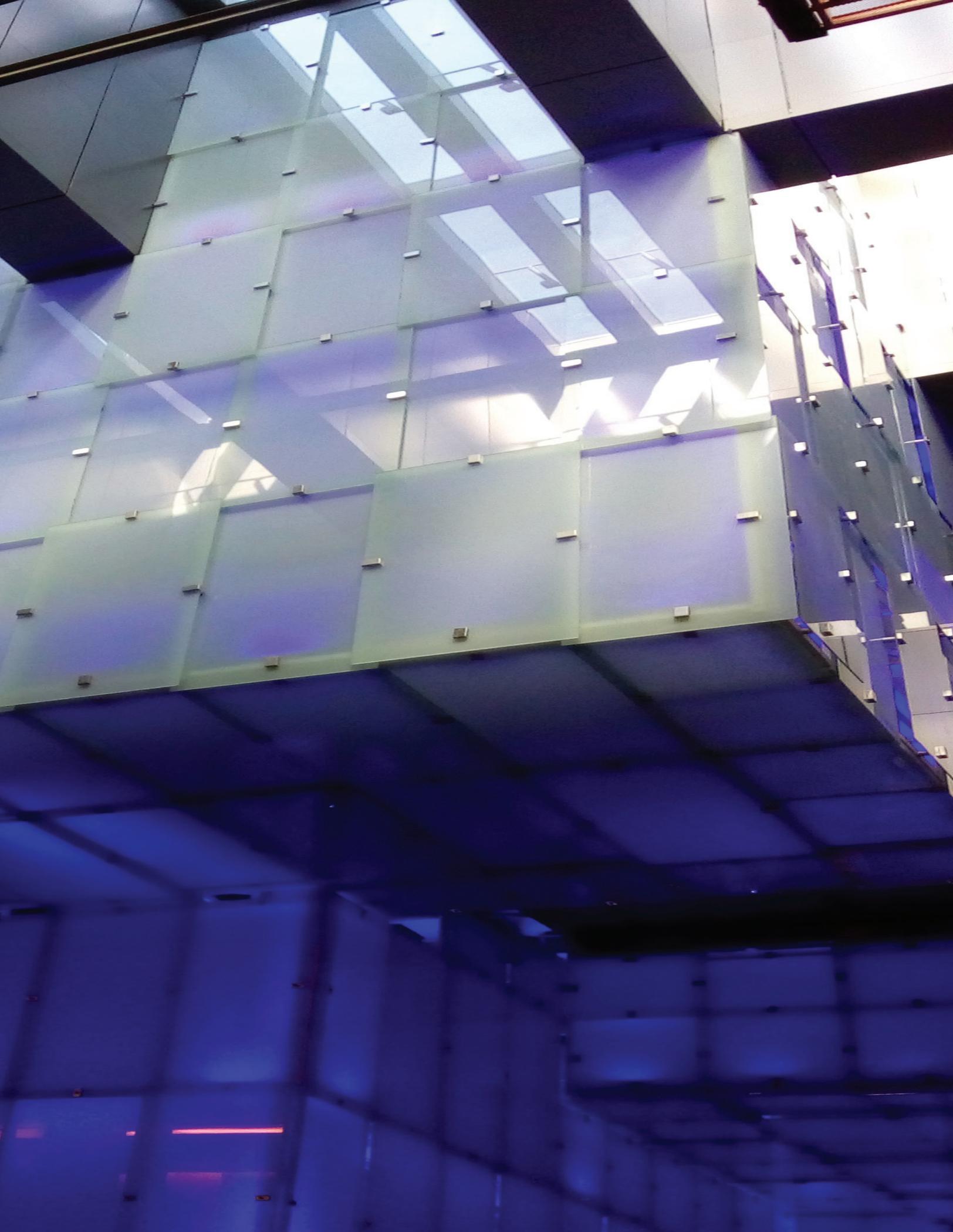




1 About IGT

photo:
Maria Grazia Chimenz
CSR
Rome, Italy



About IGT

Profile GRI: 102-3; 102-7

International Gaming Technology PLC is the global leader in gaming. It enables players to experience their favorite games across all channels and regulated segments, from gaming machines and lotteries to digital.

The Company is headquartered in London, with principal operating facilities located in Providence (Rhode Island, U.S.), Las Vegas (Nevada, U.S.), and Rome (Italy). Research and development, and manufacturing are mostly centralized in North America.

IGT operates and provides an integrated portfolio of innovative gaming technology products and services across all gaming markets, including lottery management services, online and instant lottery systems, instant ticket printing, electronic gaming machines, sports betting, digital gaming, and commercial services to customers in more than 100 countries.

Financial Highlights

REVENUES (US million \$)

2018

4,831

2017

4,939

We are the global leader in gaming



Approx **\$5 billion**
in revenue



12,000+
employees worldwide



\$263 million
spend in R&D



100+
jurisdictions of operation

Mission, Vision, Values

GRI: 102-16

IGT’s mission is to be the global innovation leader in the gaming industry.

The Company’s vision is to combine the best of its legacy companies to enhance and build its capabilities; deliver content, technology, and expertise that drive customer and player demand; continue to grow leadership in the lottery and gaming space, and become a leader in the digital

space; and use the power of its understanding of central systems and connectivity to define the future of gaming.

Leveraging a wealth of premium content, substantial investment in innovation, in-depth customer intelligence, operational expertise, and leading-edge technology, IGT’s gaming solutions anticipate the demands of consumers wherever they decide to play. The Company has a well-established local presence and relationships with governments and regulators in the countries where it operates around the world, and creates value by adhering to the highest standards of service, integrity, and responsibility.

At IGT, responsibility is one of the core values woven through every aspect of what we do as a global company. IGT is committed to the principles of being responsible, collaborative, authentic, passionate, and pioneering.

Be the innovation leader in the gaming industry



Create content that entertains and drives player demand



Develop technology that empowers players, retailers, and operators



Provide services that harness the power of our offering



Engage people who deliver beyond expectations



Grow the global gaming industry

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).

As of March 1, 2019, IGT's Board of Directors consists of 10 directors. 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 parent's Corporate Governance Guidelines and applicable NYSE rules.

At March 1, 2019, the parent's directors and certain senior managers are as set forth below:

| | |
|----------------------------------|--|
| Lorenzo Pellicoli ⁽¹⁾ | Chairperson of the Board; Non-executive Director |
| James F. McCann | Vice-Chairperson of the Board; Lead Independent Director; Non-executive Director |
| Paget L. Alves | Independent Non-executive Director |
| Alberto Dessy | Independent Non-executive Director |
| Marco Drago ⁽¹⁾ | Non-executive Director |
| Patti S. Hart ⁽²⁾ | Independent Non-executive Director |
| Heather J. McGregor | Independent Non-executive Director |
| Vincent L. Sadusky | Independent Non-executive Director |
| Marco Sala | Director and Chief Executive Officer |
| Gianmario Tondato da Ruos | Independent Non-executive Director |
| Renato Ascoli | Chief Executive Officer, North America ⁽³⁾ |
| 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 |
| Scott Gunn | Senior Vice President of Corporate Public Affairs |
| Wendy Montgomery | Senior Vice President of Global Brand, Marketing, and Communications |
| Robert Vincent ⁽⁴⁾ | Executive Vice President for Administrative Services & External Relations |

(1) Pellicoli and Drago are the Chief Executive Officer and Chairperson of the Board, respectively, of De Agostini S.p.A., the controlling shareholder of IGT.

(2) Patti S. Hart retired as a member of the board on 17 May 2019.

(3) The Chief Executive Officer, North America, is the Chief Executive Officer of North America Gaming and Interactive and North America Lottery.

(4) Effective April 8, 2019, Vincent left his role as Executive Vice President for Administrative Services and External Relations to become the chairperson of IGT Global Solutions Corporation, the primary operating subsidiary for the U.S. lottery business. In that capacity, Vincent serves as a senior consultant to Sala and the rest of the Company's senior leadership team.

Code of Conduct

IGT is committed to adhering to the highest standards of ethical conduct and our performance and reputation depend on all employees adhering to the rules that govern IGT business practices, without exception.

IGT's Code of Conduct, updated and released to all employees in May 2018, provides a clear description of what behavior is considered appropriate and ethical in the course of doing business on behalf of IGT. The code also offers some examples of what acting with integrity looks like in employees' day-to-day work. Every employee is responsible for reading, understanding, and agreeing to abide by this code. IGT provides Code of Conduct training to enhance employees' understanding of ethical and legal risks.

Anti-Corruption Compliance and Ethics GRI: 103-3

No matter where it operates, IGT is committed to winning business the right way by conducting itself with integrity and maintaining the highest ethical standards. IGT is committed to acting with honesty and in good faith 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 so many.

IGT has an Anti-Corruption Compliance and Ethics (ACE) Policy that is accessible internally and in multiple languages on IGT's global public website, IGT.com. This includes detailed gift, entertainment, and travel policies and limits, along with specific procedures and limitations

covering government officials. 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 benefit. 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.

Everybody at IGT has a duty to prevent bribery and violations of this policy and report, and fully

Whistleblower Policy

GRI: 103-3

All employees are encouraged to report any suspicion of a violation of IGT's Code of Conduct or other activities that may be unlawful, lead to incorrect financial reporting, or raise questions about the integrity of management without any fear of retaliation. Employees, officers, directors and consultants, and representatives are encouraged to report suspected or known violations 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.

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.

cooperate with investigations of any attempted, suspected, potential or actual violations of this policy. IGT will not retaliate or permit retaliation against anyone who reports suspected misconduct in good faith or cooperates with an investigation.

Except for a small number of employees who have no customer or company representation interactions, all employees are required to be trained on the ACE Policy (this is approximately 85+ percent of all IGT employees). Mandatory online training and testing is conducted on a biennial basis. Live video and audio seminars are also conducted during the training periods, and continued training and support is provided through the IGT Legal Department. The most recent training and testing was conducted in 2017. Training and testing will be conducted again during the latter part of 2019.

Compliance with this policy and the policies and processes referenced herein is mandatory, and non-compliance is grounds for disciplinary action. Compliance with this policy and the policies and processes referenced herein might be considered as a factor in promotion and compensation decisions and, under certain circumstances, non-compliance might result in disciplinary actions, including termination of employment.

Products and Services

GRI: 102-2; 102 - 6

The Company has five broad categories of products and services: Lottery, Machine Gaming, Sports Betting, Digital, and Commercial Services.

Lottery

IGT supplies a unique set of lottery solutions to more than 100 customers worldwide. Lottery products and services are provided through the North America Lottery (NALO), International, and Italy business segments. Lottery services are provided through licenses, facilities management contracts, lottery management agreements, and product sales contracts. In most jurisdictions, lottery authorities award contracts through a competitive bidding process.

IGT designs, sells, and operates a complete suite of point-of-sale machines that are electronically linked with a centralized transaction-processing system that reconciles lottery funds between the retailer and the lottery authority. The Company provides and operates highly secure, online lottery transaction-processing systems that are capable of processing over 500,000 transactions per minute via more than 450,000 point-of-sale devices. IGT also produces high-quality instant ticket games and provides printing services such as instant ticket marketing plans and graphic design, programming, packaging, shipping, and delivery services.

Gaming

IGT designs, develops, manufactures, and provides cabinets, games, systems, and software for customers in regulated gaming markets throughout the world under fixed-fee, participation, and product sales contracts. The Company 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). Machine gaming products and services are provided through the North America Gaming and Interactive (NAGI), NALO, International, and Italy business segments.

IGT offers a diverse range of gaming machine cabinets and casino-style games in a variety of multi-line, multi-coin, and multi-currency configurations. In addition, the Company develops a wide range of casino games, taking into account local jurisdictional requirements, market dynamics, and player preferences.

IGT provides Video Lottery Terminals (VLTs), VLT central systems, and VLT games worldwide. VLTs are usually connected to a central system. In addition, the Company provides Amusement With Prize machines (AWPs) and games to licensed operators in Italy and the rest of Europe. AWP are

typically low-denomination gaming machines installed in retail outlets. With respect to the Company's machine gaming licenses in Italy, the Company directly manages standalone AWP, as well as VLTs that are installed in various retail outlets and linked to a central system.

Sports Betting

In Italy, Lottomatica is a licensee for the operation of retail and internet-based sports betting. Specifically, Lottomatica:

- Operates an expansive, land-based B2C sports betting network through its "Better" brand on a fixed-odds, pari-mutuel, or virtual betting basis.
- Establishes odds and assumes the risks related to fixed-odds sports contracts.
- Collects the wagers.
- Makes the payouts.

IGT offers, directly to customers, betting on sports events (including basketball, horse racing, soccer, cycling, downhill skiing, cross-country skiing, tennis, sailing, and volleyball), motor sports (car and motorcycle racing), and non-sports events connected with the world of entertainment, music, culture, and current affairs of primary national and international interest. The Company also provides sports betting technology and management services in Italy, the U.S. (through both the NAGI and NALO business segments) and internationally; this includes

localized sports betting platforms, secure retail betting solutions, point-of-sale display systems, call center facilities, internet and mobile betting technology, and fixed odds or pool betting options.

Digital

Digital gaming (or iGaming) enables game play via the internet for real money or for fun (social). IGT designs, manufactures, and distributes a full suite of configurable products, systems, and services, holding more than 20 digital gaming licenses worldwide. In Italy, Lottomatica acts as both a complete internet gaming operator and a mobile casino operator. Digital products include poker, bingo, and online casino table and slot games with features such as single and multi-player options with branded titles and select third-party content.

Existing lottery game portfolios are extended to the digital channel to provide a broad spectrum of engaging content, such as instant tickets. IGT's digital systems and platforms offer customers an integrated system that provides player account management, advanced marketing and analytical capabilities, and a highly reliable and secure payment system.

Commercial Services

IGT develops innovative technology to enable lotteries to offer commercial services over their existing lottery infrastructure or standalone networks that are separate from the lottery. Leveraging its distribution network and secure transaction-processing experience, IGT offers high-

volume processing of commercial transactions, including prepaid cellular telephone recharges, bill payments, e-vouchers and retail-based programs, electronic tax payments, stamp duty services, prepaid card recharges, and money transfers. These services are primarily offered

outside of North America. In Italy, Lottomatica's commercial payment and eMoney services network comprises points of sale divided among the primary retailers of lottery products: tobacconists, bars, petrol stations, newspaper stands, and motorway restaurants.

Our Products & Services

GAMING

Gaming Systems & Machines



LOTTERY

Retail Gaming



Lottery Draw-Based Games



Lottery Instant Games



Lottery Self-Service



DIGITAL

Digital Gaming



Digital Lottery



SPORTS BETTING

Retail, Self-Service terminals, sportsbook, mobile and web



Regulatory Framework and Recent Regulatory Changes

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,

maintaining 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 upon declarations of public policy designed to ensure that gaming is conducted honestly, competitively, and 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 its 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 program to ensure compliance with applicable requirements imposed in connection with gaming and lottery activities, as well as legal requirements generally applicable to all publicly traded companies.

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

For the purpose of reporting on regulatory changes, this report will focus on the Italy and U.S. regions, as they represent the most significant markets to IGT.

United States

In the United States, the most significant regulatory development occurring in 2018 was the U.S. Supreme Court ruling in favor of New Jersey in *Murphy v. National Collegiate Athletic Association* by overturning the Professional and Amateur Sports Protection Act (PASPA). PASPA was a federal statute enacted on October 28, 1992, that prohibited any state or person acting pursuant to the law of a state government agency from sponsoring, operating, promoting, or authorizing any wagering based on games played by amateur or professional athletes. Apart from four states (Delaware, Montana, Nevada, and Oregon), the statute effectively outlawed most states from sanctioning or sponsoring any form of sports betting.

On May 14, 2018, PASPA was declared unconstitutional, thereby allowing individual states to decide for themselves whether to legalize sports betting.

At the close of 2018, the following

eight states offered single-game betting:

- Delaware
- Mississippi
- Nevada
- New Jersey
- New Mexico (tribal only)
- Pennsylvania
- Rhode Island
- West Virginia

At the close of 2018, the prospect of federal intervention in sports betting was increasing on multiple fronts. In September, an oversight hearing was hosted by the House Judiciary Subcommittee on Crime, Terrorism, Homeland Security and Investigations. In November, House Judiciary Committee Crime Subcommittee Chairman Jim Sensenbrenner sent a letter to the U.S. Department of Justice (DOJ) regarding interpretation of the Wire Act and the DOJ's views on potential issues related to sports betting. In December, Democratic Sen. Chuck Schumer (NY) and Republican Sen. Orrin Hatch (UT) introduced the "Sports Wagering Market Integrity Act of 2018." No votes or hearings were conducted on this legislation before a new congress was seated in 2019.

In December of 2018, the Washington, D.C. city council enacted legislation to authorize sports betting in the district, which may be operational in 2019.

The Wire Act

On January 14, 2019, the U.S. Department of Justice, (the “DOJ”) published an opinion reversing its previously-issued opinion that the U.S. Interstate Wire Act of 1961 (the “Wire Act”), which prohibits several types of wager-related communications over a “wire communications facility,” was applicable only to sports betting (the “2019 Opinion”). The 2019 Opinion interprets the Wire Act as applying to other forms of gambling that cross state lines, though the precise scope of the 2019 Opinion is unclear, and

the DOJ has not yet addressed how it plans to enforce the Wire Act in light of the 2019 Opinion. The New Hampshire Lottery Commission and certain private parties have commenced litigation in federal district court in New Hampshire challenging the 2019 Opinion.

In response to this and other lawsuits, the DOJ issued a memorandum in April 2019 acknowledging that the 2019 Opinion did not consider whether the Wire Act applies to State lotteries and their vendors, and the DOJ is now considering this issue. In connection with such

IGT HELPS THE LEGALIZED SPORTS BETTING MARKET IN THE U.S. GAIN STRENGTH

Sports betting is the act of predicting the result of a sporting event and placing a wager on the outcome. A successful bet requires knowledge of the sport and players, as well as experience and luck. Legal and regulated sports betting is a logical and innovative gaming portfolio progression for state gaming markets. For states and operators, the profit margin and liability differ from other products. Under certain conditions, sports betting has the potential to provide significant, incremental tax revenues.

The legalized sports betting market in the U.S. is still in its early stages. One of the most important factors determining the ultimate success of any sports betting program is going to be obtaining a wide distribution of products, as today’s consumers will seek access to sports betting products through both retail and mobile channels. Since the current offerings in the U.S. market are mostly illegal, IGT seeks to create a more attractive product. Consumer experience will also be an important determinate of the success or failure of a state-sanctioned sports betting program.

IGT is committed to creating an attractive sports betting product that will counter illegal market offerings. It is estimated that Americans illegally wager \$150 billion on U.S. sports annually. Another study estimates that Americans bet about \$500 billion worldwide on sports each year. Of the estimated \$4.6 billion wagered on **Super Bowl 52**, 97% was done illegally. IGT believes most Americans who enjoy sports wagering would stop participating in illegal sports betting and choose to place bets in a safe, legal, regulated, and transparent environment if given a competitive and convenient option. IGT seeks to ensure the integrity of sports betting through state licensing and regulation. IGT also works toward obtaining the necessary oversight to protect consumers from fraud and provide the necessary rules and consumer protections to help guard against problem gambling.

In Nevada, sports books are subject to significant and strict state oversight by the Nevada Gaming Control Board – including mandatory internal controls, recordkeeping, reporting, law enforcement oversight, and federal anti-money-laundering regulation. The aim of any IGT sports betting program will be to promote responsible gaming, prevent compulsive gambling, ensure patrons bet responsibly, and communicate with those who need help.

IGT is working and will continue to work with the many stakeholders that are interested in implementing regulated sports betting in light of the court’s decision. These stakeholders, which include important IGT commercial, tribal, and state government customers, are essential to developing the sports betting regulatory framework that is tailored to a jurisdiction’s gaming environment. IGT has vast experience navigating these complex environments and is confident that it can continue making a valuable contribution to the policy discussion. Given its footprint in the U.S., IGT is uniquely positioned to work within most states’ constitutional guidelines. 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.

acknowledgment, the DOJ also extended the non-prosecution period for State lotteries and their vendors indefinitely while they consider the question. If the DOJ concludes that the Wire Act does apply to State lotteries and/or their vendors, they would extend the non-prosecution period for an additional period of 90 days after the DOJ publicly announces such position. On June 3, 2019, the U.S. District Court for the District of New Hampshire ruled in favor of the plaintiffs and determined that the Wire Act applies only to sports betting and related activities (the “NH Decision”). The NH Decision also set aside the 2019 Opinion. It is unclear whether the DOJ will appeal the ruling, when the DOJ will conclude its consideration of whether the Wire Act applies to State lotteries and their vendors, or whether other courts would come to the same conclusions set forth in the NH Decision. The DOJ has indicated that it will not enforce the 2019 Opinion with respect to other gaming operations until December 31, 2019, or 60 days after the entry of final judgment in the New Hampshire litigation, whichever is later.

IGT is evaluating the NH Decision, the 2019 Opinion and its implications to IGT, its customers, and the industries in which IGT operates.

Italy

The unstable political situation in Italy has traditionally entailed frequent amendments to the regulatory framework, and 2018 is no exception:

- In April 2018, the Calabria region approved a legal ruling on regional interventions to promote compliance with the law, economic responsibility, and transparency.
- In July, the Italian Government introduced the so-called “Decree on Dignity,” which included “urgent provisions for the dignity of workers and companies.” Among other provisions, the decree established “the ban on any form of advertising for money wager games or bets and gambling on any media, including sports, cultural or art events, TV and radio programs, daily and periodical press, print news in general, bill-posting, and IT channels, including social media.” Furthermore, the decree established that “instant lottery tickets must feature warning messages in Italian language printed on both sides about the risks related to gambling.”
- In September 2018, the Ministry of Health issued a decree on “text wording and graphic characteristics of the warnings on risks related to gambling, to be printed on instant lottery tickets.” Tickets must now feature, on the front, the wording “This game is a danger to health” and “It may cause pathological dependency.” On the back, tickets must feature the wording “This game is a danger to health” and “Gambling is forbidden to minors under 18 years” and “toll-free number 800558822 for disorders due to gambling.”
- In December 2018, the Italian Government published the law on “budget of forecast 2019 and multi-year budget for 2019-2021.” Among the provisions, the law established the following:
 - Payouts for AWP’s must be higher than 68% of the wager, and payouts for VLT’s must be higher than 84% of the wager.
 - New technical rules for the production of remote-gaming AWP’s, introducing recording, storage, and sharing with authorities of the opening hours data.
 - Reduction in the number of machines, with a deadline of Dec. 31, 2019.
 - A tax increase, from January 2019, of 1.35% for AWP’s and 1.25% for VLT’s.
- In January 2019, the Sardinia region issued a law on “Provisions on gambling disorder.”

Focusing on Our Stakeholders

Materiality Analysis

GRI: 102-49; 103-1; 103-2

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

The 2018 Sustainability Report is based on sustainability topics identified and prioritized through materiality analysis processes.

To determine material topics for 2018, IGT conducted a thorough analysis to identify its business priorities and its stakeholders' main expectations. It analyzed other organizations' sustainability and social responsibility reports; competitors' and peers' official websites; and sustainability-related articles and studies to identify the most significant trends in the gaming sector.

Furthermore, IGT identified sustainability macro trends worldwide by comparing documents and studies from the most relevant and influential non-governmental organizations, policymakers, and global stock exchanges. Finally, IGT analyzed customer- and investor-specific requests in order to identify their main sustainability focus. Material topics were then ranked according to their priorities for both IGT and its stakeholders.

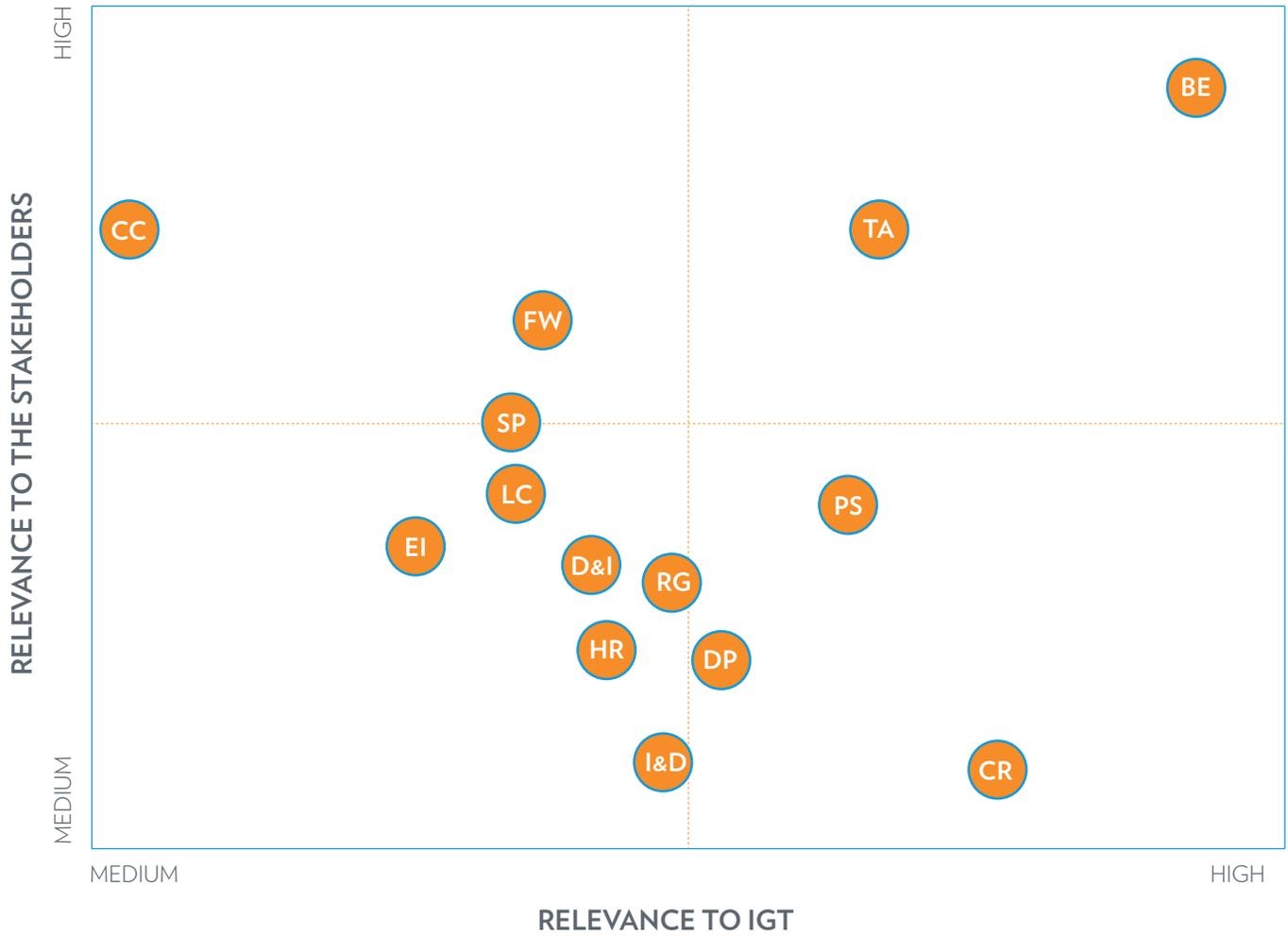
IGT's priorities were defined by engaging with various Company departments. The Management was asked to prioritize the material topics, while considering the likelihood and severity of the risks related to them.

Stakeholders' priorities were defined by weighing the recurrence of the topics in the analysis of articles, analyzing how IGT's competitors evaluate the topics, and tracking the topics' presence in both sector documents and macro sustainability trends. Furthermore, the Company derived information about customer and investor expectations mainly from environmental, social, and governance (ESG) questionnaire analyses.

As a result, IGT senior management validated the following Materiality Matrix, which reflects the Company's and its stakeholders' priorities for 2018. Consistent with the GRI precautionary principle, all the topics set by IGT above the relevance threshold were considered material.

Compared to the 2017 materiality analysis, two new topics were included in the 2018 matrix due to growing attention by various stakeholders: Climate Change, and Product Safety & Quality.

Materiality Matrix



Sustainability Priorities

- | | | | | | |
|--|---------------------------|--|-------------------------------|--|-------------------------------|
| | Business Ethics | | Environmental Impact | | Respect for Human Rights |
| | Climate Change | | Fair Work Conditions | | Responsible Gaming |
| | Customer Relations | | Innovation and Digitalization | | Supply Chain Management |
| | Data Privacy and Security | | Local Communities | | Talent Attraction & Retention |
| | Diversity and Inclusion | | Product Safety & Quality | | |

IGT's Commitments to UN Sustainable Development Goals

GRI: 102-11; 102-12; 102-13

In 2017, IGT accepted the United Nations' call to action on its 2030 Agenda for Sustainable Development by committing to the UN's Sustainable Development Goals ⁽¹⁾(SDGs). IGT has identified the relevant SDGs (shown in the picture below) it could contribute the most to, while taking into consideration its business activities and material sustainability topics.

In 2018, IGT started an ongoing process to set up specific targets and actions that could concretely contribute to the achievement of these SDGs in the future.

This process involves seven sub-working groups composed of different IGT departments responsible for:

1. Analyzing the initiatives that IGT has carried out and that could be linked to the SDGs;
2. Setting specific targets to contribute to the 2030 Agenda for Sustainable Development; and
3. Defining an action plan.

In this Sustainability Report, the initiatives linked to the SDGs that IGT implemented during 2018 are marked with the respective SDG logo.



1) The 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals form an action program for people, the planet, and prosperity signed in September 2015 by the governments of the 193 UN member countries to meet three key objectives by 2030: end extreme poverty, fight inequality and injustice, and limit climate change. Universal, inclusive, and indivisible, the UN agenda calls for action by all countries, companies, and individuals to improve the lives of people everywhere.

SDGs SUB-WORKING GROUPS



COMMUNITY ENGAGEMENT

PRIORITY: Promote education programs in communities where we operate and contribute to the development of adequate livelihood opportunities for people living within low-income communities, ensure equal access to opportunities, and encourage local economic development.



COMMITMENT TO DIVERSITY

PRIORITY: Protect women and girls from all forms of discrimination and violence in the workplace; prevent sexual harassment; support equal opportunities, and invest in women's leadership programs.



HUMAN CAPITAL DEVELOPMENT

PRIORITY: Promote full and productive employment, ensure quality education, and guarantee skills development. Promote partnership with local universities or schools through school recruitment campaigns, and provide access to internship programs, funding, scholarships, or grants.



RESPECT FOR HUMAN RIGHTS

PRIORITY: Protect basic labor rights and ensure non-discrimination, no slavery and no human trafficking in all operations and supply chain; support vulnerable groups' rights and raise awareness among employees and suppliers on human rights within the organization.



SUSTAINABLE PROCUREMENT

PRIORITY: Ensure respect for human rights and guarantee fair and favorable working conditions; improve economic inclusion and promote measures to fight all forms of discrimination along the supply chain. Improve the efficiency of operations, and promote environmental protection along the supply chain.



WELLNESS AT WORK

PRIORITY: Ensure the health and safety of all workers and prevent the spread of communicable diseases; develop a corporate culture that promotes physical and mental health and organizational well-being.



CARE FOR THE ENVIRONMENT

PRIORITY: Combat climate change by improving the efficiency of operations; mitigate pollution generated by air emissions and use of hazardous chemicals; ensure more efficient use of natural resources, and protect the environment by mitigating the impacts of products and services.

In 2018, IGT became a signatory to the United Nations Global Compact (UNGC) principles, and implemented a process to contribute to the achievement of UN Sustainable Development Goals. IGT affirms its support

of the 10 Principles of the UN Global Compact in the areas of human rights, labor, environment, and anti-corruption, and is committed to the UN Sustainable Development Goals.



COMMUNICATION ON PROGRESS

This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

“IGT is committed to making the UN Global Compact and its principles part of the strategy, culture, and day-to-day operations of our Company, and to engaging in collaborative projects that advance the broader development goals of the United Nations, particularly the Sustainable Development Goals.”

Marco Sala
CEO

**Direct Economic Value
Generated and Distributed**

GRI: 103-3; 201-1

The economic dimension of sustainability concerns an organization’s impacts on the economic conditions of its stakeholders, and on economic systems at local, national, and global levels.

In compliance with Disclosure 201-1 of the Global Reporting Initiative (GRI) Standards, each year IGT analyzes the generation and

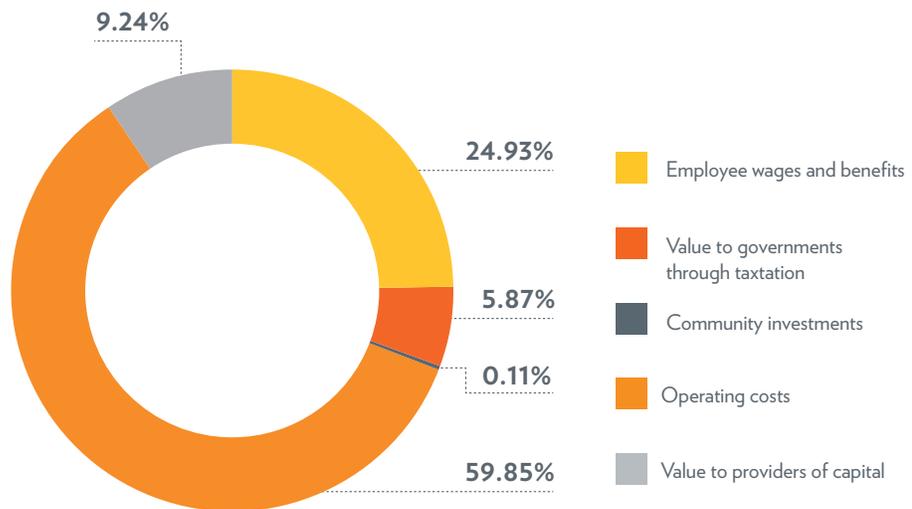
distribution of added value, which provides an alternative framework for the financial numbers released by the Company. By re-interpreting accounting figures with multiple stakeholders’ interests in mind, the focus shifts from a mere Profit and Loss approach to one that also considers the distribution of economic value generated by the Company to shareholders as well as to stakeholders.

This value, distributed to the Company’s internal stakeholders

(for example, employees) and external stakeholders (for example, communities and public administrations) can be measured in a way that supplements a strict financial view, where only shareholders’ interests must be satisfied. It also provides a more comprehensive picture of the value the Company contributes to all the people involved in the value chain. IGT reports Economic Value Distribution on an accrual basis.

| <i>\$ thousands</i> | 2018 | 2017 |
|---------------------------------------|------------------|------------------|
| Economic Value Generated | 4,974,538 | 4,505,418 |
| Economic Value Distributed | 4,670,045 | 4,720,594 |
| Employee wages and benefits | 1,164,265 | 1,161,516 |
| Value to governments through taxation | 273,929 | 81,690 |
| Community investments | 5,025 | 6,045 |
| Operating costs | 2,795,208 | 3,012,444 |
| Value to providers of capital | 431,618 | 458,899 |

Economic Value Distributed



| STAKEHOLDERS | ENGAGEMENT APPROACH AND GOALS | ACHIEVEMENTS | COMMITMENTS |
|--|--|---|--|
|  <p>Regulators</p> | <p>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.</p> <p>IGT is committed to maintaining its position as a leading company around the globe.</p> | <ul style="list-style-type: none"> • Managed games in a way that helped counteract illegal and problem gambling. • Established processes to prevent match fixing, data fraud, and breaches. • Fostered the innovation process and contributed to the constant improvement and evolution of the market. | <ul style="list-style-type: none"> • 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. |

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IGT’s commitment 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 socio-economic 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.

- Supported the creation of 15 ASA technology centers.
- Increased all employee-focused engagement initiatives through more global effective communication.
- Created Community Ambassadors Group to improve communication through the Company about community-focused initiatives.
- Implemented two global volunteering programs open to all employees worldwide.

- Refresh and rebrand ASA around renewed STEAM learning and workforce skills-development focus.
- Increase employee awareness and participation for employee-driven programs internationally.
- Widen engagement community local footprint through local Ambassadors.
- Continue to widening global programs.
- Increase employee awareness about community-related Sustainability Development Goals (specifically about our commitments.)

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IGT maintains a long-standing commitment to player protection through close relationships with customers, gaming regulators, research institutes, and advocacy groups that promote tools to prevent problem gambling and supports 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 an international level on match fixing issues and solutions.

- Successfully certified Lottery, Digital, and Gaming operations on responsible gaming programs and features.
- Created a global awareness campaign for employees and gaming designers during RG Awareness Month.
- Earned and maintained trust of players worldwide via programs and solutions designed to guarantee fair play and sensible data protection.
- Designed training courses that ensured employees of all levels and responsibilities have the appropriate RG skills to manage their daily activities:
 - Promoted general awareness of RG, targeting all employees, and;
 - Tailored RG courses designed for employees working in more specific roles within the Company.

- Continuously improving awareness of problem gambling and responsible gaming, with a focus on training customer-facing employees.
- Supporting responsible gaming organizations that address problem gambling.
- Preventing underage gambling through effective tools and procedures.
- Earning and maintaining the trust of players worldwide via programs and solutions designed to guarantee fair play and sensible data protection.

| STAKEHOLDERS | ENGAGEMENT APPROACH AND GOALS | ACHIEVEMENTS | COMMITMENTS |
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|  <p>Employees</p> <p>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.</p> <p>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.</p> <p>IGT is committed to creating an engaging employee experience. It’s a continuous effort that is fuelled by the feedback we hear in MyVoice@IGT, our annual employee-engagement survey.</p> | <ul style="list-style-type: none"> • Appointed a Vice President of Diversity and Inclusion to lead the Office of Diversity and Inclusion. • Created IGT’s publicly available Global Strategic Plan for Diversity and Inclusion supported by leadership and Board of Directors to provide transparency. • Launched IGT’s first employee business resource groups Diversity and Inclusion Groups (DIGs)¹⁾ through WIN with IGT: Las Vegas (Women’s Inclusion Network). • Established a D&I ambassador program with over 160 ambassadors globally. • Created a substantial investment in employees and managers by introducing Harvard ManageMentor and Manager Essentials training programs. | <ul style="list-style-type: none"> • Implement Diversity and Inclusion Global Strategic Plan. • Expand global diversity and inclusion operating model to include regional advisory councils and action plans in all regions. • Rebrand and support development and expansion of employee networks. • All 1,200 IGT global people managers, including supervisors, will participate in Manager Essentials, a management development program, over the next three years. • All 400 directors and senior directors will have attended a condensed, one-day version of this program by mid-2019 to ensure managers and employees are successful and supported. | |

1) Diversity and Inclusion Groups (DIGs) formerly known as Employee Business Resource Groups (EBRGs).

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- Improved communication between leaders and employees through a series of live webcasts with a specific focus on our people, culture, and values.
- Increased 2018 engagement index by 9 points from 2017.



- Enhance talent management processes (acquisition, development, and performance) to improve employee capability and growth and support the goal of increasing the representation of women, people of color, persons with disabilities, and additional dimensions of diversity globally.
- Celebrate strengths by continuing to increase our communication efforts with more town halls, and maintain our translation strategy; continue with our compliance commitments to promote an ethical work environment; continue commitment to diversity and inclusion.
- Enrich career and development opportunities at IGT through DevelopMe@IGT and MentorMe@IGT.
- Clarify IGT's vision by finding more opportunities to discuss our strategy and direction.

STAKEHOLDERS



Shareholders

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As a publicly listed company, we maintain a regular dialogue with shareholders, institutional investors, and analysts. This is done through a combination of meetings, correspondence, and reporting. All relevant information is transparently, promptly, and completely reported.

ACHIEVEMENTS

- Prompt, transparent, and complete reporting, including the annual sustainability report; completed specific questionnaires for inclusion in sustainability indices; received an “A” ESG rating on the MSCI sustainability index report and prime A with ISS oekom.

COMMITMENTS

- Maintain transparency and active engagement with investors who are interested in Environmental Social Governance (ESG) issues.

IGT operates as a trusted growth partner for both lottery and gaming customers. Attention and dedication to our customers is integrated into the strategies we use to provide them with prompt and complete assistance.



Customers

IGT’s partnerships with global customers are based on our core values (Pioneering, Collaborative, Passionate, Responsible, Authentic) and on integrity, respect, and excellence fostered over time and through a vast range of integrated services and innovative, technologically advanced products.

- Provided innovative products and services, such as our PlaySpot™ product, which can be deployed by both casino and lottery operators with different features and functionality.
- Released new TRUE 4D™ games on the CrystalCurve™ TRUE 4D cabinet - Ghostbusters 4D and Wheel of Fortune® 4D. These technology-rich games offer gaming experiences unlike anything previously offered in the marketplace.
- Enhanced the 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.
- Established partnerships marked by integrity, respect, and excellence.
- Conducted customer satisfaction surveys to ensure we obtain consistent feedback that is used to constantly improve our Customer First approach.
- Apply Customer Satisfaction Survey feedback by adopting strategies that provide prompt and effective assistance to customers.
- Continue to improve the player experience, giving them interaction at a whole new level, and continuing to evolve IGT’s TRUE 4D for casino gaming, as player expectations advance.
- Offer a vast range of integrated services to improve how we support our customers and their go-to market strategies.
- Design and provide solutions that help our customers meet their players’ evolving preferences.
- Integrate digital and traditional channels to offer a wider gaming experience.

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IGT works with suppliers that can ensure high-quality goods and services and meet high economic, ethical, and socio-environmental standards. Suppliers play a key role in IGT's ability to support our customers' requirements. IGT's Supplier Code of Conduct serves as a guide to the moral, legal, and ethical standards expected of suppliers when doing business with IGT.



Suppliers

ACHIEVEMENTS

- Updated IGT's Code of Conduct to include the Company's zero-tolerance approach to modern slavery and its commitment to implementing and enforcing effective systems and controls to reduce the risk of contracting with suppliers who practice modern slavery.
- Collected questionnaires from suppliers that were deemed high-risk during the 2017 mapping exercise. More than 90% responded.
- Improved the selection process to ensure a more sustainable and ethical supply chain (with regard to anti-bribery and anti-corruption aspects). This started with the new selection process based on IGT requirements associated with capabilities and opportunities.
- Created a Supplier Code of Conduct that includes environmental and human rights protection requirements, among others. The code is available on IGT.com.

COMMITMENTS

- IGT continues to strengthen its approach to managing the risk of modern slavery within its business and responding to changing risks.

| STAKEHOLDERS | ENGAGEMENT APPROACH AND GOALS | ACHIEVEMENTS | COMMITMENTS |
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Environment

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 for the reduction of its environmental impact.

- Improvement of existing Environmental Management System (EMS) and new EMS at Reno, Nevada, U.S. facility.
- Increased boundaries and accuracy of the greenhouse gas (GHG) emission monitoring and reporting through a web-based tool (+48% sites involved).
- Implemented green initiatives to reduce electricity consumption.
- Implemented the three-year VOCs emission reduction program at Lakeland printing site.
- IGT offices and facilities worldwide created initiatives at the local level to reduce the Company's environmental impact.
- Continuing improvement of the Environmental Management System (EMS).
- Obtaining full boundary coverage of environmental data collection by 2020.
- Pursuing more efficient energy solutions, transportation, and mobility.
- Raising employee awareness through specific training and communication campaigns.
- Updating the Global Environmental Policy to improve IGT's environmental topics stewardship.