover times, minimizes material waste, and offers high print quality.

The Company relies heavily on the supply of paper for instant tickets production, and is committed to reducing the impact of paper consumption on natural resources. This is in line with the commitments of its major paper suppliers that abide by several environmental standards. The Forest Stewardship Council (FSC), Sustainability Forest Initiative (SFI), and Program for the Endorsement of Forest Certification (PEFC) all promote sustainable forest management, reforestation, and continuous improvement of standards and practices to certify environmentally responsible paper sourcing processes. In 2017, 10% of office paper purchased was FSCcertified paper.

Considering the same reporting boundary, the Company's consumption of office paper in 2017 decreased by 15%. On the other hand, purchases of cardboard for packaging, paper for lottery tickets, and toner and liquid inks slightly increased (by 6%, 2% and 12%, respectively) compared to 2016.

#### Other Purchased Materials

		2017	
(Tons)	2017	adjusted	2016
Cardboard for packaging	421	421	396
Office paper	84	81	95
Paper for lottery tickets *	28,447	28,158	27,496
Toner and liquid inks	1,761	1,761	1,576

<sup>\* 2016</sup> data related to cardboard for packaging and office paper have been restated due to updates in calculation methodology.

#### **Energy Consumption** GRI: 103-3; 302-1; 302-4

Reducing energy consumption is a priority for the Company. IGT's direct energy consumption mainly concerns heating fuel (primarily natural gas) and its corporate fleet (cars and small trucks). In case of a power-outage emergency, fuel is used for back-up electrical supply. The indirect consumption of energy includes electric consumption for offices, data centers, manufacturing, and printing.

Considering the same reporting boundary, the Company's consumption in 2017 decreased by 4% compared to 2016 (from 791,258 to 762,158 gigajoules).

# Data Center Consolidation The Company has decided to create a Global Data Center aimed at driving the future evolution of IT infrastructure and Data Center market offerings. Thanks to the consolidation of data centers, more than 472 tons of greenhouse gas emissions were prevented in 2017. The Data Center consolidation program was completed in 2017.

 In 2016, 666 tons of Greenhouse Gas (GHG) emissions were prevented thanks to this project. Considering the overall impact of this project, in 2017, 1,138 tons of GHG emissions were prevented.

#### **Energy Consumption**

(GJ)	2017	2017 adjusted	2016
Natural gas	57,724	57,656	55,843
Electricity	378,814	357,693	375,520
Gasoline (Fleet)	323,081	316,392	328,295
Diesel consumption for vehicles and generators	29,797	29,656	31,210
Liquefied Petroleum Gas (LPG)	354	354	390
Propane	492	407	
Total energy consumption	790,262	762,158	791,258

IGT has earned Leadership in Energy and Environmental Design Certification for its Reno facility, and an ISO 50001 Energy Management Systems certification in Rome for improving energy management. In addition, IGT is planning to reduce the energy consumption at Data Centers worldwide.

# REDUCING THE ENVIRONMENTAL IMPACT AT IGT FACILITIES AROUND THE WORLD

In 2017, IGT facilities worldwide acted locally to reduce the Company's environmental impact:

- **Beijing, China**: Beginning in December 2016, office smart plugs can automatically shut off unused Electronic Gaming Machines in the evening, and unused PCs are shut down remotely from Friday evening to Monday morning. As a result, a reduction of about 9.3% in electricity consumption has been registered compared to 2016.
- Moncton, Canada: Late in 2017, the Company invested in upgrading motors, zones, and controls for the largest system in the building, which is estimated to save around 130,000 kWh per year.
- West Greenwich, Rhode Island, U.S.: In 2017, all the light fixtures in the two buildings, which are 13,000 square feet and 170,000 square feet, were replaced with Light-Emitting Diode (LED) light fixtures. The expected energy savings is respectively 104,264 kWh and 553,690 kWh per year.
- San Jose, Costa Rica: During the last two quarters of 2017, a campaign called "Depende de mi" (Depends on me) has been launched with the aim to increase awareness about the efficient use of resources (energy, water, and materials) and the importance of conservation. Regarding energy saving, messages were posted near the light switches, that read "Turn it off if you do not need it."
- Sacramento, California, U.S.: The office uses 100% LED bulbs and fixtures, which resulted in a savings of \$20,000 on utilities.
- Watford, U.K.: The offices use 100% renewable energy, provide charging points for electric vehicles, run a car-sharing scheme at the facility, and have designed more than 60 bike spaces into the new building.

#### ISO 50001 Certification

Since 2011, IGT has implemented an ISO 50001 certified Energy Management System (EMS) for the Rome, Italy, location. The ISO 50001:2011 Certification specifies requirements to establish, implement, maintain, and improve an EMS that enables an organization to follow a systematic approach to achieving continual improvement in energy performance, including energy efficiency, energy use, and energy consumption. Also, ISO 50001:2011 requirements include measurement, documentation and reporting, design and procurement practices for equipment, systems processes, and personnel that contribute to energy performance use and consumption.

# Leadership in Energy and Environmental Design (LEED) certification

The Reno. Nevada. U.S., facility has a LEED gold certification, awarded by the United States Green Building Council. In 2015, the Reno facility was certified LEED Gold until 2025. entailing tax savings of \$1.5 million over 10 years. IGT Reno operates as Nevada's first Gold-certified facility, combining office, data processing, and manufacturing activities under the LEED "Existing Buildings: Operations & Maintenance" distinction. The Reno facility operates with less water and energy, reducing greenhouse gas emissions and, as a bonus, saving money.

Among the benchmarks met by the Reno office to earn LEED certification are:

• Eliminate approximately 1,530

- tons of Greenhouse Gas (GHG) annually from commuting employees by providing a fitness center, cafeteria, and on-site childcare services;
- Diverted 81% of its waste from the landfill through IGT Reno's extensive waste management program;
- Finished in the 35th percentile above the national median for energy efficiency performance;
- Installed efficient water fixtures that have decreased water usage by 15%;
- Reduced water use for irrigation by 50% from initial design; and
- Purchased energy-efficient electrical and electronic equipment, high recycled-content furniture, and low-mercury fluorescent lamps.



#### **CDP** (formerly Carbon Disclosure Project)

The CDP maintains a global disclosure system that enables companies, as well as governments, to measure and manage their environmental impact with the goal of creating a more sustainable world. The CDP pursues this goal by incentivizing companies to publicly disclose the environmental impact of their business activities, with a particular focus on their Greenhouse Gas (GHG) emissions and the emissions reduction projects they are implementing. In 2017, the CDP recognized IGT

as a leader for its commitment and actions to fight climate change. IGT improved its 2016 score by achieving A-. As part of the recognition, IGT was noted for effectively reducing emissions, indicating advanced environmental stewardship. IGT scored much higher than the industry sector average, and the overall average score of all responding companies. This acknowledgment shows that IGT is measuring and managing its environmental impact in line with the Paris Agreement goals set in 2015 to limit global warming. As part of the review, IGT was

credited for:

Maintaining several Environmental

- Management Systems, which are compliant with the ISO 14001 global standard;
- Obtaining Leadership in Energy and Environmental Design (LEED) Gold certification in Reno, Nevada, as awarded by the United States Green Building Council;
- Implementing a project aimed at reducing energy consumption of its Data Centers to consolidate at a global level;
- Increasing the efficiency of the shipment of goods to reduce its GHG emissions at its Italian operations; and
- Significantly reducing its Scope I, Scope II and Scope III emissions. (See below for definitions).

**Emissions** GRI: 103-3: 305-1: 305-2: 305-3; 305-5

GHG emissions produced by IGT are caused by fuel and electrical consumption and transportation of goods and people.

Emissions are divided into three categories:

• Scope I emissions – These refer to fuel consumption (natural gas and LPG for heating, diesel consumption for generators, diesel and gasoline consumption for vehicles such as Company cars and small trucks), and fugitive emissions from refrigerants. Many of IGT's U.S. contracts require the Company to install, maintain, and service lottery equipment throughout the country. To fulfill these contractual obligations, the

Company uses a domestic fleet that fluctuates between 1,550 and 1.650 vehicles. The fleet comprises gasoline and dieselpowered service vans, as well as sales force gasoline-powered vehicles. IGT continues to focus on driver behavior by addressing fuel consumption affected by idle time, rapid acceleration, and cargo weight. In addition, the Company strives to keep its fleet properly sized for specific contractual needs and territorial requirements.

• Scope II emissions – These refer entirely to electrical consumption. IGT, beyond its commitment to reduce energy consumption, strives to use green energy where suitable. In Costa Rica, 85% of energy supplied to the facility in San Jose comes from alternative sources.

• Scope III emissions – These derive from paper consumption (both for office and production use), shipments of IGT goods by third parties, and business travel. In 2017, IGT continued to implement a strategy in Italy aimed at increasing shipping efficiency by preventing vans from leaving when not fully

loaded, and reorganizing routes and deliveries. In 2017, CO2 emissions were reduced by 9% compared to 2016.

Within the same reporting boundary, Scope II emissions have decreased by 3.1% compared to 2016, while Scope I emissions remain substantially unchanged.

#### Greenhouse Gas (GHG) Emissions

(Tons)	2017	2017 adjusted	2016 (*)
Scope I	27,784	27,319	27,222
Scope II	46,028	43,320	44,689
Scope III	37,886	37,763	41,650

<sup>\* 2016</sup> data related to Scope III emissions has been restated due to an update in calculation methodology related to the weight of lottery paper purchase.

At the Lakeland, Florida facility, a GHG emissions reduction program details the most energy-efficient ways for running the printing press, including:

- Using natural gas to dry ink;
- Using better operating practices, such as shutting down the dryers when
  it doesn't impact quality, and reducing downtime as operating efficiencies
  improve;
- Using faster-drying inks; and
- Eliminating propane-driven forklifts.

In order to reduce the environmental impacts, IGT has implemented Cisco Solutions to securely teleconference between offices, to reduce travelling and its associated carbon footprint.

#### **EXPANSION AND REFURBISHMENT AT THE LAKELAND PRINTING FACILITY**



### \$15 million

14 billion

INVESTED IN EXPANSION AND REFURBISHMENT TICK

TICKET CAPACITY PER YEAR

# 45,000 square foot

EXPANSION FOR NEW PRESS AND OFFICES

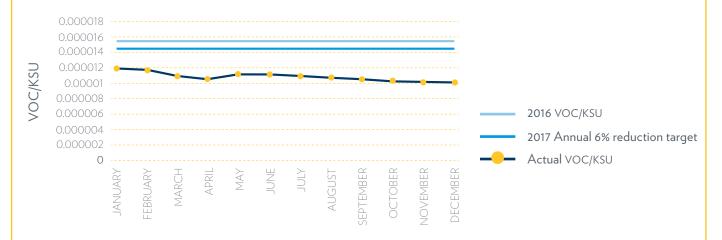
The IGT Instant Ticket Services facility in Lakeland, Florida, has identified a set of environmental objectives following expansion and refurbishment activities carried out in 2017:

- Ensure 100% compliance with environmental regulations
- Reduce VOC (Volatile Organic Compound) emissions by 6%
- Reduce paper waste by 1%
- Reduce hazardous waste by 20%

The facility expansion included the 45,000 square foot addition to the current facility in order to accommodate additional office space and the new Tresu press capable of increasing ticket production by up to 30%, reaching 14 billion tickets per year. The new warehouse runs LED lighting, as opposed to fluorescent lighting in the older part of the building, resulting in a reduction in electricity consumption. The new lighting system is estimated to save around 48,340 kWh annually. IGT has developed a Greenhouse Gas (GHG) emissions-reduction program identifying the most energy-efficient ways for running the printing press. The facility is now using faster-drying inks and natural gas to dry them, and has improved operating practices, such as shutting down the dryers when appropriate and eliminating forklifts powered by propane.

As VOC emissions in 2017 totaled 103.6 tons, the printing facility has committed to minimizing them by 6% (VOC/KSU²) through a four-year project, implementing a full water-based ink system to replace the use of solvent-based ink. The primary sources of VOC emissions (using solvent-based inks) are the presses' cleaning process at the end of print runs (used to remove excess inks so they don't dry on rollers and ink chambers), and the evaporation of solvents (many of which are VOCs).

2017 Monitoring of 6% VOC Reduction Goal at Lakeland, Florida Printing Facility



Since October 2017, Lakeland uses a full water-based ink system with an approximately 80% reduction of VOC output and a consequent reduction of hazardous waste by about 97%. In addition, IGT has set up an Environmental Management System (EMS) on site that complies with the ISO 14001:2004 standard to understand what potentially negative effects may be generated by daily activities, and how to mitigate, if not eliminate, them.

2) KSU: Thousand Standard Units produced

#### Other Emissions

IGT's production processes do not have a significant impact on the atmosphere. The only significant emissions are made of Volatile Organic Compounds (VOCs) resulting from printing activities and very low emissions of ozonedepleting substances for cooling systems at various sites (both production and office sites). The two printing facilities in Lakeland, Florida and Tito Scalo, Italy, and the Reno manufacturing facility adopted a similar approach to VOCs, ensuring the monitoring activities are compliant with the law, and staying significantly below the limit stated by local authorities.

As reported above, Lakeland VOC emissions in 2017 amounted to 103.6 tons. The other printing plant, located in Tito Scalo, constantly monitors VOC emissions while fully complying with stringent Italian regulations. In 2017, VOC emissions amounted to 0.17 tons.

**Waste** GRI: 103-3; 306-2

Most of the waste is produced at manufacturing and printing plants; each has ISO 14001 EMS or LEED certification to ensure proper waste management and a commitment to improving performance. In 2017, IGT produced more than 33,200 tons of waste, of which 71% was hazardous and 29% nonhazardous. Considering the same reporting boundary, IGT waste production in 2017 compared to 2016 has increased mostly because of the decommissioning of electronic devices classified as hazardous waste

The amount of hazardous waste has significantly increased compared to 2016 due to the replacement of all electronic devices (such as monitors, routers, televisions, and video lottery terminals) at retailers in Italy in order to comply with the new Lotto concession and the Italian WEEE (Waste Electrical and Electronic Equipment) regulation. In particular, the Italian law ruling on the subject has established an integrated waste control and traceability system covering the entire waste disposal cycle, from separate collection of

hazardous parts to transport and consequent treatment involving all players directly or indirectly participating in production, assembly, and refurbishment.

IGT's manufacturing facility in Reno complies with the RoHS and it is registered as a Small Quantity Generator of hazardous waste

The Reno facility diverted 80% of waste in 2017 by using multiple balers to segregate waste streams. In 2017, two additional 424-yard augers for waste reduction were purchased, lessening the number of pickups by haulers. IGT's Reno office has continued efforts to eliminate the majority of expanded polystyrene cups throughout the office coffee stations, and supplied each employee with a reusable coffee mug.

In Austria and Rhode Island facilities, IGT brings all organic and green waste to nearby compost facilities, receiving in return composted earth to maintain the gardens on its premises.

#### **Waste Produced**

	2017			1	2017 adjuste	ed	2016		
(Tons)	Waste Sent to Recovery, Reuse and Recycling	Waste Sent to Landfill	Total	Waste Sent to Recovery Reuse and Recycling	Waste Sent to Landfill	Total	Waste Sent to Recovery, Reuse and Recycling	Waste Sent to Landfill	Total
Non-hazardous waste	6,929	2,605	9,534	6,728	2,504	9,231	6,846	1,388	8,234
Hazardous waste	19	23,718	23,737	19	23,718	23,737	78	18	95

#### Water

As a rule, all IGT facilities – except the printing plants – receive water from local municipal sources. Water is primarily used in the cafeteria and washrooms, as well as for office purposes and silkscreen print activities. Consequently, IGT is not a major user of municipal water. IGT does not currently reuse or recycle water in its facilities.

Regarding consumption, 86% of water used comes from water utilities, and 14% is reclaimed water. More than 99% of wastewater is discharged through the local municipal water system for treatment and less than 1% into different wastewater plants. Considering the same reporting boundary, in 2017 water consumption decreased by about 19% as compared to the previous year.

Water	Consumption	

		2017	
(m³)	2017	Adjusted	2016
Consumption	200,340	195,362	240,052
Discharge	143,243	138,266	181,259

As example of an initiative aimed at saving water, offices in Costa Rica posted messages in lavatories and at kitchen sinks that advised workers to conserve water by not letting it run while lathering hands, brushing teeth, or scrubbing dishes. Our Macau office posted "Save Water" signs in their pantry.

In the manufacturing facility in Reno, water is supplied by two providers. Truckee Meadows Water Authority supplies the domestic (potable) water, and Washoe County Utility supplies the reclaimed (non-potable) water. The reclaimed water is used strictly for outdoor landscaping. Using the reclaimed water helps reduce the Company's use of potable water, thereby reducing the impact on the Truckee River and local aroundwater resources.

In Reno, IGT adheres to LEED policy when purchasing plumbing fixtures, ensuring that all fixtures purchased for renovations/replacement are high-efficiency fixtures meeting the Uniform Plumbing Code/International Plumbing Code standards.

Also in Reno, through ongoing landscaping projects, old or dying plants are replaced with drought-tolerant plants needing less water. Old or cracked drip lines and valve systems are regularly replaced with new and more efficient drip lines, valves, and controllers to save reclaimed water.







#### Methodological Note

#### Introduction

This Sustainability Report is issued by International Game Technology PLC and its subsidiaries (or "IGT" or the "Company" unless otherwise stated) to disclose its sustainability performance and to preserve an important communication channel with its stakeholders.

IDENTIFYING MATERIAL ASPECTS AND BOUNDARIES GRI: 102-46; 102-47; 103-1

#### Materiality definition process

The subjects covered in the report have been identified through a materiality definition process that IGT used to identify the most relevant economic, environmental, and social topics for the Company. The Global Reporting Initiative (GRI) Sustainability Reporting Standards require the Sustainability Report to include information related to topics deemed material – those that reflect significant impact for the organization from economic, environmental, and social viewpoints and that substantially influence stakeholders' assessments and decisions. The material topics were examined in four phases: identification, prioritization (and determination of the materiality), validation, and review.

In the identification phase, all topics were considered according to their

impact, regardless of whether they occurred inside or outside the organization.

Topics were identified as internally relevant by qualitatively assessing their economic, environmental, and social performance, as well as taking into account Company initiatives, procedures, policies, and functions.

External relevance was determined by considering the main categories of stakeholder and business impacts at local, regional, and global levels. For the 2017 Sustainability Report, some proxy data have been used to measure the topics' relevance in stakeholders' assessments and decisions:

- An analysis of more than 500 stories related to IGT that were published last year by national and international media.
- An assessment of relevant topics through the analysis of:
  - Topics reported in the Sustainability Yearbook 2017 published by investment specialist RobecoSAM for the "Casinos & Gaming" sector.
  - Disclosures that IGT
    is required to supply to
    investors committed to
    sustainable investing.
  - Sustainability Accounting

Standard Board (SASB)
Materiality Map for
the sectors "Casinos &
Gaming" and "Software and
IT Services."

- Global Reporting
  Initiative (GRI) document
  "Sustainability Topics
  for Sectors: What do
  stakeholders want to know?"
- Gaming sector outlook studies published by leading international consulting firms.
- Macro trend analysis of the main issues related to sustainability, through

- the analysis documents and reports of the most relevant and influential NGOs, policymakers, and the main stock exchanges around the world.
- A competitive analysis identifying topics included in the Sustainability Reports of 25 different national and international gaming sector players that are comparable with IGT.

The analysis in the table identifies the boundaries of relevant topics where impacts may occur, both within and outside IGT.

IGT Relevant Topics	Related Topic-specific GRI Standards	Relevance within the organization	Relevance outside the organization
Business Ethics	Anti-Corruption, Anti-Competitive Behavior, Public Policy, Socioeconomic Compliance, Economic Performance	•	
Customer Satisfaction	-	•	
Environmental Responsibility	Materials, Energy, Emissions, Effluents and Waste	•	•
Innovation and Technology	-	•	
Local Community Involvement	-	•	
Responsible Gaming	Customer Health and Safety, Marketing and Labeling	•	•
Supply Chain Management	Procurement Practices, Human Rights Assessment	•	
Diversity and Equal Opportunity	Diversity and Equal Opportunity, Non-Discrimination	•	•
Human Capital Development and Protection	Employment, Occupational Health and Safety, Training and Education	•	•
Fraud Prevention and Data Protection	Customer Privacy	•	•
Respect for Human Rights	Child Labor, Forced or Compulsory Labor, Human Rights Assessment	•	

In the following phase, the economic, environmental, and social significance was prioritized as well as the subsequent influence on stakeholders' assessments and decisions. Based on the principles of materiality and stakeholder inclusiveness, this phase was split into two parts.

The first part identified a topic's significance according to its influence on stakeholder assessments and decisions; diversity; and impact on stakeholder perceptions and expectations.

The second part identified a topic's significance related to IGT's performance, considering several factors:

- The likelihood and severity of impact.
- The likelihood of risks and opportunities.
- How critical the impact is on long-term performance.
- Opportunities for the organization to grow or gain advantage from the impact.
- Current and future financial and non-financial implications.
- Impacts on strategies, policies, processes, and IGT commitments.

 Impacts on competitive advantage.

The topics are represented in the summary matrix reported on page 22 according to their external and internal priority.

In this matrix, a threshold was defined to identify material topics reported by IGT. Consistently with the precautionary principle, all relevant topics have been considered material.

**REPORT PROFILE** GRI: 102-1; 102-45; 102-48; 102-50; 102-52; 102-53; 102-54

#### Boundary and reporting period

This is the Sustainability Report edited by International Game Technology PLC and its subsidiaries, covering fiscal year 2017 (January 1, 2017 - December 31, 2017).

The perimeter of the report, regarding economic and social performance, includes the total Consolidated Financial Statement of International Game Technology PLC and its subsidiaries as of December 31, 2017. In 2017, there was in increase in the environmental reporting boundary that began in 2016 with the launch of an internal web-based data collection tool. This expansion continued and the reporting boundary included data from more than 110 sites worldwide.

For a better understanding of the Company and its business, please refer to International Game Technology PLC Annual Reports and Accounts 2017 and to International Game Technology PLC's 2017 Form 20-F as of December 31, 2017.

The 2017 Sustainability Report describes activities, initiatives and significant events that took place in 2017, as well as comparative data related to 2016 where available. Due to the aforementioned increase in the environmental reporting boundary, the 2016 environmental data are compared with both 2017 figures and adjusted 2017 figures, to ensure accurate comparisons of IGT environmental performances during those years.

#### Preparation principles

The 2017 Sustainability Report has been edited according to the Global Reporting Initiative (GRI) Sustainability Reporting Standards, issued in October 2016.

The content index is shown on page 148.

Based on the current coverage of both "Universal Standards" and "Topic-Specific Standards" linked to material topics, this report has been prepared in accordance with the GRI Standards, "Core option".

#### Sources and data gathering systems

The contents of the report are based on the results of the stakeholder engagement, which involves both external stakeholders and corporate functions. Data sources include internal documents, market surveys, and other official sources indicated in the report. Financial and economic data and information relate to Form

20-F of International Game Technology PLC and its subsidiaries, published on December 31, 2017<sup>2</sup>.

#### Assurance process

The 2017 Sustainability
Report has been verified by
an independent auditor who
carried out a limited assurance
engagement, according to
International Standard on
Assurance Engagements
(ISAE) 3000 (revised) criteria.

#### Report structure

The document is made up of seven sections and an appendix:

- 1. "About IGT" describes the international gaming space in which the Company operates, as well as the Company's activities, sustainability strategy, and governance structure;
- 2. "Fostering Responsible Gaming" provides an overview on the Company's commitment to Responsible Gaming;
- 5. "Engaging our People" presents and analyzes the relationships between the Company and its employees;
- 4. "Enhancing our Customers" analyzes the range of products and services offered to its customers, and how IGT protects and supports its clients;

- **5.** "Supporting our Communities" evaluates the Company's initiatives on behalf of the community in educational, social, and cultural areas;
- **6.** "Growing with our Supply Chain" provides a description of the Company's supply chain and activities carried out to ensure its sustainability;
- 7. "Caring for the Environment" illustrates the Company's environmental impacts and the efforts made to reduce them.

Moreover, in the appendices of the document, both Universal and Topic-specific GRI Standards are reported within the content index in accordance with the Core option of the GRI Sustainability Reporting Standards.

The 2017 Sustainability Report is edited and published in English on www.igt.com under "Global Responsibility".

More information and in-depth analysis about topics disclosed in the report can be requested via email at sustainability@iqt.com.

- 2017 figures adjusted are calculated taking into consideration only the sites that were in the 2016 boundary.
- The financial information is presented in U.S. dollars, unless otherwise specified. Any references to "\$" refer to the currency of the United States of America (or "U.S.").

#### Social KPIs

		2017			2016	
Employment contract	Men	Women	Total	Men	Women	Total
Permanent contracts	8,334	3,772	12,106	8,645	3,817	12,462
Temporary contracts	104	68	172	80	71	151

	2017			2016			
Employees by significant location of operations	Men	Women	Total	Men	Women	Total	
US	4,486	2,104	6,590	4,717	2,154	6,871	
ITALY	1,138	622	1,760	1,128	607	1,735	
Rest of the world	2,814	1,114	3,928	2,880	1,127	4,007	
Total	8,438	3,840	12,278	8,725	3,888	12,613	

		2017		2016			
Employment type	Men	Women	Total	Men	Women	Total	
Employees on full-time contract	7,983	3,607	11,590	8,683	3,777	12,460	
Employees on part-time contract*	455	233	688	42	111	153	

<sup>\*</sup> Employees scheduled under 30 hours per week (Part-time)

		20	17		2016				
	New Emplo	New Employee Hires		Employee Turnover		New Employee Hires		Employee Turnover	
Age group	Number	Rate%	Number	Rate	Number	Rate%	Number	Rate%	
Up to 30	747	52	528	37	481	33	258	18	
30-50	722	9	1,070	14	747	9	850	10	
Over 50	157	5	370	12	132	5	287	10	
Total	1,626	13	1,968	16	1,360	10.8	1,395	11	

#### **APPENDIX**

		20	017	2016				
	New Emplo	oyee Hires	Employee Turnover		New Employee Hires		Employee Turnove	
	Number	Rate%	Number	Rate%	Number	Rate%	Number	Rate%
US	1,073	16	1,351	21	784	11	819	12
ITALY	64	4	35	2	71	4	43	2
Rest of the world	489	12	582	15	505	13	533	13
Total	1,626	13	1,968	16	1,360	11	1,395	11

		2017					2016				
	New Emplo	New Employee Hires		Employee Turnover		New Employee Hires		Employee Turnover			
	Number	Rate%	Number	Rate%	Number	Rate%	Number	Rate%			
Male	1,034	12	1,328	16	943	11	949	11			
Female	592	15	640	17	417	11	446	11			
Total	1,626	13	1,968	16	1,360	11	1,395	11			

		2017			2016*	
		US			US	
Rate	Men	Women	Total	Men	Women	Total
No. of employees that took parental leave	16	40	56	n.a.	n.a.	n.a.

<sup>\* 2016</sup> data are not available.

		2017			2016*	
		Italy			Italy	
Rate	Men	Women	Total	Men	Women	Total
No. of employees entitled to parental leave	1,133	620	1,753	n.a.	n.a.	n.a.
No. of employees that took parental leave	88	136	224	n.a.	n.a.	n.a.
No. of employees that returned to work	87	124	211	n.a.	n.a.	n.a.
No. of employees still employed after 12 months	61	132	193	n.a.	n.a.	n.a.
Return to work rate	100%	100%	100%	n.a.	n.a.	n.a.
Retention rate	100%	99%	99%	n.a.	n.a.	n.a.

<sup>\* 2016</sup> data are not available.

	2017					
	I	Rest of the w	orld	Rest of the world		
Rate	Men	Women	Total	Men	Women	Total
No. of employees that took parental leave	69	52	121	n.a.	n.a.	n.a.

<sup>\* 2016</sup> data are not available.

		2017				
		US			US	
Rate	Men	Women	Total	Men	Women	Total
Injury Rate (IR)	1.45	0.96	1.30	1.50	1.50	1.50
Lost Day Rate (LDR)	36.56	25.41	33.00	23.39	20.63	22.54
Absentee Rate (AR)*	1.46	1.02	1.32	n.a.	n.a.	n.a.

<sup>\* 2016</sup> data of absentee rate are not available.

		2017			2016			
		Italy			Italy			
Rate	Men	Women	Total	Men	Women	Total		
Injury Rate (IR)	1.29	1.98	1.52	2.69	2.45	2.61		
Lost Day Rate (LDR)	23.36	37.73	28.32	76.70	61.33	71.15		
Absentee Rate (AR)*	22.08	32.41	25.63	n.a.	n.a.	n.a.		

<sup>\* 2016</sup> data of absentee rate are not available.

		2017		2016			
	R	est of the wo	rld **	Rest of the world ***			
Rate	Men	Women	Total	Men	Women	Total	
Injury Rate (IR)	0.33	0.41	0.35	n.a.	n.a.	n.a.	
Lost Day Rate (LDR)	5.78	12.68	7.78	n.a.	n.a.	n.a.	
Absentee Rate (AR)	7.61	12.92	9.09	n.a.	n.a.	n.a.	

		2017		2016		
		IGT total	**	IGT total ***		
Rate	Men	Women	Total	Men	Women	Total
Injury Rate (IR)	0.95	0.81	0.91	n.a.	n.a.	n.a.
Lost Day Rate (LDR)	26.14	24.32	25.57	n.a.	n.a.	n.a.
Absentee Rate (AR)	6.05	8.81	6.92	n.a.	n.a.	n.a.

- \*\* Data refers only to those countries where number of employees is greater than 50. The following exceptions, due to data unavailability, are reported:
  - Absentee Rate: the scope does not include Austria, India, Jamaica, Netherlands, Poland, Serbia, Trinidad and Tobago;
  - Injury Rate and Lost Day Rate: the scope does not include India and Poland.
- \*\*\* 2016 data are not available because only from 2017 data related to sites with more than 50 employees have been included.

Subcontractors data are not reported since they are not available

No cases of occupational disease occurred in 2017

#### **APPENDIX**

	2017						2016					
	Tota	Total training hours			Average number of training hours			Total training hours			Average number of training hours	
Professional category	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
Senior management	2,001	967	2,968	4.33	6.40	4.84	2,605	1,008	3,614	5.01	6.59	5.37
Middle management	16,704	9,941	26,645	15.70	22.96	17.80	8,892	3,908	12,801	6.33	7.53	6.66
Office staff	3,894	15,880	49,729	5.08	5.18	5.11	51,350	27,892	79,241	8.02	9.14	8.38
Workers	900	390	1,290	3.60	2.04	2.93	7,143	2,900	10,043	18.08	17.47	17.90
Total	53,454	27,178	80,632	6.33	7.08	6.57	69,990	35,709	105,699	8.02	9.18	8.38

Number of employees	per employee catego	ory 2017	2016					
	Up to 30	30-50	Over 50	Up to 30	30-50	Over 50		
Category	Men Women Tot	Men Women Tot	Men Women Tot	Men Women Tot	Men Women Tot	Men Women Tot		
Senior management		257 111 368	205 40 245	1 - 1	303 112 415	216 41 257		
Middle management	18 17 35	742 309 1,051	304 107 411	16 12 28	993 369 1,362	395 138 533		
Office staff	887 419 1,306	4,308 1,929 6,237	1,467 717 2,184	891 443 1,334	4,243 1,963 6,206	1,272 644 1,916		
Workers	61 36 97	110 88 198	79 67 146	80 19 99	194 77 271	121 70 191		

Percentage of employ	ees per employee cate	egory 2017	2016					
	Up to 30	30-50	Over 50	Up to 30	30-50	Over 50		
Category	Men Women Tot	Men Women Tot	Men Women Tot	Men Women Tot	Men Women Tot	Men Women Tot		
Senior management	0.0 0.0 0.0	41.9 18.1 60.0	33.4 6.5 40.0	0.1 0.0 0.1	45.0 16.6 61.7	32.1 6.1 38.2		
Middle management	1.2 1.1 2.3	49.6 20.6 70.2	20.3 7.1 27.5	0.8 0.6 1.5	51.6 19.2 70.8	20.5 7.2 27.7		
Office staff	9.1 4.3 13.4	44.3 19.8 64.1	15.1 7.4 22.5	9.4 4.7 14.1	44.9 20.8 65.6	13.5 6.8 20.3		
Workers	13.8 8.2 22.0	24.9 20.0 44.9	17.9 15.2 33.1	14.3 3.4 17.6	34.6 13.7 48.3	21.6 12.5 34.0		

Governance bodies			2017				2016					
	Up to 30		30-50		Over 50		Up to 30		30-50		Over 50	
Gender	Number	Rate%	Numbe	r Rate%	Number	Rate%	Number	Rate%	Number	Rate%	Number	Rate%
Men	0	0	0	0	11	92	0	0	0	0	12	92
Women	0	0	0	0	1	8	0	0	0	0	1	8

Annual total ratio compensation\* 2017
Ratio 227.580

<sup>\*</sup> The ratio has been calculated considering the CEO annual total compensation and the median basic salary of employees. Employees' total compensation is not available for 2017. 2016 ratio is not available.

# Independent Auditor's Report



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#### Independent auditors' report on the "Sustainability Report 2017"

#### To the Board of Directors of International Game Technology PLC

We have carried out a limited assurance engagement of the "Sustainability Report 2017" (hereinafter "Sustainability Report") of International Game Technology PLC and its subsidiaries (hereinafter "IGT PLC" or "IGT") as of December 31, 2017.

#### Management's responsibility on Sustainability Report

The Management is responsible for the preparation of the Sustainability Report in accordance with the "GRI Sustainability Reporting Standards", issued in 2016 by GRI - Global Reporting Initiative, that are detailed in the paragraph "Methodological note" of the Sustainability Report, as well as for that part of internal control that they consider necessary in order to allow the preparation of a Sustainability Report that is free from material misstatements, even caused by frauds or not-intentional behaviors or events. The Management is also responsible for defining the IGT's commitments regarding the sustainability performance and for the reporting of the achieved results, as well as for the identification of the stakeholders and of the significant matters to report.

#### Auditors' responsibility

It is our responsibility the preparation of this report on the basis of the procedures carried out. Our work has been conducted in accordance with the criteria established by the principle "International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information" ("ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board for the engagements that consist in a limited assurance.

This principle requires the respect with the independence and other ethical requirements in compliance with professional standards and applicable legal and regulatory requirements and the maintenance of a comprehensive system of quality control ISQC (Italy) n.1 as well as the planning and the execution of our work in order to obtain a limited assurance that the Sustainability Report is free from material misstatements.

These procedures included inquiries, primarily with company's personnel responsible for the preparation of the information included in the Sustainability Report, documents analysis, recalculations and in other procedures in order to obtain evidences considered appropriate.

The procedures were related to the compliance with the Standard "GRI 101: Foundation 2016" for defining report content and quality and are summarized below:

a. Comparison of the economic and financial data and information included in the Sustainability Report with those included in the IGT's Annual Report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended December 31, 2017 on which other auditor issued the auditors' report, dated March 15, 2018.

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- b. Analysis, through interviews, of the governance system and management process of the issues related to sustainable development regarding Group's strategy and operations.
- c. Analysis of the process relating to the definition of material aspects included in the Sustainability Report, with reference to the criteria applied to identify priorities for the different stakeholders' categories and to the internal validation of the process outcome.
- d. Analysis of the operating mode of the processes supporting the generation, recording and management of the quantitative data reported in the Sustainability Report. In particular, we have carried out the following procedures:
  - interviews and discussions with personnel of the Management of IGT PLC and
    of its subsidiaries to obtain an understanding about the information,
    accounting and reporting system in use for the preparation of the
    Sustainability Report, as well as about the internal control processes and
    procedures supporting the collection, aggregation, data processing and
    transmission of data and information to the department responsible for
    preparation of the Sustainability Report;
  - on-site verifications at Rome, Campo Boario 19 and 56/D (Italy); Providence, 10 Memorial Boulevard (RI, USA); Lakeland, 4000 Southside Frontage Road (FL, USA) printing site;
  - analysis on a sample basis of the documentation supporting the compilation of the Sustainability Report, in order to confirm the processes in use, their adequacy and the operation of the internal control for the correct processing of data and information referred to the objectives described in the Sustainability Report.
- e. Analysis of the compliance and internal consistency of the qualitative information included in the Sustainability Report to the guidelines identified in paragraph "Management's responsibility on Sustainability Report" of the present report.
- f. Analysis of the process relating to the stakeholders engagement, with reference to the procedures applied, through the review of minutes or any other existing documentation relating to the main topics arisen from discussions with them.
- g. Obtaining of the representation letter, signed by the legal representative of IGT PLC, relating to the compliance of the Sustainability Report with the standards indicated in paragraph "Management's responsibility on Sustainability Report", as well as to the reliability and completeness of the information and data presented in the Sustainability Report.

Our engagement is less in scope than reasonable assurance engagement in accordance with ISAE 3000 revised and, as consequence, we may not have become aware of all the significant events and circumstances which we could have identified had we performed a reasonable assurance engagement.



#### Conclusion

Based on our work, nothing has come to our attention that causes us to believe that the "Sustainability Report 2017" of IGT PLC as of December 31, 2017 is not in compliance, in all material aspects, with the "GRI Sustainability Reporting Standards", issued in 2016 by GRI - Global Reporting Initiative, as stated in the paragraph "Methodological note" of the Sustainability Report.

Rome, July 13, 2018

EY S.p.A.

Filippo Maria Aleandri

(Partner)

# **GRI Content Index**

GRI: 102-55



**OMISSION GRISTANDARD DISCLOSURE** PAGE NUMBER(s) AND/OR URL(s)

GRI 101: Foundation 2016

#### **GRI 102: GENERAL DISCLOSURES 2016**

### **ORGANIZATIONAL PROFILE**

102-1 Name of the organization Methodological Note - Report Profile

102-2 Activities, brands, About IGT - Profile (Products & Services) products, and services

About IGT - Profile 102-3 Location of headquarters About IGT - Profile 102-4 Location of operations

Please refer to Form 20-F 2017 - p. 106 102-5 Ownership and legal form 102-6 Markets served About IGT - Profile (Products & Services)

About IGT - Profile 102-7 Scale of the organization

102-8 Information on employees and other workers **Appendix** 

102-9 Supply chain Growing with Our Supply Chain

102-10 Significant changes to the organization and its supply chain

In 2017 there has not been any change in capital structure (please refer to 20-F - p. 108), operations or supply chain.

102-11 Precautionary Principle or approach About IGT - Focusing on Our Stakeholders (Principal Risks) Caring for the

Environment - Approach and Commitment

102-12 External initiatives Fostering Responsible Gaming -

Our Certifications

102-13 Membership of associations Fostering Responsible Gaming -

Our Partners

#### **STRATEGY**

102-14 Statement from senior

Letter from the CEO decision-maker

102-15 Key impacts, risks, and opportunities About IGT - Focusing on Our Stakeholders

(Principal Risks)

### **ETHICS AND INTEGRITY**

102-16 Values, principles, standards,

and norms of behavior About IGT - Focusing on Our Stakeholders

(Strategic Approach to Sustainability)
Please also refer to IGT's Code of Ethics for
Principal Executive Officer and Senior

Financial Officers

(http://phx.corporate-ir.net/phoenix.zhtml?c =119000&p=irol-govHighlights\_pf)

#### **GOVERNANCE**

102-18 Governance structure About IGT - Profile (Governance)

Please refer to 20-F - p.102

(http://phx.corporate-ir.net/phoenix.zhtml?c

=119000&p=irol-irhome)

GRI STANDARD DISCLOSURE PAGE NUMBER(s) AND/OR URL(s) OMISSION

#### STAKEHOLDER ENGAGEMENT

102-40 List of stakeholder groups

About IGT - Focusing on Our Stakeholders
(Stakeholder Relationships and Engagement)

102-41 Collective bargaining agreements Engaging Our People - Respect for

Human Rights

102-42 Identifying and selecting About IGT - Focusing on Our Stakeholders (Stakeholder Relationships and Engagement)

102-43 Approach to stakeholder About IGT - Focusing on Our Stakeholders engagement (Stakeholder Relationships and Engagement)

102-44 Key topics and concerns raised About IGT - Focusing on Our Stakeholders
(Stakeholder Relationships and Engagement)

#### REPORTING PRACTICE

102-45 Entities included in the consolidated financial statements Methodological Note - Report Profile

102-46 Defining report content Methodological Note - Identifying material and topic Boundaries aspects and boundaries

102-47 List of material topics Methodological Note - Identifying material

aspects and boundaries

102-48 Restatements of information Methodological Note - Report Profile
102-49 Changes in reporting About IGT - Focusing on Our Stakeholders

(Materiality Analysis)

102-50 Reporting period Methodological Note - Report Profile
102-51 Date of most recent report Previous edition of Sustainability Report

was published in 2016

102-52 Reporting cycle Methodological Note - Report Profile

102-53 Contact point for questions

regarding the report Methodological Note - Report Profile 102-54 Claims of reporting in accordance

with the GRI Standards Methodological Note - Report Profile

102-55 GRI content index GRI Content Index

102-56 External assurance Independent Auditor's Report

#### **MATERIAL TOPICS**

GRI 204: Procurement

Practices 2016

### SUPPLY CHAIN MANAGEMENT

#### PROCUREMENT PRACTICES

GRI 103: Management 103-1 Explanation of the material topic Ab Approach 2016 and its Boundary (M

103-2 The management approach and its components

103-3 Evaluation of the management

approach

204-1 Proportion of spending on

local suppliers

About IGT - Focusing on Our Stakeholders (Materiality Analysis); Methodological Note (Identifying material aspects and boundaries)

About IGT - Focusing on Our Stakeholders (Strategic Approach to Sustainability) Growing with Our Supply Chain

Growing with Our Supply Chain

PAGE NUMBER(s) AND/OR URL(s)

**OMISSION** 

**GRI STANDARD** 

**DISCLOSURE** 

	ECCLUENT	
HUMAN RIGHTS ASS		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	About IGT - Focusing on Our Stakeholders (Materiality Analysis);
		Methodological Note (Identifying material aspects and boundaries)
	103-2 The management approach and its components	About IGT - Focusing on Our Stakeholders (Strategic Approach to Sustainability)
	103-3 Evaluation of the management approach	Growing with our Supply Chain
GRI 412: Human Rights Assessment 2016	412-2 Employee training on human rights policies or procedures	More than 3% of total IGT employees received circa 280 hours of training about human rights topics in 2017.
RESPECT FOR HUMA	N RIGHTS	
CHILD LABOR		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	About IGT - Focusing on Our Stakeholders (Materiality Analysis);
		Methodological Note (Identifying material aspects and boundaries)
	103-2 The management approach and its components	About IGT - Focusing on Our Stakeholders (Strategic Approach to Sustainability)
		Please also refer to IGT's Modern Slavery Act Statement 2017 (www.igt.com)
	103-3 Evaluation of the management approach	Engaging Our People - Respect for Human Rights
		Growing with Our Supply Chain - The Selection Process
		Please also refer to IGT's Modern Slavery Act Statement 2017 (www.igt.com)
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	In 2017 no situations at risk of violating laws and regulations concerning child labor were identified.
FORCED LABOR		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	About IGT - Focusing on Our Stakeholders (Materiality Analysis);
		Methodological Note (Identifying material aspects and boundaries)
	103-2 The management approach and its components	About IGT - Focusing on Our Stakeholders (Strategic Approach to Sustainability) Please also refer to IGT's Modern Slavery Act Statement 2017 (www.igt.com)
	103-3 Evaluation of the management approach	Engaging Our People - Respect for Human Rights
		Growing with Our Supply Chain - The Selection Process
		Please also refer to IGT's Modern Slavery Act Statement 2017 (www.igt.com)
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	In 2017, no situations at risk of violating laws and regulations concerning forced or compulsory labor were identified

**GRI STANDARD DISCLOSURE** PAGE NUMBER(s) AND/OR URL(s) **OMISSION** 

#### **BUSINESS ETHICS**

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GRI 103: Management Approach 2016

103-1 Explanation of the material topic

and its Boundary

About IGT - Focusing on Our Stakeholders (Direct Economic Value Generated

and Distributed)

103-2 The management approach

and its components

103-3 Evaluation of the management

approach

About IGT - Focusing on Our Stakeholders (Strategic Approach to Sustainability)

About IGT - Focusing on Our Stakeholders (Direct Economic Value Generated

and Distributed)

GRI 201: Economic Performance 2016

201-1 Direct economic value generated

and distributed

About IGT - Focusing on Our Stakeholders (Direct Economic Value Generated

and Distributed)

#### **ANTI-CORRUPTION**

GRI 103: Management Approach 2016

103-1 Explanation of the material topic

and its Boundary

About IGT - Focusing on Our Stakeholders

(Materiality Analysis);

Methodological Note

(Identifying material aspects and boundaries)

103-2 The management approach

and its components

About IGT - Focusing on Our Stakeholders (Strategic Approach to Sustainability)

Please also refer to IGT's Anti-Corruption

Compliance and Ethics Policy (https://www.igt.com

/en/explore-igt/about-igt/compliance)

103-3 Evaluation of the management

approach

About IGT - Profile (Whistleblower Policy;

Anti-Corruption Compliance and Ethics (ACE) Policy; Regulatory Framework; Recent Regulatory Changes)

Anti-corruption 2016

205-3 Confirmed incidents of corruption

and actions taken

In 2017 no confirmed incidents of corruption were registered

#### ANTI-COMPETITIVE BEHAVIOR

GRI 103: Management Approach 2016

103-1 Explanation of the material topic

and its Boundary

About IGT - Focusing on Our Stakeholders (Materiality Analysis); Methodological Note (Identifying material aspects and boundaries)

103-2 The management approach and its components

About IGT - Focusing on Our Stakeholders (Strategic Approach to Sustainability)

Please also refer to IGT's Anti-Corruption Compliance and Ethics Policy (https://www.igt.com

/en/explore-igt/about-igt/compliance)

103-3 Evaluation of the management

approach

About IGT - Profile (Whistleblower Policy; Anti-Corruption Compliance and Ethics (ACE) Policy;

Regulatory Framework; Recent Regulatory Changes)

GRI 206: Anti-competitive Behavior 2016

206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly

practices

During 2017, IGT was not involved in legal actions regarding anticompetitive behavior and violations

of anti-trust and monopoly legislation.

**GRISTANDARD DISCLOSURE** PAGE NUMBER(s) AND/OR URL(s) **OMISSION** 

GRI 103: Management Approach 2016

103-1 Explanation of the material topic and its Boundary

103-2 The management approach and its components

About IGT - Focusing on Our Stakeholders (Materiality Analysis); Methodological Note (Identifying material aspects and boundaries)

About IGT - Focusing on Our Stakeholders (Strategic Approach to Sustainability)

Please also refer to IGT's Anti-Corruption Compliance and Ethics Policy (https://www.igt.com /en/explore-igt/about-igt/compliance)

103-3 Evaluation of the management

approach

About IGT - Profile (Whistleblower Policy; Anti-Corruption Compliance and Ethics (ACE) Policy; Regulatory Framework; Recent Regulatory Changes)

GRI 415: Public Policy 2016 415-1 Political contributions

Please refer to UK Annual Report 2017 - p. 65

In 2017 Sustainability Report, the recipients/beneficiaries of the political contribution are not reported due to confidentiality constraints: indeed this information is highly senstive considered IGT business activities.

#### SOCIOECONOMIC COMPLIANCE

GRI 103: Management Approach 2016

103-1 Explanation of the material topic and its Boundary

(Materiality Analysis); Methodological Note (Identifying material aspects and boundaries) 103-2 The management approach

and its components

About IGT - Focusing on Our Stakeholders (Strategic Approach to Sustainability)

About IGT - Focusing on Our Stakeholders

Please also refer to IGT's Anti-Corruption Compliance and Ethics Policy (https://www.igt.com /en/explore-igt/about-igt/compliance)

103-3 Evaluation of the management

approach

About IGT - Profile (Whistleblower Policy; Anti-Corruption Compliance and Ethics (ACE) Policy;

Regulatory Framework; Recent Regulatory Changes)

GRI 419: Socioeconomic Compliance 2016

419-1 Non-compliance with laws and egulations in the social and economic area

In 2017 no significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area were registered.

### **ENVIRONMENTAL RESPONSIBILITY**

GRI 103: Management Approach 2016

103-1 Explanation of the material topic and its Boundary

About IGT - Focusing on Our Stakeholders (Materiality Analysis); Methodological Note (Identifying material aspects and boundaries)

103-2 The management approach and its components

About IGT - Focusing on Our Stakeholders (Strategic Approach to Sustainability)

103-3 Evaluation of the management

Caring for the Environment - Approach and Commitment - Materials in Manufacturing

approach

Gaming Devices

GRI 301: Materials 2016

301-1 Materials used by weight or volume

Caring for the Environment - Materials in Manufacturing Gaming Devices

GRISTANDARD	DISCLOSURE	PAGE NUMBER(s) AND/OR URL(s) OMISSION
ENERGY		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	About IGT - Focusing on Our Stakeholders (Materiality Analysis); Methodological Note (Identifying material aspects and boundaries)
	103-2 The management approach and its components	About IGT - Focusing on Our Stakeholders (Strategic Approach to Sustainability)
	103-3 Evaluation of the management approach	Caring for the Environment - Approach and Commitment - Energy Consumption
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Caring for the Environment - Energy Consumption
	302-4 Reduction of energy consumption	Caring for the Environment - Energy Consumption
EMISSIONS		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	About IGT - Focusing on Our Stakeholders (Materiality Analysis); Methodological Note (Identifying material aspects and boundaries)
	103-2 The management approach and its components	About IGT - Focusing on Our Stakeholders (Strategic Approach to Sustainability)
	103-3 Evaluation of the managemen approach	Caring for the Environment - Approach and Commitment - Emissions
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Caring for the Environment - Emissions
	305-2 Energy indirect (Scope 2) GHG emissions	Caring for the Environment - Emissions
	305-3 Other indirect (Scope 3) GHG emissions	Caring for the Environment - Emissions
	305-5 Reduction of GHG emissions	Caring for the Environment - Emissions
EFFLUENTS AND WAS	STE	
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	About IGT - Focusing on Our Stakeholders (Materiality Analysis); Methodological Note (Identifying material aspects and boundaries)
	103-2 The management approach and its components	About IGT - Focusing on Our Stakeholders (Strategic Approach to Sustainability)
	103-3 Evaluation of the management approach	Caring for the Environment - Approach and Commitment - Waste
GRI 306: Effluents and	306-2 Waste by type and disposal method	Caring for the Environment - Waste

Waste 2016

**APPENDIX GRISTANDARD DISCLOSURE** PAGE NUMBER(s) AND/OR URL(s) **OMISSION** HUMAN CAPITAL DEVELOPMENT AND PROTECTION **EMPLOYMENT** About IGT - Focusing on Our Stakeholders GRI 103: Management 103-1 Explanation of the material topic Approach 2016 (Materiality Analysis); Methodological Note and its Boundary (Identifying material aspects and boundaries) 103-2 The management approach About IGT - Focusing on Our Stakeholders (Strategic Approach to Sustainability) and its components 103-3 Evaluation of the management Engaging Our People - People & Transformation; approach Employee Engagement Survey GRI 401: Employment 2016 401-1 New employee hires and employee **Appendix** turnover 401-3 Parental leave **Appendix** In 2017 Sustainability Report, parental leave data are not disclosed for the entire reporting scope as the information are not available for all countries. For the next years, IGT aims to cover the whole boundary. OCCUPATIONAL HEALTH AND SAFETY About IGT - Focusing on Our Stakeholders (Materiality Analysis); Methodological Note GRI 103: Management 103-1 Explanation of the material topic Approach 2016 and its Boundary (Identifying material aspects and boundaries) 103-2 The management approach About IGT - Focusing on Our Stakeholders and its components (Strategic Approach to Sustainability) 103-3 Evaluation of the management Engaging Our People - Health and Safety approach on the Job

GRI 403: Occupational Health and Safety 2016

403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities

Appendix

In 2017 Sustainability Report, health and safety data are not disclosed for the entire reporting scope as the information are not available for all coutries and for IGT contractors. For the next years, IGT aims to cover the whole boundary.

GRI 103: Management Approach 2016

103-1 Explanation of the material topic

and its Boundary

103-2 The management approach and its components

103-3 Evaluation of the management

approach

GRI 404: Training and Education 2016

404-1 Average hours of training per year per employee

404-3 Percentage of employees receiving regular performance and career development reviews

About IGT - Focusing on Our Stakeholders (Materiality Analysis); Methodological Note (Identifying material aspects and boundaries)

About IGT - Focusing on Our Stakeholders (Strategic Approach to Sustainability)

Engaging Our People -Training and Development

**Appendix** 

Engaging Our People - Performance Evaluation

GRI STANDARD DISCLOSURE PAGE NUMBER(s) AND/OR URL(s) OMISSION

#### **DIVERSITY AND EQUAL OPPORTUNITY**

#### **DIVERSITY AND EQUAL OPPORTUNITY**

GRI 103: Management Approach 2016 103-1 Explanation of the material topic and its Boundary

About IGT - Focusing on Our Stakeholders (Materiality Analysis); Methodological Note (Identifying material aspects and boundaries)

103-2 The management approach and its components

About IGT - Focusing on Our Stakeholders (Strategic Approach to Sustainability)

103-3 Evaluation of the management

Engaging Our People - Equal Opportunities and Diversity

approach

GRI 405: Diversity and

Equal Opportunity 2016

405-1 Diversity of governance bodies and employees

Appendix

#### NON-DISCRIMINATION

GRI 103: Management Approach 2016 103-1 Explanation of the material topic and its Boundary

About IGT - Focusing on Our Stakeholders (Materiality Analysis); Methodological Note (Identifying material aspects and boundaries)

103-2 The management approach and its components

About IGT - Focusing on Our Stakeholders (Strategic Approach to Sustainability)

103-3 Evaluation of the management

approach

Engaging Our People -Respect for Human Rights

GRI 406:

Non-discrimination 2016

406-1 Incidents of discrimination and corrective actions taken

In 2017 no incidents of discrimination were registered.

#### LOCAL COMMUNITY INVOLVEMENT

GRI 103: Management Approach 2016

103-1 Explanation of the material topic

and its Boundary

103-2 The management approach and its components

103-3 Evaluation of the management

approach

About IGT - Focusing on Our Stakeholders (Materiality Analysis); Methodological Note (Identifying material aspects and boundaries)

About IGT - Focusing on Our Stakeholders (Strategic Approach to Sustainability)

Supporting our Communities

- Commitment to Education; Commitment to Social Areas;

Commitment to Culture

#### **RESPONSIBLE GAMING**

#### CUSTOMER HEALTH AND SAFETY

GRI 103: Management Approach 2016 103-1 Explanation of the material topic and its Boundary

About IGT - Focusing on Our Stakeholders (Materiality Analysis); Methodological Note (Identifying material aspects and boundaries)

103-2 The management approach and its components

About IGT - Focusing on Our Stakeholders (Strategic Approach to Sustainability)

103-3 Evaluation of the management approach

Fostering Responsible Gaming - Our Commitment

GRI 416: Customer Health and Safety 2016

416-1 Assessment of the health and safety impacts of product and service categories

100% of IGT products are assessed for improvement regarding their health and safety impacts.

416-2 Incidents of non-compliance concerning the health and safety impacts of products and services

During 2017 IGT did not have incidents of non-

alth and safety impacts compliance with regulations

GRISTANDARD	DISCLOSURE	PAGE NUMBER(s) AND/OR URL(s) OMISSION
MARKETING AND LA	BELING	
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	About IGT - Focusing on Our Stakeholders (Materiality Analysis); Methodological Note (Identifying material aspects and boundaries)
	103-2 The management approach and its components	About IGT - Focusing on Our Stakeholders (Strategic Approach to Sustainability)
	103-3 Evaluation of the management approach	Fostering Responsible Gaming - Our Commitment
GRI 417: Marketing and Labeling 2016	417-2 Incidents of non-compliance concerning product and service information and labeling	During 2017 IGT did not have incidents of non- compliance with regulations
	417-3 Incidents of non-compliance concerning marketing communications	During 2017, IGT did not gain knowledge of any violation of laws/ voluntary codes concerning product and service marketing, communication, promotion and sponsorship.

## FRAUD PREVENTION AND DATA PROTECTION

CUSTOMER PRIVACY		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	About IGT - Focusing on Our Stakeholder (Materiality Analysis); Methodological Note (Identifying material aspects and boundaries)
	103-2 The management approach and its components	About IGT - Focusing on Our Stakeholder (Strategic Approach to Sustainability)
	103-3 Evaluation of the management approach	Enhancing Our Customers - Customer Protection
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Customer Protection (A Well-Kept Secret: the CTIC, Cybersecurity, Data privacy, Business continuity plan)

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CUSTOMER SATISFACT	ION	
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	About IGT - Focusing on Our Stakeholder s (Materiality Analysis); Methodological Note (Identifying material aspects and boundaries)
	103-2 The management approach and its components	About IGT - Focusing on Our Stakeholders (Strategic Approach to Sustainability)
	103-3 Evaluation of the management approach	Enhancing Our Customers - Liaising with Customers to Enhance Products and Services
Customer satisfaction	Results of customer satisfaction	Enhancing Our Customers - Research at the core of gaming development and customer approach

Customer satisfaction	Results of customer satisfaction	Enhancing Our Customers - Research at the core of gaming development and customer approach
INNOVATION AND TE	CHNOLOGY	
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	About IGT - Focusing on Our Stakeholders (Materiality Analysis); Methodological Note (Identifying material aspects and boundaries)
	103-2 The management approach and its components	About IGT - Focusing on Our Stakeholders (Strategic Approach to Sustainability)
	103-3 Evaluation of the management approach	Enhancing Our Customers; IGT constantly monitors effectiveness of its approach to ensure its R&D investments, as the Company is fully aware that only the development of new products and services can guarantee to maintain the leader position in the gaming business. In the last year, economic resources dedicated to R&D activities have grown more and more

Graphic design and layout Lottomatica Corporate Graphic Design and Brand Book

Cover pictures and chapter dividers were taken by IGT employees who participated in the Photo Contest for Sustainability Report 2017

