

PROTECTING RESOURCES,
EXTENDING CARE,
SAVING LIVES

Varian Sustainability Report



WELCOME TO OUR SUSTAINABILITY REPORT

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ABOUT THIS REPORT

This sustainability report has been produced as part of the wider investment Varian is making to improve our sustainability performance and transparency. In 2010, we commenced a significant, company-wide undertaking to examine our sustainability performance and identify where we perceive challenges and opportunities to be addressed over time. This effort was sponsored by our CFO and involved the close participation of senior leaders from each of our divisions, key geographies and core functions. Together with sustainability experts, BSR, we identified and prioritized Varian's most significant sustainability issues, and following GRI (Global Reporting Initiative) guidelines those issues are reported on within this first-ever Varian Sustainability Report. We invite you to follow our sustainability journey here, and on our sustainability site online at Varian.com (to be finalized in 2012).

This report covers Fiscal Year 2010 (October 2009–September 2010).

Go online:

In addition to this report, Varian will publish future sustainability reports, performance, and activities on this site. We expect to issue our next sustainability report in mid-2012.

www.varian.com



“With over 5,700 people sharing our mission to save and protect lives, being a responsible corporate citizen isn’t a choice – it’s a way of life.”

A MESSAGE FROM OUR CEO

Financial growth and technical innovation are common measures of a company’s performance. But for Varian Medical Systems, success in these areas is not enough. We must achieve our corporate goals in a socially and environmentally responsible manner. That is what this report is all about.

While our company continues to develop better therapeutic capabilities for the clinicians who fight cancer, better diagnostic systems for filmless imaging, and better security systems for cargo screening, we strive to do so in ways which extend access to advanced care, improve clinical outcomes, optimize safety and make a positive impact on the communities where we operate.

While the size of our company has quadrupled over the last 12 years, we have always placed great emphasis on enlightened employment practices and responsible environmental behavior. We can point to considerable environmental initiatives dating back more than 20 years and we can highlight many achievements along the way. Yet, to date, Varian has not produced a comprehensive sustainability report to present these achievements and activities in a single place.

You’re now reading our inaugural sustainability report, covering 2010. It details some major accomplishments in that year and communicates goals and targets for the future. We’ll be updating the report each year to track progress in this area. I believe strongly in sustainability and I encourage all Varian employees to make it part of their daily working lives. With over 5,700 people sharing our mission to save and protect lives, being a responsible corporate citizen isn’t a choice – it’s a way of life. Our people believe in what we’re doing. That’s one of the reasons employee turnover is a quarter the rate you see in other Silicon Valley companies.

We have split this report into four thematic areas: **Health Access and Outcomes**, looking at how better cancer care is being extended to under-resourced parts of the world; **Safety and Responsibility**, outlining how we operate and develop our products; **Environment**, examining our sustainability achievements and goals for Varian facilities globally; and **Colleagues and Communities**, detailing Varian’s employment practices and our impact in the communities where we operate.

We are proud of our mission and how we are achieving it in a responsible manner, however, we recognize that there is always room for improvement and we’ve set some ambitious goals to do even better. We will keep you up to date on these efforts.

Thanks for your time and attention. I’d love to hear what you think.

Please email our sustainability team at sustainability@varian.com

Tim Guertin

TIM GUERTIN CEO

VARIAN MISSION

Varian Medical Systems' mission is to explore and develop radiation technology that protects and saves lives. Our goal is to help save 100,000 more lives each year. To meet this challenge, we equip the world with new tools for fighting cancer, taking X-ray images, and protecting ports and borders. The people of Varian Medical Systems share this mission and goal. Together, we are a partner for life.

OUR BUSINESS UNITS



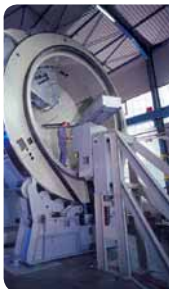
ONCOLOGY SYSTEMS

Varian's Oncology Systems business is the world's leading supplier of medical devices and software for treating cancer and other medical conditions with radiotherapy, radiosurgery, and brachytherapy. Its products include linear accelerators, simulators, afterloaders, and a broad range of accessories and interconnected software tools for planning, verifying, and delivering the most sophisticated treatments available.



X-RAY PRODUCTS

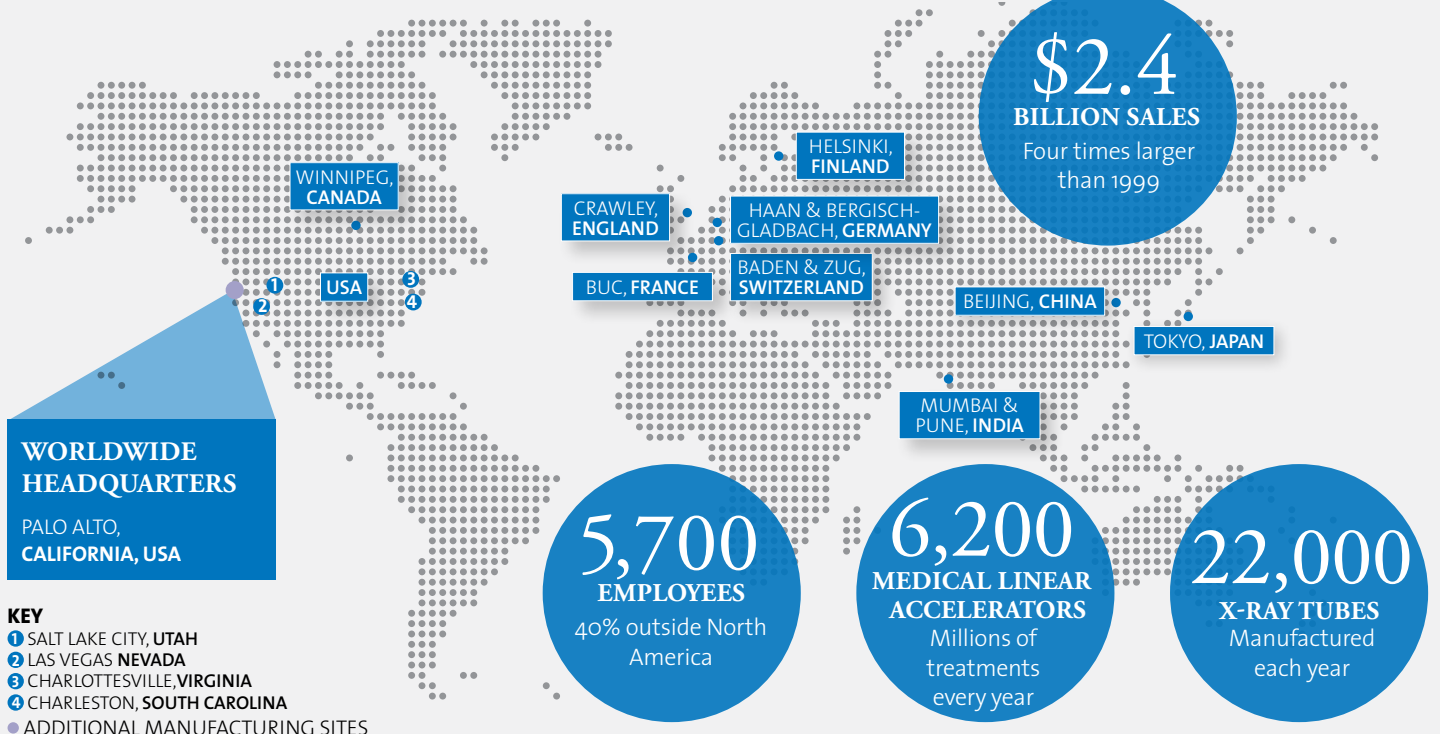
Varian's X-Ray Products business is the world's premier independent supplier of X-ray tubes and flat-panel detectors for filmless X-ray imaging. Its products are used in X-ray imaging equipment for medical diagnostics, dentistry, veterinary care, industrial inspection, and security. Varian manufactures more than 400 types of X-ray tubes annually as well as a broad line of flat panel image detectors.



OTHER

Varian's "Other Businesses" category includes the company's Security and Inspection Products group, which supplies high-energy X-ray technology for industrial inspection and cargo screening; the Varian Particle Therapy business, which offers the ProBeam™ proton therapy system for advanced proton radiotherapy treatments; and the Ginzton Technology Center, which conducts research and development projects in support of all of Varian's business units.

MAJOR SITES



SUSTAINABILITY GOALS SUMMARY

REDUCE CARBON FOOTPRINT/
GREENHOUSE GASESMinimum **25%**

GHG emissions

reduction from 2010
baseline by 2020REDUCE ELECTRICITY/NATURAL GAS
CONSUMPTIONMinimum **20%**

energy use

reduction from 2010
baseline by 2020REDUCE SOLID WASTE DISPOSAL
TO LANDFILL

Achieve minimum

80% overall diversion
by 2015through source
reduction, recycling,
and compostingMINIMIZE HAZARDOUS WASTE
GENERATION AND ELIMINATE
LANDFILL DISPOSALReduce hazardous waste
generation by **25%**

from 2010 baseline by end of 2020

100% recycling,
reclamation, or reuse
of hazardous waste by
2020. Zero landfill of
hazardous waste.

WELLNESS

During **2014**the Living Healthy wellness team will
make a health risk assessment available
to all Varian employees by 2014, with the
intention to expand the Living
Healthy program globally
by 2020.INCREASE ENVIRONMENTAL
PERFORMANCE OF REAL ESTATE

Achieve this through

“green”

building construction and renovation

Achieve LEED certified status for any
major renovation of non-LEED certified
space or for new construction. Achieve
one LEED status tier higher for any major
renovation of LEED certified space.

CHARITABLE GIVING

Maintain giving as percent of
revenues and pre-tax profit at or above
average for U.S. healthcare companiesIncrease
philanthropic efforts
in international
communities.

REDUCE WATER CONSUMPTION

Achieve **20%**

minimum reduction

in potable water use from
2010 baseline by 2020

SUSTAINABILITY GOVERNANCE

Varian's Sustainability program is overseen by its Corporate Citizenship committee, an expansion of the company's Safety and Environmental Executive Committee, which comprises cross-functional, cross-business leaders. This committee, established and overseen by CEO Tim Guertin, links to Varian's Board through the Board Audit Committee, headed by Rudi Naumann. CFO Elisha Finney staffs the Board Audit Committee and sits on the Corporate Citizenship Committee, offering consistency and accountability for the program.

The Corporate Citizenship Committee manages Varian's sustainability efforts and has established our Sustainability Strategy and Targets. The committee is also responsible for communicating our sustainability priorities to our stakeholders in order to continually integrate sustainability into our business model. It is also responsible for gathering performance data, setting priorities and assessing emerging sustainability trends and their relevance to Varian Medical Systems. An updated report will be produced each year. The fiscal year 2011 report will be available mid-2012. A sustainability area at www.varian.com will be established in 2012 to contain sustainability-related issues and information.

Oversees the activities of the Corporate Citizenship Committee.

This group meets on a quarterly basis to set the company-wide Sustainability Strategy and determine progress against goals.

Responsible for sustainability targets.

Go online:

More details can be found in Varian's Annual Report, which can be accessed at: www.varian.com/investors

To view our Code of Ethics visit: <http://investors.varian.com/index.php?s=117>

