

## IGT is Green Thinking

### 1. Overview

Long before the word “green” became an environmental buzzword, IGT began looking for ways to reduce the waste created by the production processes primarily in its Reno headquarters. In the ten years since IGT started considering ways to lower production waste, the company has made serious strides while keeping a close eye on the impact to the cost of building its machines.

The company’s Green Team consists of representatives from the Operations (manufacturing), Environmental Health and Safety, Supplier Management, Facilities and Logistics departments, among others. The committee considers all aspects of manufacturing, from raw materials purchased from suppliers to garbage left over from the production process.

“When we look for areas where we can improve, we definitely have to analyze an idea’s impact on production cost, but in the end it’s about doing the right thing,” according to Paul Shapiro, IGT’s Safety Representative and project manager of IGT’s recycling program. “Since we started this effort, we’ve been able to accomplish a lot without impacting the bottom line to our customers.”

### 2. Production Efforts

The Reno facility boasts a maximum production capacity of more than 90,000 machines per year, so even a small change can have a seriously positive impact. However, when you look at all the items that have been implemented, a very green picture emerges. The company reuses or recycles the component parts, packaging, and even the chemicals used in producing its machines, and more.



#### Recycling

- 57,964 lbs. e-Waste (monitors, PC board parts, etc. from computers, returned or refurbished machines, and even from employees’ home electronics equipment.)
- 202.23 tons of cardboard
- 1,181.4 tons of scrap metals
- 6.33 tons of plastic shrink wrap
- 51,356 linear feet of fluorescent light bulbs
- IGT’s recycling Includes components from the manufacturer, the shipping and handling processes and office materials
- Wiring harnesses
- Extruded aluminum, and cold rolled and stainless steel
- Expanded polystyrene (EPS) foam packaging



- NiCad and lithium batteries (employees can also bring them from home)
- White paper
- Bubble wrap
- Chemicals used in the digital processing area of our Silkscreen Department
- Solvents, oils and other chemicals used in our maintenance and production operations

(May 2009 stats)

#### **Reuse or reduction of waste**

- Wood pallets are reused until they're no longer useable
- New digital glass printing process reduces silkscreen chemical use

One of the most amazing recycling processes involves digital processing chemicals. The fix & developer solutions are mostly water. That water is removed using a distillation process so just the concentrated byproduct remains. The company sends the concentrate to a local vendor, who removes the silver. The balance is turned into fertilizer. Shapiro says a future goal is to use the distilled water, which is a clean byproduct of the process, for the facility's landscaping.

The group is now turning its focus to a better way to recycle EPS foam packaging, and recycling the wood from unusable pallets and glass left over from the silkscreen process. When the last two goals are achieved (the wood and the glass), we will be much closer to having a 'zero waste' production process.

#### **RoHS-compliant**

In compliance with the European Union (EU) Restriction of Hazardous Substances (RoHS) Directive of 2006, IGT began manufacturing RoHS-compliant machines for European distribution. Although not required to do so, IGT now includes many of the parts that meet or exceed the RoHS standards in machines manufactured for the US and countries outside the EU.

### **3. Energy Task Force**

The Energy Task Force is a sub-group of the IGT Green Team, focused on reducing utility and waste costs within our facilities, identifying and implementing renewable/recyclable technologies and educating our employees about energy saving initiatives.

#### **Energy savings**

IGT's energy savings initiatives started somewhat simply with a retrofit of more than 5,500 light fixtures at the company's Reno campus in 2006. At the time, the company estimated it would save 3.2 megawatt hours annually and more than \$350,000 a year. More recently, IGT deployed a power-saving strategy by utilizing virtualization software at its Reno data center that resulted in a projected annual savings of approximately 372,000 Kilowatt Hours of energy usage.

#### **Reduced water usage**

Over the winter, IGT switched to reclaimed water for all irrigation at its Reno facility. By changing over to the reclaimed water system, IGT will reduce its demand on the potable or drinking water system by 15 million gallons per year. Initial testing in early spring verified that there would be sufficient pressure (or that no other problems were present). The campus irrigation system is now totally removed from the city's potable water system.

### Looking forward

The task force is continuing to investigate other ways to save energy and water and is actively working on the following projects:

- Upgrading all restroom plumbing fixtures with a more energy-efficient, automatic sensor fixture.
- Additional lighting upgrades, focusing on external lighting.
- Replacing the primary 50-cycle electrical generator with a more energy-efficient unit. The current generator runs at about 5 percent efficiency, while the new unit is closer to 98 percent efficient.
- Offsetting electrical demand by deploying renewable power in the form of Solar/PV.
- Implementing software control systems to proactively manage power and HVAC demand.

“Our philosophy has been that energy has a terrible return on investment,” said John Butterfield, IGT Facilities Maintenance Supervisor. “Once you use a kilowatt of electricity it’s gone. You don’t get anything in return, so it is best to only use the energy you really need.”

“We’re aiming to get LEED certification,” Butterfield said. “This will be quite an undertaking, requiring a cross-functional team. We are in the research phase right now, reviewing the certification requirements.”

### 4. Real World Example

When it comes to gasoline and diesel fuel usage and the associated carbon emissions, IGT has made great strides in a short amount of time. In early 2008, Mike Hancock, IGT Traffic Supervisor, started looking for ways to combine machine shipments. From July through November, the results were impressive:

- 179 fewer trucks were used
- 38,000 gallons of diesel fuel were saved
- The associated reduction in carbon emissions was 840,000 pounds, which is the equivalent to the output of 64 people



To make these changes, Hancock had to get the support of several departments at IGT and many regulators, and he’s just getting started.

“We have several steps remaining in the combining of shipments that will further improve our outbound performance, but we’re also looking at our inbound raw material and game returns,” Hancock said. He said he’s essentially looking at the entire supply chain to make sure it’s as efficient as possible. The support both inside and outside the company has been encouraging.



“Our motto is ‘Because It’s the Right Thing To Do,’ and people believe that,” he said. “In 2008 there was so much talk about energy, carbons and the environment. It got people thinking and it helped them to see that what we were doing was not just a good idea, but a necessary shift in thinking that would ensure IGT remained a corporate leader in the future.”

These efforts will continue in the coming months and IGT expects to see even greater savings on all fronts, because it’s the Right thing to do.

## **5. Relevance to the Travel Industry**

As the premiere gaming machine and systems supplier to casinos around the world, IGT is indeed part of the broader hospitality and travel industry. Players touch our products at gaming venues around the world.

IGT’s Green Team efforts are geared toward reducing our carbon footprint, making the company more efficient and providing a more eco-conscious place to work and do business. While many of IGT’s efforts have been largely behind the scenes, we are always seeking ways to positively impact our customers.

Our longstanding green efforts are proof positive that green practices are not only good for the environment, they also make good business sense.

## **6. Future Goals**

Even after more than ten years of success, IGT’s Green Team is always looking for new green ideas to implement. The group is currently planning a variety of initiatives, from smaller day-to-day items to larger, company-wide projects, as follows:

- Switching to more earth-friendly supplies in the cafeterias at our Reno and Las Vegas campuses
- Possible composting of cafeteria food waste
- Continuing the ongoing efforts to reduce energy and water usage at IGT’s major facilities (lighting fixtures, restrooms, etc.)
- Implementing IS-related initiatives to reduce energy
- Researching and purchasing eco-friendly supplies and finding eco-friendly suppliers
- Starting the LEED-certification process
- Researching eco-friendly design (reduction of energy usage and heat emissions) and production of slot machines

All of these ideas are based on valuable feedback from the IGT Green Team volunteers and our employees.



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